

ANNUAL COMPREHENSIVE FINANCIAL REPORT

City of Leavenworth, Kansas
For the Year Ended December 31, 2022

City of Leavenworth, Kansas

Annual Comprehensive Financial Report

Year Ended
December 31, 2022

Prepared by:
Roberta Beier
Director of Finance

City of Leavenworth, Kansas

Annual Comprehensive Financial Report

Year Ended December 31, 2022

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Introductory Section



June 28, 2023

To the City Commission and the
Citizens of the City of Leavenworth:

We are pleased to present the Annual Comprehensive Financial Report (ACFR) of the City of Leavenworth, Kansas (the City) for the year ended December 31, 2022. Kansas statutes require the City to issue an annual report on its financial position and activity, and that this report be audited by an independent firm of certified public accountants. The ACFR is prepared in accordance with the principles and standards for financial reporting set forth by the Governmental Accounting Standards Board (GASB), accounting principles generally accepted (GAAP) in the United States of America and audited in accordance with auditing standards generally accepted (GAAS) in the United States of America.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by Hood and Associates, CPAs, PC. a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering unmodified opinions that the City's financial statements for the fiscal year ended December 31, 2022, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the City's internal controls, and compliance with legal requirements, with special emphasis on internal controls and compliance with legal requirements involving the administration of federal awards. These reports are available in the Single Audit report that is provided in conjunction with this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

The City of Leavenworth, Kansas was established in 1854 and incorporated by the first Kansas territorial legislature in 1855. The City is a legally constituted city of the First Class and the county seat of Leavenworth County. It sits on the west bank of the Missouri River approximately 28 miles northwest of Kansas City, Missouri and 45 miles northeast of Topeka, Kansas. The City has a population of 36,062 and covers an area of approximately 23.5 square miles.

The City is empowered to levy a property tax on both real and personal properties located within its boundaries. It is also empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the governing body.

The City has operated under the commission–manager form of government since 1969. Policy-making and legislative authority are vested in the City Commission, which consists of five Commissioners. The City Commission is responsible for passing ordinances, adopting the annual budget and capital improvements program, appointing committees, and hiring the City Manager. City Commissioners are elected at large and on a non–partisan basis. Every two years, three Commissioners are elected; the two Commissioners with the highest vote totals receive four-year terms while the Commissioner with the third highest vote total receives a two-year term. Each year, a Mayor is selected by a majority vote of the Commissioners. The City Manager is responsible for carrying out the policies and ordinances of the City Commission, overseeing the day–to–day operations of the City, and appointing the heads of the City's departments.

The City's financial reporting entity includes all funds of the primary government (the City of Leavenworth) and of its component unit—the Public Library. A component unit is a legally separate entity for which the primary government is financially accountable. Additional information on this legally separate entity can be found in Note 1.A in the notes to the financial statements.

The City provides a full range of services, including:

- Public safety: police and fire protection, animal control, and parking enforcement.
- Public works: sewer, refuse, stormwater management, building inspection, airport, and the construction and maintenance of streets, bridges and other infrastructure.
- Housing and urban redevelopment: planning and zoning, code enforcement, rental coordinator, and a range of housing and community development programs supported by federal grants.
- Community and economic development: business recruitment, retention, and expansion incentives; innovations for entrepreneurs and veterans; and local transportation enhancements
- Culture and recreation: parks, recreation, community center, and performing arts.
- General governmental and administrative services.

The annual budget serves as the foundation for the City's financial planning and control. Applicable Kansas statutes require that annual budgets be legally published and adopted for all funds (including Proprietary Funds) unless exempted by a specific statute. Statutory exemptions currently exist for all Capital Project Funds, Fiduciary Funds, certain Special Revenue Funds and certain Proprietary Funds. Applicable Kansas statutes require the use of an encumbrance system as a management control technique to assist in controlling expenditures.

The statutes provide for the following sequence and timetable in adoption of budgets that intend to exceed the Revenue Neutral Rate (RNR):

(a) Preparation of the budget for the succeeding calendar year on or before July 20 of each year.
(b) Notify the County Clerk of intent to exceed the RNR on or before July 20 of year.
(c) A minimum of 10 days' notice of public hearing, published in the local newspaper and on the City's website, for the purpose of hearing and answering objections of taxpayers relating to the proposed use of all funds and the amount of ad valorem tax.
(d) Hold RNR hearing prior to or in conjunction with the budget hearing between August 20 and September 20 of each year.
(e) Hold budget hearing between August 20 and September 20 of each year.
(f) Governing body holds recorded roll call vote on the resolution to exceed the RNR between August 20 and October 1 of each year.
(g) Governing body formally adopts the final budget between August 20 and October 1 of each year.
(h) Governing body certifies budget to County Clerk between August 30 and October 1 of each year.

Budgets are prepared by fund, department, and activity. City management may make transfers of appropriations at the department and activity level of a fund without seeking the approval of the governing body; however, management cannot amend the total budget of a fund without approval of the governing body. The legal level of budgetary control is the fund level and is the level at which the governing body must approve any over expenditures of appropriations or transfers of appropriated amounts. Kansas statutes prohibit creating expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Such statutes permit original fund expenditure budgets to be increased for previously unbudgeted increases in revenue other than ad valorem property taxes. The City must first publish a notice of public hearing to amend the expenditure budget of a fund. Ten days after publication, a public hearing is held and the City Commission may amend the expenditure budget of the fund at that time.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates.

Local economy

The City of Leavenworth is known nationally as the home of the Leavenworth Federal Penitentiary. Several other federal institutions, including Fort Leavenworth, the Command and General Staff College of the U.S. Army, and the U.S. Disciplinary Barracks make the City an important site for governmental and military purposes. These federal institutions provide employment for nearly 1,720 civilians. The Veterans Administration—which operates a full service medical center and employs approximately 700 civilians—is another federal agency that has a significant presence in the City.

2022 is defined by a period of relatively high inflation as the nation recovered from the COVID-19 pandemic with an 8.0% increase in the Consumer Price Index (CPI). In addition to higher prices, the City encountered supply chain issues for everything from purchasing vehicles to construction projects. There were particularly steep increases in the price of petroleum based products and chemicals. In spite of the increase in CPI, the City maintained a strong economy and with the assistance of federal American Rescue Plan Act (ARPA) funding, the City was able to plan for improvements to infrastructure, the purchase of a new fire apparatus, and upgrades to the City Hall's HVAC and condensate piping system. In addition, the City has set aside ARPA funding for an attainable housing project and a youth-related program. The City has received a total of $8,549,063 in ARPA funds, with the first half received in 2021 and the second half received in 2022. As of December 31, 2022, $1,364,362 of the ARPA funds had been expended. The remaining $7,184,687 of ARPA funds were recorded as unearned revenue as of December 31, 2022. All APRA funds must be encumbered by December 31, 2024 and must be spent by December 31, 2026. The ARPA grant and expenditures are accounted for in the ARPA Fund, a special revenue fund set up specifically for this purpose.

The City maintains an almost recession–proof economy, and local indicators suggest continued stability. Over recent years, population and tax base trends indicate moderate but steady growth and the City's median family income and housing values remain above those of the state as a whole. This economic stability is primarily due to the presence of the federal institutions and several large private sector firms including Hallmark Cards, Cereal Ingredients, Cubic Defense Applications Group, and Armed Forces Insurance Corporation.

Long-term financial planning

The City Commission recently approved a five-year capital improvements program (2023–2027) that contains in excess of $46.7 million in identified projects. The following table identifies the spending requirements by category:

Infrastructure	
Streets	$14,687,000
Bridges	640,000
Sidewalks, curbs, gutters	2,472,500
Sewer and stormwater	11,301,100
Equipment	9,800,000
Buildings	6,561,500
Parks	1,245,900

To the extent possible, these projects are funded on a pay-as-you-go basis with City and Countywide sales tax proceeds or other operating sources. In fact, $34,765,000 of identified projects are funded in this manner. Approximately $4,877,705 of these projects will be funded with funds received from the ARPA Fund. An additional $1,900,000 of these projects will be funded with Kansas Department of Transportation (KDOT) matching grants. Finally, approximately $5,165,000 of identified projects are or will be funded with long-term capital financing or short-term capital leases.

Budgetary Initiatives

The 2023 budget was crafted in the midst of a continuing upward trend in revenue at the same time as the economy was facing historic levels of inflation, price increases and wage pressures.

On the revenue side, assessed valuations increased from $243,708,732 to $272,105,309 which enabled the City to reduce its total mill levy (including the library pass-thru) by 1.006 mills. The lowered mill rate for the City, of 25.658, will generate an additional $484,700 of ad valorem property tax in 2023 over what was received in 2022. Sales tax revenues were estimated to increase approximately 2.5% over 2022 sales tax revenues.

The 2023 budget included several increases to expenditures including a 33% increase in petroleum based products such as gas, diesel, tires and batteries; a 7% increase in utilities; an 8% increase in health insurance costs; and a 5% across-the-board salary increase for employees. In addition, the 2023 budget included a Fire Department step system, as well as an increase in the minimum salary for firefighters to $42,000. The City continues to evaluate salary ranges and will make further adjustment to salary ranges in 2024 in order to remain competitive in the region for recruitment and retention.

Awards and Acknowledgements

The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Leavenworth for its annual comprehensive financial report in the fiscal year ended December 31, 2021. This was the 28th consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Our appreciation is extended to the Mayor and City Commission for their unfailing support for maintaining the highest standard of professionalism in the management of the City's finances. We would also like to acknowledge the staff of the Finance Department and City Clerk's Office for their assistance during the preparation of this report. Finally, we would like to recognize the accounting firm of Hood and Associates, CPAs, P.A. for their assistance in the preparation of this report.



Paul Kramer
City Manager

City of Leavenworth, Kansas

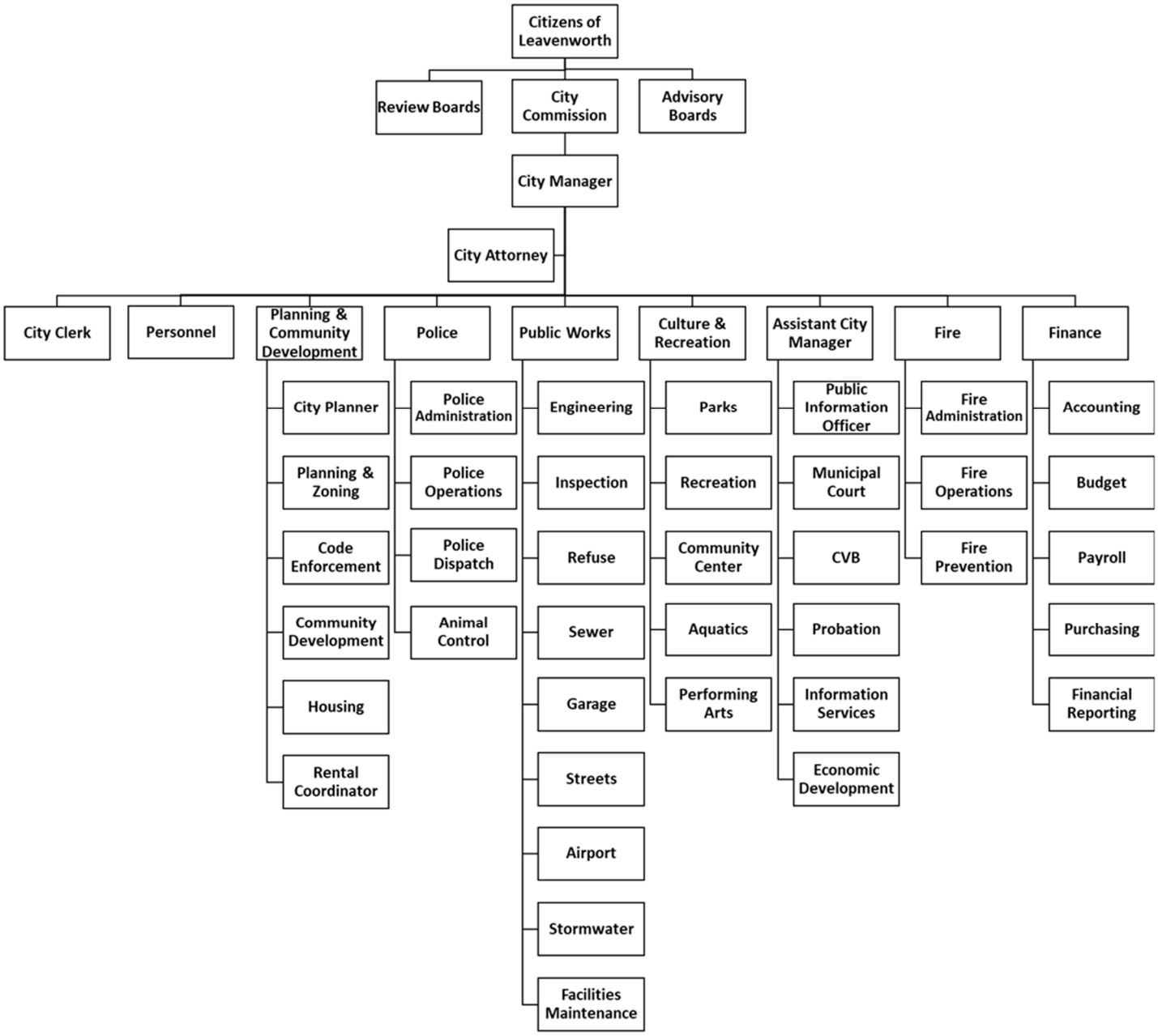
List of Elected and Appointed Officials

December 31, 2022

Elected Officials	Position	Term Expires
Jermaine Wilson	Mayor	2025
Griff Martin	Mayor Pro Tem	2025
Camalla Leonhard	Commissioner	2023
Nancy Bauder	Commissioner	2023
Ed Hingula	Commissioner	2023

Appointed Officials	Position	Length of Service with City
Paul Kramer	City Manager	13 years
David Waters	City Attorney	5 years
Penny Holler	Assistant City Manager	2 years
Melissa Bower	Public Information Officer	10 years
Lona Lanter	Human Resources Director	19 years
Sarah Bodensteiner	City Clerk	1 year
Roberta Beier	Finance Director	2 years
Steve Grant	Director of Parks & Community Activities	21 years
Brian Faust	Director of Public Works	2 years
Pat Kitchens	Police Chief	32 years
Gary Birch	Fire Chief	9 years
Julie Hurley	Director of Community Development	8 years

City of Leavenworth Organization Chart



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Leavenworth
Kansas

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2021

Christopher P. Morrill

Executive Director/CEO

Financial Section

HOOD AND ASSOCIATES CPAs, PC

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members of the City Commission
City of Leavenworth, Kansas

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Leavenworth Kansas (the City), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents. We did not audit the financial statements of the Leavenworth Public Library, a discretely presented component unit, which represent 100 percent of the assets, net position, and revenues of the discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component unit, is based solely on the report of the other auditors.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the *Kansas Municipal Audit and Accounting Guide*, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements of discretely presented component unit were not audited in accordance with *Government Auditing Standards.*

Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Change in Accounting Principle

As described in Note 1 to the financial statements, in 2022, the City adopted new accounting guidance, Government Accounting Standards Board (GASB) No. 87 Leases. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Kansas Municipal Audit and Accounting Guide, and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2023 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Hood and Associates CPAs PC

Overland Park, Kansas
June 28, 2023

Management's Discussion and Analysis

As management of the City of Leavenworth, Kansas, (the City) we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2022. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, the basic financial statements, and accompanying notes to the financial statements.

Financial Highlights

- The City's bond rating in 2022 was Aa2.

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $51,209,409 *(net position*). During 2022, the City recognized $1,435,000 in bonds payable to redeem $1,400,000 in temporary notes payable. The City also recognized $2,125,000 of temporary notes to fund infrastructure projects. In 2022, the City received its second of two tranches of ARPA funding in the amount of $4,274,532. The City has an unrestricted net position deficit of ($6,867,624).

- The City's total net position increased $2,615,101 or 5.4 percent, during the fiscal year.

- As of December 31, 2022, the City's governmental funds reported combined ending fund balances of $28,090,809, an increase of $2,884,298 over the prior year.

- At the end of the current fiscal year, the fund balance of the General Fund was $10,566,655, or 53.8 percent of total General Fund expenditures. The City's Commission adopted Reserve Policy requires two months of expenditures (16.67%) as fund balance.

- The City's total bonded debt decreased $2,235,000 during the current fiscal year. General obligation bonds totaling $1,435,000 were issued for governmental activities to redeem temporary notes that provided funds for general infrastructure improvements. Temporary notes were issued totaling $2,125,000 to fund the street and park improvement programs. The temporary notes are due and payable in 2023 ($1,580,000), 2024 ($270,000), and 2025 ($275,000).

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required supplementary information and other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenue and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenue (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, public works, culture and recreation, housing and urban redevelopment, and community and economic development. The business-type activities of the City include a Sewer Fund, a Storm Water Fund, and a Refuse Fund.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also a legally separate Public Library for which the City is financially accountable. Financial information for this *component unit* is reported separately from the financial information presented for the primary government itself.

Complete financial statements for the Leavenworth Public Library are available from their offices at 417 Spruce Street, Leavenworth, Kansas 66048.

Fund financial statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, the reader may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenue, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains twenty individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenue, expenditures, and changes in fund balances for the General Fund, Debt Service Fund, Capital Projects Funds, Countywide Sales Tax Fund, and the ARPA Fund, all of which are considered to be major funds. Data from the other fifteen governmental funds are combined into a single, aggregated presentation. Individual funds data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City adopts an annual appropriated budget for the General and Debt Service Funds. A budgetary comparison statement has been provided for each of these funds to demonstrate compliance with these budgets.

The only type of **proprietary fund** the City maintains is the enterprise fund type. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its Sewer, Storm Water, and Refuse operations.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Sewer, Storm Water, and Refuse Funds. The Sewer and Storm Water Funds are considered to be major funds of the City.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The ***notes to the basic financial statements*** provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

In addition to the basic financial statements and accompanying notes, this report also presents certain ***required supplementary information*** concerning the City's progress in funding its obligations to provide pension and postemployment benefits to certain of its employees.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets plus deferred outflows of resources exceeded liabilities and deferred inflows of resources by $51,209,409 at the close of the current fiscal year.

By far, the largest portion of the City's net position reflects its investment in capital assets (e.g., land, buildings, machinery and equipment, and infrastructure), less any related debt used to acquire those assets that are still outstanding. As of December 31, 2022, the City's net investment in capital assets is $43,788,227. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional portion of the City's net position, $14,288,806, represents resources that are subject to external restrictions on how they may be used.

The City's change in net position related to 2022 activities increased $2,615,101 from the prior year. The reasons for this change are discussed in the following sections for governmental activities and business-type activities.

City of Leavenworth's Net Position

	Governmental Activities		Business-type Activities		Total	
	2022	2021 *	2022	2021	2022	2021
Current and other assets	$ 45,236,289	$ 37,196,242	$ 9,298,080	$ 9,027,587	$ 54,534,369	$ 46,223,829
Capital assets	56,415,926	59,030,592	15,701,523	14,016,587	72,117,449	73,047,179
Total assets	101,652,215	94,670,730	24,999,603	23,044,174	126,651,818	119,271,008
Total deferred outflows of resources	7,069,851	5,071,316	470,896	324,599	7,540,747	5,395,915
Long-term debt	52,925,465	49,769,279	7,067,454	7,255,713	59,992,919	57,024,992
Other liabilities	10,190,674	5,776,195	1,214,276	224,814	11,404,950	6,001,009
Total liabilities	63,116,139	56,233,544	8,281,730	7,480,527	71,397,869	63,026,001
Total deferred inflows of resources	11,146,606	12,760,080	438,681	364,878	11,585,287	13,124,958
Net position:						
Net investment in capital assets	33,335,236	37,559,342	10,452,991	8,046,587	43,788,227	45,605,929
Restricted	14,288,806	7,151,510	-	-	14,288,806	7,151,510
Unrestricted	(13,164,721)	(11,639,912)	6,297,097	7,476,781	(6,867,624)	(4,163,131)
Total net position	$ 34,459,321	$ 33,070,940	$ 16,750,088	$ 15,523,368	$ 51,209,409	$ 48,594,308

* as restated

Governmental activities

The 2022 governmental activities increased the City's net position $1,388,381. Key elements of the increase in the current year are as follows:

- Total revenues increased by $991,803 in 2022.

- Sales tax increased by $885,434 (5%), franchise taxes increased by $530,852 (19%), and investment earnings increased by $452,062 (960%). The increases in sales tax and franchise tax are largely attributable to increases in volume and prices (inflation). A portion of the franchise tax increase was caused because the 911 Fund telephone franchise tax that was classified as miscellaneous income in 2021 was classified as franchise tax in 2022. The City invests in short-term investments such as certificate of deposits and U.S. Treasury Notes. In 2022 the interest rates on those investments increased significantly, which caused the increase in investment earnings. The increases in the above revenue sources were offset somewhat by a $382,932 decrease in miscellaneous income.

- Charges for services increased by $287,315 (7.3%). The Parks and Recreation Fund experienced a $144,492 (42%) increase in fees for service, which includes pool entrance fees, Riverfront Community Center room rentals, and other program income. Pool entrance fees saw a $85,310 (114%) increase from 2021 to 2022 because the City waived a significant portion of pool entrance fees in 2021 when the pool re-opened after the COVID-19 closure.

- Total expenditures in the Governmental Funds increased by $1,023,454 (2.79%). This is a combination of:

    - General government expenditures increased by $103,939 (1.98%). General government salaries decreased by $111,637 (-4%) in spite of 2.75% salary increases because there was no COVID-19 hazard pay issued in 2022. Contractual services remained consistent from 2021 to 2022 with only an $8,100 (-0.4%) decrease. Commodities decreased by $48,149 (-26%), mostly due to a decrease in IT equipment related expenditures. These decreases were offset by a $242,866 increase in pension and OPEB related expenses. KPERS provides actuarial reports for the KPERS and KPF programs, and the City hires actuaries to analyze the City's public safety pension programs and the liability created by the City's retiree health insurance benefits. Based on these reports, the City booked $242,866 more in pension and OPEB related expenses for general government than it did in 2021. There were similar increases in pension and OPEB expenses in other funds, as will be noted elsewhere in this discussion.
    - Public safety expenditures increased by $1,119,300 (8.17%). $274,626 of this increase was caused by an increase in pension and OPEB related expenses in 2022. Public safety salary related expenses increased by $319,984 (2.81%) due to salary raises. Contractual services increased by $198,249 (14%) in 2022. This increase is a combination of an increase in the cost of storing IT data (increase of $49k due to storage of body-cam and dash-cam video files), insurance (up $6k), utilities (increased $35k), and training related travel and registration fees (up $28k because 2020 and 2021 saw COVID related declines in training and travel). Commodity expenses increased by $241,269 (68%). This is a combination in an increase of $23k in safety apparel, $17k in ammunition and related materials, $45k in gasoline and diesel, $10k in DARE Camp supplies (camp was cancelled during COVID), and $136k in non-capitalized police and fire equipment expenditures. The ammunition and fuel increases were caused primarily by price increases.
    - Public works expenditures increased by $430,365 (4%). This is a combination of salary related expenses increasing by $40k (2%), utilities increasing by $25k (5%), planning & design expenses increasing by $38k (29%) – due to a traffic signal assessment, fuel increasing by $180k (32% - inflation), and a $25k purchase of traffic signal supplies.
    - Community and economic development expenditures decreased by $736,764 (-30%). This is due to a decrease in community grants of $416,000 that were related to COVID-19 and a decrease in Tax Increment Financing expenditures of $500k because one of the TIF agreements expired in early 2022.

City of Leavenworth's Statement of Activities

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program revenues:						
Charges for services	$ 4,223,880	$ 3,936,565	$ 8,742,790	$ 8,602,020	$ 12,966,670	$ 12,538,585
Operating grants and contributions	3,539,467	4,317,301	-	-	3,539,467	4,317,301
Capital grants and contributions	1,165,104	1,273,355	-	338,465	1,165,104	1,611,820
General revenues:						
Property taxes	6,679,368	6,685,687	-	-	6,679,368	6,685,687
Sales taxes	17,716,291	16,830,857	-	-	17,716,291	16,830,857
Other taxes	4,762,638	4,231,786	-	-	4,762,638	4,231,786
Miscellaneous	330,039	716,714	8,940	7,786	338,979	724,500
Gain on sale of capital assets	209,859	49,158	-	-	209,859	49,158
Unrestricted investment earnings	499,174	47,112	-	-	499,174	47,112
	39,125,820	38,088,535	8,751,730	8,948,271	47,877,550	47,036,806
Expenses:						
General government	5,132,606	5,236,545	-	-	5,132,606	5,236,545
Public safety	14,819,306	13,700,006	-	-	14,819,306	13,700,006
Public works	7,566,950	7,136,585	-	-	7,566,950	7,136,585
Culture and recreation	3,757,762	3,622,765	-	-	3,757,762	3,622,765
Housing and urban redevelopment	3,784,765	3,564,068	-	-	3,784,765	3,564,068
Community and economic	1,713,059	2,449,823	-	-	1,713,059	2,449,823
Unallocated depreciation expense	177,169	171,079	-	-	177,169	171,079
Interest on long term debt	774,322	821,614	-	-	774,322	821,614
Solid waste disposal	-	-	4,681,495	4,218,047	4,681,495	4,218,047
Sewer utility	-	-	480,997	261,591	480,997	261,591
Water utility	-	-	2,374,018	2,026,859	2,374,018	2,026,859
Total expenses	37,725,939	36,702,485	7,536,510	6,506,497	45,262,449	43,208,982
Change in net position before transfers	1,399,881	1,386,050	1,215,220	2,441,774	2,615,101	3,827,824
Transfers	(11,500)	(86,098)	11,500	86,098	-	-
Change in net position	1,388,381	1,299,952	1,226,720	2,527,872	2,615,101	3,827,824
Net position, beginning	30,838,422	29,538,470	15,523,368	12,995,496	46,361,790	42,533,966
Prior period adjustment	2,232,518	-	-	-	2,232,518	-
Net position, beginning - adjusted	33,070,940	29,538,470	15,523,368	12,995,496	48,594,308	42,533,966
Net position, ending	$ 34,459,321	$ 30,838,422	$ 16,750,088	$ 15,523,368	$ 51,209,409	$ 46,361,790

Business-type activities

The 2022 Business-type activities increased the City's net position $1,226,720. Key elements of this increase are as follows:

- Charges for services from business-type activities increased by $140,770 (1.64%). The most significant increase was in the Storm Water Fund, where revenues increased by $94,937 (7.39%). The revenue source for the Storm Water Fund is the Storm Water Impact Fee that is paid by all property owners in the City. The City implemented the Storm Water Impact Fee in 2018 to help fund the growing cost of replacing the City's aging infrastructure. During 2022, the City reviewed the initial implementation of the program and identified additional properties that were added to the program. Sewer Fees and Refuse rates did not increase in 2022.

- Expenses for business-type activities increased by $1,030,013 (13.7%) as follows:

    - Sewer Fund expenses increased by $463,448 (9.9%). The most significant Sewer Fund expense increases were a $369k increase in Pension and OPEB expenses, a $53k (29.6%) increase in landfill fees due to increased rates, an $106k (40%) increase in repairs and maintenance due to repairs needed to the sewer treatment plan and sanitary sewer lines, and an $120k (80%) increase to wastewater treatment plant supplies for the replacement of one-third of the UV lights required as part of the wastewater treatment process.
    - Storm Water Fund expenses increased by $219,406 (45.6%). This increase was largely attributable to a $26,770 increase in pension and OPEB expense, a $128,565 (66.2%) increase in other professional services (for Cody Park and 5 Mile Creek bank stabilization projects), a $59,331 (46.6%) increase in depreciation expense, and a $28,127 (91.5%) increase in interest expense (for the 2nd & Chestnut Improvement G.O. Bonds).
    - Refuse Fund expenses increased by $347,159 (14.62%). A portion of this increase was caused by a $129,704 (16.1%) increase in salary related expenses. During 2021, the City experienced significant staffing shortages in the Refuse Department. In order to be able to hire and retain staff, particularly in the Refuse Collection Division, hourly rates were increased to be competitive with neighboring municipalities and private trash collection services. In addition, the Refuse Fund had a $332,873 increase in OPEB and Pension Expense (due to the aforementioned actuarial calculations) and a $52,442 (39.5%) increase in gasoline and diesel due to increased fuel prices in 2022. These expense increases were offset somewhat by a $145,779 (-37.58%) decrease in landfill fees. Landfill fees were high in 2021 because the City had to use the Leavenworth County Solid Waste Transfer Station instead of the Johnson County Landfill due to staffing shortages. Once staffing levels were restored in 2022, the City began using the Johnson County Landfill, again, which has a lower fee per ton than the Leavenworth County Solid Waste Transfer Station. This also impacted fuel usage, causing 2022 gasoline and diesel expenses to be higher than in 2021.

Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of $28,090,809, an increase of $2,884,298 over the prior year. Of this amount $10,566,655 constitutes *unassigned fund balance,* which is available for spending at the City's discretion. The remainder of the fund balance is either *restricted*, *committed*, or *assigned.* The amount restricted for particular purposes totaled $14,288,806 and the amount assigned for particular purposes totaled $3,235,348. The increase in unassigned fund balance is attributed to the excess of revenues over expenditures in the General Fund for 2022.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the total fund balance of the General Fund was $10,566,655. Of this amount, $10,566,655 is unassigned fund balance, which is available for spending at the City's discretion.

As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. As of December 31, 2022, unassigned fund balance and total fund balance are the same, and they represent 53.8 percent of total General Fund expenditures.

The fund balance of the City's General Fund increased $1,582,493 during the current fiscal year. Revenue from property, sales, franchise, and special assessment taxes increased $1,192,055 from the prior year and total expenses increased by $519,679 for reasons that are highlighted in the analysis of governmental activities.

The Debt Service Fund had a restricted fund balance of $245,796, at the end of the current year, which is $173,263 lower than the prior year. Tax revenue increased $101,034. In the Debt Service Fund, the City retired $3,205,000 in outstanding General Obligation Bond principal. Interest and fiscal charges of $710,530 were $216,039 higher than in 2021.

At the end of the year, the fund balance of the Capital Projects Fund was $3,235,348, a decrease of $291,578 from the prior year. The City issued general obligation bonds of $1,435,000 in the Capital Projects Fund to refund the 2021 pavement management temporary note. The Capital Project Fund also issued $2,125,000 in 2022 temporary notes. Of this amount, the $1,580,000 that is due and payable in 2023 appears on the balance sheet as a current liability. The remaining $545,000 of temporary notes that are due and payable in 2024 and 2025 appear on the Statement of Revenues, Expenditures, and Changes in Fund Balance as an Other Financing Source. The temporary notes were issued to fund the 2022 pavement management program and four separate parks improvement projects.

The Countywide Sales Tax Fund fund balance increased by $1,998,191 in 2022. Taxes increased by $196,406 to $3,293,120. Net transfers out decreased by $336,671.

In 2022, the City received its second of two tranches of ARPA funding in the amount of $4,274,532. The City expended $219,086 of those funds in 2022. The balance of $4,055,446 is reported as unearned revenue and will be recognized as revenue in the year in which the funds are utilized. The City was awarded and has collected a total of $8,549,063 in ARPA funds. As of December 31, 2022, the ARPA Fund had $7,184,687 in unearned revenue to be utilized in future years. The City Commission has identified projects for the remainder of the ARPA funds. The projects include: upgrades to the wastewater treatment plant ($3,050,000), the replacement of a fire apparatus ($832,794), the purchase of poly-carts and cart tippers for solid waste collection ($645,000), upgrades to the Wollman Aquatic Center ($350,000), fire suppression and ADA grants for local businesses ($200,000), and an attainable housing project ($600,000). Per federal requirements, all ARPA funds must be committed by December 31, 2024, and all ARPA funds must be expended by December 31, 2026.

Proprietary funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The unrestricted net position of the Sewer Fund at the end of the year was $2,918,394, the Storm Water Fund unrestricted net position was $2,753,428 and the Refuse Fund was $625,275. In comparison with the prior year, the unrestricted net position for the Sewer Fund increased $332,241, the unrestricted net position of the Storm Water Fund increased $894,081, and the unrestricted net position of the Refuse Fund decreased $196,006. Factors concerning the finances of these three funds have already been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

The City's final General Fund budget was unchanged from its original budget.

During the year, revenues were $1,892,4147 more than budgetary estimates due to:

- Revenue from tax sources were $1,394,234 higher than budget. City and countywide sales and use taxes were $1,103,149 over budget and franchise taxes were $410,048 higher than budget. These higher than budgeted revenue sources were somewhat offset by property (ad valorem) tax being $159,297 lower than budget.

- Intergovernmental revenue was $20,021 over budget. This is principally liquor tax revenue distributed by the state and divided evenly between the General Fund, the Probation Fund, and the Recreation Fund. Liquor tax revenue increased in 2022 as a result of the post COVID-19 recovery.

- Revenue from licenses and permits were $36,794 lower than budgetary expectations, while revenue from charges for services were $182,315 over budget. Charges for services were over budget because sale of fuel was over budget by $147,282 due to increased prices and usage, and inspection fees were over budget by $47,919 due to a housing development that started in 2022.

- Revenue from fines and forfeitures were $66,473 below budgetary expectations due to decreased revenue from Municipal Court fines.

- Miscellaneous revenue exceeded budget by $37,249, primarily due to increased code enforcement fees. Interest earnings were $361,865 over budget due to raising interest rates on short-term investments.

During the year, expenditures were $554,711 less than budgetary estimates, exclusive of operating reserves, due to:

- General Government expenditures were $309,369 below budgetary expectations primarily due to personnel costs being $304,491 under budget. Salary related expenses were under budget due to positions being vacant for a significant portion of the year.

- Public Safety expenditures were $343,404 less than anticipated due to personnel costs being below budget by $447,296, IT services being over budget by $40,516, utilities being over budget by $27,702, and gasoline and diesel being over budget by $59,215. Personnel costs were low because of unbudgeted vacancies. IT services were over budget due to the cost of storing large volumes of digital data produced by body-cams and dash-cams. Gasoline and diesel were over budget because of the steep increase in the price of fuel in 2022.

- Public works expenditures were $144,856 over budgetary expectations. Vehicle repairs and fuel (gasoline and diesel) were over budget by $66,809 and $190,982, respectively. These items being over budget were offset by the fact that personnel related expenses were $99,284 under budget due to unbudgeted vacancies.

- Culture and recreation expenditures were $16,094 over budgetary expectations primarily due to library maintenance being $14,861 over budget.

- The Community and Economic Development function was $55,293 under budget due to personnel expenses being $43,817 less than budgeted and contractual services being $10,713 under budget.

The budget included $72,664 for transfers into the General Fund and $92,000 for transfers out of the General Fund. Neither of these transfers were necessary in 2022.

Capital Asset and Debt Administration

Capital assets

The City's investment in capital assets for its governmental and business-type activities as of December 31, 2022, amounts to $72,117,449 (net of accumulated depreciation). The Commission approved the City's capital asset policy which defined the thresh-hold for capitalizing asset purchases. The policy establishes the GFOA recommended $5,000 minimum for capitalizing assets.

Major capital asset events during the current fiscal year included the following:

- Total improvements to streets and sidewalk were $2,041,741. As of December 31, 2022, there are two street projects in Construction in Progress (CIP). The first is the K7 & Eisenhower intersection, which is a cost-sharing project between the Cities of Leavenworth and Lansing and the State of Kansas. The City expended $215,112 on this project in 2022 and it is almost complete. The second CIP project is 4th Street between Choctaw and Seneca. This state has committed $1,000,000 of grant money to this project. As of December 31, 2022, the planning for the project was just about complete. The total cost of this project is estimated to be between $5,200,000-$5,700,000. Construction is expected to begin late in 2023. The City expended $245,136 on this project in 2022.

- The City completed four parks projects in 2022 totaling $645,000. The City purchased $36,000 worth of Parks equipment in 2022. The completed projects include a splash pad in Hawthorn Park, new restrooms in Havens Park and Stubby Park, and an extension to the trail in Havens Park. The final improvement for Stubby Park will be a shelter which will be completed in the spring of 2023.

- Investment in Information Technology (IT) equipment in 2022 totaled $191,561.

- The City began the process of installing new cooling towers on the Riverfront Community Center. As of December 31, 2022, $76,841 has been spent on this project.

- The Refuse Fund purchased a new refuse truck in 2022 in the amount of $203,200. The Refuse Department also made improvements to the Recycling Center Site in the amount of $37,013.

- The Sewer and Storm Water Funds expended a total of $3,240,079 on sanitary sewer lines, storm sewer reconstruction, and sewer plant refurbishments. This amount includes $1,607,124 that was spent in 2022 on the storm water project at 2nd & Chestnut streets. This project is in CIP and will be completed in 2023. The total cost of that project is expected to be approximately $3,530,000.

Additional information on the City of Leavenworth's capital assets can be found in Notes 1.G and 3.D in the Notes to the Basic Financial Statements.

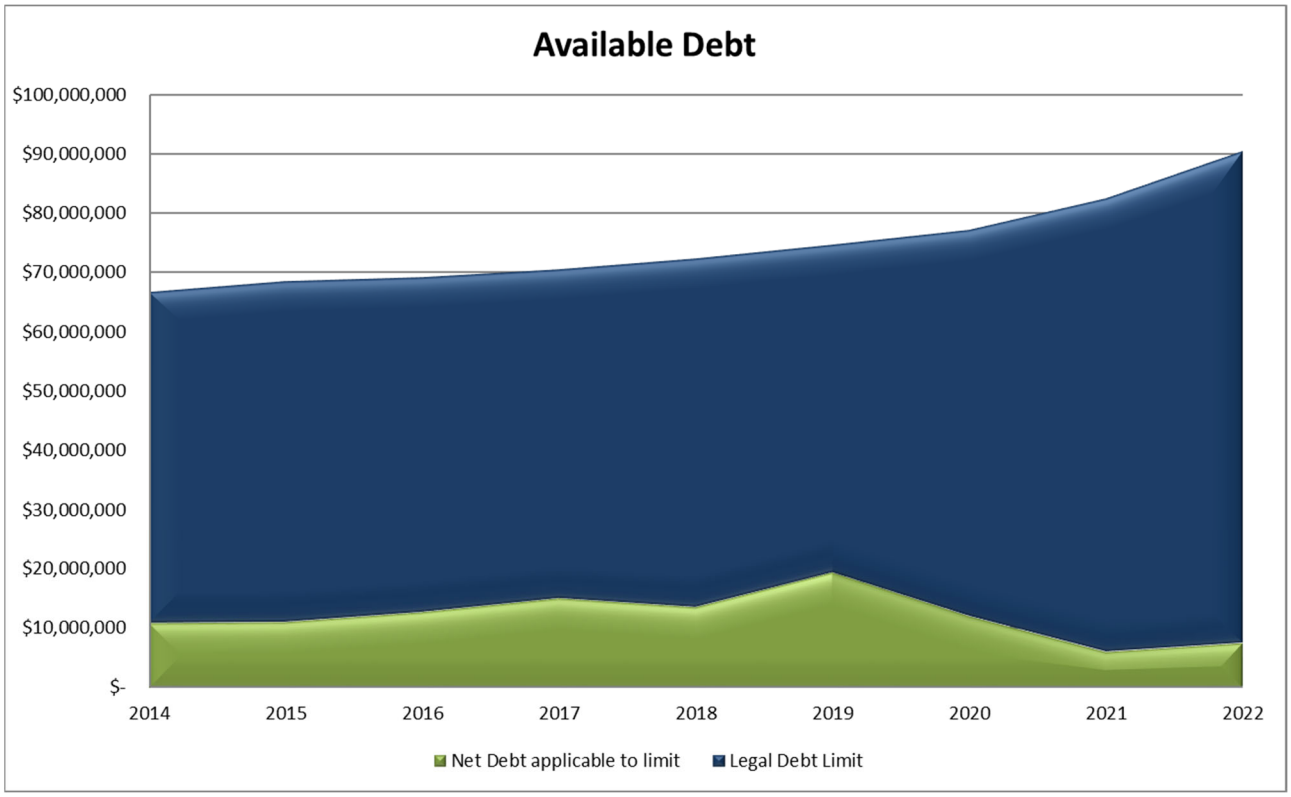
Long-term debt

At the end of the year, the City had total bonded debt outstanding of $26,885,000, all of which is debt backed by the full faith and credit of the City. Of this amount, $21,835,000 relates to governmental activities while $5,050,000 relates to business-type activities.

The City's total bonded debt decreased by $3,155,000 during the current fiscal year. General obligation bonds totaling $1,435,000 were issued for governmental activities to provide permanent financing for general infrastructure of $1,435,000. During the year, $4,590,000 of previously existing debt for governmental and business-type activities was retired.

The City maintains an "Aa2" rating from Moody's for general obligation debt.

State statutes limit the amount of general obligation debt a governmental entity may issue to 30 percent of its total equalized assessed valuation. The current debt limit for the City is $90,321,289, which is significantly in excess of the City's outstanding general obligation debt.



The increase in legal debt limit is due to an increase in total equalized assessed valuation. The decrease in net debt applicable to limit is due to the retirement of debt that was subject to the debt limit.

Additional information on the City's long-term debt can be found in Notes 1.J. and 3.E in the Notes to the Basic Financial Statements.

Economic Factors and Next Year's Budgets and Rates

The issue causing the most uncertainty while preparing the 2022 budget was the recovery from the COVID-19 pandemic. As the City's economy recovered from the pandemic, along with the rest of the nation, it was challenging to set the 2022 operating budget before there were any post-recovery trends established. The City Commission approved a 0.66 reduction in the mill, which included a 0.25 mill reduction for the City and a 0.42 reduction in the mill for the library. There was a 6.47% increase in assessed values, which increased budgeted ad valorem taxes in spite of the mill reduction, and sales tax revenues were budgeted to increase by 4.14%, reflecting historical trends.

The Neighborhood Revitalization Area (NRA) tax refunds were approximately $106,476. TIF related property tax refunds are anticipated to be $625,083.

It was anticipated that the local sales and use tax and the City's portion of countywide sales and use tax would increase by 4.14% in 2022; however, the end result was a 5.32% increase for the combined City and countywide sales and use taxes. This increase in sales and use taxes resulted in an additional $851,621 in revenue over 2021.

Franchise revenues were budgeted to increase by 4% over 2021 budgeted franchise tax and generate revenue of $2,697,900 in 2022, however 2022 actuals came in higher than budgeted and totaled $3,280,218. The 2022 budget included a 2.75% salary increase for all City personnel.

During the 2023 budgeting process, the City took the post-pandemic recovery into consideration, along with historical trends. As the 2023 budget was being developed, inflation was beginning to become a significant concern, therefore the 2023 budget included a 5% increase in salaries for all City personnel and a 25% increase in some commodities, such as chemicals and gasoline, diesel, and other petroleum based products. The City's estimated 2022 assessed valuations increased by 12.4%. Approximately .75% of the assessed valuation is related to the NRA and TIF Districts; therefore, the 2023 budget projections were based on a net 11.65% increase in assessed valuations.

During 2021 the Kansas Legislature passed KSA 79-2988 which repealed the tax lid law and became effective for the 2022 budget. While it repealed the tax lid law, it imposed other restrictions on property tax levies. KSA 79-2988 requires the Counties to issue notices to property owners of what the revenue neutral rate will be for the coming year. Counties provide the revenue neutral rates to taxing jurisdictions no later than June 15th of each year. If taxing jurisdictions do not intend to adjust the mill levies to the revenue neutral rate, they are required to hold a public hearing in which members of the public can provide input. This public hearing must be held prior to the public hearing that is being held to adopt the budget and a notice of the public hearing must be published at least 10 days before the public hearing. The revenue neutral rate hearing and the budget hearing may occur on the same day. At this time, the 2024 budget is still being developed, but the City anticipates that the 2024 budget will include a mill reduction of approximately 2.7 mills. This mill reduction will not meet the revenue neutral rate (which would require an additional half-mill reduction), therefore, the City will notify the County Clerk prior to July 20, 2023, that it intends to exceed the revenue neutral rate. The City will hold a public hearing between August 20, 2023, and September 20, 2023, the purpose of which is to hear and answer objections of taxpayers relating to the proposed use of all funds, the amount of ad valorem tax, and the revenue neutral rate. The City is required to certify and submit the 2024 budget to the County Clerk's office no later than October 1, 2023.

In 2018, the Commission approved a Storm Water impact fee for the City to address deferred maintenance of the storm water system. In 2022 the fee generated $1,380,010 to address specific projects. The fee has generated approximately $6.5 million through 2022. These fees are funding one of the City's current construction projects at 2nd and Chestnut streets. This area of the City is home to the City's oldest infrastructure and City residents were experiencing significant flooding due to the collapse of the storm water sewer system. The total project cost will come in at approximately $3.5 million. In addition to this large project, the fee funds several smaller storm sewer rehabilitation projects, stream bank restoration projects, stone arch replacement projects, and curb inlet replacement projects. All of these projects are designed to reduce storm water flooding throughout the City.

The City Commission opted to keep the Refuse and Sewer rates flat in the 2023 budget in order to provide City residents with some relief to the post-pandemic inflation they were experiencing. The proposed 2024 budget includes a 5% increase in the Sewer fund rates. Based on the recommendations of a Solid Waste Citizen Task Force, the City has opted to shift from providing trash bags to residents and providing 2-wheeled poly-carts to all City households for refuse collection. The initial cost of the poly-carts, including retro-fitting the refuse trucks with a cart-tipper, will be approximately $650,000 and will be paid for with ARPA funds. The Refuse Fund will experience an operational savings because it will no longer be purchasing trash bags for all City households. Because the City will no longer be providing trash bags, the proposed budget does not increase Refuse fees in 2024, in spite of inflationary pressures on salaries, landfill fees, fuel, and other contractual services and commodities.

City Commission goals and priorities are updated annually. The 2023 budget was based on these priorities and the 2024 budget will also be based on the City Commission goals and priorities.

The 2022 compensation plan for employees included a 2.75% COLA allocated at mid-year. Health insurance benefits rates increased by 4% for 2022. The 2023 compensation plan for employees completes the implementation of the compensation plan established in 2018 and a 5% COLA for all employees. It includes additional increases for uniformed police officers and firefighters. The 2023 budget included an estimated 8% increase in health care costs. The proposed 2024 budget includes a base 5% COLA for all employees and additional increases targeted towards City employees in labor, clerical, and other positions that are in the lower portion of the job classification scale.

In summary, the approved 2023 budget levies a lower mill levy than was established in the 2022 budget for City operations and the proposed 2024 budget establishes a mill rate that is lower than the 2023 approved budget. The 2022 budgeted mill rate was 31.141, the 2023 budgeted mill is 30.141, and the mill rate in the proposed 2024 budget is approximately 27.4.

In 2020, the Federal Bureau of Prisons announced construction of a new $360 million prison in Leavenworth. Work is scheduled to begin in fall 2023. The long-term financial impact of this project on the City is yet to be determined.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Department, 100 North 5th Street, Leavenworth, Kansas, 66048.

Basic Financial Statements

City of Leavenworth, Kansas
Statement of Net Position
December 31, 2022

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Library
ASSETS				
Cash and cash equivalents	$ 32,925,871	$ 6,948,498	$ 39,874,369	$ 922,594
Deposits restricted for tenant deposit refunds	32,450	-	32,450	-
Receivables (net of uncollectibles)				
Taxes	9,951,291	-	9,951,291	1,374,318
Accounts	440,049	2,349,582	2,789,631	-
Special assessments	122,528	-	122,528	-
Interest	184,592	-	184,592	-
Due from other governments	251,797	-	251,797	-
Lease receivable	42,469	-	42,469	-
Other assets	24,842	-	24,842	-
Assets held for resale	1,260,400	-	1,260,400	-
Capital assets				
Not being depreciated	3,291,732	2,041,393	5,333,125	-
Being depreciated, net of depreciation	53,124,194	13,660,130	66,784,324	851,145
Total assets	101,652,215	24,999,603	126,651,818	3,148,057
DEFERRED OUTFLOWS OF RESOURCES				
Pension related deferred outflows	6,647,524	408,036	7,055,560	173,072
OPEB related deferred outflows	422,327	62,860	485,187	330
Total deferred outflows of resources	7,069,851	470,896	7,540,747	173,402
LIABILITIES				
Accounts payable	407,775	1,151,934	1,559,709	4,846
Accrued expenses	710,309	37,416	747,725	35
Tenant related liabilities	32,400	-	32,400	-
Accrued interest	231,016	24,926	255,942	-
Temporary notes	1,580,000	-	1,580,000	-
Unearned revenues	7,229,174	-	7,229,174	-
Long-term liabilities:				
Due within one year	3,146,066	829,611	3,975,677	-
Due in more than one year	49,779,399	6,237,843	56,017,242	600,106
Total liabilities	63,116,139	8,281,730	71,397,869	604,987
DEFERRED INFLOWS OF RESOURCES				
Pension related deferred inflows	632,553	27,254	659,807	38,695
OPEB related deferred inflows	3,450,759	411,427	3,862,186	10,526
Property taxies levied for a subsequent period	6,816,482	-	6,816,482	1,374,318
Unavailable revenues - leases	246,812	-	246,812	-
Total deferred inflows of resources	11,146,606	438,681	11,585,287	1,423,539
NET POSITION				
Net investment in capital assets	33,335,236	10,452,991	43,788,227	851,145
Restricted for:				
Capital outlay	7,778,409	-	7,778,409	-
Tax increment financing	864,223	-	864,223	-
Street maintenance	357,951	-	357,951	-
Law enforcement	97,162	-	97,162	-
Recreation programs	192,661	-	192,661	-
Housing services	1,124,055	-	1,124,055	-
Community development	439,281	-	439,281	-
General obligation debt	245,796	-	245,796	-
Probation	94,731	-	94,731	-
Economic development	2,477,540	-	2,477,540	-
Tourism and convention activities	616,997	-	616,997	-
Unrestricted (deficit)	(13,164,721)	6,297,097	(6,867,624)	441,788
Total net position	$ 34,459,321	$ 16,750,088	$ 51,209,409	$ 1,292,933

See accompanying notes to the basic financial statements

City of Leavenworth, Kansas
Statement of Activities
For the Year Ended December 31, 2022

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Change in Net Position Primary Government: Governmental Activities	Net (Expense) Revenue and Change in Net Position Primary Government: Business-Type Activities	Net (Expense) Revenue and Change in Net Position Primary Government: Total	Component Unit: Library
Primary government:								
Governmental activities								
General government	$ 5,132,606	$ 1,415,424	$ 367,258	$ -	$ (3,349,924)	$ -	$ (3,349,924)	$ -
Public safety	14,819,306	118,752	38,000	-	(14,662,554)	-	(14,662,554)	-
Public works	7,566,950	1,707,305	-	1,165,104	(4,694,541)	-	(4,694,541)	-
Culture and recreation	3,757,762	497,453	74,086	-	(3,186,223)	-	(3,186,223)	-
Housing and urban redevelopment	3,784,765	480,904	2,757,629	-	(546,232)	-	(546,232)	-
Community and economic development	1,713,059	4,042	302,494	-	(1,406,523)	-	(1,406,523)	-
Unallocated depreciation expense	177,169	-	-	-	(177,169)	-	(177,169)	-
Interest on long term debt	774,322	-	-	-	(774,322)	-	(774,322)	-
Total governmental activities	37,725,939	4,223,880	3,539,467	1,165,104	(28,797,488)	-	(28,797,488)	-
Business-type activities:								
Sewer	4,681,495	5,056,165	-	-	-	374,670	374,670	-
Stormwater	480,997	1,380,011	-	-	-	899,014	899,014	-
Refuse	2,374,018	2,306,614	-	-	-	(67,404)	(67,404)	-
Total business-type activities	7,536,510	8,742,790	-	-	-	1,206,280	1,206,280	-
Total primary government	$ 45,262,449	$ 12,966,670	$ 3,539,467	$ 1,165,104	$ (28,797,488)	$ 1,206,280	$ (27,591,208)	$ -
Component unit:								
Library	1,354,229	10,378	16,152	-	-	-	-	(1,327,699)
Total component unit	$ 1,354,229	$ 10,378	$ 16,152	$ -	$ -	$ -	$ -	$ (1,327,699)
General revenues:								
Taxes:								
Property taxes					6,319,800	-	6,319,800	1,225,967
Tax increment property taxes					359,568	-	359,568	-
Sales taxes					16,729,675	-	16,729,675	-
Tax increment sales taxes					986,616	-	986,616	-
Franchise taxes					3,280,218	-	3,280,218	-
Motor vehicle taxes					840,458	-	840,458	-
Transient guest tax					641,962	-	641,962	-
Intergovernmental revenue not restricted to specific programs					-	-	-	96,554
Miscellaneous					330,039	8,940	338,979	11,289
Unrestricted investment earnings					499,174	-	499,174	11,075
Gain on sale of capital assets					209,859	-	209,859	-
Transfers					(11,500)	11,500	-	-
Total general revenues					30,185,869	20,440	30,206,309	1,344,885
Change in net position					1,388,381	1,226,720	2,615,101	17,186
Total net position - beginning, as restated					33,070,940	15,523,368	48,594,308	1,275,747
Total net position - ending					$ 34,459,321	$ 16,750,088	$ 51,209,409	$ 1,292,933

See accompanying notes to the basic financial statements

City of Leavenworth, Kansas
Balance Sheet
Governmental Funds
December 31, 2022

	General	Debt Service	Capital Projects	Countywide Sales Tax	ARPA Fund	NonMajor Governmental Funds	Total Governmental Funds
ASSETS							
Cash and cash equivalents	$ 8,727,055	$ 245,796	$ 4,952,389	$ 4,459,216	$ 7,184,701	$ 7,356,714	$ 32,925,871
Tenant deposits	-	-	-	-	-	32,450	32,450
Receivables, net							
Taxes	6,326,812	1,841,175	-	580,419	-	1,202,885	9,951,291
Accounts	424,015	-	10,830	-	-	5,204	440,049
Special assessments	120,463	2,065	-	-	-	-	122,528
Interest	183,892	-	46	-	-	654	184,592
Leases	-	-	-	-	-	251,797	251,797
Due from other funds	36,253	-	-	-	-	-	36,253
Due from other governments	4,297	-	-	-	-	38,172	42,469
Other assets	-	-	-	-	-	24,842	24,842
Assets held for resale	-	-	-	-	-	1,260,400	1,260,400
Total assets	$ 15,822,787	$ 2,089,036	$ 4,963,265	$ 5,039,635	$ 7,184,701	$ 10,173,118	$ 45,272,542
LIABILITIES							
Accounts payable	$ 181,574	$ -	$ 147,917	$ -	$ 14	$ 78,270	$ 407,775
Accrued liabilities	461,147	-	-	-	-	249,162	710,309
Tenant deposits	-	-	-	-	-	32,400	32,400
Due to other funds	-	-	-	-	-	36,253	36,253
Temporary notes	-	-	1,580,000	-	-	-	1,580,000
Unearned revenues	-	-	-	-	7,184,687	44,487	7,229,174
Total liabilities	642,721	-	1,727,917	-	7,184,701	440,572	9,995,911
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenues							
Property tax	4,492,948	1,841,175	-	-	-	482,359	6,816,482
Special assessments	120,463	2,065	-	-	-	-	122,528
Leases	-	-	-	-	-	246,812	246,812
Total deferred inflows of resources	4,613,411	1,843,240	-	-	-	729,171	7,185,822
FUND BALANCES					-		
Restricted	-	245,796	-	5,039,635		9,003,375	14,288,806
Assigned	-	-	3,235,348	-	-	-	3,235,348
Unassigned	10,566,655	-	-	-	-	-	10,566,655
Total fund balances	10,566,655	245,796	3,235,348	5,039,635	-	9,003,375	28,090,809
Total liabilities, deferred inflows of resources, and fund balances	$ 15,822,787	$ 2,089,036	$ 4,963,265	$ 5,039,635	$ 7,184,701	$ 10,173,118	$ 45,272,542

See accompanying notes to the basic financial statements

City of Leavenworth, Kansas
Reconciliation of Balance Sheet -
Governmental Funds to the Statement of Net Position
December 31, 2022

Fund balances of governmental funds	$ 28,090,809
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental fund statements.	56,415,926
Deferred outflows and inflows related to pension and OPEB activity are not required to be reported in the governmental funds but are required to be reported in the Statement of Net Position	2,986,539
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items:	
Long-term liabilities	(25,556,096)
Net Pension liability	(22,366,914)
Net OPEB liability	(5,002,455)
Certain revenues are not available to pay for current period expenditures and therefore are reported as unavailable revenue in the governmental funds.	122,528
Liabilities for interest on long-term debt are recognized only when due in the governmental fund statements but are accrued in the government-wide statements.	(231,016)
Net position of governmental activities	$ 34,459,321

See accompanying notes to the basic financial statements

City of Leavenworth, Kansas
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2022

	General	Debt Service	Capital Projects	Countywide Sales Tax	ARPA Fund	NonMajor Governmental Funds	Total Governmental Funds
REVENUES							
Taxes	$ 17,994,415	$ 2,116,807	$ -	$ 3,293,120	$ -	$ 5,835,715	$ 29,240,057
Intergovernmental	74,086	-	61,578	-	219,086	4,349,822	4,704,572
Licenses and permits	392,606	-	-	-	-	-	392,606
Charges for services	1,760,515	-	495,463	-	-	1,091,763	3,347,741
Fines and forfeitures	483,527	-	-	-	-	-	483,527
Investment earnings	401,865	-	1,040	-	-	5,001	407,906
Miscellaneous	76,706	-	67,947	-	-	185,386	330,039
Total revenues	21,183,720	2,116,807	626,028	3,293,120	219,086	11,467,687	38,906,448
EXPENDITURES							
Current:							
General government	3,617,319	-	143,936	-	113	929,455	4,690,823
Public safety	13,010,472	-	42,824	-	38,848	317,059	13,409,203
Public works	2,635,618	-	157,608	-	178,810	1,142,053	4,114,089
Culture and recreation	31,436	-	10,587	-	-	2,531,522	2,573,545
Housing and urban redevelopment	48,527	-	137,334	-	-	3,418,078	3,603,939
Community and economic development	223,451	-	-	-	-	1,489,087	1,712,538
Debt service:							
Principal retirement	14,504	3,205,000	-	-	-	565,596	3,785,100
Interest and fiscal charges	42	710,530	88,333	-	-	3,768	802,673
Capital outlay	48,443	-	3,242,574	-	1,315	326,457	3,618,789
Total expenditures	19,629,812	3,915,530	3,823,196	-	219,086	10,723,075	38,310,699
Excess (deficiency) of revenues over (under) expenditures	1,553,908	(1,798,723)	(3,197,168)	3,293,120	-	744,612	595,749
OTHER FINANCING SOURCES (USES)							
Insurance proceeds	-	-	-	-	-	117,259	117,259
Sale of assets	-	-	121,571	-	-	2,465	124,036
General obligation bonds issued	-	-	1,435,000	-	-	-	1,435,000
Temporary notes issued	-	-	545,000	-	-	-	545,000
Bond premium	-	-	40,068	-	-	-	40,068
Lease proceeds	28,585	-	-	-	-	10,101	38,686
Transfers in	-	1,625,460	763,951	-	-	1,110,864	3,500,275
Transfers out	-	-	-	(1,294,929)	-	(2,216,846)	(3,511,775)
Total other financing sources (uses)	28,585	1,625,460	2,905,590	(1,294,929)	-	(976,157)	2,288,549
Net change in fund balances	1,582,493	(173,263)	(291,578)	1,998,191	-	(231,545)	2,884,298
Fund balance - beginning, as restated	8,984,162	419,059	3,526,926	3,041,444	-	9,234,920	25,206,511
Fund balances - ending	$ 10,566,655	$ 245,796	$ 3,235,348	$ 5,039,635	$ -	$ 9,003,375	$ 28,090,809

See accompanying notes to the basic financial statements

City of Leavenworth, Kansas
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Funds Balances of Governmental Funds
to the Statement of Activities
For the Year Ended December 31, 2022

Amounts reported for governmental activities are different because:

Net change in fund balances - total governmental funds	$	2,884,298
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay costs in excess of capitalization threshold		3,631,446
Depreciation		(6,233,605)
Capital asset retirements		(31,436)
Revenues in the statement of activities that do not provide current financial resources are reported as deferred inflows in the governmental funds.		
Special assessments and notes receivable		(81,754)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position.		
Principal payment on long-term debt		3,765,332
Bond premium amortization		51,199
Proceeds from long term debt		(1,979,994)
Changes in accrued interest payable		28,356
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Change in compensated absences and other post employment benefits payable		480,004
Changes in net pension obligations, deferred outflows and inflows		(1,125,465)
Change in net position of governmental activities	$	1,388,381

See accompanying notes to the basic financial statements

City of Leavenworth, Kansas
Statement of Net Position
Proprietary Funds
December 31, 2022

	Business-type Activities - Enterprise Funds			
ASSETS	**Sewer**	**Storm Water**	**Refuse**	**Total**
Current assets				
Cash and cash equivalents	$ 3,488,966	$ 2,143,526	$ 1,316,006	$ 6,948,498
Accounts receivable	689,288	1,396,068	264,226	2,349,582
Total current assets	4,178,254	3,539,594	1,580,232	9,298,080
Noncurrent assets				
Capital assets				
Not being depreciated	14,000	1,982,759	44,634	2,041,393
Being depreciated (net of depreciation)	10,310,880	2,785,173	564,077	13,660,130
Total capital assets (net of depreciation)	10,324,880	4,767,932	608,711	15,701,523
Total assets	14,503,134	8,307,526	2,188,943	24,999,603
DEFERRED OUTFLOWS OF RESOURCES				
Pension related deferred outflows	224,782	8,478	174,776	408,036
OPEB related deferred outflows	34,519	929	27,412	62,860
Total deferred outflows of resources	259,301	9,407	202,188	470,896
LIABILITIES				
Current liabilities				
Accounts payable	210,178	918,858	22,898	1,151,934
Accrued expenses	21,497	984	14,935	37,416
Accrued interest payable	15,201	9,725	-	24,926
Current maturities on long-term debt	556,063	235,137	38,411	829,611
Total current liabilities	802,939	1,164,704	76,244	2,043,887
Long-term liabilities				
Net pension liability	671,622	25,331	522,208	1,219,161
Net OPEB liability	320,013	5,808	258,428	584,249
Due in more than one year	2,586,777	1,740,805	106,851	4,434,433
Total long-term liabilities	3,578,412	1,771,944	887,487	6,237,843
Total liabilities	4,381,351	2,936,648	963,731	8,281,730
DEFERRED INFLOWS OF RESOURCES				
Pension related deferred inflows	15,014	566	11,674	27,254
OPEB related deferred inflows	225,408	4,279	181,740	411,427
Total deferred inflows of resources	240,422	4,845	193,414	438,681
NET POSITION				
Net investment in capital assets	7,222,268	2,622,012	608,711	10,452,991
Unrestricted	2,918,394	2,753,428	625,275	6,297,097
Total net position	$ 10,140,662	$ 5,375,440	$ 1,233,986	$ 16,750,088

See accompanying notes to the basic financial statements

City of Leavenworth, Kansas
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2022

	Business-type Activities - Enterprise Funds			
	Sewer	**Storm Water**	**Refuse**	**Total**
OPERATING REVENUES				
Charges for services	$ 5,056,165	$ 1,380,011	$ 2,306,614	$ 8,742,790
Miscellaneous	5,524	-	3,416	8,940
Total operating revenues	5,061,689	1,380,011	2,310,030	8,751,730
OPERATING EXPENSES				
Personnel services	1,308,545	56,380	1,123,980	2,488,905
Contractual services	1,707,286	266,515	881,072	2,854,873
Commodities	388,511	-	295,771	684,282
Depreciation and amortization	1,228,410	127,360	96,695	1,452,465
Total operating expenses	4,632,752	450,255	2,397,518	7,480,525
Operating income (loss)	428,937	929,756	(87,488)	1,271,205
NONOPERATING REVENUES (EXPENSES)				
Interest expense	(52,268)	(30,742)	-	(83,010)
Gain (loss) on disposal of assets	3,525	-	23,500	27,025
Total nonoperating revenues (expenses)	(48,743)	(30,742)	23,500	(55,985)
Income before contributions and transfers	380,194	899,014	(63,988)	1,215,220
CAPITAL CONTRIBUTIONS & TRANSFERS				
Transfers in	-	-	11,500	11,500
Changes in net position	380,194	899,014	(52,488)	1,226,720
Total net position - beginning	9,760,468	4,476,426	1,286,474	15,523,368
Total net position - ending	10,140,662	5,375,440	1,233,986	16,750,088

See accompanying notes to the basic financial statements

City of Leavenworth, Kansas
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2022

	Business-type Activities - Enterprise Funds			
	Sewer	Storm Water	Refuse	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	$ 4,853,258	$ 1,281,712	$ 2,225,549	$ 8,360,519
Payments to suppliers	(1,924,713)	581,549	(1,229,862)	(2,573,026)
Payments to employees	(963,148)	(32,312)	(805,211)	(1,800,671)
Net cash provided (used) by operating activities	1,965,397	1,830,949	190,476	3,986,822
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers from other funds	-	-	11,500	11,500
Net cash provided (used) by noncapital financing activities	-	-	11,500	11,500
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of capital assets	(618,975)	(2,308,955)	(240,213)	(3,168,143)
Sale of capital assets - proceeds	3,525	-	23,500	27,025
Principal paid on long-term obligations	(686,542)	(235,000)	-	(921,542)
Interest paid	(55,597)	(783)	-	(56,380)
Net cash provided (used) by capital and related financing activities	(1,357,589)	(2,544,738)	(216,713)	(4,119,040)
Net increase (decrease) in cash and cash equivalents	607,808	(713,789)	(14,737)	(120,718)
Cash and Cash equivalents, January 1	2,881,158	2,857,315	1,330,743	7,069,216
Cash and cash equivalents, December 31	$ 3,488,966	$ 2,143,526	$ 1,316,006	$ 6,948,498
Reconciliation of operating income (loss) to net cash provided (used) by operating activities				
Operating income (loss)	$ 428,937	$ 929,756	$ (87,488)	$ 1,271,205
Adjustments to reconcile net operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	1,228,410	127,360	96,695	1,452,465
Changes in compensated absences	(6,155)	(1,157)	2,159	(5,153)
Changes in net pension liability	273,053	21,925	154,224	449,202
Changes in net OPEB liability	134,027	5,117	177,402	316,546
Changes in deferred outflows of resources	(72,280)	(5,114)	(68,903)	(146,297)
Changes in deferred inflows of resources	14,627	3,479	55,697	73,803
Landfill closure/postclosure care costs	-	-	(27,312)	(27,312)
Changes in:				
Receivables	(208,431)	(98,299)	(84,481)	(391,211)
Accounts payable	171,084	848,064	(25,707)	993,441
Accrued liabilities	2,125	(182)	(1,810)	133
Net cash provided (used) by operating activities	$ 1,965,397	$ 1,830,949	$ 190,476	$ 3,986,822

See accompanying notes to the basic financial statements

City of Leavenworth, Kansas
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2022

	Pension Trust	Custodial Fund Leavenworth Public Library
ASSETS		
Cash and cash equivalents	$ 485,517	$ -
Accrued interest receivable	2,460	-
Property tax receivable	25,064	1,195,363
Total assets	513,041	1,195,363
LIABILITIES		
Accounts Payable	55	-
Total liabilities	55	-
DEFERRED INFLOWS OF RESOURCES		
Property taxes	25,064	1,195,363
Total deferred inflows of resources	25,064	1,195,363
NET POSITION		
Restricted		
Pension benefits	487,922	-
Library	-	-
Total net position	$ 487,922	$ -

See accompanying notes to the basic financial statements

City of Leavenworth, Kansas
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended December 31, 2022

	Pension Trust	Custodial Fund Leavenworth Public Library
ADDITIONS		
Taxes	$ 26,938	$ 1,225,967
Interest	5,398	-
Total additions	32,336	1,225,967
DEDUCTIONS		
Benefits	118,664	-
Distributions	-	1,225,967
Total deductions	118,664	1,225,967
Net changes in fiduciary net position	(86,328)	-
Net position - beginning	574,250	-
Net position - ending	$ 487,922	$ -

See accompanying notes to the basic financial statements

Notes to the Basic Financial Statements

1. Summary of significant accounting policies

A. Reporting entity

The City of Leavenworth, Kansas, a city of the first class, was incorporated in 1855. The City operates under a Commission-Manager form of government. The City is governed by an elected five-member board. As required by accounting principles generally accepted in the United States of America (GAAP), these financial statements present the City (the primary government) and its component unit, an entity for which the City is considered to be financially accountable. The discretely presented component unit is presented in a separate column in the government-wide financial statements to emphasize that it is legally separate from the primary government.

Discretely presented component unit

The Leavenworth Public Library (the Library) is reported as a discretely presented component unit of the City since its board is appointed by the City Commission and it imposes a financial burden on the City. Specifically, the City issued debt to construct the Library facility and continues to assume responsibility for maintenance of the Library. The Library's financial statements include the financial statements of its discretely presented component unit, the Leavenworth Library Foundation. The amounts presented for the Library are the combined total of the Library and its discretely presented component unit.

Complete financial statements for the Public Library are available from their offices at 417 Spruce Street, Leavenworth, Kansas 66048.

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component unit. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which generally rely upon fees and charges for support. Likewise, the primary government is reported apart from the legally separate component unit for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which expenses of a given function or activity is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or activity. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or activity, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or activity. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, sales taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Debt Service Fund* accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

The *Capital Projects Fund* accounts for capital improvements (except for those financed by proprietary funds) which are financed from the City's general obligation bonds, special assessments, and other specific receipts.

The *Countywide Sales Tax Fund* accounts for sales and use tax that is collected on sales that occurred in Leavenworth County and has been submitted to the City for its use. The funds are transferred to the City's capital projects funds and the Debt Service Fund as needed to pay for capital improvements and to pay the principal and interest on long-term debt that was incurred to fund capital improvements.

The American Rescue Plan Act (ARPA) Fund accounts for the City's allotment from the U.S. Department of the Treasury that are to be used to support the City's response and recovery from the COVID-19 public health emergency.

The City reports the following major proprietary funds:

The *Sewer Fund* accounts for all activities necessary to provide sewer services to the residents of the City.

The *Storm Water Fund* accounts for all activities necessary to maintain the storm water drainage system of the City.
The *Refuse Fund* accounts for all activities necessary to provide refuse collection and disposal services to residents of the City.

Additionally, the City reports the following fiduciary funds:

The *Pension Trust Fund* accounts for the activities of the City's Police and Fire's Pension Plans.

The *Leavenworth Public Library Fund* is a custodial fund. It is used to account for assets held by the City as an agent for the Leavenworth Public Library system.

Generally, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's sewer and refuse function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Sewer Fund, Storm Water Fund and the Refuse Fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Deposits and investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term, highly liquid investments with original maturities of twelve months or less from the date of acquisition.

According to the City's formal investment policy adopted by the governing body, the City may pool idle cash from all funds for the purpose of increasing income through temporary investment activities. During the year, idle cash was invested in certificates of deposit, U.S. Government obligations, and repurchase agreements. Certificates of deposit are carried at cost because they are not affected by market rate changes. The repurchase agreements are stated at cost because they are not negotiable or transferable and are not affected by market fluctuations. The City also has investments consisting of U.S. Government obligations and money market mutual funds, which are carried at fair value.

Investment earnings are allocated to the funds required to accumulate interest. Other investment earnings are allocated based on management discretion based on the average daily equity balances. If a fund is not required to account for its own earnings by law or regulation, the earnings are allocated to the General Fund. For the fiscal year ended December 31, 2022, investment earnings allocated to the various funds were $413,304. Of this amount $1,040 is allocated to the Capital Projects Funds, $879 is allocated to the Police Seizure Fund, $3,981 is allocated to the Housing Funds, $141 is allocated to the TIF Funds, $5,398 is allocated to the Police and Fire Pension Trust fiduciary fund and $401,865 is allocated to the General Fund.

E. Property taxes and other receivables

In accordance with governing state statutes, property taxes levied during the current year are a revenue source to be used to finance the budget of the ensuing year. Taxes are assessed on a calendar year basis and become a lien on the property on November 1 of each year. The County Treasurer is the tax collection agent for all taxing entities within the County. Property owners have the option of paying one half or the full balance of the taxes levied on or before December 20 during the year levied with the balance to be paid on or before May 10 of the ensuing year. State statutes prohibit the County Treasurer from distributing the taxes collected in the year levied prior to January 1 of the ensuing year. Consequently, for revenue recognition purposes, taxes levied during the current year are not due until the ensuing year. At December 31, 2022, such taxes are a lien on the property and are recorded as taxes receivable, net of anticipated delinquencies of $160,740, with a corresponding amount recorded as deferred inflows of resources on the balance sheets of the appropriate funds.

Of this amount, a delinquency amount of $502 is for the fiduciary fund (Police and Fire Pension Trust) and $160,238 is for the City funds. Delinquent taxes held by the County Treasurer at December 31, 2022 are not significant.

F. Special assessments

Kansas statutes require projects financed in part by special assessments to be financed through the issuance of general obligation bonds that are secured by the full faith and credit of the City. Special assessments received prior to the issuance of general obligation bonds are recorded as revenue in the appropriate project fund. Special assessments and related interest received after the issuance of the general obligation bonds are recorded as revenue in the Debt Service Fund. Further, state statutes require levying additional general ad valorem taxes in the City's Debt Service Fund to finance delinquent special assessments receivable. Accordingly, special assessments receivable is accounted for within the City's Debt Service Fund. Special assessments are levied over a 10- or 20-year period, and annual installments are due and payable with annual ad valorem taxes. The City may foreclose liens against property benefited by special assessments when delinquent assessments are two years in arrears. At December 31, 2022, the special assessment taxes levied are a lien on the property and the amount due in 2022 is recorded in the fund financial statements as special assessments receivable of $2,065, net of anticipated delinquencies, in the Debt Service Fund with a corresponding amount recorded as unavailable revenue.

State statutes and City ordinances allow special assessments to be levied against a property to reimburse the City for costs incurred for involuntary blight removal and lot clean up. Such special assessments are levied over a one-year period and are due and payable with annual ad valorem property taxes. At December 31, 2022, the amount due for such assessments is recorded in the fund financial statements as special assessments receivable of $120,463, net of anticipated delinquencies, in the General Fund with a corresponding amount recorded as unavailable revenue.

G. Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. The City defines capital assets as assets with an individual cost of more than $5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value.

The costs of normal maintenance and repairs that do not add to the value of an asset or materially extend an asset's useful life are not capitalized.

Depreciation of all capital assets is calculated using the straight-line method over the following estimated useful lives:

Buildings	15 to 30 years
Improvements other than buildings	15 to 30 years
Machinery and equipment	5 to 15 years
Infrastructure	15 to 30 years

H. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. See Note 5 for more information on the deferred outflows of resources for the pensions and Other Post-retirement Employee Benefits (OPEB).

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The City has two items that qualify for reporting in this category. One item, *unavailable revenues/deferred receivables,* is reported in the governmental funds balance sheet and the governmental activities in the government-wide statement of net position. The governmental funds report unavailable revenues from three sources: property taxes, special assessments, and long-term leases. The governmental activities report deferred receivables from property taxes and long-term leases receivable. These amounts are deferred and recognized as inflows of resources in the period that these amounts become available. The other item that qualifies for reporting as a deferred inflow of resources is related to the pensions and OPEB. See Note 4 for more information on the deferred inflows of resources for the pensions and OPEB.

I. Compensated absences and other termination payments

All permanent full-time and permanent part-time employees with 90 days of employment are eligible for vacation benefits in varying annual amounts. Employees are allowed to accumulate and carry forward 240 hours of vacation, except for fire fighters and police officers who are allowed to accumulate and carry forward 333.5 and 255 hours of vacation, respectively. Hours accumulated and not taken in excess of these amounts at December 31 of each year are lost by employees unless proper approvals are given. Sick leave benefits accrue to all full-time employees at the rate of one working day per month. There is no maximum amount of sick leave that can be accumulated. Upon resignation in good standing, an employee will receive 20% of sick leave. Upon retirement, an employee will receive 40% of sick leave.

Retirees may purchase health and dental insurance benefits through the City's group plans at 100% of the City's cost. Certain retirees are eligible for assistance with their monthly health and dental insurance premiums through a Health Benefit Account. Eligible employees are those who meet KPERS, KP&F, or Local Plan retirement criteria and who have completed a minimum of 20 years of service with the City, or who are approved for disability benefits under KPERS or KP&F.

For eligible employees, the remaining 60% of unused sick leave is converted to a cash value, which establishes the amount of the retiree's Health Benefit Account (a memorandum account). The City shall pay 50% of the retiree's actual monthly health and dental premiums on a pay-as-you-go basis from this memorandum account as long as a balance remains in the retiree's Health Benefit Account. The remaining 50% of the monthly premiums must be paid by the retiree. When the retiree's Health Benefit Account is exhausted, all City premium payments cease. Retirees may not convert the benefit into an in-lieu payment.

All employer related costs of vacation, sick leave, and retiree premium payments are accrued and recorded when earned in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

J. Long-term obligations

In the government-wide financial statements and proprietary funds types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method if they are material in amount.

In the fund financial statements, governmental funds recognize bond premiums and discounts during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

K. Pensions

For purposes of measuring the collective net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Kansas Public Employees Retirement System (KPERS) and additions to/deductions from KPERS' fiduciary net position have been determined on the same basis as they are reported by KPERS, and information about the fiduciary net position of the Police and Fire Pension Plan (the Pension Plan) and additions/deductions from the Pension Plan's fiduciary net position have been determined on the same basis as they are reported by the Pension Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The investments are recorded at fair value.

L. Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

M. New Accounting Standard

The City implemented Government Accounting Standards Board (GASB) Statement No. 87, Leases, effective for the year ended December 31, 2022. The statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The Statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use and underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about the City's leasing activities.

2. Stewardship, compliance, and accountability

A. Budgetary information

Applicable Kansas statutes require that annual budgets be legally published and adopted for all funds (including Proprietary Funds) unless exempted by a specific statute. Statutory exemptions currently exist for all Capital Project Funds, Fiduciary Funds, and certain Special Revenue Funds (the ARPA, Police Seizure, Police Grants, Housing, Community Development, Special Park Gift and Community Grant Funds).

The statutes provide for the following sequence and timetable in adoption of budgets:

(a) Preparation of the budget for the succeeding calendar year on or before August 1 of each year.
(b) Publication of proposed budget on or before August 15 of each year.
(c) A minimum of 10 days' notice of public hearing, published in local newspaper, on or before August 15 of each year.
(d) Adoption of the final budget on or before August 25 of each year.

If the City is holding a revenue neutral rate hearing, the budget timeline for adoption of the final budget has been adjusted to on or before October 1. The City did hold a revenue neutral rate hearing for this year.

Budgets are prepared by fund, department, and activity. City management may make transfers of appropriations at the department and activity level of a fund without seeking the approval of the governing body; however, management cannot amend the total budget of a fund without approval of the governing body. The legal level of budgetary control is the fund level and is the level at which the governing body must approve any over-expenditures of appropriations or transfers of appropriated amounts. Kansas statutes prohibit creating expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Such statutes permit original fund expenditure budgets to be increased for previously unbudgeted increases in revenue other than ad valorem property taxes. The City must first publish a notice of public hearing to amend the expenditure budget of a fund. Ten days after publication, a public hearing is held and the City Commission may amend the expenditure budget of the fund at that time. During the year, two budgets were amended in accordance with Kansas statutes.

Control over spending in funds that are not subject to legal budgets is maintained by use of internal spending limits established by management. Applicable Kansas statutes require the use of an encumbrance system as a management control technique to assist in controlling expenditures. For budget purposes, unencumbered cash balances are determined by deducting liabilities and encumbrances from cash.

Accordingly, the actual data presented in the budgetary comparison statements include encumbrances and, consequently, differ from the expenditure data presented in the governmental fund financial statements prepared in conformity with GAAP.

B. Compliance with Kansas Statutes-Component Unit

Actual expenditures exceeded budgetary appropriation in the 911 fund by $29,195.

3. Detailed notes on all funds

A. Deposits and investments

Deposits

Custodial credit risk

Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits may not be returned. The City does not have a formal depository policy, but Kansas statutes require that deposits be collateralized and that collateral pledged must have a fair value equal to 100% of the deposits and investments, less insured amounts. At December 31, 2022, the City's carrying amount of deposits was $3,405,028 and the bank balance was $4,002,003. Of the bank balance, $257,943 was covered by Federal depository insurance and $3,744,060 was covered by collateral held by the City or its agent in the City's name.

Investments

K.S.A. 9-1401 establishes the depositories, which may be used by the Library. The statute requires banks eligible to hold the Library's deposits have a main or branch bank in the County in which the Library is located and the banks provide an acceptable rate of return on deposits. In addition, K.S.A. 9-1402 requires the bank to pledge securities for deposits in excess of FDIC coverage. The Library has no other policies that would further limit custodial credit risk. At December 31, 2022, the Library's deposits were not exposed to custodial credit risk.

At December 31, 2022, the City had the following investments:

	Maturities	Fair Value
Repurchase agreements	1-89 days	$ 4,500,000
Treasury bills	< 1 year	16,993,717
Treasury notes	< 1 year	2,993,591
Certificates of deposit	< 1 year	12,500,000
Total investments		$ 36,987,308

The securities underlying the repurchase agreements are guaranteed by the U. S. Government and their fair value exceeds that of the repurchase agreements.

Credit risk

The City's investment policy parallels state statutes and allows idle funds to be invested in temporary notes issued by the governing body, certificates of deposits, time deposits, repurchase agreements and United States treasury bills or notes. Inactive funds may also be invested in the state investment pool, if local financial institutions are not willing to pay an interest rate at least equal to the weekly "investment rate", which is the equivalent yield on U.S. government securities with maturities comparable to that of the investment being offered.

Custodial credit risk

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments. The City has no formal policy regarding custodial credit risk. The City is not exposed to custodial credit risk.

Interest rate risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City's formal investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from rising interest rates, but state statutes do establish a two-year limitation on investment maturities. In practice, the City does not exceed a one-year maturity when investing idle funds. The City is not exposed to significant interest rate risk.

Fair Value Measurement

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs such as quoted prices for similar assets from external sources; Level 3 inputs are significant unobservable inputs. For the year ended December 31, 2022, money market mutual funds held by the City were valued using quoted prices in active markets (Level 1 inputs).

Discretely presented component unit

As of December 31, 2022, the Library cash and investments consisted of the following:

Cash	$	321,731
Investments		600,863
Total	$	922,594

	Fair Value
Certificates of deposit	600,863
Total investments	$ 600,863

B. Interfund receivables, payables and transfers

The composition of interfund balances as of December 31, 2022, is as follows:

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
General	Non-major governmental	$ 36,253

These interfund balances result from the time lag between the dates that (1) transactions are recorded in the accounting system, and (2) payments between funds are made.

Interfund transfers:

Interfund transfers for the year ended December 31, 2022, are as follows:

Fund	Transfers In	Transfers Out
Major Funds:		
Debt Service Fund	$ 1,625,460	$ -
Capital Projects Funds	763,951	-
Countywide Sales Tax Fund	-	1,294,929
Refuse Fund	11,500	-
Non-major governmental funds	1,110,864	2,216,846
Total Transfers	$ 3,511,775	$ 3,511,775

Transfers are primarily used to move revenues from the fund with statutory collection authorization to the Debt Service Fund as debt service principal and interest becomes due or to the Capital Projects Fund to finance various capital projects.

C. Lease Arrangements

During the year ended December 31, 2022, the City implemented Government Accounting Standards Board No. 87, Leases (GASB 87). Under GASB 87, a lessor is required to recognize a lease receivable and a deferred inflow of resources at the commencement of the lease term. The lease receivable is measured at the present value of the lease payments expected to be received during the lease term. The deferred inflows of resources are measured at the value of the lease receivable plus any payments received at or before the commencement of the lease term that related to future periods. Additional information for each lease receivable is as follows:

The City entered into three lease agreements for the right to place communication equipment on facilities owned by the City. Under the leases, the City received approximately $58,000 in 2022. The leases contain options to renew in 60-month increments. The lease receivable is measured as the present value of the future rent payments expected to be received during the lease term at a discount rates ranging from 0.5% to 1.24 which is the increment borrowing rate at the inception of the leases. At December 31, 2022 the leases receivable balance was $251,797.

For the year ended December 31, 2022, the City recognized $59,912 in lease revenue and $8,858 of interest revenue under these leases.

The City's leases receivable activity for the year ended December 31, 2022, is as follows:

Lease Description	Balance January 1, 2022	Additions	Retirements	Balance December 31, 2022	Current
Tower attachments	$ 306,724	$ -	$ 54,927	$ 251,797	$ 35,709
Total leases receivable	$ 306,724	$ -	$ 54,927	$ 251,797	$ 35,709

The future minimum lease revenue due for governmental and business-type activities under lease arrangement for the year ended December 31, 2022 is as follows:

	Principal	Interest	Total
2023	$ 35,709	$ 2,623	$ 38,332
2024	29,396	2,327	31,723
2025	29,685	2,038	31,723
2026	29,977	1,746	31,723
2027	18,717	1,475	20,192
2028-2032	104,701	3,579	108,280
2033	3,612	6	3,618
	$ 251,797	$ 13,794	$ 265,591

D. Capital assets

Capital assets activity for the year ended December 31, 2022, was as follows:

Primary government

Governmental activities:	Beginning Balance	Additions	Retirements	Ending Balance
Capital assets, not being depreciated				
Land	$ 2,796,179	$ -	$ -	$ 2,796,179
Construction in progress	59,175	461,563	(25,185)	495,553
Total capital assets, not being depreciated	2,855,354	461,563	(25,185)	3,291,732
Capital assets being depreciated				
Buildings	34,313,925	379,374	-	34,693,299
Improvements	20,521,168	284,811	-	20,805,979
Machinery & equipment	14,453,595	169,949	(385,836)	14,237,708
Infrastructure	115,334,390	2,158,866	-	117,493,256
IT equipment	1,370,216	182,311	-	1,552,527
Leased equipment	-	38,686	-	38,686
Total capital assets being depreciated	185,993,294	3,213,997	(385,836)	188,821,455
Less accumulated depreciation for:				
Buildings	27,847,151	929,574	-	28,776,725
Improvements	13,124,526	958,831	-	14,083,357
Machinery & equipment	9,893,122	610,876	(354,400)	10,149,598
Infrastructure	77,963,537	3,500,827	-	81,464,364
IT equipment	989,720	213,740	-	1,203,460
Leased equipment	-	19,757	-	19,757
Total accumulated depreciation	129,818,056	6,233,605	(354,400)	135,697,261
Total capital assets being depreciated, net of depreciation	56,175,238	(3,019,608)	(31,436)	53,124,194
Total governmental activities capital assets, net of depreciation	$ 59,030,592	$ (2,558,045)	$ (56,621)	$ 56,415,926

Business-type activities:	Beginning Balance	Additions	Retirements	Ending Balance
Capital assets, not being depreciated				
Land	$ 58,634	$ -	$ -	$ 58,634
Construction in progress	401,464	1,607,125	(25,830)	1,982,759
Total capital assets, not being depreciated	460,098	1,607,125	(25,830)	2,041,393
Capital assets being depreciated				
Buildings	17,173,939	-	-	17,173,939
Improvements	12,549,919	37,013	-	12,586,932
Machinery & equipment	4,116,897	449,698	(162,792)	4,403,803
Leased equipment	-	3,000	-	3,000
Infrastructure	7,090,249	1,066,395	-	8,156,644
Total capital assets being depreciated	40,931,004	1,556,106	(162,792)	42,324,318
Less accumulated depreciation for:				
Buildings	15,406,519	362,250	-	15,768,769
Improvements	7,954,927	443,621	-	8,398,548
Machinery & equipment	2,894,194	216,670	(162,792)	2,948,072
Leased equipment	-	1,565	-	1,565
Infrastructure	1,118,875	428,359	-	1,547,234
Total accumulated depreciation	27,374,515	1,452,465	(162,792)	28,664,188
Total capital assets being depreciated, net of depreciation	13,556,489	103,641	-	13,660,130
Total business-type capital assets, net of depreciation	$ 14,016,587	$ 1,710,766	$ (25,830)	$ 15,701,523

Depreciation expense was charged to the functions/programs of the primary government as follows:

Governmental activities:	
General government	$ 442,761
Public safety	666,319
Public works	3,576,085
Housing and urban redevelopment	183,675
Culture and recreation	1,187,596
Unallocated depreciation expense	177,169
Total depreciation expense - governmental activities	$ 6,233,605
Business-type activities:	
Sewer	$ 1,228,410
Storm water	127,360
Refuse	96,695
Total depreciation expense - business-type activities	$ 1,452,465

Discretely presented component unit

	Beginning Balance	Additions	Retirements	Ending Balance
Capital assets being depreciated				
Books, furniture, & fixtures	2,589,905	199,016	(91,265)	2,697,656
Total capital assets being depreciated	2,589,905	199,016	(91,265)	2,697,656
Less accumulated depreciation for:				
Books, furniture, & fixtures	1,784,442	152,708	(90,639)	1,846,511
Total accumulated depreciation	1,784,442	152,708	(90,639)	1,846,511
Library capital assets, net of depreciation	$ 805,463	$ 46,308	$ (626)	$ 851,145

Construction commitments

The City has active construction projects as of December 31, 2022. The City's commitments with contractors totaled $1,499,170 at December 31, 2022.

E. Long-term debt

Long-term liability activity for the year ended December 31, 2022, was as follows:

Governmental activities	Beginning Balance 1/1/2022	Additions	Retired	Ending Balance 12/31/2022	Due Within One Year
General obligation bonds	24,070,000	1,435,000	3,670,000	21,835,000	2,705,000
Temporary notes	-	545,000	-	545,000	-
Bond premium	1,036,250	28,152	79,351	985,051	94,081
Note payable	95,332	-	95,332	-	-
Lease liability	-	38,686	19,768	18,918	18,318
Employee compensated absences	1,995,130	176,997	-	2,172,127	328,667
Net pension liability	15,329,403	7,037,511	-	22,366,914	-
Other post-employment benefits	7,243,164	-	2,240,709	5,002,455	-
	49,769,279	9,261,346	6,105,160	52,925,465	3,146,066

Business-type activities	Beginning Balance 1/1/2022	Additions	Retired	Ending Balance 12/31/2022	Due Within One Year
General obligation bonds	5,970,000	-	920,000	5,050,000	780,000
Lease liability	-	3,000	1,542	1,458	1,458
Employee compensated absences	123,444	-	8,150	115,294	21,153
Net pension liability	769,959	449,202	-	1,219,161	-
Accrued landfill closure/postclosure	124,607	-	27,312	97,295	27,000
Other post-employment benefits	267,703	316,546	-	584,249	-
	7,255,713	768,748	957,004	7,067,457	829,611

For the governmental activities, compensated absences, net pension liability, and other postemployment benefits are generally liquidated by the General Fund.

Discretely presented component unit

At December 31, 2022, the Library reported a liability of $368,975 for its proportionate share of the net pension liability.

General obligation bonds

The government issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the City. During the year, general obligation bonds totaling $1,435,000 were issued for governmental activities to provide permanent financing for general infrastructure improvements.

In March 2022, the City issued its $1,435,000 Series 2022-A General Obligation Bonds. Net proceeds of the 2022-A bonds were used to redeem the 2021 Temporary Notes in the amount of $1,400,000.

General obligation bonds currently outstanding are as follows:

Governmental activities

Purpose	Series	Rates	Date	12/31/2022
Computer hardware/software	2014B	2.250% - 3.000%	9/1/2024	$ 110,000
Business & technology park - taxable	2017-A	2.750% - 4.000%	9/1/2036	4,105,000
Traffic	2017-B	2.000% - 2.750%	9/1/2027	875,000
Traffic	2018-A	3.000% - 3.125%	9/1/2028	900,000
Traffic	2019-A	3.000%	9/1/2029	985,000
Traffic & refunding	2020-A	1.000% - 1.750%	9/1/2030	1,990,000
Fire equipment & refunding	2021-A	1.500% - 3.000%	9/1/2036	8,500,000
Refunding	2021-B	3.000% - 4.000%	9/1/2031	2,935,000
Traffic	2022-A	2.000%	9/1/2032	1,435,000
Total governmental activities G.O. bonds				21,835,000

Business-type activities

Purpose	Series	Rates	Date	12/31/2022
G.O. refunding & sewer	2020-A	1.000% - 1.750%	9/1/2032	3,075,000
Stormwater bonds	2020-A	1.000% - 1.750%	9/1/2030	1,975,000
Total business-type activities G.O. Bonds				5,050,000
Total G.O. bonds: balances as of December 31, 2022				$ 26,885,000

Annual debt service requirements to maturity for general obligation bonds are as follows:

Governmental activities

Year	Principal	Interest	Total
2023	$ 2,705,000	$ 602,761	$ 3,307,761
2024	2,620,000	512,275	3,132,275
2025	2,475,000	439,550	2,914,550
2026	2,125,000	365,878	2,490,878
2027	1,790,000	301,618	2,091,618
2028-2032	6,840,000	849,765	7,689,765
2033-2037	3,280,000	218,535	3,498,535
	$ 21,835,000	$ 3,290,382	$ 25,125,382

Business-type activities

Year	Principal	Interest	Total
2023	$ 780,000	$ 83,890	$ 863,890
2024	635,000	65,950	700,950
2025	640,000	59,600	699,600
2026	480,000	50,000	530,000
2027	485,000	42,800	527,800
2028-2032	2,030,000	92,006	2,122,006
	5,050,000	394,246	5,444,246
Total	$ 26,885,000	$ 3,684,628	$ 30,569,628

Bond anticipation notes

Kansas statutes permit the issuance of bond anticipation notes to finance certain capital improvement projects that will be refinanced with general obligation bonds. During the year, bond anticipation notes totaling $2,125,000 were issued for governmental activities to provide temporary financing for general capital improvements.

Bond anticipation notes issued for governmental activities for which all legal steps and the ability to consummate refinancing have not been met are reported as a fund liability in the fund receiving proceeds. The following bond anticipation notes are reported as liabilities at December 31, 2022:

Governmental Activities	Series	Interest Rate	Issue Maturity Date	Balance 12/31/2022
2022 Pavement Management	A2022	1.60%	12/1/2023	$ 1,325,000
2022 Parks Project	A2022	1.60%	12/1/2023	255,000
Short-term				1,580,000
2022 Parks Project	A2022	1.50%	12/1/2024	270,000
2022 Parks Project	A2022	1.50%	12/1/2025	275,000
Long-term				545,000
				$ 2,125,000

Short-term liability activity for the year ended December 31, 2022, was as follows:

Governmental Activities	Beginning Balance	Additions	Reductions	Ending Balance
Bond anticipation notes	$1,400,000	$1,580,000	$1,400,000	1,580,000

At December 31, 2022, the statutory limit on indebtedness for general obligation bonds and bond anticipation notes is $90,321,289, which, after reduction of applicable outstanding debt of $7,299,204 ($7,545,000 minus debt service fund balance of $245,796) provides a debt margin of $83,022,085. General obligation bonds of $21,465,000 for traffic way, sewer and refuse improvements and refundings issued under K.S.A. 10-427 are exempt from this calculation.

Leases Liabilities

As a result of implementation of GASB 87, an initial lease liability of $38,686 and $3,000 for leases of office equipment has been recorded to the beginning balances of governmental and business-type activities, respectively. As these leases are offset by an equal amount of right to use asset, the City does not report a restatement of beginning net position for the implementation of GASB 87.

The City entered into lease agreements (2) as lessee for the use of office equipment. The City is required to make monthly payments of $1,785. The leases have an implicit interest rate of .033%. An initial lease liability of $41,686 was recorded. As of December 31, 2022, the value of the right to use assets is $41,686 with accumulated amortization of $21,322, and the value of the lease liability is $20,376.

The City has elected to recognize payments for short-term leases with a lease term of 12 months or less as expenses as incurred. These leases are not included as lease liabilities or right-to-use leases assets on the statement of net position.

The future minimum lease payment for governmental and business-type activities for the year ended December 31, 2022 is as follows:

	Principal	Interest	Total
Governmental			
2023	$ 18,318	$ 33	$ 18,351
2024	600	-	600
	18,918	33	18,951
Business-type			
2023	1,458	3	1,461
Total	$ 20,376	$ 36	$ 20,412

Conduit Debt Obligations

From time to time, the City has issued Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans.

Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

Through December 31, 2022, there is one series of Industrial Revenue Bonds (IRB) outstanding, with an aggregate principal amount payable of $706,230.

F. Fund balances/Net Position

Fund Balances

In the fund financial statements, governmental funds report the following fund balance classifications:

Non-spendable fund balance includes amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The “not in spendable form” criteria includes items that are not expected to be converted to cash, such as inventories and prepaid amounts.

Restricted fund balance includes amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or removed only with the consent of resource providers, such as grantors, bondholders, or higher levels of government.

Committed fund balance includes amounts that can only be used for the specific purposes determined by a formal action of the City’s highest level of decision-making authority. The City Commission is the highest level of decision-making authority that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Assigned fund balance includes amounts intended to be used by the City for specific purposes that are neither restricted nor committed. The City Commission has by resolution authorized the City Manager to assign fund balance. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of the assignment.

Unassigned fund balance is the residual classification for the General Fund and includes all amounts not contained in the abovementioned classifications. The general fund is the only fund that reports a positive unassigned fund balance. Other governmental funds may report a negative unassigned fund balance if expenditures for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes.

In the circumstances when an expenditure is made for a purpose which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned, and unassigned.

Net Position Classifications

In the government-wide statements, equity is shown as net position and classified into three components:

Net investment in capital assets – consisting of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgage notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net position – consisting of net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. The City first utilizes restricted resources to finance qualifying activities.

Unrestricted net position – All other net position that do not meet the definition of "restricted" or "net investment in capital assets."

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Fund balances for all governmental funds as of December 31, 2022 were reported as follows:

	General	Debt Service	Capital Projects	County-Wide Sales Tax	ARPA	NonMajor Governmental
Restricted for:						
Capital outlay	$ -	$ -	$ -	$ 5,039,635	$ -	$ 2,738,774
Tax increment financing	-	-	-	-	-	864,223
Street maintenance	-	-	-	-	-	357,951
Law enforcement	-	-	-	-	-	97,162
Tourism and conventions	-	-	-	-	-	616,997
Recreation programs	-	-	-	-	-	192,661
Housing services	-	-	-	-	-	1,124,055
Probation services	-	-	-	-	-	94,731
Community and economic development	-	-	-	-	-	2,916,821
General obligation debt	-	245,796	-	-	-	-
Total restricted fund balance	-	245,796	-	5,039,635	-	9,003,375
Assigned to:						
Capital improvements	-	-	3,235,348	-	-	-
Total assigned fund balance	-	-	3,235,348	-	-	-
Unassigned	10,566,655	-	-	-	-	-
Total fund balance	$ 10,566,655	$ 245,796	$ 3,235,348	$ 5,039,635	$ -	$ 9,003,375

The City Commission adopted a revision of the General Fund Reserve Policy to include the CIP Sales Tax Fund, the County Wide Sales Tax Fund, and for the Sewer Fund and Refuse Fund. The policy aims to ameliorate the adverse impacts of unforeseen financial events such as an economic downturn, significant unanticipated and unavoidable expenditures, or significant unanticipated and unavoidable reductions of revenue.

It is the policy of the City to maintain a General Fund budgetary basis fund balance equal to 16.67% of annual expenditures. Consistent with K.S.A. 10-1101 et al (the Kansas "cash basis law"), the budgetary basis fund balance is defined as cash less payables less encumbrances. In 2020, the Commission revised the policy to maintain an unrestricted net position of at least three months of operating expenses and 5% of net capital assets (total assets minus accumulated depreciation times 5%) for the Sewer Fund.

Further, to facilitate the creation and maintenance of the aforementioned General Fund balance policy, it is the policy of the City to annually budget a non-appropriated reserve of 4.00% of fund expenditures as authorized by K.S.A. 79-2927.

Finally, it is the policy of the City to consider the non-appropriated reserve as being unavailable for expenditures and to restrict the utilization of the reserve—as a last resort—to accommodating revenue shortfalls that cannot be overcome through budgetary revisions or emergency expenditures that cannot be deferred to future periods. The policy provides for use of unassigned reserves restricted to include debt reduction; one-time expenditures that do not increase recurring operating costs, but cannot be funded through current revenues, and will reduce future operating costs; and establishing or increasing reserves for risk management programs, equipment replacement, capital projects, emergencies, or disaster recovery.

Adjustments to Prior Period Financial Statements

For the year ended December 31, 2022, management determined that following adjustments were to be made to the opening net position and fund balances:

Management determined that certain housing program grant funds that were reported as unearned as of December 31, 2021 should have been reported as grant revenues in 2021 of $78,344.

Management determined that certain adjustments were necessary to reconcile and consistently report certain activities and transactions related to is housing program and the housing program accountant. These adjustment include reporting beginning inventory of $16,605, adjustment for certain capital assets of $859,238 and the change in the estimated useful lives and related depreciation of $680,261 for a total of $1,539,499, and the reporting of a HUD advance of $95,332.

Management evaluated and determined that a change was to be made in the methodology of estimating the Health Care Benefit component of compensated absences liability resulting in decreasing the beginning 2022 liability by $693,402.

	Governmental Activities	Governmental Funds
Net position/fund balance beginning of year as previously reported	$ 30,838,422	$ 25,111,562
Unearned revenue adjustment	78,344	78,344
Inventory	16,605	16,605
Capital assets, net	1,539,499	-
Note payable	(95,332)	-
Compensated absences	693,402	-
Net position/fund balance beginning of year as restated	$ 33,070,940	$ 25,206,511

4. Other information

A. Risk management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. There has been no significant change in insurance coverage from the previous fiscal year. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years.

For its workers' compensation insurance, the City is a participant in the Kansas Eastern Regional Insurance Trust (KERIT), a not-for-profit public entity risk pool established by a group of city and county governmental entities in the eastern region of Kansas. As of December 31, 2022, the membership of KERIT included fourteen cities and two counties.

The City pays an annual premium to KERIT for this workers' compensation insurance. KERIT members are subject to additional premium assessments in the event of deficiencies and may receive dividends from those claims years when revenues exceed expenses. KERIT provides coverage for its members within a self-insured retention limit of $400,000 in accordance with State statutes and obtains independent coverage for insured events up to an annual aggregate limit of $5 million.

An Annual Comprehensive Financial Report (ACFR) for KERIT is available from their offices at 600 Broadway, Suite 300, Kansas City, Missouri 64105-1554.

B. Pension plans - Kansas Public Employees Retirement System

Plan description

The City and the Library participate in the Kansas Public Employees Retirement System (KPERS) a cost-sharing multiple employer public employee retirement system (Pension Plan). The Pension Plan is administered by KPERS, a body corporate and an instrumentality of the State of Kansas. KPERS provides benefit provisions to the following statewide pension groups under one plan, as provided by K.S.A. 74, article 49:

- Public employees, which includes:
  - State/School employees
  - Local employees
- Police and Fire
- Judges

Substantially all public employees in Kansas are covered by the Pension Plan. Participation by local political subdivisions is optional, but irrevocable once elected.

Those employees participating in the Pension Plan for the City and the Library are included in the Local employees' group and the Kansas Police and Fire group.

KPERS issues a stand-alone Annual Comprehensive Financial Report (ACFR), which is available on the KPERS website at www.kpers.org.

Benefits

Benefits are established by statute and may only be changed by the State Legislature. Members (except Police and Fire) with ten or more years of credited service, may retire as early as age 55 (Police and Fire may be age 50 with 20 years of credited service), with an actuarially reduced monthly benefit. Normal retirement is at age 65, age 62 with ten years of credited service, or whenever a member's combined age and years of service equal 85. Police and Fire normal retirement ages are age 60 with 15 years of credited service, age 55 with 20 years, age 50 with 25 years, or any age with 36 years of service.

Monthly retirement benefits are based on a statutory formula that includes final average salary and years of service. When ending employment, members may withdraw their contributions from their individual accounts, including interest. Members who withdraw their accumulated contributions lose all rights and privileges of membership. For all pension coverage groups, the accumulated contributions and interest are deposited into and disbursed from the membership accumulated reserve fund as established by K.S.A. 74-4922.

Contributions

Member contributions are established by state law and are paid by the employee according to the provisions of Section 414(h) of the Internal Revenue Code. State law provides that the employer contribution rates are determined based on the results of an actuarial valuation. The contributions and assets of all groups are deposited in the Kansas Public Employees Retirement Fund established by K.S.A 74-4921. All of the retirement systems are funded on an actuarial reserve basis.

For fiscal years beginning in 1995, Kansas legislation established statutory limits on increases in contribution rates for KPERS employers. The statutory cap increase over the prior year contribution rate is 1.2% of total payroll.

The actuarially determined employer contribution rate and the statutory contribution rate for the local employee group are both 8.90%. Member contribution rates as a percentage of eligible compensation for the fiscal year ended June 30, 2022 is 6%. The actuarially determined employer contribution rate and the statutory contribution rate for the police and fire group are both 22.99%. Member contribution rates for this group are 7.15%.

Contributions to the Pension Plan from the City for the local employee group and police and firefighter group were $595,289 and $1,485,536, respectively, for the year ended December 31, 2022. Contributions from the Library were $53,483 for the year ended December 31, 2022.

Employer Allocations

Although KPERS administers one cost-sharing multiple-employer defined benefit pension plan, separate actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense are determined separately for each of the following groups of the plan:

- State/School; Local; Police and Fire; and Judges

To facilitate separate (sub)actuarial valuations, KPERS maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer and nonemployee allocations are applied to the amounts presented in the schedules of pension amounts by employer and nonemployer.

The allocation percentages for the City's share of the collective pension amounts as of June 30, 2022 was based on the ratio of its contributions to the total of the employer and nonemployer contributions of the group for the fiscal years ended June 30, 2022. The contributions used exclude contributions made for prior service, excess benefits, and irregular payments. At June 30, 2022, the City's proportion in the local employee group was 0.333352%, which was a decrease of 0.007378% from 2021. At June 30, 2022, the City's proportion in the police and fire group was 1.0925140%, which was a decrease of 0.048271% from 2021. At June 30, 2022, the Library's proportion in the police and fire group was .029950%, which was a decrease of 0.00080% from 2021.

Net Pension Liability

At June 30, 2022, the City's local employee group reported a liability of $6,627,186 for its proportionate share of the net pension liability. The City's police and fire group reported its proportionate share of the net pension liability of $15,756,585 at June 30, 2022. The Library reported its proportionate share of the net pension liability of $595,419 at June 30, 2022.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of December 31, 2021, which was rolled forward to June 30, 2022, using the following actuarial assumptions:

Price inflation	2.75%
Salary increases, including price inflation	3.50% to 12.00%
Long-term rate of return, net of investment expense, and including price inflation	7.00%

Mortality rates were based on the RP 2014 Mortality Tables, with age setbacks and age set forwards as well as other adjustments based on different membership groups. Future mortality improvements are anticipated using Scale MP-2016.

The long-term expected rate of return of pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2022 are summarized in the following table:

Asset Class	Long-term Target Allocation	Long-Term Expected Real Rate of Return
U.S Equities	23.50%	5.20%
Non-U.S. Equities	23.50%	6.40%
Private Equity	8.00%	9.50%
Private Real Estate	11.00%	4.45%
Yield Driven	8.00%	4.70%
Real Return	11.00%	3.25%
Fixed Income	11.00%	1.55%
Short-term Investments	4.00%	0.25%
	100.00%	

Discount Rate

The discount rate used by KPERS to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the contractually required rate. The local employers do not necessarily contribute the full actuarial determined rate. Based on legislation passed in 1993, the employer contribution rates certified by the KPERS Board of Trustees for this group may not increase by more than the statutory cap. The expected KPERS employer statutory contribution was modeled for future years, assuming all actuarial assumptions are met in future years. Based on those assumptions, the Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's and Library's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.00% as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.00%) or 1-percentage point higher (8.00%) than the current rate:

	1% Decrease 6.00%	Current Single Discount Rate Assumption 7.00%	1% Increase 8.00%
Local	$ 9,520,166	$ 6,627,186	$ 4,216,912
Police and Fire	21,612,463	15,756,585	10,844,157
Net Pension Liability	$ 31,132,629	$ 22,383,771	$ 15,061,069

The following presents the Library's proportionate share of the net pension liability calculated using the discount rate of 7.00% as well as what the Library's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.00%) or 1-percentage point higher (8.00%) than the current rate:

	1% Decrease 6.00%	Current Single Discount Rate Assumption 7.00%	1% Increase 8.00%
Net Pension Liability	$ 855,339	$ 595,419	$ 378,868

For the year ended December 31, 2022, the City recognized Local pension expense of $869,431, Police and Fire pension expense of $2,357,829, and the Library recognized $68,974 pension expense, which includes the changes in the collective net pension liability, projected earnings on pension plan investments, and the amortization of deferred outflows of resources and deferred inflows of resources for the current period.

At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources from the following sources:

	Local Group	Police and Fire	Total
Deferred outflows of resources			
City contributions subsequent to the measurement date	$ 304,178	$ 850,821	$ 1,154,999
Differences between actual and expected experience	250,668	668,645	919,313
Net differences between projected and actual earnings on investments	560,991	1,081,394	1,642,385
Changes of assumptions	1,059,317	2,024,823	3,084,140
Changes in proportion	42,871	182,698	225,569
Total	$ 2,218,025	$ 4,808,381	$ 7,026,406
Deferred inflows of resources			
Differences between actual and expected experience	$ (11,879)	$ -	$ (11,879)
Changes in proportion	(136,275)	(511,653)	(647,928)
Total	$ (148,154)	$ (511,653)	$ (659,807)

The City reported $1,154,999 as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date, which will be recognized as a reduction of the net pension liability in the year ended December 31, 2023. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Amounts reported as deferred outflows of resources and deferred inflows or resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Local Group Deferred (Inflows) Outflows Amount	Police and Fire Deferred (Inflows) Outflows Amount
2023	$ 506,914	$ 1,006,567
2024	457,553	889,759
2025	203,954	440,318
2026	577,353	1,078,893
2027	19,919	30,370
Total	$ 1,765,693	$ 3,445,907

At December 31, 2022, the Library reported deferred outflows of resources and deferred inflows of resources from the following sources:

	Library
Deferred outflows of resources	
Differences between actual and expected experience	$ 22,521
Net differences between projected and actual earnings on investments	50,403
Changes of assumptions	95,174
Changes in proportion	4,974
Total	$ 173,072
Deferred inflows of resources	
Differences between actual and expected experience	$ (1,067)
Net differences between projected and	
Changes in proportion	(37,628)
Total	$ (38,695)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Library Deferred (Inflows) Outflows Amount
2023	$ 39,082
2024	32,247
2025	11,002
2026	50,307
2027	1,739
Total	$ 134,377

C. Pension Plans-Police and Fire Pension Plan

Plan description

Plan administration. The Police and Fire Pension Plan (the Plan) is a single-employer defined benefit pension plan that is administered by the City. The Plan was established by City ordinance in 1945 to provide retirement income benefits for police officers and firefighters and became closed to new entrants in 1971. In 1971, when the City became affiliated with the Kansas Police and Firemen's Retirement System (KP&F), all members were given the option of joining KP&F or remaining with the Plan. All administrative costs are absorbed by the City's General Fund.

Management of the Plan is vested in the City Commission, which consists of five elected members. Plan provisions may be amended by the City Commission.

The Plan does not issue a stand-alone financial report but is included as a pension trust fund of the City.

Plan membership. The plan is closed to new entrants. At December 31, 2022, pension plan membership consisted of three (3) inactive plan members or beneficiaries currently receiving benefits.

Benefits provided. The Plan provides only retirement benefits. The retirement benefits are calculated as 50% of the higher of the final monthly salary or the average of the final twelve months of salary.

Benefit terms provide for annual cost-of-living adjustments to each member's retirement allowance subsequent to the member's retirement date. The annual adjustments are determined by the City Commission.

Contributions. The contribution requirements of plan members and the reporting entity are established by City ordinance and may be amended by the City Commission. The City is required to contribute at an actuarially determined amount based on the latest actuarial report. As this is a closed plan and all members are retirees or beneficiaries, the members are no longer making any contribution to the Plan. The City provides for pension expenses by levying ad valorem property taxes each year. The actual employer contribution to the Plan during the year ended December 31, 2022 was $32,336.

Investments

Investment Policy. The City has no formal investment policy or asset allocation policy for the Plan. All plan assets are invested in the City's cash pool which falls under the City's investment policy.

Methods used to value investments. The pension plan assets consist of only pooled cash and investments that are pooled with the City's cash and investments. These consist of checking accounts, repurchase agreements, treasury notes, treasury bills, and certificates of deposits. The Plan's portion is reported at fair value.

Concentrations. The entire pension fund assets are invested in the City's cash pool. The Plan holds no individual investments with a fair value that exceeds five percent of net position available for benefits.

Rate of return. For year ended December 31, 2022, the annual long-term expected rate of return on pension plan investments, net of pension plan investment expenses, was 3.00%. The long-term expected rate of return expresses investment performance net of investment expense, adjusted for the changing amounts actually invested.

Net pension liability

The City's net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022.

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation as of December 31, 2022 using the following actuarial assumptions:

Actuarial cost method	Entry age method
Asset method	Fair value of assets
Interest rates:	
Discount rate	3%
Expected long term rate of return	3%
Municipal bond rate	n/a
Inflation	3%
Annual pay increases	n/a
Measurement date	December 31, 2022
Ad-hoc cost of living increases	3%

Mortality rates were based on the PubG-2010 Mortality Table Projected Generationally from 2010 with the Mortality Improvement Scale MP-2020.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These expected future real rates of return are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Plan's target asset allocation as of December 31, 2022 are summarized in the following table:

Asset class	Target allocation	Long-term expected real rate of return
Cash	100%	3.0%

Changes in the net pension liability

Discount Rate

The discount rate used to measure the total pension liability was 3.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at beginning of year	$ 1,721,730	$ 596,869	$ 1,124,861
Changes for the year:			
Interest	49,872	-	49,872
Difference between expected and actual	62,352	-	62,352
Change in assumptions	-	-	-
Contributions - employer	-	29,383	(29,383)
Net investment income	-	5,398	(5,398)
Benefit payments, including refunds	(118,664)	(118,664)	-
Net changes	(6,440)	(83,883)	77,443
Balances at end of year	$ 1,715,290	$ 512,986	$ 1,202,304

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability, calculated using the discount rate of 3.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.00%) or 1-percentage point higher (4.00%) than the current rate:

	1% Decrease 2.00%	Current Discount Rate 3.00%	1% Increase 4.00%
Net pension liability	$ 1,353,580	$ 1,202,304	$ 1,070,241

Pension expense and deferred outflows of resources and deferred inflows of resources

For the year ended December 31, 2022, the City recognized pension expense of $110,132. At December 31, 2022, the City reported deferred outflows of resources from the following sources:

	Deferred Outflows of Resources
Differences between projected and actual earnings on pension plan investments	$ 29,154

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31:	Annual Recognition
2023	$ 11,649
2024	9,409
2025	5,863
2026	2,233
Total	$ 29,154

Summary of financial reporting of the City's pension plans:

	KPERS		Police	
	Local	Police and Fire	and Fire	Total
Governmental activities:				
Net Pension Liability	$5,408,025	$ 15,756,585	$1,202,304	$22,366,914
Business-type activities:				
Net Pension Liability	1,219,161	-	-	1,219,161
Citywide Net Pension Liability	$6,627,186	$ 15,756,585	$1,202,304	$23,586,075
Governmental activities:				
Pension related deferred outflows	$1,809,989	$ 4,808,381	$ 29,154	$ 6,647,524
Pension related deferred inflows	(120,900)	(511,653)	-	(632,553)
Business-type activities:				
Pension related deferred outflows	408,036	-	-	408,036
Pension related deferred inflows	(27,254)	-	-	(27,254)
Total	$2,069,871	$ 4,296,728	$ 29,154	$ 6,395,753
Pension expense	$ 272,560	$ 846,559	$ 80,749	$ 1,199,868

D. Other postemployment healthcare benefits

Health Insurance Plan

Description

The City offers postemployment health insurance to retired employees. The benefits are provided through a single employer defined benefit postemployment healthcare plan administered by the City. Kansas statutes provide that postemployment healthcare benefits be extended to retired employees who have met age and/or service eligibility requirements until the individuals become eligible for Medicare coverage at age 65. The health insurance benefit provides the same coverage for retirees and their dependents as for active employees and their dependents. The benefit is available for selection at retirement and is extended to retirees and their dependents until the individuals become eligible for Medicare at age 65. The plan does not issue a stand-alone financial report.

Funding policy

The City provides health insurance benefits to retirees and their dependents in accordance with Kansas law (K.S.A. 12-5040). Kansas statutes, which may be amended by the State Legislature, establish that participating retirees may be required to contribute to the employee group health benefits plan, including administrative costs at an amount not to exceed 125 percent of the premium cost for other similarly situated employees. The City requires participating retirees to contribute 100 percent of the blended premium cost of active employees up to age 65 (including the employer and employee share).

At December 31, 2022, the following employees were covered by the benefit terms:

Active employees	242
Inactive members currently receiving benefits	12
Total	254

Total OPEB Liability

The City's total OPEB liability of $5,439,346 was measured as of December 31, 2022 as determined by actuarial valuation as of December 31, 2022. The total OPEB liability in the December 31, 2022 actuarial valuation was determined using the following assumptions and other inputs, applied to all periods in the measurement, unless otherwise specified:

Measurement date	December 31, 2022
Actuarial valuation date	December 31, 2022 with no adjustments to the December 31, 2022 measurement date. Liabilities as of January 1, 2022 are based on an actuarial valuation date of January 1, 2021 projected to January 1, 2022 on a "no gain' no loss" basis.
Actuarial method	Entry Age Normal Level % of salary method
Inflation	2.75% per year
Payroll growth	Payroll growth rates include general wage inflation of 3.50% (includes 2.75% inflation and 0.75% productivity growth), plus merit increases based on the Kansas Public Employees Retirement System(KPERS) and Kansas Police and Firemen's Retirement System (KPF) actuarial valuation as of December 31, 2021. KPERS employees are assumed to follow the KPERS Local rates, while KPF employees are assumed to follow the KPF rates.
Discount rate	4.31% as of December 31, 2022 and 2.25% as of January 1, 2022 for accounting disclosure purposes.
Disability	None

Changes in the total OPEB liability are as follows:

Balance 1/1/2022	$ 7,347,316
Service Cost	551,570
Interest	175,385
Changes of benefit terms	-
Difference between expected and actual experience	(1,337,158)
Changes of assumptions/methodology	(1,088,606)
Benefit payments	(209,161)
Net change in total OPEB liability	(1,907,970)
Total OPEB liability 12/31/2022	$ 5,439,346
Covered payroll	$ 12,791,418
Total OPEB liability as a percentage of covered payroll	42.5%

The following presents the total OPEB liability, calculated using the current discount rate of 4.31%, as well as the total OPEB liability calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Total OPEB liability	$ 6,015,589	$ 5,439,346	$ 4,925,034

The following presents the total OPEB liability, calculated using the current healthcare cost trend rate of 7.50% decreasing to 4.50%, as well as the total OPEB liability calculated using a healthcare cost trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Total OPEB liability	$ 5,030,436	$ 5,439,346	$ 5,934,290

For the year ended December 31, 2022, the City recognized OPEB expense of $147,173.

Deferred Outflows* of *Resources and Deferred Inflows of Resources

At December 31, 2022, the City reported deferred outflows related to other postemployment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between actual and expected experience	$ -	$ (2,561,579)
Changes of assumptions	323,750	(1,106,449)
Total	$ 323,750	$ (3,668,028)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31:	Annual Recognition
2023	$ (579,782)
2024	(579,782)
2025	(579,780)
2026	(398,672)
2027	(312,243)
Thereafter	(894,019)
Total	$(3,344,278)

Disability Benefits and Life Insurance Plan

Plan Description, Benefits Provided and Contributions

E. Other Postemployment Benefits - KPERS

The City participates in a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan (the Plan) which is administered by the Kansas Public Employees Retirement System (KPERS). The Plan provides long-term disability benefits and a life insurance benefit for disabled members to KPERS members, as provided by KS.A. 74-04927. The Plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. However, because the trust's assets are used to pay employee benefits other than OPEB, the trust does not meet the criteria in paragraph 4 of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. Accordingly, the Plan is considered to be administered on a pay-as-you-go basis.

Benefits are established by statute and may be amended by the KPERS Board of Trustees. The Plan provides long-term disability benefits equal to 60 percent (prior to January 1, 2006, 66 2/3 percent) of annual compensation, offset by other benefits. Members receiving long-term disability benefits also receive credit towards their KPERS retirement benefits and have their group life insurance coverage continued under the waiver of premium provisions.

The monthly long-term disability benefit is 60 percent of the member's monthly compensation, with a minimum of $100 and a maximum of $5,000. The monthly benefit is subject to reduction by deductible sources of income, which include Social Security primary disability or retirement benefits, workers' compensation benefits, other disability benefits from any other sources by reason of employment, and earnings from any form of employment. If the disability begins before age 60, benefits are payable while the disability continues until the member's 55th birthday or retirement date, whichever occurs first. If the disability begins after age 60, benefits are payable while the disability continues, for a period of five years or until the member retires, whichever occurs first. Benefit payments for disabilities caused or contributed to by substance abuse or non-biologically based mental illnesses are limited to the shorter of the term of the disability or 24 months per lifetime.

The death benefit paid to beneficiaries of disabled members is 150% of the greater of 1) the member's annual rate of compensation at the time of disability, or 2) the members previous 12 months of compensation at the time of the last date on payroll. If the member has been disabled for five or more years, the annual compensation or salary rate at the time of death will be indexed using the consumer price index, less one percentage point, to compute the death benefit. If a member is diagnosed as terminally ill with a life expectancy of 12 months or less, the member may be eligible to receive up to 100% of the death benefit rather than having the benefit paid to the beneficiary. If a member retires or disability benefits end, the member may convert the group life insurance coverage to an individual insurance policy.

Employees Covered by Benefit Terms

At December 31, 2022, the following employees were covered by the benefit terms:

Active plan members	128
Inactive employees or beneficiaries currently receiving benefits	2
Total	130

Total OPEB liability and Actuarial Assumptions

The City's total OPEB liability of $147,358 was measured at June 30, 2022 (the measurement date), and was determined by an actuarial valuation as of December 31, 2021, which was rolled forward to June 30, 2022, using the following actuarial assumptions:

Valuation date	December 31, 2021
Measurement date	June 30, 2022
Inflation	2.75%
Actuarial cost method	Entry Age Normal
Payroll growth	3.00%
Salary increases including inflation	3.50%
Discount rate	3.54%

Mortality rates used for the death benefits were based on 90% of the RP-2014 Total Dataset +2 for Males and 90% of the RP-2014 Total Dataset+1 for Females. Generational mortality improvements were projected for future years using MP-2021.

Changes in the Total OPEB Liability

The changes in the OPEB liability are as follows:

Balance at December 31, 2021	$ 163,551
Changes for the year:	
Service cost	25,308
Interest	3,963
Changes in economic/demographic gains or losses	(5,290)
Changes in assumptions or other inputs	(29,315)
Benefit payments	(10,859)
Balance at December 31, 2022	$ 147,358

Sensitivity Analysis

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.54%) or 1-percentage-point higher (4.54%) than the current discount rate:

	1% Decrease	Current Discount Rate	1% Increase
Total OPEB liability	$ 153,199	$ 147,358	$ 141,578

Healthcare cost trend rate sensitivity analysis is not applicable as healthcare trend rates do not affect the liabilities related to the long-term disability benefits sponsored by KPERS.

OPEB Expense, Deferred Outflows and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2022, the City recognized OPEB expense for this plan of $34,697. At December 31, 2022, the City reported deferred outflows and inflows of resources related to the plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between actual and expected experience	$ 145,727	$ (164,650)
Changes of assumptions	15,710	(29,508)
Total	$ 161,437	$ (194,158)

Amounts currently reported as deferred outflows of resources and deferred inflows of resources related to the plan will be recognized in OPEB expense as follows:

Year Ending December 31:	Annual Recognition
2023	$ 5,426
2024	5,426
2025	5,426
2026	5,584
2027	1,815
Thereafter	(56,398)
Total	$ (32,721)

Summary of financial reporting of the City's OPEB plans:

	Health Insurance Plan	KPERS	Total
Governmental activities:			
OPEB liability	$ 4,868,416	$ 134,039	$ 5,002,455
Business-type activities:			
OPEB liability	570,930	13,319	584,249
Total OPEB liability	$ 5,439,346	$ 147,358	$ 5,586,704
Governmental activities			
OPEB related deferred outflows	$ 275,481	$ 146,846	$ 422,327
OPEB related deferred inflows	(3,274,149)	(176,610)	(3,450,759)
Business-type activities:			
OPEB related deferred outflows	48,269	14,591	62,860
OPEB related deferred inflows	(393,879)	(17,548)	(411,427)
Total	$ (3,344,278)	$ (32,721)	$ (3,376,999)
Total OPEB Expense	$ 147,173	$ 34,697	$ 181,870

F. Closure and postclosure care costs

State and federal laws and regulations require the City's sanitary landfill to place a final cover on the landfill site and to perform certain maintenance and monitoring functions for thirty years after closure. Although closure and postclosure care costs will be paid in future periods, the City reports these closure and postclosure care costs as an operating expense in each period based upon landfill capacity used as of the balance sheet date. The $97,295 reported as landfill closure and postclosure care liability in the Refuse Fund at December 31, 2022 represents 100% of the estimated liability as the landfill is no longer accepting waste. Actual costs may be different than those estimated due to inflation, changes in technology or changes in regulations.

G. Commitments and contingencies

Normal commitments have been made for future expenditures related to the City's capital projects program.

The City is a defendant in various legal actions pending or in process for property damage, personal injuries, zoning matters and other miscellaneous claims. The ultimate liability that might result from the final resolution of the above matters is not presently determinable. While certain lawsuits involve substantial amounts, in the opinion of management and counsel, such litigation will have no material effect on the basic financial statements of the City.

The City receives significant financial assistance from numerous Federal, state and local governmental agencies in the form of grants. Grantor agencies reserve the right to conduct additional audits of the City's grant programs for economy, efficiency and program results which may result in disallowed costs to the City. However, City management does not believe such audits would result in any disallowed costs that would be material to the City's financial position as of December 31, 2022.

The City uses encumbrances to control expenditure commitments for the year and to enhance cash management. Encumbrances represent commitments related to executed contracts not yet performed and purchase orders not yet filled. Commitments for such expenditure of monies are encumbered to reserve a portion of applicable appropriations. Encumbrances still open at year-end are not accounted for as expenditures and liabilities, but as restricted, committed, or assigned fund balance. At December 31, 2022, the City's recorded encumbrances in governmental funds were as follows:

Streets Fund	$ 20,878
Recreation Fund	10,355
ARPA Fund	7,970
CIP Sales Tax Fund	55,136
Capital Projects Fund	187,099
Street Capital Projects Fund	519,852
Sewer Fund	445,489
Housing Funds	18,404
Sewer Capital Projects Fund	53,367
	$ 1,318,550

H. Tax Abatements

The City provides tax abatements through two programs-the Neighborhood Revitalization Area and Economic Development Plan.

For the fiscal year ended December 31, 2022, the City abated taxes totaling $1,023,576, including the following tax abatement agreements that each exceeded 10% of the total amount abated:

- The **Neighborhood Revitalization Area (NRA)** was established under the authority of K.S.A 12-17, 114 et al. The purpose of the plan is intended to promote the rehabilitation, conservation, and /or redevelopment of areas within the city to protect the public health, safety, and welfare of the residents.

  The tax rebate incentive is available to property owners for certain improvements that raise the appraised value of residential and commercial properties. The City evaluates all the properties before granting the abatement. Any default in paying taxes results in the property owner not receiving their abated monies. If the property is sold, the abatement stays in effect with the new property owner.

  The NRA provides for an ad valorem rebate of 100% of the increased taxes paid on eligible improvements for a period of 5-10 years. Inter-local agreements were entered into with the USD #453 school district and Leavenworth County. The NRA district includes properties from Metropolitan Avenue as the northern boundary to Spruce Street as the southern boundary and from N Esplanade Street as the eastern boundary to N 10th Street as the western boundary, with a portion of area between 10th and 11th street included. Within that area, two sections are considered Tax Increment Financing (TIF) areas instead of NRA.

  As of December 31, 2020, the Commission approved extending the NRA for another 10 years. There are approximately 60 properties participating in the tax abatements, which totaled $113,002 for the year ending December 31, 2022.

- **The Economic Development Plan** was established under the authority of K.S.A. 12-1770 et seq. and includes tax abatements for economic development purposes in the form of Tax Increment Financings (TIFs) and Industrial Revenue Bonds (IRBs). The statutes require that the projects being considered for a TIF generate enough benefits and TIF revenues to cover or exceed the project costs. TIFs may take the form of either ad valorem tax abatements or sales tax abatements or both. IRBs not only provide financing for the project but also allow the sales taxes on the project to be abated using the City's sales tax exemption status.

  As of December 31, 2022, the City has the following **Sales Tax TIF** agreements:

  - Zeck Ford (2015- 2035) refund of 80% of the original 1% City sales tax that is generated on sales exceeding $53,992,480 annually. The amount of sales tax repaid to Zeck for 2022 was $117,492.

  As of December 31, 2022, the City has the following **Property Tax TIF** agreements:

  - Zeck Ford (2015-2035): 100% refund of the property tax generated in excess of the assessed value excluding the allocation to the state and the school district general fund that is exempted by statute. $1,102,513 is considered the base value, and 2015 is considered the base year. For the year ending December 31, 2022, the district generated $103,487.
  - North Gateway Hotels (2014-2034): 100% of the property tax generated on the increased value of the properties in the North Gateway Hotel TIF is placed into a TIF fund, excluding the allocation to the state and the school district general fund that is exempted by statute. During 2022, the monies paid into the TIF fund were used to repay the outstanding balance of the $875,000 of GO bonds issued on behalf of the developer towards the construction of an extended stay hotel at that same location. For the year ending December 31, 2022, the district generated $116,965.
  - Downtown Hotel (2014-2034): 100% of the property tax generated on the increased value of the properties in the Downtown Hotel TIF is placed into a TIF fund, excluding the allocation to the state and the school district general fund that is exempted by statute. The base year for assessed valuation is 2011 and the base value is $2,352,884. For the year ended December 31, 2022, the district generated $139,116. The City has Inter-local agreements with USD #453 and Leavenworth County for the property tax TIFs.
  - During 2020, three TIF agreements were added to the existing TIF Districts: Luxury Imports, Price Chopper, and the development at 615 Metropolitan. These projects are complete; but there were no sales tax nor property tax distributions in 2022 for these projects.

I. Subsequent Events

The City evaluated subsequent events through June 28, 2023, the date the financial statements were available to be issued.

Subsequent to year end, the City authorized the issuance of general obligation bonds in the maximum principal amount of $5,000,000 to the purpose of funding Fire Station No. 3.

Required Supplementary Information

City of Leavenworth, Kansas
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	$ 16,600,181	$ 16,600,181	$ 17,994,415	$ 1,394,234
Intergovernmental	54,065	54,065	74,086	20,021
Licenses and permits	429,400	429,400	392,606	(36,794)
Charges for services	1,578,200	1,578,200	1,760,515	182,315
Fines and forfeitures	550,000	550,000	483,527	(66,473)
Investment earnings	40,000	40,000	401,865	361,865
Miscellaneous	39,457	39,457	76,706	37,249
Total revenues	19,291,303	19,291,303	21,183,720	1,892,417
EXPENDITURES				
Current:				
General government	3,926,688	3,926,688	3,617,319	309,369
Public safety	13,353,876	13,353,876	12,981,627	372,249
Public works	2,490,762	2,490,762	2,635,618	(144,856)
Culture and recreation	15,342	15,342	31,436	(16,094)
Housing & urban redevelopment	53,266	53,266	48,527	4,739
Community and economic development	278,744	278,744	223,451	55,293
Debt service:				
Principal retirement	-	-	14,504	(14,504)
Interest & fiscal charges	-	-	42	(42)
Capital outlay	37,260	37,260	19,858	17,402
Operating reserves	4,893,738	4,893,738	-	4,893,738
Total expenditures	25,049,676	25,049,676	19,572,382	5,477,294
Excess of revenues over (under) expenditures	(5,758,373)	(5,758,373)	1,611,338	7,369,711
OTHER FINANCING SOURCES (USES)				
Transfers in	72,664	72,664	-	(72,664)
Transfers out	(92,000)	(92,000)	-	92,000
Total other financing sources (uses)	(19,336)	(19,336)	-	19,336
Net change in fund balances	$ (5,777,709)	$ (5,777,709)	1,611,338	$ 7,389,047
Fund balances - beginning			8,984,162	
Fund balances , end of year - budget basis			10,595,500	
Adjustments to reconcile to GAAP				
Encumbrances, beginning of year			(28,845)	
Encumbrances, end of year			-	
Fund balances, end of year - GAAP Basis			$ 10,566,655	

City of Leavenworth, Kansas
Countywide Sales Tax Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	$ 2,972,000	$ 2,972,000	$ 3,293,120	$ 321,120
Total revenues	2,972,000	2,972,000	3,293,120	321,120
EXPENDITURES				
Current:				
General Reserves	495,000	495,000	-	495,000
Total expenditures	495,000	495,000	-	495,000
Excess (deficiency) of revenues over (under) expenditures	2,477,000	2,477,000	3,293,120	816,120
OTHER FINANCING SOURCES (USES)				
Transfers out	(3,288,217)	(3,288,217)	(1,294,929)	1,993,288
Total other financing sources (uses)	(3,288,217)	(3,288,217)	(1,294,929)	1,993,288
Net change in fund balances	$ (811,217)	$ (811,217)	1,998,191	$ 2,809,408
Fund balances - beginning			3,041,444	
Fund balances - ending			$ 5,039,635	

City of Leavenworth, Kansas
Schedule of the City's Proportionate Share of the Collective Net Pension Liability
Kansas Public Employees Retirement System
Last Nine Fiscal Years*

	2022	2021	2020	2019	2018	2017	2016	2015	2014
City's proportion of the collective net pension liability:									
KPERS	0.333%	0.341%	0.347%	0.343%	0.338%	0.329%	0.324%	0.368%	0.356%
KP&F	1.093%	1.141%	1.114%	1.133%	1.159%	1.110%	1.200%	1.280%	1.271%
City's proportionate share of the collective net pension liability	$ 22,383,771	$ 14,974,501	$ 19,750,719	$ 16,265,970	$ 15,861,352	$ 15,171,471	$ 16,153,560	$ 14,130,484	$ 12,716,814
City's covered payroll	$ 13,056,912	$ 12,007,236	$ 11,569,854	$ 12,194,589	$ 11,964,248	$ 11,552,857	$ 11,250,704	$ 11,932,917	$ 11,476,070
City's proportionate share of the collective net pension liability as a percentage of its covered payroll	171.43%	124.71%	170.71%	133.39%	132.57%	131.32%	143.58%	118.42%	110.81%
Plan fiduciary net position as a percentage of the total pension liability	69.75%	76.40%	66.30%	69.88%	68.87%	67.12%	65.10%	64.95%	66.60%

* GASB 67 requires presentation of 10 years. As of December 31,2022, only nine years of information is available.

City of Leavenworth, Kansas
Schedule of City's Contributions
Kansas Public Employees Retirement System
Last Ten Fiscal Years

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	$ 2,080,825	$ 2,003,296	$ 1,921,396	$ 1,829,172	$ 1,724,395	$ 1,608,389	$ 1,709,712	$ 1,785,936	$ 1,741,195	$ 1,491,559
Contributions in relation to the contractually required contribution	(2,080,825)	(2,003,296)	(1,921,396)	(1,829,172)	(1,724,395)	(1,608,389)	(1,709,712)	(1,785,936)	(1,741,195)	(1,491,559)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
City's covered payroll	$ 13,056,912	$ 12,007,236	$ 11,569,854	$ 12,046,939	$ 12,066,257	$ 11,672,733	$ 11,235,594	$ 11,590,840	$ 11,710,799	$ 11,436,682
Contributions as a percentage of covered payroll	15.94%	16.68%	16.61%	15.18%	14.29%	13.78%	15.22%	15.41%	14.87%	13.04%

City of Leavenworth, Kansas
Schedule of the Library's Proportionate Share of the Collective Net Pension Liability
Kansas Public Employees Retirement System
Last Eight Years*

	2022	2021	2020	2019	2018	2017	2016	2015
Library's proportion of the collective net pension liability	0.030%	0.031%	0.034%	0.034%	0.033%	0.033%	0.033%	0.030%
Library's proportionate share of the collective net pension liability	$ 595,419	$ 368,975	$ 585,490	$ 478,279	$ 453,093	$ 470,907	$ 510,628	$ 398,312
Library's covered payroll	$ 623,059	$ 660,315	$ 664,055	$ 656,550	$ 619,185	$ 584,240	$ 583,838	$ 554,714
Library's proportionate share of the collective net pension liability as a percentage of its covered payroll	95.56%	55.88%	88.17%	72.85%	73.18%	80.60%	87.46%	71.80%
Plan fiduciary net position as a percentage of the total pension liability	69.75%	76.40%	66.30%	69.88%	68.87%	67.12%	65.10%	64.95%

* GASB 67 requires presentation of 10 years. As of December 31, 2022 only eight years of information is available.

City of Leavenworth, Kansas
Schedule of Library's Contributions
Kansas Public Employees Retirement System
Last Eight Fiscal Years*

	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 53,483	$ 51,808	$ 55,802	$ 54,673	$ 49,020	$ 50,853	$ 51,618	$ 52,587
Contributions in relation to the contractually required contribution	53,483	51,808	55,802	54,673	49,020	50,853	51,618	52,587
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Library's covered payroll	$ 623,059	$ 660,315	$ 664,055	$ 656,550	$ 619,185	$ 584,240	$ 679,554	$ 554,714
Contributions as a percentage of covered payroll	8.58%	7.85%	8.40%	8.33%	7.92%	8.70%	7.60%	9.48%

* GASB 67 requires presentation of 10 years. As of December 31, 2022 only eight years of information is available.

City of Leavenworth, Kansas
Schedule of Changes in Net Pension Liability and Related Ratios
Police and Fire Pension Plan
Last Nine Fiscal Years*

Total Pension Liability	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
Service cost	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Interest	49,872	50,936	55,489	57,651	60,014	60,322	61,831	73,102	74,801
Changes of benefit terms	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	62,352	22,932	(198,022)	27,461	(17,933)	(29,788)	23,728	(305,853)	21,327
Changes of assumptions	-	7,746	118,337	(16,999)	18,979	97,084	-	-	-
Benefit payments, including refunds of member contributions	(118,664)	(115,489)	(139,625)	(140,777)	(138,869)	(136,916)	(134,794)	(151,091)	(154,434)
Net change in total pension liability	(6,440)	(33,875)	(163,821)	(72,664)	(77,809)	(9,298)	(49,235)	(383,842)	(58,306)
Total pension liability-beginning	1,721,730	1,755,605	1,919,426	1,992,090	2,069,899	2,079,197	2,128,432	2,512,274	2,570,580
Total pension-liability-ending (a)	$ 1,715,290	$ 1,721,730	$ 1,755,605	$ 1,919,426	$ 1,992,090	$ 2,069,899	$ 2,079,197	$ 2,128,432	$ 2,512,274
Plan Fiduciary Net Position									
Contributions-employer	$ 29,383	$ 39,604	$ 37,489	$ 124,249	$ 121,272	$ 162,622	$ 163,144	$ 160,245	$ 159,716
Contributions-employee	-	-	-	-	-	-	-	-	-
Net investment income	5,398	873	3,843	11,803	9,107	3,417	1,266	846	846
Benefit payments, including refunds of member contributions	(118,664)	(115,489)	(139,625)	(140,777)	(138,869)	(136,916)	(134,794)	(151,091)	(154,434)
Administrative expenses	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	(48)
Net change in plan fiduciary net position	(83,883)	(75,012)	(98,293)	(4,725)	(8,490)	29,123	29,616	10,000	6,080
Plan fiduciary net position-beginning	596,869	671,881	770,174	774,899	783,389	754,266	724,650	714,650	708,570
Plan fiduciary net position-ending (b)	$ 512,986	$ 596,869	$ 671,881	$ 770,174	$ 774,899	$ 783,389	$ 754,266	$ 724,650	$ 714,650
Net pension liability-ending (a)-(b)	$ 1,202,304	$ 1,124,861	$ 1,083,724	$ 1,149,252	$ 1,217,191	$ 1,286,510	$ 1,324,931	$ 1,403,782	$ 1,797,624
Plan fiduciary net position as a percentage of the total pension liability	29.91%	34.67%	38.27%	40.13%	38.90%	37.85%	36.28%	34.05%	28.45%
Covered payroll	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Net pension liability as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

* GASB 67 requires presentation of 10 years. As of December 31, 2022, only nine years of information is available.

City of Leavenworth, Kansas
Schedule of City Contributions
Police and Fire Pension Plan
Last Ten Fiscal Years

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially determined contribution	$ 128,028	$ 123,345	$ 130,804	$ 138,536	$ 104,627	$ 86,462	$ 91,608	$ 117,310	$ 153,655	$ 153,655
Actual contributions	29,383	39,604	37,489	124,249	121,272	162,622	163,144	160,245	159,716	188,189
Contribution deficiency (excess)	$ 98,645	$ 83,741	$ 93,315	$ 14,287	$ (16,645)	$ (76,160)	$ (71,536)	$ (42,935)	$ (6,061)	$ (34,534)
Covered payroll	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes to Schedule

Valuation date:
Actuarially determined contribution rates are calculated as of December 31, 2022

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age
Amortization method	Open level dollar 10 year basis
Asset valuation method	Fair Value of Assets
Inflation	3%
Salary increases	N/A-closed plan
Investment rate of return	3% net of investment expenses
Cost of Living Increases	3%
Interest rates:	
Discount Rate	3%
Expected Long Term Rate of Return	3%
Municipal Bond rate	N/A
Retirement age	N/A-closed plan
Mortality	PubG-2010 Mortality Table Projected Generationally from 2010 with the Mortality Improvement Scale MP-2021.
Changes since prior report	Mortality table was updated from he PubG-2010 Mortality Table Projected Generationally from 2010 with the Mortaity Improvement Scale MP-2020 to the PubG-2010 Mortality Table Projected Generationally from 2010 with the Mortality Scale MP-2021.

City of Leavenworth, Kansas
Schedule of Investment Returns
Police and Fire Pension Plans
Last nine Fiscal Years*

Fiscal Year	Annual Money-weighted Rate of Return
2022	0.00%
2021	0.14%
2020	0.00%
2019	0.00%
2018	0.00%
2017	0.00%
2016	0.15%
2015	0.14%
2014	0.14%

* GASB 67 requires presentation of 10 years. As of December 31,2022, only nine years of information is available.

City of Leavenworth, Kansas
Required Supplementary Information
Other Postemployment Benefits
Schedule of Changes in the City's Total OPEB Liability and Related Ratios
Last Ten Fiscal Years*

	2022	2021	2020	2019	2018
Total OPEB Liability					
Service cost	$ 551,570	$ 567,528	$ 369,404	$ 305,409	$ 389,159
Interest	175,385	162,362	248,550	275,867	284,813
Benefits paid	(209,161)	(177,448)	(175,496)	(173,928)	(233,622)
Differences between expected and actual experience	(1,337,158)	(290,284)	(711,757)	(171,361)	(1,778,825)
Changes of assumptions	(1,088,606)	(94,143)	106,718	613,123	(174,876)
Net change in total OPEB liability	(1,907,970)	168,015	(162,581)	849,110	(1,513,351)
Total OPEB liability-beginning	7,347,316	7,179,301	7,341,882	6,492,772	8,006,123
Total OPEB-liability-ending	$ 5,439,346	$ 7,347,316	$ 7,179,301	$ 7,341,882	$ 6,492,772
Covered payroll	$ 12,792,418	$ 12,007,236	$ 11,569,854	$ 12,046,939	$ 11,238,903
Total OPEB liability as a percentage of covered-employee payroll	42.52%	61.19%	62.05%	60.94%	57.77%
Actuarially determined contribution	$ 209,161	$ 177,448	$ 175,496	$ 173,928	$ 233,622
Actual contribution	$ 209,161	$ 177,448	$ 175,496	$ 173,928	$ 233,622
Contributions as a percentage of covered-employee payroll	1.64%	1.48%	1.52%	1.44%	2.08%

Notes to Schedule:
No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.
*Data became available with the inception of GASB 75 during fiscal year 2018, therefore 10 years of data is unavailable.

City of Leavenworth, Kansas
Required Supplementary Information
Other Postemployment Benefits
Schedule of Changes in the City's Total OPEB Liability and Related Ratios
Last Ten Fiscal Years*

	2022	2021	2020	2019	2018
Total OPEB Liability					
Service Cost	$ 25,308	$ 24,916	$ 21,911	$ 20,579	$ 20,355
Interest	3,963	7,597	14,004	10,795	6,567
Benefits paid	(10,859)	(70,301)	(46,881)	(67,814)	(51,867)
Effect on economic/demographic gains or losses	(5,290)	(152,787)	(53,792)	139,941	130,814
Changes of assumptions	(29,315)	328	17,127	5,973	(2,686)
Net change in total OPEB liability	(16,193)	(190,247)	(47,631)	109,474	103,183
Total OPEB liability-beginning	163,551	353,798	401,428	291,954	188,771
Total OPEB-liability-ending	$ 147,358	$ 163,551	$ 353,797	$ 401,428	$ 291,954
Covered employee payroll	$ 6,047,419	$ 6,043,270	$ 5,949,759	$ 5,736,648	$ 5,606,308
Total OPEB liability as a percentage of covered-employee payroll	2.44%	2.71%	5.95%	7.00%	5.21%
Actuarially determined contribution	$ 10,859	$ 70,301	$ 46,881	$ 67,814	$ 51,867
Actual contribution	$ 10,859	$ 70,301	$ 46,881	$ 67,814	$ 51,867
Contributions as a percentage of covered-employee payroll	0.18%	1.16%	0.79%	1.18%	0.93%

Notes to Schedule:

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

*Data became available with the inception of GASB 75 during fiscal yar 2018, therefore 10 years of data is unavailable.

Combining and Individual Fund Statements and Schedules

City of Leavenworth, Kansas

Nonmajor Governmental Funds

December 31, 2022

Special Revenue Funds

Fund Descriptions

Convention & Visitors Bureau Fund

To account for the receipt and disbursement of transient guest taxes for the promotion of tourism and conventions.

Probation Fund

To account for the receipt and disbursement of resources related to probations services.

Police Seizure Fund

To account for expenditures relating to the operation of police drug abuse abatement programs. Resources are generated from proceeds of the sale of assets confiscated or seized during drug enforcement activities.

Police Grants Fund

To account for the receipt and disbursement of federal and state grants for various police programs.

911 Fund

To account for the receipt and disbursement of the 911 operations. Resources are mainly from franchise taxes.

Streets Fund

To account for the operational expenditures of the Street Department. Resources are mainly from a state fuel tax.

Recreation Fund

To account for recreational program expenditures. Resources are generated by a tax levy and program user fees.

Special Park Gift Fund

To account for public contributions for improvements to City parks.

Economic Development Fund

To account for the economic development operations expenditures. Resources are generated from a 15% allocation of the Countywide sales tax.

Fund Descriptions (continued)

Business & Technology Park Fund

To account for the general maintenance and activities related to the business and technology park.

Housing Fund

To account for monies relating to the maintenance and operation of the public housing facility and housing programs for low income persons. Financing is provided by user fees and federal financial assistance.

Community Development Fund

To account for monies expended for community development block grant programs and various other community improvements. Financing is provided by federal financial assistance.

Community Grant Fund

To account for monies provided to community organizations and small businesses to aid in the mitigation of the impact of COVID-19.

CIP Sales Tax Fund

To account for the activities related to the 1/2 cent permanent sales tax dedicated for capital improvements.

Tax Increment Auto Incentive Fund

To account for the transactions related to auto economic development incentives.

Tax Increment Hotels Fund

To account for the transactions related to hotel economic development incentives.

Tax Increment Retail Fund

To account for the receipt and disbursement of sales tax revenues related to the 2001 tax increment financing project.

City of Leavenworth, Kansas
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2022

Special Revenue Funds - Page 1 of 2

	Convention & Visitors Bureau Fund	Probation Fund	Police Seizure Fund	Police Grants Fund	911 Fund	Streets Fund	Recreation Fund	Special Park Gift Fund
ASSETS								
Cash and cash equivalents	$ 622,554	$ 99,594	$ 91,858	$ 3,981	$ 185,944	$ 377,444	$ 203,707	$ 55,241
Tenant deposits	-	-	-	-	-	-	-	-
Receivables, net								
Taxes	-	-	-	-	-	-	482,359	-
Accounts	-	-	-	-	-	-	10	-
Interest	-	-	379	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-
Assets held for resale	-	-	-	-	-	-	-	-
Total assets	$ 622,554	$ 99,594	$ 92,237	$ 3,981	$ 185,944	$ 377,444	$ 686,076	$ 55,241
LIABILITIES								
Accounts payable	$ 1,130	$ 1,170	$ -	$ -	$ -	$ 4,911	$ 35,864	$ -
Accrued liabilities	4,427	3,693	-	-	185,000	14,582	30,433	-
Tenant deposits	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-
Unearned revenues	-	-	-	-	-	-	-	-
Total liabilities	5,557	4,863	-	-	185,000	19,493	66,297	-
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenues:								
Property taxes	-	-	-	-	-	-	482,359	-
Leases	-	-	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-	482,359	-
FUND BALANCES								
Restricted	616,997	94,731	92,237	3,981	944	357,951	137,420	55,241
Total fund balances	616,997	94,731	92,237	3,981	944	357,951	137,420	55,241
Total liabilities, deferred inflows of resources, and fund balances	$ 622,554	$ 99,594	$ 92,237	$ 3,981	$ 185,944	$ 377,444	$ 686,076	$ 55,241

City of Leavenworth, Kansas
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2022

	Special Revenue Funds - Page 2 of 2							
	Economic Development Fund	Bus & Tech Park Fund	Housing Fund	Community Development Fund	Community Grant Fund	CIP Sales Tax Fund	TIF Funds	Total Nonmajor Governmental Funds
ASSETS								
Cash and cash equivalents	$ 1,116,104	$ 364,989	$ 1,175,778	$ 6,600	$ 67,750	$ 2,269,017	$ 716,153	$ 7,356,714
Tenant deposits	-	-	32,450	-	-	-	-	32,450
Receivables, net								
Taxes	102,427	-	-	-	-	469,757	148,342	1,202,885
Accounts	-	-	5,194	-	-	-	-	5,204
Interest	-	-	275	-	-	-	-	654
Leases	-	-	251,797	-	-	-	-	251,797
Due from other governments	-	-	3,616	34,556	-	-	-	38,172
Other assets	-	-	24,842	-	-	-	-	24,842
Assets held for resale	1,260,400	-	-	-	-	-	-	1,260,400
Total assets	$ 2,478,931	$ 364,989	$ 1,493,952	$ 41,156	$ 67,750	$ 2,738,774	$ 864,495	$ 10,173,118
LIABILITIES								
Accounts payable	$ 303	$ 58	$ 34,299	$ 263	$ -	$ -	$ 272	$ 78,270
Accrued liabilities	1,088	-	8,283	1,656	-	-	-	249,162
Tenant deposits	-	-	32,400	-	-	-	-	32,400
Due to other funds	-	-	3,616	32,637	-	-	-	36,253
Unearned revenues	-	-	44,487	-	-	-	-	44,487
Total liabilities	1,391	58	123,085	34,556	-	-	272	440,572
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenues:								
Property taxes	-	-	-	-	-	-	-	482,359
Leases	-	-	246,812	-	-	-	-	246,812
Total deferred inflows of resources	-	-	246,812	-	-	-	-	729,171
FUND BALANCES								
Restricted	2,477,540	364,931	1,124,055	6,600	67,750	2,738,774	864,223	9,003,375
Total fund balances	2,477,540	364,931	1,124,055	6,600	67,750	2,738,774	864,223	9,003,375
Total liabilities, deferred inflows of resources, and fund balances	$ 2,478,931	$ 364,989	$ 1,493,952	$ 41,156	$ 67,750	$ 2,738,774	$ 864,495	$ 10,173,118

City of Leavenworth, Kansas
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2022

Special Revenue Funds - Page 1 of 2

	Convention & Visitors Bureau Fund	Probation Fund	Police Seizure Fund	Police Grants Fund	911 Fund	Streets Fund	Recreation Fund	Special Park Gift Fund
REVENUES								
Taxes	$ 641,962	$ -	$ -	$ -	$ 172,270	$ -	$ 489,890	$ -
Intergovernmental	-	74,087	-	38,000	-	1,165,104	74,086	-
Charges for services	5,603	114,471	14,122	-	-	-	486,502	9,436
Investment earnings	-	-	879	-	-	-	-	-
Miscellaneous	23,127	5	21	-	-	4,500	11,889	12,754
Total revenues	670,692	188,563	15,022	38,000	172,270	1,169,604	1,062,367	22,190
EXPENDITURES								
Current:								
General government	652,526	194,266	-	-	-	-	-	-
Public safety	-	-	7,858	38,000	248,195	-	-	-
Public works	-	-	-	-	-	1,142,053	-	-
Culture and recreation	-	-	-	-	-	-	2,521,228	10,294
Housing and urban redevelopment	-	-	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-	-	-
Debt service								
Principal retirement	-	1,587	-	-	-	-	1,587	-
Interest and fiscal charges	-	7	-	-	-	-	7	-
Capital outlay	-	3,045	-	-	-	8,430	21,404	-
Total expenditures	652,526	198,905	7,858	38,000	248,195	1,150,483	2,544,226	10,294
expenditures	18,166	(10,342)	7,164	-	(75,925)	19,121	(1,481,859)	11,896
OTHER FINANCING SOURCES (USES)								
Sale of assets	-	-	-	-	-	-	-	-
Insurance proceeds	-	-	-	-	-	48,347	-	-
Lease proceeds	-	3,045	-	-	-	-	3,045	-
Transfers in	-	-	-	-	-	-	1,110,864	-
Transfers out	-	-	-	-	-	-	-	-
Total - other financing sources (uses)	-	3,045	-	-	-	48,347	1,113,909	-
Net change in fund balances	18,166	(7,297)	7,164	-	(75,925)	67,468	(367,950)	11,896
Fund balance - beginning, restated	598,831	102,028	85,073	3,981	76,869	290,483	505,370	43,345
Fund balances - ending	$ 616,997	$ 94,731	$ 92,237	$ 3,981	$ 944	$ 357,951	$ 137,420	$ 55,241

City of Leavenworth, Kansas
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2022

Special Revenue Funds - Page 2 of 2

	Economic Development Fund	Bus & Tech Park Fund	Housing Fund	Community Development Fund	Community Grant Fund	CIP Sales Tax Fund	TIF Funds	Total Nonmajor Governmental Funds
REVENUES								
Taxes	$ 581,139	$ -	$ -	$ -	$ -	$ 2,604,269	$ 1,346,185	$ 5,835,715
Intergovernmental	-	-	2,696,051	302,494	-	-	-	4,349,822
Charges for services	-	-	461,629	-	-	-	-	1,091,763
Investment earnings	-	-	3,981	-	-	-	141	5,001
Miscellaneous	10	-	65,791	-	-	-	67,289	185,386
Total revenues	581,149	-	3,227,452	302,494	-	2,604,269	1,413,615	11,467,687
EXPENDITURES								
Current:								
General government	-	-	-	-	-	82,663	-	929,455
Public safety	-	-	-	-	-	23,006	-	317,059
Public works	-	-	-	-	-	-	-	1,142,053
Culture and recreation	-	-	-	-	-	-	-	2,531,522
Housing and urban redevelopment	-	-	3,115,584	302,494	-	-	-	3,418,078
Community and economic development	357,320	26,846	-	-	-	-	1,104,921	1,489,087
Debt service								
Principal retirement	-	-	97,422	-	-	-	465,000	565,596
Interest and fiscal charges	-	-	-	-	-	-	3,754	3,768
Capital outlay	-	-	4,011	-	-	289,567	-	326,457
Total expenditures	357,320	26,846	3,217,017	302,494	-	395,236	1,573,675	10,723,075
expenditures	223,829	(26,846)	10,435	-	-	2,209,033	(160,060)	744,612
OTHER FINANCING SOURCES (USES)								
Sale of assets	-	-	-	-	-	2,465	-	2,465
Insurance proceeds	-	-	-	-	-	68,912	-	117,259
Lease proceeds	-	-	4,011	-	-	-	-	10,101
Transfers in	-	-	-	-	-	-	-	1,110,864
Transfers out	-	-	-	-	-	(1,949,156)	(267,690)	(2,216,846)
Total - other financing sources (uses)	-	-	4,011	-	-	(1,877,779)	(267,690)	(976,157)
Net change in fund balances	223,829	(26,846)	14,446	-	-	331,254	(427,750)	(231,545)
Fund balance - beginning, restated	2,253,711	391,777	1,109,609	6,600	67,750	2,407,520	1,291,973	9,234,920
Fund balances - ending	$ 2,477,540	$ 364,931	$ 1,124,055	$ 6,600	$ 67,750	$ 2,738,774	$ 864,223	$ 9,003,375

City of Leavenworth, Kansas
Debt Service Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	$ 2,164,727	$ 2,164,727	$ 2,116,807	$ (47,920)
Total revenues	2,164,727	2,164,727	2,116,807	(47,920)
EXPENDITURES				
Debt service:				
Principal retirement	4,405,000	4,405,000	3,205,000	1,200,000
Interest and fiscal charges	705,155	705,155	710,530	(5,375)
Operating reserves	361,513	361,513	-	361,513
Total expenditures	5,471,668	5,471,668	3,915,530	1,556,138
Excess (deficiency) of revenues over (under) expenditures	(3,306,941)	(3,306,941)	(1,798,723)	1,508,218
OTHER FINANCING SOURCES (USES)				
General obligation bonds issued	1,400,000	1,400,000	-	(1,400,000)
Transfers in	1,347,690	1,347,690	1,625,460	277,770
Total - other financing sources (uses)	2,747,690	2,747,690	1,625,460	(1,122,230)
Net change in fund balances	$ (559,251)	$ (559,251)	(173,263)	$ 385,988
Fund balances - beginning			419,059	
Fund balances - ending			$ 245,796	

City of Leavenworth, Kansas
Convention & Visitors Bureau Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Transient guest tax	$ 500,000	$ 500,000	$ 641,962	$ 141,962
Charges for services	-	-	5,603	5,603
Miscellaneous	25,000	25,000	23,127	(1,873)
Total revenues	525,000	525,000	670,692	145,692
EXPENDITURES				
Current:				
General government	645,197	645,197	652,526	(7,329)
Operating reserves	215,009	215,009	-	215,009
Total expenditures	860,206	860,206	652,526	207,680
Net change in fund balances	$ (335,206)	$ (335,206)	18,166	$ 353,372
Fund balances - beginning			598,831	
Fund balances - ending			$ 616,997	

City of Leavenworth, Kansas
Probation Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	$ 52,265	$ 52,265	$ 74,087	$ 21,822
Charges for services	174,879	174,879	114,471	(60,408)
Miscellaneous	-	-	5	5
Total revenues	227,144	227,144	188,563	(38,581)
EXPENDITURES				
Current:				
General government	234,427	234,427	194,266	40,161
Debt service:				
Principal retirement			1,587	(1,587)
Interest & fiscal charges			7	(7)
Operating reserves	41,218	41,218	-	41,218
Total expenditures	275,645	275,645	195,860	79,785
Net change in fund balances	$ (48,501)	$ (48,501)	(7,297)	$ 41,204
Fund balances - beginning			102,028	
Fund balances - ending			$ 94,731	

City of Leavenworth, Kansas
911 Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Franchise Taxes-Telephone	$ 219,000	$ 219,000	$ 172,270	$ (46,730)
Total revenues	219,000	219,000	172,270	(46,730)
EXPENDITURES				
Current:				
Public Safety	50,000	50,000	248,195	(198,195)
Capital outlay	100,000	100,000	-	100,000
Operating reserves	69,000	69,000	-	69,000
Total expenditures	219,000	219,000	248,195	(29,195)
Net change in fund balances	$ -	$ -	(75,925)	$ (75,925)
Fund balances - beginning			76,869	
Fund balances - ending			$ 944	

City of Leavenworth, Kansas
Streets Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	$ 1,189,450	$ 1,189,450	$ 1,165,104	$ (24,346)
Miscellaneous	7,150	7,150	4,500	(2,650)
Total revenues	1,196,600	1,196,600	1,169,604	(26,996)
EXPENDITURES				
Current:				
Public works	1,347,141	1,347,141	1,162,931	205,088
Capital outlay	-	-	8,430	(8,430)
Total expenditures	1,347,141	1,347,141	1,171,361	196,658
Excess (deficiency) of revenues over (under) expenditures	(150,541)	(150,541)	(1,757)	169,662
OTHER FINANCING SOURCES (USES)				
Insurance proceeds	-	-	48,347	48,347
Total - other financing sources (uses)	-	-	48,347	48,347
Net change in fund balances	$ (150,541)	$ (150,541)	46,590	$ 218,009
Fund balances - beginning			290,483	
Fund balances , end of year - budget basis			337,073	
Adjustments to reconcile to GAAP				
Encumbrances, beginning of year			-	
Encumbrances, end of year			20,878	
Fund balances, end of year - GAAP Basis			$ 357,951	

City of Leavenworth, Kansas
Recreation Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	$ 502,666	$ 502,666	$ 489,890	$ (12,776)
Intergovernmental	52,265	52,265	74,086	21,821
Charges for services	634,900	634,900	486,502	(148,398)
Miscellaneous	6,000	6,000	11,889	5,889
Total revenues	1,195,831	1,195,831	1,062,367	(133,464)
EXPENDITURES				
Current:				
Culture and recreation	2,867,099	2,867,099	2,531,583	345,871
Debt service:				
Principal retirement			1,587	(1,587)
Interest & fiscal charges			7	(7)
Capital Outlay	-	-	18,359	(18,359)
Total expenditures	2,867,099	2,867,099	2,551,536	325,918
Excess (deficiency) of revenues over (under) expenditures	(1,671,268)	(1,671,268)	(1,489,169)	182,099
OTHER FINANCING SOURCES (USES)				
Transfers In	1,110,864	1,110,864	1,110,864	-
Total - other financing sources (uses)	1,110,864	1,110,864	1,110,864	-
Net change in fund balances	$ (560,404)	$ (560,404)	(378,305)	$ 182,099
Fund balances - beginning			505,370	
Fund balances , end of year - budget basis			127,065	
Adjustments to reconcile to GAAP				
Encumbrances, beginning of year			-	
Encumbrances, end of year			10,355	
Fund balances, end of year - GAAP Basis			$ 137,420	

City of Leavenworth, Kansas
Economic Development Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	$ 518,000	$ 518,000	$ 581,139	$ 63,139
Miscellaneous	-	-	10	10
	518,000	518,000	581,149	63,149
EXPENDITURES				
Current:				
Community and economic development	437,249	437,249	357,320	79,929
Reserves	812,574	812,574	-	812,574
Total expenditures	1,249,823	1,249,823	357,320	892,503
Net change in fund balances	$ (731,823)	$ (731,823)	223,829	$ 955,652
Fund balances - beginning			2,253,711	
Fund balances - ending			$ 2,477,540	

City of Leavenworth, Kansas
Business & Technology Park Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	$ -	$ -	$ -	$ -
Total revenues	-	-	-	-
EXPENDITURES				
Current:				
Community and economic development	30,000	30,000	26,846	3,154
Operating Reserves	360,000	360,000	-	360,000
Total expenditures	390,000	390,000	26,846	363,154
Net change in fund balances	$ (390,000)	$ (390,000)	(26,846)	$ 363,154
Fund balances - beginning			391,777	
Fund balances - ending			$ 364,931	

City of Leavenworth, Kansas
CIP Sales Tax Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	$ 2,287,000	$ 2,287,000	$ 2,604,269	$ 317,269
Miscellaneous	20,000	20,000	-	(20,000)
Total revenues	2,307,000	2,307,000	2,604,269	297,269
EXPENDITURES				
Current:				
General government	-	-	82,663	(82,663)
Public safety	-	-	23,006	(23,006)
Capital outlay	2,622,276	2,622,276	325,759	2,332,709
Total expenditures	2,622,276	2,622,276	431,428	2,227,040
Excess (deficiency) of revenues over (under) expenditures	(315,276)	(315,276)	2,172,841	2,524,309
OTHER FINANCING SOURCES (USES)				
Sales of assets	-	-	2,465	2,465
Insurance proceeds	-	-	68,912	68,912
Bond proceeds	1,300,000	1,300,000	-	(1,300,000)
Transfers out	(1,524,659)	(1,524,659)	(1,949,156)	(424,497)
Total other financing sources (uses)	(224,659)	(224,659)	(1,877,779)	(1,653,120)
Net change in fund balances	$ (539,935)	$ (539,935)	295,062	$ 871,189
Fund balances - beginning			2,407,520	
Fund balances , end of year - budget basis			2,702,582	
Adjustments to reconcile to GAAP				
Encumbrances, beginning of year			(18,944)	
Encumbrances, end of year			55,136	
Fund balances, end of year - GAAP Basis			$ 2,738,774	

City of Leavenworth, Kansas
Tax Increment - Auto Incentive Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Tax increment taxes	$ 658,000	$ 758,000	$ 773,271	$ 15,271
Miscellaneous	10,000	10,000	-	(10,000)
Total revenues	668,000	768,000	773,271	5,271
EXPENDITURES				
Current:				
Community and economic development	843,116	943,116	767,614	175,502
Total expenditures	843,116	943,116	767,614	175,502
Net change in fund balances	$ (175,116)	$ (175,116)	5,657	$ 180,773
Fund balances - beginning			180,367	
Fund balances - ending			$ 186,024	

City of Leavenworth, Kansas
Tax Increment - Hotels Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Tax increment taxes	$ 672,000	$ 672,000	$ 516,531	$ (155,469)
Investment earnings	-	-	141	141
Miscellaneous	-	-	67,289	67,289
Total revenues	672,000	672,000	583,961	(88,039)
EXPENDITURES				
Current:				
Community and economic development	362,390	362,390	262,325	100,065
General Reserves	472,329	472,329	-	472,329
Debt service:				
Principal retirement	164,868	164,868	465,000	(300,132)
Interest and fiscal charges	-	-	3,754	(3,754)
Total expenditures	999,587	999,587	731,079	268,508
Excess (deficiency) of revenues over (under) expenditures	(327,587)	(327,587)	(147,118)	180,469
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	(267,690)	(267,690)
Total other financing sources (uses)	-	-	(267,690)	(267,690)
Net change in fund balances	$ (327,587)	$ (327,587)	(414,808)	$ (87,221)
Fund balances - beginning			1,074,035	
Fund balances - ending			$ 659,227	

City of Leavenworth, Kansas
Tax Increment - Retail Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Tax increment taxes	$ 423,000	$ 423,000	$ 56,383	$ (366,617)
Miscellaneous	23,000	23,000	-	(23,000)
Total revenues	446,000	446,000	56,383	(389,617)
EXPENDITURES				
Current:				
Community and economic development	533,293	533,293	74,982	458,311
Total expenditures	533,293	533,293	74,982	458,311
Net change in fund balances	$ (87,293)	$ (87,293)	(18,599)	$ 68,694
Fund balances - beginning			37,571	
Fund balances - ending			$ 18,972	

Statistical Section

Statistical Section

This part of the City of Leavenworth's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

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Financial Trends 92-96

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity 97-101

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.

Debt Capacity 102-105

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information 106-108

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information 109-110

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

Sources: Unless otherwise noted, information in these sections is derived from the annual comprehensive financial reports for the relevant year.

City of Leavenworth, Kansas
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental activities										
Net invested in capital assets	$ 40,049,777	$ 39,488,841	$ 38,894,256	$ 36,850,763	$ 43,804,306	$ 37,978,770	$ 37,906,629	$ 41,755,377	$ 36,019,843	$ 33,335,236
Restricted	2,318,950	2,976,464	4,318,029	5,441,382	6,505,234	8,271,724	9,777,992	6,259,773	7,151,510	14,288,806
Unrestricted	2,255,580	3,668,214	(11,464,656)	(11,091,415)	(12,840,376)	(19,160,039)	(23,454,522)	(18,476,680)	(12,332,931)	(13,164,721)
Total governmental activities net position	$ 44,624,307	$ 46,133,519	$ 31,747,629	$ 31,200,730	$ 37,469,164	$ 27,090,455	$ 24,230,099	$ 29,538,470	$ 30,838,422	$ 34,459,321
Business-type activities										
Net invested in capital assets	$ 7,478,339	$ 6,926,217	$ 6,502,358	$ 7,732,377	$ 8,154,554	$ 8,435,825	$ 8,500,038	$ 9,006,370	$ 8,046,587	$ 10,452,991
Unrestricted	1,707,398	1,858,926	1,185,510	821,504	504,747	2,054,060	3,131,520	3,989,126	7,476,781	6,297,097
Total business-type activities net position	$ 9,185,737	$ 8,785,143	$ 7,687,868	$ 8,553,881	$ 8,659,301	$ 10,489,885	$ 11,631,558	$ 12,995,496	$ 15,523,368	$ 16,750,088
Primary government										
Net invested in capital assets	$ 47,528,116	$ 46,415,058	$ 45,396,614	$ 44,583,140	$ 51,958,860	$ 46,414,595	$ 46,406,667	$ 50,761,747	$ 44,066,430	$ 43,788,227
Restricted	2,318,950	2,976,464	4,318,029	5,441,382	6,505,234	8,271,724	9,777,992	6,259,773	7,151,510	14,288,806
Unrestricted	3,962,978	5,527,140	(10,279,146)	(10,269,911)	(12,335,629)	(17,105,979)	(20,323,002)	(14,487,554)	(4,856,150)	(6,867,624)
Total primary government net position	$ 53,810,044	$ 54,918,662	$ 39,435,497	$ 39,754,611	$ 46,128,465	$ 37,580,340	$ 35,861,657	$ 42,533,966	$ 46,361,790	$ 51,209,409

City of Leavenworth, Kansas
Changes in Net Position
Last Ten Fiscal years
(accrual basis of accounting)

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental activities:										
General government	$ 4,890,345	$ 3,773,326	$ 4,385,410	$ 3,582,125	$ 4,725,105	$ 3,420,563	$ 4,595,355	$ 5,287,720	$ 6,663,152	$ 5,132,606
Public safety	11,642,136	12,227,523	11,467,939	12,819,901	12,409,485	12,313,792	13,470,550	14,002,745	12,158,406	14,819,306
Public works	4,105,004	4,326,643	4,146,573	3,476,393	7,359,726	8,134,057	9,370,447	7,418,335	7,483,771	7,566,950
Culture and recreation	3,173,151	3,286,242	3,282,317	3,864,795	3,595,821	2,807,665	4,309,317	2,739,289	3,018,811	3,757,762
Housing and urban redevelopment	2,980,409	2,884,617	3,872,406	4,716,419	4,836,524	2,477,772	2,753,076	2,922,574	3,451,547	3,784,765
Community and economic development	-	-	-	-	-	3,450,479	1,759,370	2,618,787	2,934,105	1,713,059
Unallocated depreciation expense	3,613,024	3,652,203	3,635,561	3,790,328	-	2,014,075	98,042	185,277	171,079	177,169
Interest & fiscal charges on long-term debt	590,364	651,141	620,490	628,329	687,714	582,720	693,730	795,949	821,614	774,322
Total governmental activities expenses	30,994,433	30,801,695	31,410,696	32,878,290	33,614,375	35,201,123	37,049,887	35,970,676	36,702,485	37,725,939
Business-type activities:										
Sewer	4,318,011	4,399,423	4,148,953	4,123,179	4,709,551	4,480,655	4,903,799	4,715,060	4,218,047	4,681,495
Storm Water	-	-	-	-	-	3,172	240,036	780,261	261,591	480,997
Refuse	1,805,972	1,920,283	1,931,036	1,809,659	1,963,188	1,934,057	1,886,380	1,921,485	2,026,859	2,374,018
Total business-type activities expenses	6,123,983	6,319,706	6,079,989	5,932,838	6,672,739	6,417,884	7,030,215	7,416,806	6,506,497	7,536,510
Total primary government expenses	$ 37,118,416	$ 37,121,401	$ 37,490,685	$ 38,811,128	$ 40,287,114	$ 41,619,007	$ 44,080,102	$ 43,387,482	$ 43,208,982	$ 45,262,449
Program revenues										
Governmental activities:										
Charges for services:										
General government	$ 2,113,229	$ 1,848,902	$ 1,948,419	$ 2,063,853	$ 1,894,875	$ 1,406,657	$ 1,406,942	$ 1,421,292	$ 2,124,774	$ 1,415,424
Public safety	687,666	676,940	588,486	452,930	392,715	382,530	199,487	141,703	143,187	118,752
Public works	1,311,813	1,383,007	1,244,162	896,938	2,618,014	1,913,001	1,139,509	925,109	799,569	1,707,305
Culture and recreation	575,244	638,330	670,945	705,652	710,596	681,841	629,319	172,053	347,354	497,453
Housing and urban redevelopment	604,527	460,988	602,145	506,280	563,009	548,668	557,736	494,935	495,821	480,904
Community and economic development	-	-	-	-	-	-	16,695	21,382	25,860	4,042
Operating grants and contributions	3,517,217	3,296,130	3,459,665	4,031,401	3,686,980	3,595,712	3,505,040	10,919,423	4,317,301	3,539,467
Capital grants and contributions	440,024	860,690	1,534,648	970,391	4,885,013	1,416,286	482,388	723,868	1,273,355	1,165,104
Total governmental activities program revenue	9,249,720	9,164,987	10,048,470	9,627,445	14,751,202	9,944,695	7,937,116	14,819,765	9,527,221	8,928,451
Business-type activities:										
Charges for services:										
Sewer	4,027,182	4,093,310	4,076,766	4,176,334	4,323,162	4,513,874	4,527,020	4,770,014	4,994,686	5,056,165
Storm Water	-	-	-	-	-	1,407,065	1,237,601	1,285,178	1,285,074	1,380,011
Refuse	1,827,391	1,825,802	1,882,466	1,896,702	1,962,730	2,014,217	2,164,811	2,299,782	2,322,260	2,306,614
Capital grants and contributions	-	-	-	772,325	512,256	396,881	143,171	194,459	338,465	-
Total business-type activities program revenue	5,854,573	5,919,112	5,959,232	6,845,361	6,798,148	8,332,037	8,072,603	8,549,433	8,940,485	8,742,790
Total primary government program revenues	$ 15,104,293	$ 15,084,099	$ 16,007,702	$ 16,472,806	$ 21,549,350	$ 18,276,732	$ 16,009,719	$ 23,369,198	$ 18,467,706	$ 17,671,241
Net (expense)/revenue										
Governmental activities	$ (21,744,713)	$ (21,636,708)	$ (21,362,226)	$ (23,250,845)	$ (18,863,173)	$ (25,256,428)	$ (29,112,771)	$ (21,150,911)	$ (27,175,264)	$ (28,797,488)
Business-type activities	(269,410)	(400,594)	(120,757)	912,523	125,409	1,914,153	1,042,388	1,132,627	2,433,988	1,206,280
Total primary government net expense	$ (22,014,123)	$ (22,037,302)	$ (21,482,983)	$ (22,338,322)	$ (18,737,764)	$ (23,342,275)	$ (28,070,383)	$ (20,018,284)	$ (24,741,276)	$ (27,591,208)

City of Leavenworth, Kansas
Changes in Net Position - continued
Last Ten Fiscal years
(accrual basis of accounting)

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General revenues and other changes in net position										
Governmental activities:										
Taxes										
Property taxes	$ 9,283,277	$ 9,259,644	$ 5,186,156	$ 5,477,712	$ 5,502,436	$ 5,621,684	$ 5,923,991	$ 6,371,982	$ 6,685,687	$ 6,679,368
Franchise taxes	2,736,877	2,861,614	2,676,007	2,802,922	2,796,945	2,880,135	2,794,211	2,599,791	2,748,361	3,280,218
Sales taxes	6,165,404	8,698,210	11,138,851	11,705,083	13,452,291	14,007,389	14,814,018	15,340,357	16,830,857	17,716,291
Motor vehicle taxes	1,113,514	1,014,989	1,074,498	729,991	714,825	764,659	767,641	800,234	863,278	840,458
Other taxes	790,747	1,134,088	1,812,641	1,858,533	341,317	414,264	520,722	375,020	620,147	641,962
Intergovernmental revenue not restricted to specific programs	98,074	98,434	98,849		-	-	-	-	-	-
Gain on sale of capital assets	-	-	-	52,397	36,438	-	-	39,555	49,158	209,859
Investment earnings	21,387	20,548	21,192	30,963	123,383	212,681	370,343	139,513	47,112	499,474
Miscellaneous	-	-	-	-	39,010	565,149	1,061,489	800,713	716,714	330,039
Transfers	258,424	-	70,185	47,345	47,345	-	-	(7,883)	(86,098)	(11,500)
Total governmental activities	20,467,704	23,087,527	22,078,379	22,704,946	23,053,990	24,465,961	26,252,415	26,459,282	28,475,216	30,186,169
					-					
Business-type activities:										
Gain on sale of capital assets	-	-	-	834	4,908	-	-	-	-	-
Miscellaneous	-	-	-	-	22,448	15,147	99,285	223,428	7,786	8,940
Transfers	(258,424)	-	(70,185)	(47,345)	(47,345)	-	-	7,883	86,098	11,500
Total business-type activities	(258,424)	-	(70,185)	(46,511)	(19,989)	15,147	99,285	231,311	93,884	20,440
Total primary government	$ 20,209,280	$ 23,087,527	$ 22,008,194	$ 22,658,435	$ 23,034,001	$ 24,481,108	$ 26,351,700	$ 26,690,593	$ 28,569,100	$ 30,206,609
Change in net position										
Governmental activities	$ (1,277,009)	$ 1,450,819	$ 716,153	$ (545,899)	$ 4,190,817	$ (790,467)	$ (2,860,356)	$ 5,308,371	$ 1,299,952	$ 1,388,681
Business-type activities	(527,834)	(400,594)	(190,942)	866,012	105,420	1,929,300	1,141,673	1,363,938	2,527,872	1,226,720
Total primary government	$ (1,804,843)	$ 1,050,225	$ 525,211	$ 320,113	$ 4,296,237	$ 1,138,833	$ (1,718,683)	$ 6,672,309	$ 3,827,824	$ 2,615,401

City of Leavenworth, Kansas
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund										
Restricted	$ 3,457	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Committed	366,560	2,390,081	-	-	-	-	-	-	-	-
Assigned	12,156	10,917	54,523	47,985	25,749	1,806	27,007	3,118	28,845	-
Unassigned	2,970,612	2,935,340	5,566,724	5,974,476	6,451,103	5,901,914	5,152,505	8,492,770	8,955,317	10,566,655
Total General Fund	3,352,785	5,336,338	5,621,247	6,022,461	6,476,852	5,903,720	5,179,512	8,495,888	8,984,162	10,566,655
All Other Governmental Funds										
Restricted for:										
Capital outlay	$ -	$ -	$ -	$ -	$ -	$ 2,697,092	$ 3,413,731	$ 3,729,503	$ 5,448,964	$ 7,778,409
Tax increment financing	-	-	-	-	-	-	730,860	1,102,439	1,291,973	864,223
General government	863,676	1,197,539	2,925,495	2,418,165	2,846,524	-	-	-	-	-
Public works	-	-	945	72,658	942,987	678,363	646,343	58,777	290,483	357,951
Public safety	167,851	149,531	150,246	161,607	169,573	127,583	145,174	87,567	165,923	97,162
Culture and recreation	31,414	27,162	59,080	113,605	156,810	42,743	34,392	44,005	548,715	192,661
Housing and urban redevelopment	809,472	833,676	942,072	2,331,702	2,284,631	1,361,341	1,399,478	952,896	1,014,660	1,124,055
Community and economic development	-	-	-	-	-	3,036,712	2,544,195	3,275,281	2,719,838	2,916,821
Tourism and convention activities	-	-	-	-	-	464,035	402,239	332,703	598,831	616,997
Debt service	320,222	677,320	306,415	415,724	315,640	361,513	361,513	361,473	419,059	245,796
Probation Services	-	-	-	-	-	59,998	100,067	44,632	102,028	94,731
Committed for:										
Capital outlay	2,094,072	468,646	162,483	2,352,854	2,240,305	1,779,484	5,109,580	2,246,078	1,010,578	-
Public works	608,605	825,454	1,214,744	-	-	-	-	-	-	-
Culture and recreation	497,958	147,212	(28,259)	-	-	-	-	-	-	-
Housing and urban redevelopment	173,918	89,848	86,755	-	-	-	-	-	-	-
Assigned to:										
General government	20,262	20,107	20,507	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	2,184,469	2,516,348	3,235,348
Culture and recreation	-	1,438	-	-	-	-	-	-	-	-
Unassigned	(30,357)	-	-	-	-	(2,005,400)	(7,529,373)	(7,652,419)	-	-
Total all other governmental funds	5,557,093	4,437,933	5,840,483	7,866,315	8,956,470	8,603,464	7,358,199	6,767,404	16,127,400	17,524,154
Total Governmental Funds	$ 8,909,878	$ 9,774,271	$ 11,461,730	$ 13,888,776	$ 15,433,322	$ 14,507,184	$ 12,537,711	$ 15,263,292	$ 25,111,562	$ 28,090,809

City of Leavenworth, Kansas
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues										
Taxes	$ 20,267,917	$ 23,147,239	$ 22,079,326	$ 22,574,241	$ 22,807,814	$ 23,688,132	$ 24,820,583	$ 25,487,384	$ 27,677,325	$ 29,240,057
Intergovernmental	4,124,981	4,152,879	4,929,915	4,482,983	8,564,188	3,822,365	3,987,770	11,683,789	5,590,657	4,704,572
Licenses and permits	351,826	378,728	401,505	402,462	392,950	441,537	494,874	412,880	485,308	392,606
Charges for services	3,108,222	3,158,767	2,996,356	2,658,253	3,101,482	3,215,038	2,881,272	2,209,029	2,960,994	3,347,741
Fines and forfeitures	910,243	820,719	862,554	824,540	639,850	616,627	573,542	554,565	490,264	483,527
Investment earnings	21,387	20,548	21,193	30,963	123,383	218,023	370,343	139,513	47,113	407,906
Other revenues	635,097	590,081	703,851	1,249,801	2,045,589	1,189,946	852,964	776,356	663,678	330,039
Total revenues	29,419,673	32,268,961	31,994,700	32,223,243	37,675,256	33,191,668	33,981,348	41,263,516	37,915,339	38,906,448
Expenditures										
General government	3,612,126	3,386,433	3,629,457	3,549,462	3,670,272	4,005,880	4,155,823	4,724,231	5,040,566	4,690,823
Public safety	10,522,795	11,045,497	11,054,380	11,367,068	11,160,771	11,783,843	12,140,010	12,638,688	12,649,800	13,409,203
Public works	3,663,486	3,730,738	3,643,703	3,343,760	3,917,574	5,473,003	8,530,464	3,399,748	3,623,204	4,114,089
Culture and recreation	2,252,866	2,353,510	2,357,827	2,883,746	2,514,505	2,735,930	3,301,809	2,153,643	2,434,815	2,573,545
Housing and urban redevelopment	2,472,611	2,598,116	3,040,727	4,464,750	4,550,691	2,661,033	2,672,386	3,315,605	3,342,900	3,603,939
Community and economic development	-	-	-	-	-	3,450,479	1,755,931	2,618,420	2,451,628	1,712,538
Debt service										
Principal Retirement	2,880,249	4,009,929	2,924,348	5,484,348	2,843,553	2,899,531	3,024,601	3,855,000	5,985,000	3,785,100
Interest and fiscal charges	594,381	657,144	620,978	621,932	550,751	646,467	723,369	893,128	797,600	802,673
Capital outlay	6,714,098	6,581,595	5,698,832	4,755,873	14,073,071	3,129,648	1,264,523	7,477,551	4,763,903	3,618,789
Total expenditures	32,712,612	34,362,962	32,970,252	36,470,939	43,281,188	36,785,814	37,568,916	41,076,014	41,089,416	38,310,699
Excess of revenues over (under) expenditures	(3,292,939)	(2,094,001)	(975,552)	(4,247,696)	(5,605,932)	(3,594,146)	(3,587,568)	187,502	(3,174,077)	595,749
Other Financing Sources (Uses)										
Bonds issued	3,860,000	2,900,000	2,300,000	6,575,000	6,550,000	1,410,000	1,340,000	2,395,000	11,970,000	1,435,000
Bond premium	-	-	-	-	-	-	69,571	79,167	1,062,007	40,068
Insurance proceeds	-	-	-	-	39,010	24,117	170,530	24,357	27,980	117,259
Lease proceeds	-	-	-	-	477,685	-	-	-	-	38,686
Temporary notes issued	-	-	-	-	-	-	-	-	-	545,000
Sale of capital assets	-	-	292,826	52,397	36,438	5,240	37,995	39,555	48,458	124,036
Contributed capital	-	-	-	-	-	1,228,650	-	-	-	-
Transfers in	6,610,615	5,719,587	6,112,012	5,717,005	4,194,786	5,123,232	4,212,409	8,133,817	7,296,182	3,500,275
Transfers out	(6,352,191)	(5,719,587)	(6,041,827)	(5,669,660)	(4,147,441)	(5,123,232)	(4,212,409)	(8,133,817)	(7,382,280)	(3,511,775)
Total other financing sources (uses)	4,118,424	2,900,000	2,663,011	6,674,742	7,150,478	2,668,007	1,618,096	2,538,079	13,022,347	2,288,549
Net change in fund balances	$ 825,485	$ 805,999	$ 1,687,459	$ 2,427,046	$ 1,544,546	$ (926,139)	$ (1,969,472)	$ 2,725,581	$ 9,848,270	$ 2,884,298
Debt service as a percentage of noncapital expenditures	13.4%	16.8%	13.0%	19.3%	11.6%	10.5%	10.3%	14.1%	18.7%	13.2%

City of Leavenworth, Kansas
Tax Revenues of Governmental Funds by Source
Last Ten Fiscal Years
(modified accrual basis of accounting)

Fiscal Year	Property Tax	Tax Increment Property Tax	Sales Tax	Compensating Use Tax	Tax Increment Sales Tax	Franchise Tax	Motor Vehicle Tax	Special Assessment Tax	Other Tax	Total
2013	$ 9,283,277	$ -	$ 5,950,513	$ 790,747	$ 214,891	$ 2,736,877	$ 1,113,514	$ 178,098	$ -	$ 20,267,917
2014	9,259,644	-	8,464,314	1,134,088	233,895	2,861,614	1,014,989	178,695	-	23,147,239
2015	5,149,544	36,612	10,654,420	1,604,125	484,431	2,676,007	1,074,498	191,173	208,516	22,079,326
2016	5,221,569	126,217	10,896,917	1,508,063	808,166	2,802,922	729,991	129,925	350,470	22,574,240
2017	5,227,897	142,450	10,958,814	1,598,873	894,604	2,796,945	714,825	132,089	341,317	22,807,815
2018	5,329,170	182,648	11,318,049	1,739,801	949,539	2,880,135	764,659	109,867	414,264	23,688,132
2019	5,411,407	307,085	12,005,497	1,780,148	1,028,373	2,794,211	767,641	205,499	520,722	24,820,583
2020	5,711,867	609,057	11,780,467	2,477,013	1,082,877	2,599,791	800,234	51,058	375,020	25,487,384
2021	6,096,164	518,522	10,646,477	2,778,484	3,405,896	2,748,361	863,278	71,001	620,147	27,748,330
2022	6,319,800	359,568	13,368,583	3,361,092	986,616	3,280,218	840,458	81,760	641,962	29,240,057
Change 2013 - 2022	-31.9%	100.0%	124.7%	325.1%	359.1%	19.9%	-24.5%	-54.1%	100.0%	44.3%

City of Leavenworth, Kansas
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ended December 31	Real Property			Personal Property	State Assessed Utilities	Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property	Total							
2013	$ 131,388,896	$ 52,448,672	$ 183,837,568	$ 6,663,472	$ 10,869,314	NA	$ 201,370,354	$ 51.841	$ 1,394,124,698	14.4%
2014	129,674,855	51,764,450	181,439,305	6,984,423	11,446,519	NA	199,870,247	52.029	1,430,085,770	14.0%
2015	130,269,055	52,001,647	182,270,702	5,412,888	11,084,363	NA	198,767,953	31.023	1,421,438,551	14.0%
2016	129,723,607	57,449,951	187,173,558	4,497,671	11,983,704	NA	203,654,933	31.027	1,433,255,606	14.2%
2017	131,946,283	59,280,214	191,226,497	4,114,339	11,838,522	NA	207,179,358	31.361	1,456,131,008	14.2%
2018	135,446,398	60,852,730	196,299,128	4,008,053	12,037,816	NA	212,344,997	31.348	1,492,536,552	14.2%
2019	139,736,940	62,780,365	202,517,305	3,897,067	12,778,097	NA	219,192,469	31.754	1,538,834,333	14.2%
2020	146,132,818	65,653,875	211,786,693	3,698,624	13,412,332	NA	228,897,649	31.813	1,606,141,035	14.3%
2021	156,699,796	70,401,358	227,101,154	2,983,010	13,623,615	NA	243,707,779	31.813	1,711,435,254	14.2%
2022	176,096,219	79,115,693	255,211,912	2,623,954	14,269,443	NA	272,105,309	31.141	1,913,791,971	14.2%

Source: Leavenworth County Clerk

Note: Residential and commercial real property is estimated by city management based upon proportional data provided by the County Clerk. Data for tax exempt property is unavailable.

City of Leavenworth, Kansas
Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years

Fiscal Year	City of Leavenworth			Overlapping Rates								
				Leavenworth County			School District					
	Operating Millage	Debt Service Millage	Total City Millage	Operating Millage	Debt Service Millage	Total County Millage	Operating Millage	Debt Service Millage	Total School Millage	Special Districts	Total Direct & Overlapping Rates
2013	$ 44.465	$ 7.376	$ 51.841	$ 36.065	$ 0.449	$ 36.514	$ 45.480	$ 20.668	$ 66.148	$ 1.500	$ 156.003
2014	43.227	8.802	52.029	36.196	0.374	36.570	49.603	19.750	69.353	1.500	159.452
2015	22.854	8.169	31.023	36.544	-	36.544	43.569	19.778	63.347	1.500	132.414
2016	22.803	8.224	31.027	37.608	-	37.608	43.841	19.484	63.325	1.500	133.460
2017	23.713	7.635	31.348	23.228	8.133	31.361	43.836	19.489	63.335	1.500	127.544
2018	24.110	7.637	31.747	37.112	-	37.112	41.925	17.397	59.322	1.500	129.690
2019	24.120	7.648	31.768	37.184	-	37.184	40.040	17.397	57.437	1.500	127.898
2020	24.033	7.780	31.813	36.946	-	36.946	40.300	17.029	57.329	1.500	127.588
2021	24.033	7.780	31.813	36.691	-	36.691	40.072	17.288	57.360	1.500	127.364
2022	23.752	6.383	31.141	35.924	-	35.924	36.969	16.565	53.534	1.500	122.099

Source: Leavenworth County Clerk

City of Leavenworth, Kansas
Principal Property Taxpayers
Current Year and Nine Years Ago

	2022			2013		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Evergy Kansas	$ 8,888,256	1	3.0%	$ 5,652,356	2	2.8%
Corrections Corporations	4,502,098	2	1.5%	8,717,725	1	4.3%
Wal-Mart Real est	2,897,670	3	1.0%	3,436,178	3	1.7%
Kansas Gas Service	2,950,669	4	1.0%	2,024,262	5	1.0%
Development	1,923,632	5	0.6%	2,619,684	4	1.3%
Zeck Brothers Development	1,937,635	6	0.6%	-		
Cereal Ingredient	1,704,817	7	0.6%	-		
Leavenworth Ligtc	1,616,823	8	0.5%	-		
Abernathy 2 LLC	1,465,675	9	0.5%	-		
Prime HealthCare	1,491,500	10	0.5%	-		
	$ 29,378,775		9.8%	$ 22,450,205		11.1%

Source: Leavenworth County Clerk

City of Leavenworth, Kansas
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Total Tax Levy For Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2013	$ 10,439,241	$ 10,176,683	97.5%	$ 129,665	$ 10,306,348	98.7%
2014	10,399,049	10,133,604	97.4%	109,528	10,243,132	98.5%
2015	6,166,379	6,038,709	97.9%	9,418	6,048,127	98.1%
2016	6,282,188	6,128,032	97.5%	94,673	6,222,705	99.1%
2017	6,383,650	6,183,776	96.9%	112,717	6,296,493	98.6%
2018	6,495,016	6,300,960	97.0%	109,498	6,410,458	98.7%
2019	6,742,928	6,534,599	96.9%	116,186	6,650,785	98.6%
2020	6,964,499	6,736,800	96.7%	107,871	6,844,671	98.3%
2021	7,282,112	7,059,308	96.9%	120,451	7,179,759	98.6%
2022	7,589,553	7,322,252	96.5%	-	7,322,252	96.5%

Source: Leavenworth County Treasurer

City of Leavenworth, Kansas
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities				Activities Business-Type Activities		Total	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Bond Premium	Temporary Notes	Leases	General Obligation Bonds	Leases			
2013	$ 21,270,000	$ -	$ -	$ 278,625	$ 9,460,000	$ -	$ 31,008,625	2.3%	$ 866
2014	17,990,000	-	-	78,696	8,780,000	-	26,848,696	1.9%	748
2015	17,405,000	-	-	39,348	8,050,000	-	25,494,348	1.8%	708
2016	18,535,000	-	-	-	7,305,000	-	25,840,000	1.8%	718
2017	22,405,000	-	-	314,132	6,555,000	-	29,274,132	2.8%	808
2018	21,070,000	-	-	159,601	5,800,000	375,000	27,404,601	1.9%	757
2019	19,545,000	-	-	-	5,160,000	254,321	24,959,321	1.7%	692
2020	18,085,000	-	-	-	6,855,000	129,371	25,069,371	1.6%	697
2021	24,070,000	1,036,250	-	-	5,970,000	-	31,076,250	2.0%	862
2022	21,835,000	985,051	545,000	18,918	5,050,000	1,458	28,435,427	1.6%	765

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

(1) See the schedule of Demographic and Economic Statistics for personal income and population data.

City of Leavenworth, Kansas
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds: Governmental Activities	General Obligation Bonds: Business-type Activities	Less: Amounts Available in Debt Service Fund	Total Primary Government	Percentage of Estimated Actual Taxable Value of Property (1)	Per Capita (2)
2013	$ 21,270,000	$ 9,460,000	$ 320,222	$ 30,409,778	2.2%	$ 849
2014	17,990,000	8,780,000	677,320	26,092,680	1.8%	727
2015	17,405,000	8,050,000	320,346	25,134,654	1.8%	698
2016	18,535,000	7,305,000	415,724	25,424,276	1.8%	706
2017	22,405,000	6,555,000	315,640	28,644,360	2.0%	790
2018	21,070,000	5,800,000	361,513	26,508,487	1.8%	732
2019	19,545,000	5,160,000	361,513	24,343,487	1.6%	675
2020	18,085,000	6,855,000	361,473	24,578,527	1.5%	684
2021	24,070,000	5,970,000	419,059	29,620,941	1.7%	821
2022	21,835,000	5,050,000	245,796	26,639,204	1.4%	717

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) See the schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data.

(2) See the schedule of Demographic and Economic Statistics for population data.

City of Leavenworth, Kansas
Direct and Overlapping Governmental Activities Debt
As of December 31, 2022

Governmental Unit	Total Debt Outstanding	Net Debt Outstanding (1)	Estimated Percentage Applicable (2)	Estimated Share of Direct and Overlapping Debt
Debt repaid with property taxes				
School District #453	$ 72,340,000	$ 31,829,600	78.0%	$ 24,827,088
Leavenworth County	25,260,000	16,924,200	29.0%	4,908,018
Subtotal, overlapping debt				29,735,106
City direct debt				23,383,969
Total direct and overlapping debt				$ 53,119,075

Source: Debt outstanding data and assessed value data used to estimate applicable percentages provided by the Leavenworth County Clerk.

Notes: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of outstanding debt of those overlapping governments that is borne by the residents and business of the city. This process recognizes that, when considering the city's ability to issue and repay long-term debt, the entire debt burden borne by the residents and business should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

(1) A portion of Unified School District 453's overlapping debt will be paid by the State of Kansas pursuant to current percentages for Bond and Interest Fund State Aid Payments. The current percentage for reimbursement for the Unified School District 453 is 44% for bonds issued after July 1, 2002.

(2) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the city's boundaries and dividing it by each unit's total taxable assessed value.

City of Leavenworth, Kansas
Legal Debt Margin Information
Last Ten Fiscal Years

	Fiscal year									
	2013	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**
Debt Limit	$66,950,665	$ 66,619,977	$ 68,350,691	$69,128,610	$ 70,316,891	$72,214,115	$74,499,282	$76,964,804	$82,340,816	$ 90,321,289
Total net debt applicable to limit	12,973,064	10,741,429	11,004,905	10,659,848	15,034,277	13,552,110	19,243,082	11,964,033	6,084,309	7,545,000
Legal debt margin	$53,977,601	$ 55,878,548	$ 57,345,786	$58,468,762	$ 55,282,614	$58,662,005	$55,256,200	$65,000,771	$76,256,507	$ 82,776,289
Total net debt applicable to the limit as a percentage of debt limit	19.4%	16.1%	16.1%	15.4%	21.4%	18.8%	25.8%	15.5%	7.4%	8.4%

Legal debt margin calculation for fiscal year 2021	
Adjusted equalized assessed valuation	$ 301,070,963
Debt limit (30% of total equalized assessed value)	90,321,289
Debt applicable to limit	7,545,000
Legal debt margin	$ 82,776,289

Note: According to state statute, the City's outstanding general obligation debt should not exceed 30% of total adjusted assessed valuation, which is the total of property assessed valuation and motor vehicle valuation.

City of Leavenworth, Kansas
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population (1)	Personal Income	Per Capita Income (2)	School Enrollment (3) Public	Private	Total	Unemployment Rate (4)
2013	35,816	$ 1,342,526,944	$ 37,484	3,886	375	4,261	5.8%
2014	35,891	1,394,078,222	38,842	3,919	338	4,257	4.6%
2015	36,000	1,405,692,000	39,047	3,843	327	4,170	4.8%
2016	36,154	1,427,251,458	39,477	3,894	323	4,217	5.7%
2017	36,240	1,451,919,360	40,064	3,873	217	4,090	4.9%
2018	36,210	1,455,424,740	40,194	3,878	212	4,090	5.5%
2019	36,062	1,482,184,262	41,101	3,793	222	4,015	3.1%
2020	35,957	1,540,793,407	42,851	3,505	255	3,760	3.4%
2021	36,062	1,589,432,650	44,075	3,687	200	3,887	2.8%
2022	37,176	1,833,892,080	49,330	3,608	205	3,813	2.9%

(1) Kansas Division of the Budget
(2) Kansas Statistical Abstract & U.S. Bureau of Economic Analysis
(3) Kansas Department of Education
(4) Kansas Department of Labor
(5) https://fred.stlouisfed.org/series/PCPI20103

City of Leavenworth, Kansas
Principal Employers
Current Year and Nine Years Ago

	2021			2013		
Taxpayer	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Fort Leavenworth	9,225	1	64.8%	5,601	1	42.9%
VA Medical Center	1,250	2	8.8%	735	3	5.6%
Leavenworth USD #453	705	3	5.0%	996	2	7.6%
Lansing Correctional Facility	560	4	3.9%			0.0%
Basehor USD #458	492	5	3.5%			0.0%
Lansing USD #469	450	6	3.2%			0.0%
Leavenworth County	427	7	3.0%	370	7	2.8%
Veterans Administration- Consolidated Patients Account Center	420	8	2.7%	400	5	3.1%
Walmart Supercenter	380	9	2.3%	350	9	2.7%
City of Leavenworth	332	10	0.0%			0.0%
	14,241		97.05%	8,452		64.80%

Source: Kansas Statistical Abstract
Leavenworth County Development Corporation

City of Leavenworth, Kansas
Full-time Equivalent City Government Employees by Function
Last Ten Fiscal Years

Function	Full-Time Equivalent Employees as of December 31									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General government	29	29	27	33	34	32	33	33	31	31
Public safety										
Police	86	84	85	72	77	73	75	75	76	76
Fire	57	55	54	54	54	52	50	50	51	52
Public works	30	30	27	25	30	29	29	29	21	25
Culture and recreation	35	37	31	32	30	35	40	40	37	46
Housing and urban redevelopment	7	7	7	7	8	8	10	10	13	13
Sewer	18	14	19	17	16	16	13	13	15	12
Refuse	13	13	14	12	13	13	14	14	12	12
Total	275	269	264	252	262	258	264	264	256	267

Source: City of Leavenworth Human Resources Department

City of Leavenworth, Kansas
Operating Indicators by Function
Last Ten Fiscal Years

Function/Program	Fiscal Year 2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Public safety										
Police										
Physical arrests	2,608	2,029	1,918	1,762	2,126	2,175	1,893	1,427	1,489	1,467
Traffic violations	3,974	5,230	4,927	4,576	4,459	2,296	2,307	2,360	1,983	2,374
Fire										
Calls answered	2,303	2,199	2,508	2,543	2,606	2,645	2,747	2,544	2,996	3,190
Inspections conducted	1,004	796	951	830	854	873	848	441	340	704
Housing and urban redevelopment										
Certificates/vouchers for low-income rental assistance	444	444	444	469	469	469	469	469	469	469
Sewer										
Daily average treatment (thousands of gallons)	3,609	3,983	4,753	4,778	4,240	4,530	5,598	5,599	3,746	3,419
Refuse										
Refuse disposed (tons)	11,325	11,259	11,696	11,710	11,928	11,291	11,597	12,126	12,458	11,874

Note: 2020 Statistics for the Police and Fire departments were significantly impacted by COVID-19.

Sources: Various City departments

Note: No operating indicators are available for the general government, public works or culture/recreation functions.

City of Leavenworth, Kansas
Capital Asset Statistics by Function
Last Ten Fiscal Years

Function/Program	Fiscal Year 2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Public safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Fire										
Stations	3	3	3	3	3	3	3	3	3	3
*Public works										
Miles of street:										
Improved	156.6	156.6	156.6	164.3	164.3	164.33	164.33	165.13	165.21	166.85
Unimproved	0.4	0.4	0.4	0.3	0.3	0.25	0.25	0.25	0.25	0.25
Controlled intersections	43	42	42	1034	1034	104	1034	1039	873	879
Culture and recreation										
Community centers	1	1	1	1	1	1	1	1	1	1
Parks	22	22	22	22	22	22	22	22	22	22
Park acreage	424	424	424	424	424	424	424	424	424	424
Swimming pools	2	2	2	2	2	2	2	2	2	2
Tennis courts	8	8	8	8	8	8	8	8	8	8
Ball fields	12	12	12	12	12	12	12	12	12	12
Housing and urban redevelopment										
Elderly high-rise occupancy (units)	105	105	105	105	105	105	105	105	105	105
Sewer										
Sanitary sewer (miles)	130	130	130	130	130	158	158	158	160	160
Treatment plants	1	1	1	1	1	1	1	1	1	1
Treatment capacity (thousands of gallons)	6,880	6,880	6,880	6,880	6,880	6,880	6,880	6,880	6,880	6,880

* The City has started the implementation of GIS methods for determining the miles of improved, unimproved, and controlled intersections so the classification have changed.

Sources: Various city departments

Note: No capital asset indicators are available for the general government or refuse functions.