CITY OF MISSION HILLS, KANSAS

FINANCIAL STATEMENTS

Year Ended December 31, 2025

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CITY OF MISSION HILL, KANSAS
FINANCIAL STATEMENTS
Year ending December 31, 2025

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CITY OF MISSION HILL, KANSAS
FINANCIAL STATEMENTS
Year ending December 31, 2025

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INDEPENDENT AUDITOR'S REPORT

Mayor and City Council
City of Mission Hills, Kansas

Opinion

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Mission Hills, Kansas, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Mission Hills, Kansas, as of December 31, 2025, and the respective changes in financial position, thereof and the respective budgetary comparison for the general fund and the stormwater utility fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the *Kansas Municipal Accounting and Audit Guide*. 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.

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.

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 GAAS 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 are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgement 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 amount 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 judgement, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of changes in the City's total OPEB liability and related ratios, the schedule of the City's proportionate share of the net pension liability, and the schedule of City contributions as 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.

Other Information

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

Gordon CPA LLC

Certified Public Accountant
Lawrence, Kansas

May 7, 2026

CITY OF MISSION HILLS, KANSAS

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2025
Unaudited

Our discussion and analysis of the City of Mission Hills, Kansas financial performance provides an overview of the City's financial activities for the fiscal year ended December 31, 2025.

Financial Highlights

- The Government-wide net position totaled $32.2 million at the end of the current fiscal year.
- Total capital assets, net of accumulated depreciation as of December 31, 2025, totaled $21.8 million.
- During the year ended December 31, 2025, the City's total revenue on the full accrual basis of accounting (which includes charges for services, local taxes and state and federal aid) was less than total expenses by $56,668.
- The City's total indebtedness increased by $2.9 million, due to the issuance of debt during 2025.
- The City's net capital assets increased by $.5 million in the current fiscal year.

Using This Financial Report

This annual report consists of two distinct series of financial statements: government-wide and funds. In addition, the annual report includes budgetary-basis financial statement comparisons, in accordance with the State of Kansas cash basis and budget laws.

The government-wide statements are designed to provide information about the City's activities as a whole and provide a longer-term view of the City's finances. The fund financial statements tell how the City's services for the governmental activities were financed in the short term as well as what remains for future spending. Fund financial statements report the City's operations in greater detail than the government-wide statements by providing information about the City's most significant funds. In addition, combining statements included in the supplemental information show detail of all other governmental funds.

Reporting on the City as a Whole (Government Wide)

Statement of Net Position and the Statement of Activities

The view of the City as a whole looks at all financial transactions and asks the question, "Are we in a better financial position as a result of the current year's financial activities?" The Statement of Net Position and the Statement of Activities provide the basis for answering this question. The statements include all assets and all liabilities using the accrual basis of accounting, which is similar to the accounting method used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses, regardless of when cash is received or paid.

These two statements report the City's net position and current year change in the net position. The change in net position is important because it tells the reader whether the City, as a whole, has improved or diminished its financial position. Over time, increases or decreases in the City's net position are one indicator of whether its financial health is improving or deteriorating. Causes of these changes may be the result of many factors, some financial, some not. Non-financial factors include the City's property tax base, state mandates, and the financial condition of the State of Kansas general fund.

In the Statement of Net Position and the Statement of Activities, the City has one kind of activity:

Governmental Activities - Most of the City's programs and services are reported here including general government, public safety, public works and parks/ROW beautification.

Reporting the City's Most Significant Funds (Fund Financial Statements)

Fund financial statements provide detailed information about the City's major funds. The City uses many funds to account for a multitude of financial transactions. The main fund financial statements focus on the City's most significant funds. Combining fund balance sheets and statements of revenues, expenditures and changes in fund balances provide detailed information about all of the City's non-major governmental funds.

Governmental Funds - Most of the City's activities are reported in the governmental funds, which focus on how money flows into and out of the funds and how balances left over at fiscal year-end are available to be spent in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general operations and the basic services it provides. Governmental fund information helps the reader to decide whether there are more or fewer financial resources that can be spent in the near term to finance the City's programs. Major differences between the City's governmental activities as reported in the Statement of Net Position and the Statement of Activities and its governmental funds are reconciled in the Governmental Funds financial statements.

The City as a Whole

Government-Wide Assets

The Statement of Net Position provides the financial position of the City as a whole. The overall financial position of the City increased in 2025. The following is a summary of the City's Statement of Net Position as of December 31, 2024 and 2025:

City of Mission Hills
Condensed Statement of Net Position

	Governmental Activities	
	2024	2025
Current assets	$ 18,508,066	$ 21,172,580
Net capital assets	21,291,476	21,784,324
Total assets	39,799,542	42,956,904
Deferred outflows of resources	231,585	196,646
Total assets and deferred outflows of resources	$ 40,031,127	$ 43,153,550
Current liabilities	$ 730,379	$ 499,288
Noncurrent liabilities	1,165,974	4,179,967
Total liabilities	1,896,353	4,679,255
Deferred inflows of resources	5,870,131	6,266,320
Total liabilities and deferred inflows of resources	$ 7,766,484	$ 10,945,575
Net Position:		
Net investment in capital assets	$ 20,571,016	$ 21,518,140
Restricted for:		
Debt service	60,095	10,823
Transportation	1,048,854	1,160,843
Parks/ROW beautification	186,938	234,952
Unrestricted	10,397,740	9,283,217
Total net position	$ 32,264,643	$ 32,207,975

The assets of the City are classified as current assets and capital assets. Cash and investments and accounts receivable are the largest current assets. These are assets that are available to provide resources for the near-term operations of the City. Capital assets are used in the operations of the City. These assets include land, buildings, equipment and vehicles, and infrastructure.

Current and non-current liabilities are classified based on anticipated liquidation either in the near-term or in the future. Current liabilities include accounts payable, accrued liabilities, interest payable and current portion of long-term obligations.

The City has $3.6 million in long-term debt, consisting of general obligation bonds and general obligation temporary notes, of which $.2 million is due within the next fiscal year.

The City had total assets as of December 31, 2025, totaling $43.0 million. The total assets and deferred outflows of the City exceeded the total liabilities and deferred inflows of resources by $32.2 million. Net position invested in capital assets totaled $21.5 million, restricted net position totaled $1.4 million and unrestricted net position totaled $9.3 million.

Government-Wide Activities

The following is a condensed statement of the City's change in net position for the year ended December 31, 2025. Major items of program revenues, grants and general revenues are detailed. Government-wide activities decreased the net position of the City by $56,668 for the year ended December 31, 2025. A reconciliation of the total change in fund balances for the governmental funds to the Statement of Activities is located on page 14 of the basic financial statements. Major differences in the Statement of Activities and changes in the fund balances of governmental funds include (1) the repayment of long-term debt of $.5 million, which is treated as expenditures in the funds statements, but is treated as a reduction of long-term debt in the Government-wide financial statements; and (2) the issuance of long-term debt of $3.4 million, which is treated as an other financing source in the funds statements, but is treated as an increase of long-term debt in the Government-wide financial statements.

In addition, the capital outlays of $3.8 million are treated as expenditures in the fund statements but are treated as an increase in capital assets in the Government-wide financial statements.

City of Mission Hills
Condensed Statement of Changes in Net Position
For the Year Ended December 31, 2025 and 2024

	Governmental Activities	
	2024	2025
Revenues:		
Program revenues:		
Charges for services	$ 768,223	$ 687,078
Operating grants	226,286	171,917
General revenues:		
Property taxes	5,860,381	6,208,822
Sales tax	2,957,516	3,143,564
Motor vehicle tax	310,844	334,834
Franchise tax	478,093	551,697
Investment earnings	197,127	213,862
Miscellaneous	390,023	125,961
Total revenues	11,188,493	11,437,735
Program expenses:		
General government	1,536,459	1,791,115
Public safety	2,180,272	2,390,330
Public works	1,672,568	2,671,820
Parks/ROW beautification	1,296,495	1,255,124
Depreciation on infrastructure	3,088,193	3,291,778
Interest on long term debt	40,683	94,236
Total expenses	9,814,670	11,494,403
Increase [decrease] in net position	$ 1,373,823	$ [56,668]

Financial Analysis of the City's Funds

The City uses fund accounting to ensure and demonstrate compliance with state and federal finance related legal requirements. These funds are accounted for on the modified accrual basis of accounting.

The governmental funds of the City provide information on near-term inflows, outflows and balances of spendable resources. Unreserved fund balances, in particular, measures the City's net resources available for spending at the end of the City's fiscal year.

Total fund balances as of December 31, 2025, for the governmental funds totaled $14.9 million. Total unassigned fund balances as of December 31, 2025, also totaled $5.5 million, of which all was attributable to the General Fund.

The General Fund is the chief operating fund of the City. The audited fund balance on December 31, 2025, was $10.5 million. This figure is shown in the GAAP basis column of the enclosed financial statements. The budgetary basis column includes encumbrances of $4.9 million.

The Stormwater Utility Fund is used to account for the collection of assessments and grant revenue related to county assisted improvement project expenditures. Expenditures are for capital improvements related to the City's stormwater infrastructure. The ending fund balance for 2025 was $1.1 million. The budgetary basis column includes encumbrances of $.5 million.

General Fund Budgeting Highlights

The City's budgets are prepared in accordance with Kansas law and are based primarily on the basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

The City's 2025 final General Fund budget reflected budgeted revenues of $9.9 million. Actual General Fund revenues received were $.6 million more than the estimated revenues budgeted in the 2025 General Fund budget.

The City's 2025 final General Fund budget reflected budgeted expenditures of $9.8 million. Actual General Fund expenditures were $.2 million more than the estimated expenditures budgeted in the 2025 General Fund budget. At year end, the General Fund budgetary balance increased $.3 million.

Capital Assets and Debt Administration

The City's investment in capital assets for its governmental activities totaled $21.8 million (net of accumulated depreciation) as of December 31, 2025.

The major capital improvements in 2025 included:

All projects listed include milling and paving (and concrete patchwork if required):

- 63rd Street (Wenonga Road to Belinder Lane)
- Shadow Lane
- East Mission Drive
- Brookbank Lane
- Belinder Avenue (Mission Drive to low water crossing)
- Pembroke Lane
- 55th Street
- 59th Street (State Line Road to High Drive)
- Pembroke Court

Additional information on the City's capital assets can be found in Notes I and III of the financial statements.

As of December 31, 2025, the City had total debt outstanding of $3.6 million, backed by the full faith and credit of the City. Total long-term debt increased for the fiscal year ended December 31, 2025, in the amount of $2.9 million. This was a result of the continued pay off of existing debt combined with the issuance of $3.4 million in new long-term debt.

Additional information on the City's general long-term debt can be found in Note III to the financial statements.

Contacting the City

This financial report is designed to provide a general overview of the City's finances. If you have questions about this report or need additional financial information, contact Jennifer Lee, City Administrator, City of Mission Hills, Kansas, 6300 State Line Road, Mission Hills, Kansas 66208.

CITY OF MISSION HILLS, KANSAS

STATEMENT OF NET POSITION
December 31, 2025

	Governmental Activities
Assets and Deferred Outflows of Resources	
Current assets:	
Cash and cash equivalents	$ 14,339,295
Receivables:	
Taxes	6,809,450
Intergovernmental	23,835
Total current assets	21,172,580
Capital assets:	
Capital assets not being depreciated:	
Land	845,530
Statuary	2,179,942
Capital assets being depreciated	48,708,063
Less: accumulated depreciation	29,949,211
Total net capital assets	21,784,324
Total assets	42,956,904
Deferred outflows of resources	
OPEB deferred outflows of resources	9,854
KPERS pension deferred outflows of resources	186,792
Total deferred outflows of resources	196,646
Total assets and deferred outflows of resources	$ 43,153,550
Liabilities and Deferred Inflows of Resources	
Current liabilities:	
Accounts payable	$ 61,057
Accrued liabilities	12,396
Accrued interest payable	72,403
Compensated absences payable	113,432
Current portion of general obligation bonds payable	240,000
Total current liabilities (payable from current assets)	499,288
Noncurrent liabilities:	
Other post employment benefits obligation	18,129
Net pension liability	780,654
General obligation notes payable	3,355,000
Unamortized bond premium	26,184
Total noncurrent liabilities	4,179,967
Total liabilities	4,679,255
Deferred inflows of resources:	
Unavailable revenue - property taxes	6,172,536
OPEB deferred inflows of resources	17,057
KPERS pension deferred inflows of resources	76,727
Total deferred inflows of resources	6,266,320
Total liabilities and deferred inflows of resources	$ 10,945,575
Net Position	
Net investment in capital assets	$ 21,518,140
Restricted for:	
Debt service	10,823
Transportation	1,160,843
Parks/ROW beautification	234,952
Unrestricted	9,283,217
Total net position	$ 32,207,975

The notes to the financial statements are an integral part of this statement

CITY OF MISSION HILLS, KANSAS

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2025

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net [Expenses] Revenue and Changes In Net Position: Total Governmental Activities
Governmental activities:				
General government	$ 1,791,115	$ 465,224	$ -	$ [1,325,891]
Public safety	2,390,330	221,854	-	[2,168,476]
Public works	2,671,820	-	98,751	[2,573,069]
Parks/ROW beautification	1,255,124	-	73,166	[1,181,958]
Depreciation on infrastructure	3,291,778	-	-	[3,291,778]
Interest on long-term debt	94,236	-	-	[94,236]
Total governmental activities	$ 11,494,403	$ 687,078	$ 171,917	[10,635,408]
General Revenues:				
Property taxes levied for:				
General purposes				6,208,822
Franchise tax				551,697
Sales tax				3,143,564
Motor vehicle tax				334,834
Investments earnings				213,862
Miscellaneous				125,961
Total general revenues				10,578,740
Change in net position				[56,668]
Net position - beginning				32,264,643
Net position - ending				$ 32,207,975

The notes to the financial statements are an integral part of this statement

CITY OF MISSION HILLS, KANSAS

BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2025

	General Fund	Stormwater Utility Fund	Debt Service Fund	Capital Project Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	$ 9,940,841	$ 1,103,152	$ 10,823	$ 1,540,900	$ 1,743,579	$ 14,339,295
Receivables						
Taxes	6,591,002	-	218,448	-	-	6,809,450
Intergovernmental	-	-	-	-	23,835	23,835
Total assets	$ 16,531,843	$ 1,103,152	$ 229,271	$ 1,540,900	$ 1,767,414	$ 21,172,580
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Accrued liabilities	$ 4,649	$ -	$ -	$ -	$ 7,748	$ 12,397
Accounts payable	46,296	-	-	-	14,761	61,057
Total liabilities	50,945	-	-	-	22,509	73,454
Deferred inflows of resources:						
Unavailable revenue - property taxes	5,954,088	-	218,448	-	-	6,172,536
Total deferred inflows of resources	5,954,088	-	218,448	-	-	6,172,536
Fund balance:						
Assigned	4,980,888	520,000	-	-	-	5,500,888
Restricted	-	-	10,823	-	1,395,795	1,406,618
Committed	-	583,152	-	1,540,900	349,110	2,473,162
Unassigned	5,545,922	-	-	-	-	5,545,922
Total fund balance [deficit]	10,526,810	1,103,152	10,823	1,540,900	1,744,905	14,926,590
Total liabilities, deferred inflows of resources and fund balances	$ 16,531,843	$ 1,103,152	$ 229,271	$ 1,540,900	$ 1,767,414	$ 21,172,580

The notes to the financial statements are an integral part of this statement.

CITY OF MISSION HILLS, KANSAS

RECONCILIATION OF THE TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
December 31, 2025

Total Governmental Fund Balances		$ 14,926,590
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 funds		
The cost of capital assets is	51,733,535	
Accumulated depreciation is	[29,949,211]	21,784,324
Pension contributions are reported as an expense in the funds and as a deferred outflow of resources in the governmental activities in the statement of net position.		186,792
Pension fundings are reported as a revenue in the funds and as a deferred inflow of resources in the governmental activities in the statement of net position.		[857,381]
The City's costs for post employment benefits other than pensions are not reported as expenditures in the governmental funds		
Net other post employment benefits obligation		[25,331]
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long term liabilities at year end consist of:		
General obligation bonds payable	266,184	
General obligation notes payable	3,355,000	
Interest payable	72,403	
Compensated absences payable	113,432	[3,807,019]
Net Position of Governmental Activities		$ 32,207,975

The notes to the financial statements are an integral part of this statement

CITY OF MISSION HILLS, KANSAS

STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2025

	General Fund	Stormwater Utility Fund	Debt Service Fund	Capital Project Fund	Other Governmental Funds	Total Governmental Funds
REVENUES:						
Taxes	$ 9,504,590	$ 530,291	$ 204,036	$ -	$ -	$ 10,238,917
Intergovernmental	3,196	-	-	-	168,721	171,917
Licenses, permits and fees	687,078	-	-	-	-	687,078
Use of money and property	167,513	-	942	20,675	24,732	213,862
Miscellaneous	125,237	-	-	-	722	125,959
Total revenues	10,487,614	530,291	204,978	20,675	194,175	11,437,733
EXPENDITURES:						
Current						
General government	1,787,139	-	-	-	-	1,787,139
Public works	3,183,622	-	-	3,254,275	-	6,437,897
Parks/ROW beautification	1,226,565	-	-	-	28,081	1,254,646
Public safety	2,390,330	-	-	-	-	2,390,330
Special projects	103,538	-	-	-	-	103,538
Debt service						
Principal	188,100	-	226,900	-	-	415,000
Interest and other charges	5,400	-	27,350	-	-	32,750
Total expenditures	8,884,694	-	254,250	3,254,275	28,081	12,421,300
Excess [deficiency] of revenues over [under] expenditures	1,602,920	530,291	[49,272]	[3,233,600]	166,094	[983,567]
OTHER FINANCING SOURCES [USES]						
Transfers in	-	-	-	100,000	-	100,000
Debt proceeds	-	-	-	3,355,000	-	3,355,000
Transfers [out]	[100,000]	-	-	-	-	[100,000]
Total other financing sources [uses]	[100,000]	-	-	3,455,000	-	3,355,000
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	1,502,920	530,291	[49,272]	221,400	166,094	2,371,433
Fund balance - Beginning of year	9,023,890	572,861	60,095	1,319,500	1,578,811	12,555,157
Fund balance - End of year	$ 10,526,810	$ 1,103,152	$ 10,823	$ 1,540,900	$ 1,744,905	$ 14,926,590

The notes to the financial statements are an integral part of this statement.

CITY OF MISSION HILLS, KANSAS

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES WITH THE GOVERNMENT WIDE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2025

Total Net Change In Fund Balances - Governmental Funds		$	2,371,433
Amounts reported for governmental activities in the statement of activities are different because			
Capital outlays to purchase or build assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net assets and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities. This is the amount by which capital outlays exceeds depreciation in the period.			
Capital outlays	3,784,626		
Depreciation expense	[3,291,778]		492,848
Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. This is the amount by which interest increased.			[61,486]
Expenditures for post employment benefits other than pensions are not considered expenditures in government funds			[1,021]
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.			[21,512]
Pension payments are reported as expenditures in the governmental funds and do not affect the statement of net activities.			[6,014]
Repayment of a financed purchase is an expenditure in the governmental funds, but it reduces long-term liabilities in the statement of net assets and does not affect the statement of activities.			69,808
The issuance of long-term debt (e.g., bonds) 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, however, has any effect on net position.			[3,355,000]
Governmental funds report the effect of premiums 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.			39,276
Repayment of bond and is an expenditure in the governmental funds, but it reduces long-term liabilities in the statement of net assets and does not affect the statement of activities.			415,000
Changes In Net Position of Governmental Activities		$	[56,668]

CITY OF MISSION HILLS, KANSAS

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
For the Year Ended December 31, 2025

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget Positive [Negative]
Revenues:						
Taxes	$ 9,504,590	$ -	$ 9,504,590	$ 9,090,987	$ 9,090,987	$ 413,603
Intergovernmental	3,196	-	3,196	122,081	122,081	[118,885]
Use of money and property	167,513	-	167,513	50,000	50,000	117,513
Licenses, permits and fees	687,078	-	687,078	585,150	585,150	101,928
Miscellaneous	125,237	-	125,237	15,000	15,000	110,237
Total Revenues	10,487,614	-	10,487,614	9,863,218	9,863,218	624,396
Expenditures:						
General administration:						
Personal services	652,328	-	652,328	701,129	701,129	48,801
Contractual services	950,140	[83,200]	866,940	821,327	821,327	[45,613]
Commodities	11,962	-	11,962	10,500	10,500	[1,462]
Capital outlay	172,709	[23,081]	149,628	30,000	30,000	[119,628]
	1,787,139	[106,281]	1,680,858	1,562,956	1,562,956	[117,902]
Public safety						
Contractual services	2,235,445	[135,368]	2,100,077	2,118,731	2,118,731	18,654
Commodities	15,931	-	15,931	45,000	45,000	29,069
Capital outlay	138,954	135,497	274,451	80,000	80,000	[194,451]
	2,390,330	129	2,390,459	2,243,731	2,243,731	[146,728]
Highways and streets						
Personal services	586,880	-	586,880	576,195	576,195	[10,685]
Contractual services	1,438,516	[267,801]	1,170,715	1,904,210	1,904,210	733,495
Commodities	24,911	-	24,911	21,600	21,600	[3,311]
Capital outlay	1,133,315	1,369,389	2,502,704	2,040,712	2,040,712	[461,992]
	3,183,622	1,101,588	4,285,210	4,542,717	4,542,717	257,507
Parks/ROW beautification						
Personal services	113,037	-	113,037	121,244	121,244	8,207
Contractual services	1,071,523	160,000	1,231,523	1,017,826	1,017,826	[213,697]
Commodities	11,342	-	11,342	12,500	12,500	1,158
Capital outlay	30,663	-	30,663	75,000	75,000	44,337
	1,226,565	160,000	1,386,565	1,226,570	1,226,570	[159,995]
Special projects						
Capital outlay	103,538	-	103,538	61,000	61,000	[42,538]
	103,538	-	103,538	61,000	61,000	[42,538]

The notes to the financial statements are an integral part of this statement

CITY OF MISSION HILLS, KANSAS

GENERAL FUND (CONTINUED)

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
For the Year Ended December 31, 2025

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget Positive [Negative]
Expenditures (Continued):						
Debt service						
Principal	$ 188,100	$ -	$ 188,100	$ 188,100	$ 188,100	$ -
Interest and other charges	5,400	-	5,400	5,400	5,400	-
	193,500	-	193,500	193,500	193,500	-
Total Expenditures	8,884,694	1,155,436	10,040,130	9,830,474	9,830,474	[209,656]
Excess [Deficiency] of Revenues Over [Under] Expenditures	1,602,920	[1,155,436]	447,484	32,744	32,744	414,740
Other Financing Sources [Uses]:						
Transfers in	-	-	-	79,456	79,456	[79,456]
Transfers [out]	[100,000]	-	[100,000]	[100,000]	[100,000]	-
Total Other Financing Sources [Uses]	[100,000]	-	[100,000]	[20,544]	[20,544]	[79,456]
Excess [Deficiency] of Revenues and Other Sources Over [Under] Expenditures and Other [Uses]	1,502,920	[1,155,436]	347,484	$ 12,200	$ 12,200	$ 335,284
Fund Balance, January 1	9,023,890	[3,825,452]	5,198,438			
Fund Balance, December 31	$ 10,526,810	$ [4,980,888]	$ 5,545,922			

The notes to the financial statements are an integral part of this statement

CITY OF MISSION HILLS, KANSAS

STORMWATER UTILITY FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
For the Year Ended December 31, 2025

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget Positive [Negative]
Revenues:						
Taxes	$ 530,291	$ -	$ 530,291	$ 520,000	$ 520,000	$ 10,291
Total Revenues	530,291	-	530,291	520,000	520,000	10,291
Expenditures:						
Capital outlay	-	520,000	520,000	520,000	520,000	-
Total Expenditures	-	520,000	520,000	520,000	520,000	-
Excess [Deficiency] of Revenues Over [Under] Expenditures	530,291	[520,000]	10,291	$ -	$ -	$ 10,291
Fund Balance, January 1	572,861	-	572,861			
Fund Balance, December 31	$ 1,103,152	$ [520,000]	$ 583,152			

The notes to the financial statements are an integral part of this statement

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Mission Hills, Kansas (the City), is a municipal corporation governed by an elected five-member council. Under governmental accounting standards for defining the financial reporting entity and identifying entities to be included in basic financial statements, these financial statements include only the City. There are no other entities for which the City is financially accountable.

B. Government-wide and Fund Financial Statements

The statement of net position and the statement of activities report information on all the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. All activities of the City are governmental activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational requirements of a particular program. Taxes and other items which are not classified as program revenues are presented as general revenues of the City.

Financial statements are provided for governmental funds. Major individual funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column in the fund financial statements. The City has no fiduciary or proprietary funds.

C. Measurement Focus, Basis of Accounting and Basis of Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. 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 certain compensated are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Property taxes 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. Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

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 *stormwater utility fund* is used to account for the collection of assessments and grant revenue related to county assisted improvement project expenditures. Expenditures are for capital improvements related to the City's stormwater infrastructure.

The *debt service fund* is used to account for the payment of principal and interest on all general obligation debt.

The *capital project fund* is used to account for reservations designed for the City's capital improvements.

D. Assets, Liabilities and Equity

1. Deposits and Investments

The City maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the governmental funds balance sheet as cash and investments under each fund's caption. Interest earned is distributed to the various funds based upon the proportionate share of cash. Investments are reported at fair value.

2. Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the year are referred to as either "interfund receivables/payables" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

All trade and property tax receivables are shown net of an allowance for uncollectibles, if any.

Property taxes receivable - The determination of assessed valuations and the collections of property taxes for all political subdivisions in the State of Kansas is the responsibility of the various counties. The office of the County Appraiser annually determines assessed valuations on January 1 and the County Clerk spreads the annual assessment on the tax rolls. The County Treasurer is the tax collection agent for all taxing entities within the county. In accordance with state statutes, property taxes levied during the current year are a revenue source to be used to finance the budget of the ensuing year. Property taxes are levied and liens against property are placed on November 1 of the year prior to the fiscal year for which they are budgeted. Payments are due November 1, becoming delinquent, with penalty, December 21. Payments of 50% are accepted through December 20, with the second 50% then being due on or before May 10 of the following year. This procedure eliminates the need to issue tax anticipation notes since funds will be on hand prior to the beginning of each fiscal year. The City Treasurer draws down all available funds from the County Treasurer's office in two-month intervals. Taxes remaining due and unpaid as of February 15 and July 1 are subject to collection procedures prescribed in state statutes.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Equity (Continued)

2. Receivables and Payables (Continued)

Collection of current year property tax by the County Treasurer is not completed, apportioned or distributed to the various subdivisions until the succeeding year, such procedure being in conformity with governing state statutes. Consequently, current year property taxes receivable are not available as a resource that can be used to finance the current year operations of the City and therefore are not susceptible to accrual. Accruals of uncollected current year property taxes are offset by deferred revenue and are identical to the adopted budget for 2026.

3. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets, are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than $5,000 for buildings and maintenance and office equipment and $250,000 for infrastructure with an initial useful life of one year or greater. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Depreciation has been provided over the estimated useful lives of the respective assets using the straight-line method. The estimated useful lives for each capital asset type are as follows:

Assets	Years
Buildings	50
Machinery and equipment	6 - 15
Office equipment	3 - 5
Infrastructure	20

The statuary is considered inexhaustible and, therefore, no depreciation has been calculated for this collection. The City's collection of works of art, other than statuary and other similar assets are not capitalized. These collections are unencumbered, held for public exhibition and education, protected, cared for and preserved and subject to City policy that requires proceeds from the sale of these items to be used to acquire other collection items.

4. Compensated Absences

The City's policy is to grant each full-time employee one day of sick leave per month, cumulative to a maximum of 90 days. In the event of termination, 20 percent of unused sick leave is paid to the former employee. Additionally, full-time employees earn vacation leave at varying rates based on years of service for each calendar year. Employees are allowed to accumulate unused vacation at varying rates based on years of service.

For governmental fund types, the amount of accumulated unpaid vacation and sick leave, which is payable from available resources, is recorded as a liability of the respective fund only if they have matured, for example, as a result of employee retirements and resignations.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Equity (Continued)

5. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as issuance costs, during the current period. The face amount of debt issued is reported as other financing sources.

Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

6. Fund Equity

In the fund financial statements, governmental funds report fund balance in the following classifications: nonspendable, restricted, committed, assigned and unassigned. Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Restricted fund balance indicates that constraints have been placed on the use of resources either by being externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Committed fund balances include amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the city council. Assigned fund balances include amounts that are constrained by the City management's intent to be used for specific purposes, but are neither restricted nor committed. Unassigned fund balance represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available restricted amounts is considered to be spent first. When an expenditure is incurred for purposes for which committed, assigned, or unassigned fund balance is available, the following is the order in which resources will be expended: committed, assigned and unassigned.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Equity (Continued)

6. Fund Equity (Continued)

The following is the detail for fund balance classifications in the financial statements:

	Major Governmental Funds					
	General	Stormwater Utility Fund	Debt Service Fund	Capital Project	Other Governmental Funds	Total Governmental Funds
Fund Balances:						
Assigned for:						
General administration	$ 224,821	$ -	$ -	$ -	$ -	$ 224,821
Public works	3,941,641	-	-	-	-	3,941,641
Public safety	238,471	-	-	-	-	238,471
Parks/ROW beautification	575,955	-	-	-	-	575,955
Capital improvements	-	520,000	-	-	-	520,000
Restricted for:						
Public works	-	-	-	-	1,160,843	1,160,843
Debt payments	-	-	10,823	-	-	10,823
Parks/ROW beautification	-	-	-	-	234,952	234,952
Committed for:						
Culture and recreation	-	-	-	-	36,528	36,528
Capital improvements	-	583,152	-	1,540,900	312,582	2,436,634
Unassigned:	5,545,922	-	-	-	-	5,545,922
Total Fund Balances	$10,526,810	$1,103,152	$ 10,823	$1,540,900	$ 1,744,905	$14,926,590

7. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported 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.

8. 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 position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City reports changes in the pension liability proportion, contributions made subsequent to the measurement date, differences between expected and actual experience, changes of assumptions and net the difference between projected and actual earnings on pension plan investments are reported as deferred outflows of resources in the government activities.

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 position that applies to a future period(s) and so will not be recognized as

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Equity (Continued)

8. Deferred outflows/inflows of resources (Continued)

an inflow of resources (revenue) until that time. The government funds report unavailable revenues from one source: property taxes. Differences between expected and actual experience and changes of assumptions all for the pension liability are reported as deferred inflows for governmental activities.

9. Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special revenue funds (unless specifically exempted by statute) and debt service funds. The statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in the local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5th.
3. Public hearing on or before August 15th, but at least ten days after publication of the notice of hearing.
4. Adoption of the final budget on or before August 25th.

If the City is holding a revenue neutral rate hearing, the budget timeline for the public hearing is adjusted to no sooner than August 20th and no later than September 20th, but at least 10 days after all statutory notification and publication requirements have been met. Municipal budgets requiring a hearing to exceed the revenue neutral rate should be adopted on or before October 1st but may not be adopted prior to the revenue neutral rate hearing. The City did hold a revenue neutral rate hearing for this year.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. The budget was amended during the year ended December 31, 2025 for the Debt Service Fund.

The statutes permit management to transfer budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. In supplementary schedules to this report, budget comparisons are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the statutory basis of accounting, in which, revenues are recognized when cash is received and expenditures include disbursements, accounts payable and encumbrances. Encumbrances are commitments by the City for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. All unencumbered appropriations (legal budget expenditure authority) lapse at year-end.

A legal operating budget is not required for capital project funds and certain special revenue funds.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

Budgetary Information (Continued)

Spending in funds which are not subject to the legal annual operating budget requirements is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

The actual data presented in the budgetary comparison statements differs from the data presented in accordance with accounting principles generally accepted in the United States of America (GAAP). The following is a summary of the effects on the ending fund balances caused by the difference in accounting between the budgetary basis and GAAP.

	Major Governmental Funds				Other	
	General Fund	Stormwater Utility Fund	Debt Service Fund	Capital Project Fund	Nonmajor Governmental Funds	Total Governmental Funds
GAAP FUND BALANCE December 31, 2025	$ 10,526,810	$ 1,103,152	$ 10,823	$ 1,540,900	$ 1,744,905	$ 14,926,590
Adjustments:						
Unreserved fund balances not subject to the Kansas Budget Law:						
Statuary Reward	-	-	-	-	[338]	[338]
Sunken Garden	-	-	-	-	[36,190]	[36,190]
Reserve for encumbrances	[4,980,888]	[520,000]	-	-	-	[5,500,888]
Total deductions	[4,980,888]	[520,000]	-	-	[36,528]	[5,537,416]
BUDGETARY FUND BALANCE December 31, 2025	$ 5,545,922	$ 583,152	$ 10,823	$ 1,540,900	$ 1,708,377	$ 9,389,174

III. DETAILED NOTES ON ALL FUNDS

A. Cash and Investments

The City's cash is considered to be active funds by management and is invested according to KSA 9-1401. The statute requires that banks eligible to hold active funds have a main or branch bank in the county or an adjoining county in which the City is located and the banks provide an acceptable rate for active funds.

Various City investments are considered to be idle funds by management and are invested according to K.S.A. 12-1675. The statute requires that at the City invest it's idle funds in only temporary notes of the City, bank certificates of deposit, repurchase agreements, and if eligible banks do not offer an acceptable rate for the funds: U.S. Treasury bills or notes and the Municipal Investment Pool (KMIP). Maturities of the above investments may not exceed two years by statute.

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; Level 3 inputs are significant unobservable inputs.

III. DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash and Investments (Continued)

The City had the following investments as of December 31, 2025:

Investment Type	Level 1	Rating
Kansas Municipal Investment Pool	$ 70,290	N/A

The above investments are measured at the net asset value, have an ongoing redemption frequency and liquidity fees or redemption gates are not imposed on any of the investments.

The Kansas Municipal Investment Pool is under the oversight of the Pooled Money Investment Board. The board is comprised of the State Treasurer and four additional members appointed by the State Governor. The board reports annually to the Kansas legislature. State pooled monies may be invested in direct obligations of, or obligations that are insured as to principal and interest by the U.S. government or any agency thereof, with maturities up to four years. No more than 10 percent of those funds may be invested in mortgage-backed securities. In addition, the State pool may invest in repurchase agreements with Kansas banks or with primary government securities dealers. The fair value of the City's position in the municipal investment pool is substantially the same as the value of the pool shares.

The City does not have any formal investment policies that would further limit concentration of credit risk, interest rate, or custodial credit risks beyond state statutes.

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's deposit policy for custodial credit risk require that the depository banks will maintain 100% security in the form of FDIC coverage and pledged collateral according to KSA 9-1402. All deposits were legally secured as of December 31, 2025.

B. Receivables

Receivables at year end are as follows:

	General	Debt Service Fund	Other Governmental	Total
Receivables:				
Taxes	$ 6,591,002	$ 218,448	$ -	$ 6,809,450
Intergovernmental	-	-	23,835	23,835
Total	$ 6,591,002	$ 218,448	$ 23,835	$ 6,833,285

III. DETAILED NOTES ON ALL FUNDS (Continued)

C. Capital Assets

Capital asset activity for the year ended December 31, 2025, was as follows:

	Balance at 12/31/24	Additions	Retirements	Balance at 12/31/25
City governmental activities:				
Capital assets, not being depreciated				
Land	$ 245,530	$ 600,000	$ -	$ 845,530
Statuary	2,179,942	-	-	2,179,942
Capital assets, being depreciated				
Building	1,032,272	2,675,870	-	3,708,142
Equipment and vehicles	958,401	122,709	-	1,081,110
Infrastructure	43,532,764	386,047	-	43,918,811
Total capital assets	47,948,909	3,784,626	-	51,733,535
Less accumulated depreciation for:				
Building	519,485	137,781	-	657,266
Equipment and vehicles	416,810	77,287	-	494,097
Infrastructure	25,721,139	3,076,709	-	28,797,848
Total accumulated depreciation	26,657,434	3,291,777	-	29,949,211
Governmental activities capital assets, net	$ 21,291,475	$ 492,849	$ -	$ 21,784,324

The City's depreciation expense was charged to governmental functions as follows:

Governmental Activities:	
General government	$ 163,853
Public safety	49,770
Public works	3,015,160
Parks/ROW beautification	62,994
Total depreciation	$ 3,291,777

III. DETAILED NOTES ON ALL FUNDS (Continued)

D. Long-term Debt

During the year ended December 31, 2025, the following changes occurred in long term liabilities:

	Balance January 1, 2025	Additions	Reductions	Balance December 31, 2025	Due Within One Year
General obligation bonds	$ 655,000	$ -	$ 415,000	$ 240,000	$ 240,000
General obligation bonds premium	65,460	-	39,276	26,184	-
General obligation bonds, net	720,460	-	454,276	266,184	240,000
General obligation temporary notes	-	3,355,000	-	3,355,000	-
Direct borrowings: financed purchase	69,808	-	69,808	-	-
Compensated absences *	91,921	21,511	-	113,432	113,432
Total	$ 882,189	$ 3,376,511	$ 524,084	$ 3,734,616	$ 353,432

* - the change in the compensated absences liability is presented as a net change.

General Obligation Bonds. The City 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. General obligation bonds currently outstanding are as follows:

Issuance	Date of Issuance	Date of Final Maturity	Interest Rate	Original Amount	Outstanding Amount
Series 2019A	3/6/2019	9/1/2026	5.00%	$ 1,145,000	$ 240,000
				$ 1,145,000	$ 240,000

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

Year Ending	Principal	Interest	Total
2026	$ 240,000	$ 12,000	$ 252,000
Total	$ 240,000	$ 12,000	$ 252,000

General Obligation Temporary Notes. On July 16, 2025, the City issued General Obligation Temporary Notes, Series 2025-A in the amount of $3,355,000. Proceeds of the notes were used to provide temporary financing for the purchase of a property located next to City Hall. The notes carry an interest rate of 4.15% and are scheduled to mature on March 1, 2028.

Temporary notes currently outstanding are as follows:

Issuance	Date of Issuance	Date of Final Maturity	Interest Rate	Original Amount	Outstanding Amount
Series 2025A	7/16/2025	3/1/2028	4.15%	$ 3,355,000	$ 3,355,000
				$ 3,355,000	$ 3,355,000

III. DETAILED NOTES ON ALL FUNDS (Continued)

The annual debt service requirements to maturity for the temporary notes are as follows:

Year Ending	Principal	Interest	Total
2026	$ -	$ 156,637	$ 156,637
2027	-	139,233	139,233
2028	3,355,000	69,616	3,424,616
Total	$ 3,355,000	$ 365,486	$ 3,720,486

IV. 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; and natural disasters. The City carries commercial insurance for these risks of loss including related lost revenue. Settlements have not exceeded insurance coverage for each of the last three years.

B. Commitments and Contingent Liabilities

Amounts received or receivable from grantor agencies are subject to audit and adjustment by those agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount of additional expenditures which may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial. The City is a party in various pending claims. Although the outcome of these pending claims is not presently determinable, it is the opinion of management that resolution of these matters will not have a material adverse effect on the financial condition of the City.

The City has contracts for police services and refuse collection and recycling. The contracts for police services and refuse/recycling collection obligate the City for a total of $2,019,140 and $362,032 respectively for 2025 services. The City also enters into contracts for improvements and maintenance of parks and public areas as deemed necessary.

IV. OTHER INFORMATION (Continued)

C. Defined Benefit Pension Plan

Description of Pension Plan. The City participates in a cost-sharing multiple-employer pension plan (Pension Plan), as defined in Governmental Accounting Standards Board Statement No. 67, *Financial Reporting for Pension Plans*. The Pension Plan is administered by the Kansas Public Employees Retirement System (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 Firemen
- 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 are included in the Local employees group.

KPERS issues a stand-alone comprehensive annual financial report, which is available on the KPERS website at www.kspers.gov.

Benefits. Benefits are established by statute and may only be changed by the State Legislature. Members (except Police and Firemen) with ten or more years of credited service, may retire as early as age 55, 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.

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.

Members choose one of seven payment options for their monthly retirement benefits. At retirement a member may receive a lump-sum payment of up to 50% of the actuarial present value of the member's lifetime benefit. His or her monthly retirement benefit is then permanently reduced based on the amount of the lump sum. Benefit increases, including ad hoc post-retirement benefit increases, must be passed into law by the Kansas Legislature. Benefit increases are under the authority of the Legislature and the Governor of the State of Kansas.

The 2012 Legislature made changes affecting new hires, current members and employers. A new KPERS 3 cash balance retirement plan for new hires starting January 1, 2015, was created. Normal retirement age for KPERS 3 is 65 with five years of service or 60 with 30 years of service. Early retirement is available at age 55 with ten years of service, with a reduced benefit. Monthly benefit options are an annuity benefit based on the account balance at retirement.

IV. OTHER INFORMATION (Continued)

C. Defined Benefit Pension Plan (Continued)

For all pension coverage groups, the retirement benefits are disbursed from the retirement benefit payment 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 annual 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. Annual increases in the employer contribution rates related to subsequent benefit enhancements are not subject to these limitations. The statutory cap increase over the prior year contribution rate is 1.2% of total payroll for the fiscal year ended June 30, 2025.

The actuarially determined employer contribution rates (not including the 1.00% contribution rate for the Death and Disability Program) and the statutory contribution rates are as follows:

	Actuarial Employer Rate	Statutory Employer Capped Rate
Local employees	9.71%	9.71%

Member contribution rates as a percentage of eligible compensation for the KPERS fiscal year 2025 is 6.00% for Local employees.

Employer Allocations. Although KPERS administers one cost-sharing multiple-employer defined benefit pension plan, separate (sub) 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 Firemen
- Judges

To facilitate the 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 nonemployer allocations are applied to 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 December 31, 2025, are 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, 2025.

IV. OTHER INFORMATION (Continued)

C. Defined Benefit Pension Plan (Continued)

The contributions used exclude contributions made for prior service, excess benefits and irregular payments. At June 30, 2025, the City's proportion for the Local employees group was 0.039%, which was a decrease of .006% from its proportion measured at June 30, 2024.

Net Pension Liability. As of December 31, 2025 and 2024, the City reported a liability of $780,654 and $817,042, respectively, for its total proportionate share of the net pension liability for the Local group.

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation as of December 31, 2024, which was rolled forward to June 30, 2025, using the following actuarial assumptions:

Assumption	Rate
Price inflation	2.75%
Wage inflation	3.50%
Salary increases, including wage increases	3.50 to 15.50%, including inflation
Long-term rate of return, net of investment expense, and including price inflation	7.00%

Mortality rates were based on the PUB 2010 Mortality Tables, with age setbacks and age set forwards based on different membership groups. Future mortality improvements are anticipated using Scale MP-2021.

The long-term expected rate of return on 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 weighting the expected future real rates of return by the target asset allocation percentage. Best estimates of arithmetic real rates of return for each major asset class as of the most recent experience study, dated January 29, 2024, as provided by KPERS' investment consultant, are summarized in the following table:

Asset	Long-Term Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	43.00%	8.20%
Alternatives	11.00%	12.00%
Real Estate	15.00%	5.70%
Yield Driven	12.00%	5.30%
Infrastructure	3.00%	6.80%
Core Fixed Income	13.00%	2.20%
Short-Term Investments	3.00%	0.30%
Total	100.00%	

IV. OTHER INFORMATION (Continued)

C. Defined Benefit Pension Plan (Continued)

Discount Rate. The discount rate used 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 State, School and Local employers do not necessarily contribute the full actuarial determined rate. Based on legislation passed in 1993, the employer contribution rates certified by the System's Board of Trustees for these groups 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. Employers contribute the full actuarial determined rate for Police & Firemen, and Judges. Future employer contribution rates were also modeled for Police & Firemen and Judges, 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 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%)	Discount rate (7.00%)	1% Increase (8.0%)
Local	$ 1,152,000	$ 780,654	$ 468,773

Pension Expense. For the year ended December 31, 2025, the City recognized Local pension expense of $101,453, 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.

Deferred Outflows of Resources and Deferred Inflows of Resources. As of December 31, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions for Local group from the following sources:

	Deferred outflows of resources	Deferred inflows of resources
Differences between actual and expected experience	$ 100,595	$ -
Net differences between projected and actual earnings on investments	-	[26,810]
Changes of assumptions	19,297	-
Changes in proportion	19,362	[49,918]
Total	$ 139,254	$ [76,728]

$47,538 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2026. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

IV. OTHER INFORMATION (Continued)

C. Defined Benefit Pension Plan (Continued)

Year ended June 30,	Deferred [Inflows] Outflows Amount
2026	$ 75,425
2027	[1,431]
2028	[7,992]
2029	[3,476]
2030	-
Total	$ 62,526

D. Postemployment Healthcare Plan

Plan Description. The City operates a single employer defined benefit healthcare plan administered by the City. The Employee Benefit Plan (the Plan) provides medical benefits to eligible early retirees and their spouses. K.S.A. 12-5040 requires all local governmental entities in the state that provide a group health care plan to make participation available to all retirees and dependents until the retiree reaches the age of 65 years. No separate financial report is issued for the Plan.

Funding Policy. The contribution requirements of plan participants and the City are established and amended by the City. The required contribution is based on projected pay-as-you-go financing requirements. The contribution requirement for retirees is equal to 100% of the full active premium. Annual premium amounts are as follows:

Coverage	Retiree Contributions	Spousal Contributions
Medical - CF 1500	$ 8,280	$ 19,248
Medical - CF 2000	7,752	18,000
Medical - INO 2	11,688	27,648

IV. OTHER INFORMATION (Continued)

D. Postemployment Healthcare Plan (Continued)

As of December 31, 2025, the following employees were covered by the benefit terms:

Active employees	10
Retirees and covered spouses	-
Total	10

The total OPEB liability of $18,129 was measured as of June 30, 2025 and was determined by an actuarial valuation as of July 1, 2023.

The total OPEB liability in the July 1, 2023, actuarial valuation was determined using the following assumptions and other inputs, applied to all periods in the measurement, unless otherwise specified:

Valuation date	July 1, 2023
Actuarial cost method	Entry age normal as a level percentage of payroll
Inflation	4.00%
Salary increases	4.50%
Discount rate	4.80%
Healthcare cost trend rates	Medical & Pharmacy: Actual trend is valued for claims, admin costs and retiree contribution premiums based on the July 1, 2024 and July 1, 2025 renewal data. 7.50% in 2024, decreasing 0.25% per year to an ultimate rate of 5.00% for 2034 and later years

The discount rate was based on an index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Mortality rates were based on Society of Actuaries Pub-2010 Public Retirement Plans Headcount-Weighted General and Public Safety Mortality Tables using Scale MP-2021 Full Generational Improvement.

Changes in the total OPEB liability are as follows:

Balance 1/1/2025	$ 17,730
Service cost	1,055
Interest	789
Differences between expected and actual experience	1,645
Changes in assumptions	[3,090]
Balance 12/31/2025	$ 18,129

IV. OTHER INFORMATION (Continued)

D. Postemployment Healthcare Plan (Continued)

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 one percentage point lower (3.80%) or one percentage point higher (5.80%) than the current discount rate:

	1% decrease (3.80%)	Discount rate (4.80%)	1% increase (5.80%)
Total OPEB Liability	$ 19,617	$ 18,129	$ 16,759

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 healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rate:

	1% decrease	Healthcare cost Trend rates	1% increase
Total OPEB Liability	$ 16,047	$ 18,129	$ 20,599

For the year ended December 31, 2025, the City recognized OPEB expense of $1,021.

Deferred Outflows of Resources and Deferred Inflows of Resources. As of December 31, 2025, the City reported deferred outflows and deferred inflows related to other postemployment benefits from the following sources:

	Deferred outflows of resources	Deferred inflows of resources
Changes of assumptions	$ 589	$ [16,582]
Differences between expected and actual results	9,265	[475]
Total	$ 9,854	$ [17,057]

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

Year ended June 30,	Deferred [Inflows] Outflows Amount
2026	$ [823]
2027	[823]
2028	[822]
2029	[822]
2030	[783]
2031 +	[3,130]
Total	$ [7,203]

IV. OTHER INFORMATION (Continued)

E. Interfund Transfers

A reconciliation of all operating transfers by fund type for 2025 follows:

From	To	Amount	Regulatory Authority
General	Capital Project	$100,000	KSA 12-1,118
		$100,000	

CITY OF MISSION HILLS, KANSAS

REQUIRED SUPPLEMENTARY INFORMATION
OTHER POSTEMPLOYMENT BENEFITS

Schedule of Changes in the City's Total OPEB Liability and Related Ratios
Last Ten Fiscal Years*

Total OPEB liability	2025	2024	2023	2022	2021	2020	2019	2018
Service cost	$ 1,055	$ 1,151	$ 999	$ 1,127	$ 981	$ 1,372	$ 742	$ 1,030
Interest	789	828	656	385	434	679	392	528
Changes in benefit terms	-	-	-	-	-	-	3,394	[2,729]
Changes in assumptions	[3,090]	[7,981]	[156]	[4,081]	688	[6,396]	482	[2,184]
Differences between expected & actual experience	1,645	4,194	2,224	258	[7]	[875]	5,108	-
Net change in total OPEB liability	399	[1,808]	3,723	[2,311]	2,096	[5,220]	10,118	[3,355]
Total OPEB liability - beginning	17,730	19,538	15,815	18,126	16,030	21,250	11,132	14,487
Total OPEB liability - ending	$ 18,129	$ 17,730	$ 19,538	$ 15,815	$ 18,126	$ 16,030	$ 21,250	$ 11,132
Covered payroll	$ 741,178	$ 741,178	$ 634,117	$ 634,117	$ 545,476	$ 545,476	$ 500,292	$ 500,292
Total OPEB liability as a percentage of covered-employee payroll	2.45%	2.39%	3.08%	2.49%	3.32%	2.94%	4.25%	2.23%
Actuarially determined contribution	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Actual contribution	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

CITY OF MISSION HILLS, KANSAS

REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
KPERS PENSION PLAN

Schedule of the City's Proportionate Share of the Net Pension Liability
Last Ten Fiscal Years*

Year ending December 31,	City's proportion of the net pension liability	City's proportionate share of the net pension liability	City's covered-employee payroll	City's proportionate share of the net pension liability as a percentage of its total covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability
2025	0.039%	$ 780,654	891,125	87.60%	74.40%
2024	0.038%	817,042	928,294	88.02%	71.71%
2023	0.042%	877,638	856,203	102.50%	70.55%
2022	0.045%	894,799	721,254	124.06%	70.66%
2021	0.041%	490,614	681,342	72.01%	81.14%
2020	0.040%	701,228	630,474	111.22%	70.77%
2019	0.037%	520,172	565,532	91.98%	75.02%
2018	0.036%	504,329	579,666	87.00%	74.22%
2017	0.035%	503,078	520,076	96.73%	72.15%
2016	0.034%	532,797	498,283	106.93%	68.55%

*The amounts presented for each fiscal year were determined as of 12/31.

Schedule of the City's Contributions
Last Ten Fiscal Years*

Year ending December 31,	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency [excess]	City's covered employee payroll	Contributions as a percentage of covered employee payroll
2025	$ 95,330	$ 95,330	$ -	$ 981,773	9.71%
2024	82,518	82,518	-	891,125	9.26%
2023	78,255	78,255	-	928,294	8.43%
2022	76,202	76,202	-	856,203	8.90%
2021	63,975	63,975	-	721,254	8.87%
2020	58,663	58,663	-	681,342	8.61%
2019	56,049	56,049	-	630,474	8.89%
2018	47,448	47,448	-	565,532	8.39%
2017	49,040	49,040	-	579,666	8.46%
2016	47,743	47,743	-	520,076	9.18%

*The amounts presented for each fiscal year were determined as of 12/31.

CITY OF MISSION HILLS, KANSAS

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
December 31, 2025

	Special Highway Fund	Statuary Reward Fund	Sunken Garden Fund	Alcohol Recreation Fund	Stormwater Reserve Fund	Total
ASSETS						
Cash and cash equivalents	$ 1,137,008	$ 8,086	$ 36,190	$ 249,713	$ 312,582	$ 1,743,579
Receivables						
Intergovernmental	23,835	-	-	-	-	23,835
Total assets	$ 1,160,843	$ 8,086	$ 36,190	$ 249,713	$ 312,582	$ 1,767,414
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accrued liabilities	$ -	$ 7,748	$ -	$ -	$ -	$ 7,748
Accounts payable	-	-	-	14,761	-	14,761
Total liabilities	-	7,748	-	14,761	-	22,509
Fund balance:						
Restricted	1,160,843	-	-	234,952	-	1,395,795
Committed	-	338	36,190	-	312,582	349,110
Total fund balance [deficit]	1,160,843	338	36,190	234,952	312,582	1,744,905
Total liabilities and fund balances	$ 1,160,843	$ 8,086	$ 36,190	$ 249,713	$ 312,582	$ 1,767,414

See independent auditor's report on the financial statements.

CITY OF MISSION HILLS, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended December 31, 2025

	Special Highway Fund	Statuary Reward Fund	Sunken Garden Fund	Alcohol Recreation Fund	Stormwater Reserve Fund	Total
REVENUES:						
Intergovernmental	$ 95,555	$ -	$ -	$ 73,166	$ -	$ 168,721
Miscellaneous	-	-	722	-	-	722
Use of money and property	16,434	-	547	2,929	4,822	24,732
Total revenues	111,989	-	1,269	76,095	4,822	194,175
EXPENDITURES:						
Current						
Parks/ROW beautification	-	-	-	28,081	-	28,081
Total expenditures	-	-	-	28,081	-	28,081
Excess [deficiency] of revenues over [under] expenditures	111,989	-	1,269	48,014	4,822	166,094
Fund balance - Beginning of year	1,048,854	338	34,921	186,938	307,760	1,578,811
Fund balance - End of year	$ 1,160,843	$ 338	$ 36,190	$ 234,952	$ 312,582	$ 1,744,905

See independent auditor's report on the financial statements.

CITY OF MISSION HILLS, KANSAS

SPECIAL HIGHWAY FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
For the Year Ended December 31, 2025

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget Positive [Negative]
Revenues:						
Intergovernmental	$ 95,555	$ -	$ 95,555	$ 95,970	$ 95,970	$ [415]
Use of money and property	16,434	-	16,434	-	-	16,434
Total Revenues	111,989	-	111,989	95,970	95,970	16,019
Expenditures:						
Contractual services	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-
Excess [Deficiency] of Revenues Over [Under] Expenditures	111,989	-	111,989	95,970	95,970	16,019
Other Financing Sources [Uses]:						
Transfers [out]	-	-	-	[79,456]	[79,456]	79,456
Total other financing Sources [uses]	-	-	-	[79,456]	[79,456]	79,456
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	111,989	-	111,989	$ 16,514	$ 16,514	$ 95,475
Fund Balance, January 1	1,048,854	-	1,048,854			
Fund Balance, December 31	$ 1,160,843	$ -	$ 1,160,843			

See independent auditor's report on the financial statements.

CITY OF MISSION HILLS, KANSAS

ALCOHOL RECREATION FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
For the Year Ended December 31, 2025

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget Positive [Negative]
Revenues:						
Intergovernmental	$ 73,166	$ -	$ 73,166	$ 80,794	$ 80,794	$ [7,628]
Use of money and property	2,929	-	2,929	500	500	2,429
Total Revenues	76,095	-	76,095	81,294	81,294	[5,199]
Expenditures:						
Contractual services	28,081	-	28,081	55,000	55,000	26,919
Total Expenditures	28,081	-	28,081	55,000	55,000	26,919
Excess [Deficiency] of Revenues Over [Under] Expenditures	48,014	-	48,014	$ 26,294	$ 26,294	$ 21,720
Fund Balance, January 1	186,938	-	186,938			
Fund Balance, December 31	$ 234,952	$ -	$ 234,952			

CITY OF MISSION HILLS, KANSAS

STORMWATER RESERVE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
For the Year Ended December 31, 2025

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget Positive [Negative]
Revenues:						
Use of money and property	$ 4,822	$ -	$ 4,822	$ 2,000	$ 2,000	$ 2,822
Total Revenues	4,822	-	4,822	2,000	2,000	2,822
Expenditures:						
Capital outlay	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-
Excess [Deficiency] of Revenues Over [Under] Expenditures	4,822	-	4,822	$ 2,000	$ 2,000	$ 2,822
Fund Balance, January 1	307,760	-	307,760			
Fund Balance, December 31	$ 312,582	$ -	$ 312,582			

See independent auditor's report on the financial statements.

CITY OF MISSION HILLS, KANSAS

DEBT SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
For the Year Ended December 31, 2025

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget Positive [Negative]
Revenues:						
Taxes	$ 204,036	$ -	$ 204,036	$ 204,789	$ 204,789	$ [753]
Use of money and property	942	-	942	500	500	442
Total Revenues	204,978	-	204,978	205,289	205,289	[311]
Expenditures:						
Debt service						
Principal	226,900	-	226,900	226,900	226,900	-
Interest and other charges	27,350	-	27,350	27,350	27,350	-
Total Expenditures	254,250	-	254,250	254,250	254,250	-
Excess [Deficiency] of Revenues Over [Under] Expenditures	[49,272]	-	[49,272]	$ [48,961]	$ [48,961]	$ [311]
Fund Balance, January 1	60,095	-	60,095			
Fund Balance, December 31	$ 10,823	$ -	$ 10,823			

See independent auditor's report on the financial statements.

CITY OF MISSION HILLS, KANSAS

CAPITAL PROJECT FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
For the Year Ended December 31, 2025

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget Positive [Negative]
Revenues:						
Use of money and property	$ 20,675	$ -	$ 20,675	$ 7,500	$ 7,500	$ 13,175
Total Revenues	20,675	-	20,675	7,500	7,500	13,175
Expenditures:						
Contractual services	52,468	-	52,468	-	-	[52,468]
Capital outlay	3,201,807	-	3,201,807	-	3,355,000	153,193
Total Expenditures	3,254,275	-	3,254,275	-	3,355,000	100,725
Excess [Deficiency] of Revenues Over [Under] Expenditures	[3,233,600]	-	[3,233,600]	7,500	[3,347,500]	113,900
Other Financing Sources [Uses]:						
Transfers in	100,000	-	100,000	100,000	100,000	-
Debt proceeds	3,355,000	-	3,355,000	-	-	[3,355,000]
Total other financing Sources [uses]	3,455,000	-	3,455,000	100,000	100,000	[3,355,000]
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	221,400	-	221,400	$ 107,500	$ [3,247,500]	$ 3,468,900
Fund Balance, January 1	1,319,500	-	1,319,500			
Fund Balance, December 31	$ 1,540,900	$ -	$ 1,540,900			

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