

CITY OF BASEHOR, KANSAS

FINANCIAL STATEMENTS

Year Ended December 31, 2018

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CITY OF BASEHOR, KANSAS
Financial Statements
Year ending December 31, 2018

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CITY OF BASEHOR, KANSAS

Financial Statements
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INDEPENDENT AUDITOR'S REPORT

Mayor and City Council
City of Basehor, Kansas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Basehor, Kansas, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the *Kansas Municipal Accounting and Audit Guide*. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Basehor, Kansas, as of December 31, 2018, and the respective changes in financial position, and where applicable, cash flows thereof and the respective budgetary comparison for the general fund, consolidated highway fund, capital improvements reserve fund and the employee benefit fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 8, the schedule of the City's proportionate share of the net pension liability on page 43, and the schedule of the City's contributions on page 43 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.

Mike Houser: Company PA

Certified Public Accountants
Lawrence, Kansas

June 20, 2019

CITY OF BASEHOR, KANSAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2018
Unaudited

Our discussion and analysis of the City of Basehor, Kansas financial performance provides an overview of the City's financial activities for the fiscal year ended December 31, 2018.

Financial Highlights

- The Government-wide net position totaled \$21.1 million at the end of the current fiscal year.
- The Government-wide unrestricted current assets exceed the current liabilities by \$7.5 million, representing the City's ability to meet its current obligations when due.
- Total capital assets, net of accumulated depreciation at December 31, 2018 totaled \$26.6 million.
- During the year ended December 31, 2018, the City's total revenues (which include charges for services, local taxes, and state and federal aid) exceeded total expenses by \$1.5 million.
- The City's total indebtedness decreased by \$1.6 million.
- The City's net investment in capital assets increased \$1.4 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 both governmental and business-type 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 those 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.

CITY OF BASEHOR, KANSAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2018
Unaudited

In the Statement of Net Position and the Statement of Activities, the City is divided into two distinct kinds of activities:

Governmental Activities - Most of the City's programs and services are reported here including general government, public safety, public works, and culture and recreation.

Business-Type Activities - These services are provided on a charge for goods and services basis to recover all of the expenses of the goods or services provided. The City's sewer utility and the solid waste utility are reported as business-type activities.

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 balances left over at fiscal yearend 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 where 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.

Proprietary Funds - Proprietary funds (Solid Waste Utility and Sewer Utility) are enterprise funds that use the same basis of accounting as business-type activities, therefore, these statements replicate the information provided in the government-wide financial statements.

CITY OF BASEHOR, KANSAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2018
Unaudited

The City as a Whole

Government-Wide Position

The Statement of Net Position provides the financial position of the City as a whole. The following is a summary of the City's Statement of Net Position as of December 31, 2018:

City of Basehor
Condensed Statement of Net Position
December 31, 2018 and 2017

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Current assets	\$ 7,225,504	\$ 8,679,475	\$ 2,231,053	\$ 2,144,719	\$ 9,456,557	\$10,824,194
Non current assets	12,862,723	10,736,516	13,749,508	14,439,102	26,612,231	25,175,618
Deferred outflows of resources	<u>392,591</u>	<u>310,829</u>	<u>-</u>	<u>-</u>	<u>392,591</u>	<u>310,829</u>
 Total assets and deferred outflows of resources	 <u>\$20,480,818</u>	 <u>\$19,726,820</u>	 <u>\$15,980,561</u>	 <u>\$16,583,821</u>	 <u>\$36,461,379</u>	 <u>\$36,310,641</u>
 Current liabilities	 \$ 1,145,988	 \$ 1,133,990	 \$ 802,043	 \$ 812,734	 \$ 1,948,031	 \$ 1,946,724
Noncurrent liabilities	5,371,384	6,168,694	5,568,485	6,315,740	10,939,869	12,484,434
Deferred inflows of resources	<u>2,423,673</u>	<u>2,253,239</u>	<u>-</u>	<u>-</u>	<u>2,423,673</u>	<u>2,253,239</u>
 Total liabilities and deferred inflows of resources	 <u>\$ 8,941,045</u>	 <u>\$ 9,555,923</u>	 <u>\$ 6,370,528</u>	 <u>\$ 7,128,474</u>	 <u>\$15,311,573</u>	 <u>\$16,684,397</u>
 Net Position:						
Net investment in capital assets	\$ 7,952,054	\$ 4,878,179	\$ 7,459,722	\$ 7,418,876	\$15,411,776	\$12,297,055
Restricted for:						
Debt service	364,797	114,336	-	-	364,797	114,336
Capital outlay	331,133	242,148	-	-	331,133	242,148
Unrestricted	<u>2,891,789</u>	<u>4,936,234</u>	<u>2,150,311</u>	<u>2,036,471</u>	<u>5,042,100</u>	<u>6,972,705</u>
 Total net position	 <u>\$11,539,773</u>	 <u>\$10,170,897</u>	 <u>\$ 9,610,033</u>	 <u>\$ 9,455,347</u>	 <u>\$21,149,806</u>	 <u>\$19,626,244</u>

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, improvements other than buildings, machinery and equipment, 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, and current portion of long-term obligations. Current assets exceed current liabilities by \$7.5 million, representing the City's ability to meet current obligations when due.

The City has \$11.2 million in long-term debt, consisting of general obligation bonds and capital leases payable, of which \$1.7 million is due within the next fiscal year.

The City had total assets at December 31, 2018, totaling \$36.5 million. The total assets of the City exceeded the total liabilities by \$21.1 million. Net investment in capital assets totaled \$15.4 million, restricted net position totaled \$.7 million and unrestricted net position totaled \$5 million.

CITY OF BASEHOR, KANSAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2018
Unaudited

Government-Wide Activities

The following is a condensed statement of the City's change in net position for the year ended December 31, 2018. Major items of program revenues, grants and general revenues are detailed below. Government-wide activities increased the net position of the City by \$1.4 million for the year ended December 31, 2018. 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 as expenditures in the funds statements include the repayment of bonds and leases in the current fiscal year of \$.9 million, which are treated as expenditures in the fund statements and a reduction of long-term debt payable in the Government wide financial statements. Capital outlays of \$3.4 million are treated as expenditures in the fund statements, but are treated as capital assets in the Government wide financial statements.

City of Basehor
Condensed Statement of Changes in Net Position
For the Years Ending December 31, 2018 and 2017

	Governmental Activities		Business-Type Activities		Total	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Revenues:						
Program revenues:						
Charges for services	\$ 463,078	\$ 331,209	\$ 2,382,141	\$ 2,092,670	\$ 2,845,219	\$ 2,423,879
Operating grants	36,186	34,682	104,463	105,396	140,649	140,078
General revenues:						
Taxes	5,002,887	4,630,955	-	-	5,002,887	4,630,955
Transfers [net]	470,942	203,022	[470,942]	[203,022]	-	-
Other	<u>152,713</u>	<u>124,824</u>	<u>34,958</u>	<u>15,565</u>	<u>187,671</u>	<u>140,389</u>
Total revenues	<u>6,125,806</u>	<u>5,324,692</u>	<u>2,050,620</u>	<u>2,010,609</u>	<u>8,176,426</u>	<u>7,335,301</u>
Program expenses:						
General government	2,119,297	2,074,095	-	-	2,119,297	2,074,095
Public safety	1,111,762	831,903	-	-	1,111,762	831,903
Public works	1,356,935	1,206,348	-	-	1,356,935	1,206,348
Culture and recreation	87,029	132,760	-	-	87,029	132,760
Sewer utility	-	-	1,507,025	1,643,333	1,507,025	1,643,333
Solid waste utility	-	-	388,909	366,928	388,909	366,928
Interest on long term debt	<u>81,907</u>	<u>181,991</u>	<u>-</u>	<u>-</u>	<u>81,907</u>	<u>181,991</u>
Total expenses	<u>4,756,930</u>	<u>4,427,097</u>	<u>1,895,934</u>	<u>2,010,261</u>	<u>6,652,864</u>	<u>6,437,358</u>
Increase [decrease] in net position	<u>\$ 1,368,876</u>	<u>\$ 897,595</u>	<u>\$ 154,686</u>	<u>\$ 348</u>	<u>\$ 1,523,562</u>	<u>\$ 897,943</u>

CITY OF BASEHOR, KANSAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2018
Unaudited

Governmental Activities increase the net position by \$1.4 million. Business-type activities increased the net position by \$.2 million. The primary increases in Governmental Activities can be attributed to many factors, in addition to conservative spending. Key elements in the Business-type activities increase is due to an increase in customer charges in the Sewer Utility Fund.

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.

Total fund balances at December 31, 2018, for the governmental funds totaled \$4.8 million. Total unassigned fund balances at December 31, 2018, totaled \$2.8 million, all of which was attributable to the General Fund. The remainder of fund balance includes: \$.7 million of restricted fund balance to indicate that constraints have been placed on the use of resources either by being externally imposed by creditors, grantors, contributors, or laws or regulations; \$1.3 million of assigned fund balance to indicate amounts that are constrained by the City's management to be used for specific purposes.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$2.8 million, which represents all of the total fund balance. The increase in the General Fund's fund balance was \$.8 million.

The Consolidated Highway Fund is used to account for road and highway projects. At the end of the current fiscal year, restricted fund balance of the Consolidated Highway Fund was \$.3 million and assigned fund balance was \$.5 million, which totals \$.8 million in total fund balance. The decrease in the fund's fund balance was \$1.95 million.

The Capital Improvements Reserve Fund is used to account for capital improvement projects. At the end of the current fiscal year, assigned fund balance of the Capital Improvements Reserve Fund was \$.2 million, which represents all of the total fund balance. The decrease in the Capital Improvement Reserve Fund's fund balance was \$.8 million.

The Employee Benefit Fund is used to account for employee benefits. At the end of the current fiscal year, assigned fund balance of the Employee Benefit Fund was \$.3 million, which represents all of the total fund balance. The increase in the Fund's fund balance was \$125,699.

The Bond and Interest Fund is used to accumulate tax revenues and other revenues for the payment of principal and interest on general long-term debt. At the end of the current fiscal year, restricted fund balance of the Bond and Interest Fund was \$.4 million, which represents all of the total fund balance. This is an increase of \$.25 million over the fiscal previous year

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

Unrestricted net position of the Sewer Utility Fund at the end of the year amounted to \$2 million and the unrestricted net position of the Solid Waste Utility Fund at the end of the year amounted to \$74,189. The total change in the two funds was \$159,546 and \$[4,860], respectively.

CITY OF BASEHOR, KANSAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2018
Unaudited

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 final General Fund budget for expenditures was \$3,767,803, the same as the original published budget. The revenues were more than budgetary estimates by \$257,386 and the expenditures were less than budgetary estimates by \$1,604,692.

Fixed Assets and Debt Administration

The City's investment in fixed assets for its governmental and business-type activities totaled \$26.6 million (net of accumulated depreciation) as of December 31, 2018.

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

The City spent \$2.5 million on street and curb projects and \$600,000 on the police station project during the year.

At December 31, 2018, the City had total debt outstanding of \$11.2 million, backed by the full faith and credit of the City. Total long-term debt decreased for the fiscal year ended December 31, 2018, in the amount of \$1.6 million. This was a result of the gradual pay down of current outstanding 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 the City Clerk/Finance Department at 2620 North 155th Street, Basehor, Kansas 66007 or (913) 724-1370.

CITY OF BASEHOR, KANSAS
STATEMENT OF NET POSITION
December 31, 2018

	Primary Government		
	Governmental Activities	Business-type Activities	Primary Government Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 4,525,640	\$ 2,052,094	\$ 6,577,734
Receivables:			
Taxes	2,356,009	-	2,356,009
Municipal court	12,662	-	12,662
Other	60	178,959	179,019
Restricted cash and cash equivalents	<u>331,133</u>	<u>-</u>	<u>331,133</u>
Total current assets	<u>7,225,504</u>	<u>2,231,053</u>	<u>9,456,557</u>
Noncurrent assets:			
Nondepreciable capital assets:			
Construction in process	2,577,855	-	2,577,855
Land	550,659	-	550,659
Depreciable capital assets:	24,697,342	28,711,676	53,409,018
Less: accumulated depreciation	<u>[14,963,133]</u>	<u>[14,962,168]</u>	<u>[29,925,301]</u>
Total noncurrent assets	<u>12,862,723</u>	<u>13,749,508</u>	<u>26,612,231</u>
Total assets	<u>20,088,227</u>	<u>15,980,561</u>	<u>36,068,788</u>
Deferred outflow of resources			
Pension liability	<u>392,591</u>	<u>-</u>	<u>392,591</u>
Total deferred outflow of resources	<u>392,591</u>	<u>-</u>	<u>392,591</u>
Total assets and deferred outflow of resources	<u>\$ 20,480,818</u>	<u>\$ 15,980,561</u>	<u>\$ 36,461,379</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION			
Liabilities:			
Current liabilities:			
Accounts payable	\$ 52,127	\$ -	\$ 52,127
Accrued liabilities	40,572	11,284	51,856
Accrued interest payable	38,719	46,167	84,886
Current portion of capital lease payable	2,700	-	2,700
Compensated absences payable	68,171	23,291	91,462
Current portion of general obligation bonds payable	<u>943,699</u>	<u>721,301</u>	<u>1,665,000</u>
Total current liabilities (payable from current assets)	<u>1,145,988</u>	<u>802,043</u>	<u>1,948,031</u>
Noncurrent liabilities:			
Net pension liability	1,402,014	-	1,402,014
Capital lease payable	2,400	-	2,400
General obligation bonds payable	<u>3,966,970</u>	<u>5,568,485</u>	<u>9,535,455</u>
Total noncurrent liabilities	<u>5,371,384</u>	<u>5,568,485</u>	<u>10,939,869</u>
Total liabilities	<u>6,517,372</u>	<u>6,370,528</u>	<u>12,887,900</u>
Deferred inflows of resources			
Unavailable revenue - property taxes	2,356,009	-	2,356,009
Pension liability	<u>67,664</u>	<u>-</u>	<u>67,664</u>
Total deferred inflows of resources	<u>2,423,673</u>	<u>-</u>	<u>2,423,673</u>
Total liabilities and deferred inflows of resources	<u>\$ 8,941,045</u>	<u>\$ 6,370,528</u>	<u>\$ 15,311,573</u>
Net Position			
Net investment in capital assets	\$ 7,952,054	\$ 7,459,722	\$ 15,411,776
Restricted for:			
Debt service	364,797	-	364,797
Capital outlay	331,133	-	331,133
Unrestricted	<u>2,891,789</u>	<u>2,150,311</u>	<u>5,042,100</u>
Total net position	<u>\$ 11,539,773</u>	<u>\$ 9,610,033</u>	<u>\$ 21,149,806</u>

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

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CITY OF BASEHOR, KANSAS
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2018

				Net [Expenses] Revenue and Changes in Net Assets		
	Program Revenues			Primary Government		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business Type Activities	Total
Governmental activities:						
General government	\$ 2,119,297	\$ -	\$ -	\$ [2,119,297]	\$ -	\$ [2,119,297]
Public safety	1,111,762	105,730	-	[1,006,032]	-	[1,006,032]
Public works	1,356,935	357,348	36,186	[963,401]	-	[963,401]
Culture and recreation	87,029	-	-	[87,029]	-	[87,029]
Interest on long-term debt	81,907	-	-	[81,907]	-	[81,907]
Total governmental activities	<u>4,756,930</u>	<u>463,078</u>	<u>36,186</u>	<u>[4,257,666]</u>	<u>-</u>	<u>[4,257,666]</u>
Business-type activities:						
Sewer Utility	1,507,025	1,978,399	104,463	-	575,837	575,837
Solid Waste Utility	<u>388,909</u>	<u>403,742</u>	<u>-</u>	<u>-</u>	<u>14,833</u>	<u>14,833</u>
Total business-type activities	<u>1,895,934</u>	<u>2,382,141</u>	<u>104,463</u>	<u>-</u>	<u>590,670</u>	<u>590,670</u>
Total primary government	<u>\$ 6,652,864</u>	<u>\$ 2,845,219</u>	<u>\$ 140,649</u>	<u>[4,257,666]</u>	<u>590,670</u>	<u>[3,666,996]</u>
General Revenues:						
Property taxes levied for						
General purposes				2,102,613	-	2,102,613
Debt service				847,756	-	847,756
Franchise tax				290,664	-	290,664
Liquor tax				30,969	-	30,969
Sales tax				1,227,354	-	1,227,354
Motor vehicle tax				314,055	-	314,055
Excise tax				30,591	-	30,591
Miscellaneous tax				158,885	-	158,885
Investments earnings				104,895	34,958	139,853
Miscellaneous				47,818	-	47,818
Transfers, net				<u>470,942</u>	<u>[470,942]</u>	<u>-</u>
Total general revenues				<u>5,626,542</u>	<u>[435,984]</u>	<u>5,190,558</u>
Change in net position				1,368,876	154,686	1,523,562
Net position - beginning				<u>10,170,897</u>	<u>9,455,347</u>	<u>19,626,244</u>
Net position - ending				<u>\$ 11,539,773</u>	<u>\$ 9,610,033</u>	<u>\$ 21,149,806</u>

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

CITY OF BASEHOR, KANSAS

BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2018

	<u>General</u>	<u>Consolidated Highway</u>	<u>Capital Improvements Reserve</u>
ASSETS			
Cash and cash equivalents	\$ 2,857,419	\$ 449,194	\$ 260,132
Receivables			
Taxes	1,457,859	-	-
Municipal court	12,662	-	-
Accounts	60	-	-
Restricted cash and cash equivalents	-	331,133	-
Total assets	<u>\$ 4,328,000</u>	<u>\$ 780,327</u>	<u>\$ 260,132</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 16,099	\$ -	\$ 36,028
Accrued liabilities	40,572	-	-
Total liabilities	<u>56,671</u>	<u>-</u>	<u>36,028</u>
Deferred inflows of resources:			
Unavailable revenue - property taxes	1,457,859	-	-
Total deferred inflows of resources	<u>1,457,859</u>	<u>-</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>1,514,530</u>	<u>-</u>	<u>36,028</u>
Fund balance:			
Restricted	-	331,133	-
Assigned	-	449,194	224,104
Unassigned	2,813,470	-	-
Total fund balance [deficit]	<u>2,813,470</u>	<u>780,327</u>	<u>224,104</u>
Total liabilities and fund balances	<u>\$ 4,328,000</u>	<u>\$ 780,327</u>	<u>\$ 260,132</u>

<u>Employee Benefit</u>	<u>Bond and Interest</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 328,051	\$ 364,797	\$ 266,052	\$ 4,525,645
643,431	254,719	-	2,356,009
-	-	-	12,662
-	-	-	60
-	-	-	331,133
<u>\$ 971,482</u>	<u>\$ 619,516</u>	<u>\$ 266,052</u>	<u>\$ 7,225,509</u>

\$ -	\$ -	\$ -	\$ 52,127
-	-	-	40,572
-	-	-	<u>92,699</u>

<u>643,431</u>	<u>254,719</u>	<u>-</u>	<u>2,356,009</u>
<u>643,431</u>	<u>254,719</u>	<u>-</u>	<u>2,356,009</u>
<u>643,431</u>	<u>254,719</u>	<u>-</u>	<u>2,448,708</u>

-	364,797	-	695,930
328,051	-	266,052	1,267,401
-	-	-	2,813,470
<u>328,051</u>	<u>364,797</u>	<u>266,052</u>	<u>4,776,801</u>
<u>\$ 971,482</u>	<u>\$ 619,516</u>	<u>\$ 266,052</u>	<u>\$ 7,225,509</u>

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

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CITY OF BASEHOR, KANSAS

RECONCILIATION OF THE TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES

For the Year Ended December 31, 2018

Total Governmental Fund Balances		\$ 4,776,801
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	27,825,856	
Accumulated depreciation is	<u>[14,963,133]</u>	12,862,723
Pension contributions are reported as an expense in the funds as a deferred outflow of resources in the governmental activities in the statement of net position		392,591
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		[1,469,678]
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	4,910,669	
Lease payable	5,100	
Interest payable	38,724	
Compensated absences payable	<u>68,171</u>	<u>[5,022,664]</u>
Net Position of Governmental Activities		<u>\$ 11,539,773</u>

CITY OF BASEHOR, KANSAS

STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

For the Year Ended December 31, 2018

	<u>General</u>	<u>Consolidated Highway</u>	<u>Capital Improvements Reserve</u>
REVENUES:			
Taxes	\$ 2,291,727	\$ 994,426	\$ 151,353
Intergovernmental	-	-	-
Special assessments	-	-	-
Licenses, permits and fees	256,548	-	-
Fines, forfeitures and penalties	105,730	-	-
Use of money and property	32,615	27,448	7,722
Miscellaneous	44,669	-	3,149
Total revenues	<u>2,731,289</u>	<u>1,021,874</u>	<u>162,224</u>
EXPENDITURES:			
Current			
General government	778,829	51,555	788,877
Public works	254,273	-	-
Culture and recreation	75,757	-	-
Public safety	963,052	-	-
Capital outlay	-	2,920,476	-
Debt service			
Principal	-	-	-
Interest and other charges	-	-	-
Total expenditures	<u>2,071,911</u>	<u>2,972,031</u>	<u>788,877</u>
Excess [deficiency] of revenues over [under] expenditures	<u>659,378</u>	<u>[1,950,157]</u>	<u>[626,653]</u>
OTHER FINANCING SOURCES [USES]			
Transfers in	247,500	-	-
Transfers [out]	<u>[91,200]</u>	<u>-</u>	<u>[200,000]</u>
Total other financing sources [uses]	<u>156,300</u>	<u>-</u>	<u>[200,000]</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	815,678	[1,950,157]	[826,653]
Fund balance - Beginning of year	<u>1,997,792</u>	<u>2,730,484</u>	<u>1,050,757</u>
Fund balance - End of year	<u>\$ 2,813,470</u>	<u>\$ 780,327</u>	<u>\$ 224,104</u>

Employee Benefit	Bond and Interest	Other Governmental Funds	Total Governmental Funds
\$ 700,004	\$ 265,452	\$ 17,621	\$ 4,420,583
-	36,186	-	36,186
-	582,304	-	582,304
-	-	100,800	357,348
-	-	-	105,730
4,711	28,522	3,877	104,895
-	-	-	47,818
<u>704,715</u>	<u>912,464</u>	<u>122,298</u>	<u>5,654,864</u>
599,831	-	-	2,219,092
-	-	-	254,273
-	-	-	75,757
-	-	-	963,052
-	-	315,530	3,236,006
-	925,514	-	925,514
-	139,116	-	139,116
<u>599,831</u>	<u>1,064,630</u>	<u>315,530</u>	<u>7,812,810</u>
<u>104,884</u>	<u>[152,166]</u>	<u>[193,232]</u>	<u>[2,157,946]</u>
20,815	402,627	91,200	762,142
-	-	-	[291,200]
<u>20,815</u>	<u>402,627</u>	<u>91,200</u>	<u>470,942</u>
125,699	250,461	[102,032]	[1,687,004]
<u>202,352</u>	<u>114,336</u>	<u>368,084</u>	<u>6,463,805</u>
<u>\$ 328,051</u>	<u>\$ 364,797</u>	<u>\$ 266,052</u>	<u>\$ 4,776,801</u>

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

CITY OF BASEHOR, 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, 2018

Total Net Change In Fund Balances - Governmental Funds \$ [1,687,004]

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 position 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	3,362,651	
Depreciation expense	<u>[1,236,444]</u>	2,126,207

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 decreased.

35,052

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.

Compensated absences	6,894
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Repayment of bond principal 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.

947,668

Repayment of capital leases 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.

8,300

Pension payments are reported as expenditures in the
governmental funds and do not affect the statement of net activities

[68,241]

Changes In Net position of Governmental Activities

\$ 1,368,876

CITY OF BASEHOR, KANSAS

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
For the Year Ended December 31, 2018

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
Revenues:						
Taxes	\$ 2,291,727	\$ -	\$ 2,291,727	\$ 2,106,550	\$ 2,106,550	\$ 185,177
Licenses and permits	256,548	-	256,548	179,300	179,300	77,248
Fines, forfeitures and penalties	105,730	5,946	111,676	145,000	145,000	[33,324]
Use of money and property	32,615	-	32,615	5,000	5,000	27,615
Miscellaneous	44,669	-	44,669	44,000	44,000	669
Total Revenues	2,731,289	5,946	2,737,235	2,479,850	2,479,850	257,385
Expenditures:						
General Administration:						
Personal services	317,942	-	317,942	573,240	573,240	255,298
Contractual services	421,627	-	421,627	481,580	481,580	59,953
Commodities	8,252	-	8,252	472,550	472,550	464,298
Capital outlay	31,008	-	31,008	567,356	567,356	536,348
	778,829	-	778,829	2,094,726	2,094,726	1,315,897
Public Safety						
Personal services	826,642	-	826,642	1,049,695	1,049,695	223,053
Contractual services	91,951	-	91,951	106,250	106,250	14,299
Commodities	36,459	-	36,459	51,500	51,500	15,041
Capital outlay	8,000	-	8,000	8,000	8,000	-
	963,052	-	963,052	1,215,445	1,215,445	252,393
Highways and Streets						
Personal services	223,525	-	223,525	260,082	260,082	36,557
Contractual services	17,212	-	17,212	17,250	17,250	38
Commodities	10,692	-	10,692	11,500	11,500	808
Capital outlay	2,844	-	2,844	10,000	10,000	7,156
	254,273	-	254,273	298,832	298,832	44,559
Culture and recreation						
Personal services	8,197	-	8,197	15,000	15,000	6,803
Contractual services	30,533	-	30,533	15,600	15,600	[14,933]
Commodities	1,396	-	1,396	1,000	1,000	[396]
Capital outlay	35,631	-	35,631	36,000	36,000	369
	75,757	-	75,757	67,600	67,600	[8,157]

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

CITY OF BASEHOR, KANSAS

GENERAL FUND - (Continued)

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
For the Year Ended December 31, 2018

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
Expenditures (Continued):						
Total Expenditures	\$ 2,071,911	\$ -	\$ 2,071,911	\$ 3,676,603	\$ 3,676,603	\$ 1,604,692
Excess [Deficiency] of Revenues Over [Under] Expenditures	659,378	5,946	665,324	[1,196,753]	[1,196,753]	1,862,077
Other Financing Sources [Uses]:						
Transfers in	247,500	-	247,500	304,505	304,505	[57,005]
Transfers [out]	[91,200]	-	[91,200]	[91,200]	[91,200]	-
Total Other Financing Sources [Uses]	156,300	-	156,300	213,305	213,305	[57,005]
Excess [Deficiency] of Revenues and Other Sources Over [Under] Expenditures and Other [Uses]	815,678	5,946	821,624	\$ [983,448]	\$ [983,448]	\$ 1,805,072
Fund Balance, January 1	1,997,792	[18,608]	1,979,184			
Fund Balance, December 31	\$ 2,813,470	\$ [12,662]	\$ 2,800,808			

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

CITY OF BASEHOR, KANSAS

CONSOLIDATED HIGHWAY FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
For the Year Ended December 31, 2018

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
Revenues:						
Taxes	\$ 994,426	\$ -	\$ 994,426	\$ 703,860	\$ 803,860	\$ 190,566
Use of money and property	27,448	-	27,448	4,500	4,500	22,948
Total Revenues	<u>1,021,874</u>	<u>-</u>	<u>1,021,874</u>	<u>708,360</u>	<u>808,360</u>	<u>213,514</u>
Expenditures:						
Commodities	51,555	-	51,555	-	-	[51,555]
Capital outlay	2,785,907	-	2,785,907	1,560,000	3,360,000	574,093
Contractual	134,569	-	134,569	-	-	[134,569]
Total Expenditures	<u>2,972,031</u>	<u>-</u>	<u>2,972,031</u>	<u>1,560,000</u>	<u>3,360,000</u>	<u>387,969</u>
Excess [Deficiency] of Revenues Over [Under] Expenditures	[1,950,157]	-	[1,950,157]	<u>\$ [851,640]</u>	<u>\$ [2,551,640]</u>	<u>\$ 601,483</u>
Fund Balance, January 1	<u>2,730,484</u>	<u>-</u>	<u>2,730,484</u>			
Fund Balance, December 31	<u>\$ 780,327</u>	<u>\$ -</u>	<u>\$ 780,327</u>			

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

CITY OF BASEHOR, KANSAS

CAPITAL IMPROVEMENTS RESERVE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - ACTUAL AND BUDGET
 For the Year Ended December 31, 2018

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
Revenues:						
Taxes	\$ 151,353	\$ -	\$ 151,353	\$ 100,000	\$ 100,000	\$ 51,353
Use of money and property	7,722	-	7,722	3,000	3,000	4,722
Miscellaneous	3,149	-	3,149	-	-	3,149
Total Revenues	<u>162,224</u>	<u>-</u>	<u>162,224</u>	<u>103,000</u>	<u>103,000</u>	<u>59,224</u>
Expenditures:						
Contractual	38,290	-	38,290	-	-	[38,290]
Capital outlay	750,587	-	750,587	710,000	710,000	[40,587]
Total Expenditures	<u>788,877</u>	<u>-</u>	<u>788,877</u>	<u>710,000</u>	<u>710,000</u>	<u>[78,877]</u>
Excess [Deficiency] of Revenues Over [Under] Expenditures	<u>[626,653]</u>	<u>-</u>	<u>[626,653]</u>	<u>[607,000]</u>	<u>[607,000]</u>	<u>[19,653]</u>
Other Financing Sources [Uses]:						
Transfers [out]	<u>[200,000]</u>	<u>-</u>	<u>[200,000]</u>	<u>-</u>	<u>-</u>	<u>[200,000]</u>
Total Other Financing Sources [Uses]	<u>[200,000]</u>	<u>-</u>	<u>[200,000]</u>	<u>-</u>	<u>-</u>	<u>[200,000]</u>
Excess [Deficiency] of Revenues and Other Sources Over [Under] Expenditures and Other [Uses]	<u>[826,653]</u>	<u>-</u>	<u>[826,653]</u>	<u>\$ [607,000]</u>	<u>\$ [607,000]</u>	<u>\$ [219,653]</u>
Fund Balance, January 1	<u>1,050,757</u>	<u>-</u>	<u>1,050,757</u>			
Fund Balance, December 31	<u>\$ 224,104</u>	<u>\$ -</u>	<u>\$ 224,104</u>			

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

CITY OF BASEHOR, KANSAS

EMPLOYEE BENEFIT FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
For the Year Ended December 31, 2018

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
Revenues:						
Taxes	\$ 700,004	\$ -	\$ 700,004	\$ 686,273	\$ 686,273	\$ 13,731
Use of money and property	4,711	-	4,711	650	650	4,061
Total Revenues	<u>704,715</u>	<u>-</u>	<u>704,715</u>	<u>686,923</u>	<u>686,923</u>	<u>17,792</u>
Expenditures:						
Personal services	<u>599,831</u>	<u>-</u>	<u>599,831</u>	<u>988,646</u>	<u>988,646</u>	<u>388,815</u>
Total Expenditures	<u>599,831</u>	<u>-</u>	<u>599,831</u>	<u>988,646</u>	<u>988,646</u>	<u>388,815</u>
Excess [Deficiency] of Revenues Over [Under] Expenditures	<u>104,884</u>	<u>-</u>	<u>104,884</u>	<u>[301,723]</u>	<u>[301,723]</u>	<u>406,607</u>
Other Financing Sources [Uses]:						
Transfers in	<u>20,815</u>	<u>-</u>	<u>20,815</u>	<u>107,875</u>	<u>107,875</u>	<u>[87,060]</u>
Total Other Financing Sources [Uses]	<u>20,815</u>	<u>-</u>	<u>20,815</u>	<u>107,875</u>	<u>107,875</u>	<u>[87,060]</u>
Excess [Deficiency] of Revenues and Other Sources Over [Under] Expenditures and Other [Uses]	125,699	-	125,699	<u>\$ [193,848]</u>	<u>\$ [193,848]</u>	<u>\$ 319,547</u>
Fund Balance, January 1	<u>202,352</u>	<u>-</u>	<u>202,352</u>			
Fund Balance, December 31	<u>\$ 328,051</u>	<u>\$ -</u>	<u>\$ 328,051</u>			

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

CITY OF BASEHOR, KANSAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2018

	Business-Type Activities: Enterprise Funds		
	Sewer Utility	Solid Waste Utility	Total Enterprise Funds
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 1,995,434	\$ 56,660	\$ 2,052,094
Receivables:			
Accounts (net of allowance)	141,908	37,051	178,959
Total current assets	<u>2,137,342</u>	<u>93,711</u>	<u>2,231,053</u>
Noncurrent assets:			
Depreciable capital assets:	28,711,676	-	28,711,676
Less: accumulated depreciation	<u>[14,962,168]</u>	<u>-</u>	<u>[14,962,168]</u>
Total noncurrent assets	<u>13,749,508</u>	<u>-</u>	<u>13,749,508</u>
Total Assets	<u>\$ 15,886,850</u>	<u>\$ 93,711</u>	<u>\$ 15,980,561</u>
LIABILITIES AND NET POSITION			
Current liabilities (payable from current assets):			
Accrued interest	\$ 46,167	\$ -	\$ 46,167
Accrued compensation	3,769	19,522	23,291
Accrued payroll	11,284	-	11,284
Current portion of general obligation payable	<u>721,301</u>	<u>-</u>	<u>721,301</u>
Total current liabilities (payable from current assets):	<u>782,521</u>	<u>19,522</u>	<u>802,043</u>
Noncurrent liabilities:			
General obligation bond payable	<u>5,568,485</u>	<u>-</u>	<u>5,568,485</u>
Total noncurrent liabilities:	<u>5,568,485</u>	<u>-</u>	<u>5,568,485</u>
Total Liabilities	<u>\$ 6,351,006</u>	<u>\$ 19,522</u>	<u>\$ 6,370,528</u>
Net Position:			
Net investment in capital assets	\$ 7,459,722	\$ -	\$ 7,459,722
Unrestricted	<u>2,076,122</u>	<u>74,189</u>	<u>2,150,311</u>
Total Net Position	<u>\$ 9,535,844</u>	<u>\$ 74,189</u>	<u>\$ 9,610,033</u>

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

CITY OF BASEHOR, KANSAS

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Year Ended December 31, 2018

	Business-Type Activities: Enterprise Funds		
	Sewer Utility	Solid Waste Utility	Total Enterprise Funds
Operating revenues:			
Charges for services	\$ 1,978,399	\$ 403,742	\$ 2,382,141
Special assessments	78,511	-	78,511
Miscellaneous	25,952	-	25,952
Total operating revenues	<u>2,082,862</u>	<u>403,742</u>	<u>2,486,604</u>
Operating expenses:			
Personnel	245,519	55,873	301,392
Contractual	267,965	329,847	597,812
Commodities	37,469	3,189	40,658
Capital outlay	117,021	-	117,021
Depreciation	716,589	-	716,589
Total operating expenses	<u>1,384,563</u>	<u>388,909</u>	<u>1,773,472</u>
Operating income [loss]	<u>698,299</u>	<u>14,833</u>	<u>713,132</u>
Nonoperating revenues [expenses]:			
Interest on long term debt	[122,462]	-	[122,462]
Interest earned	33,836	1,122	34,958
Total nonoperating revenues [expenses]	<u>[88,626]</u>	<u>1,122</u>	<u>[87,504]</u>
Income [loss] before transfers	<u>609,673</u>	<u>15,955</u>	<u>625,628</u>
Transfers from [to] other funds			
Transfers [out]	<u>[450,127]</u>	<u>[20,815]</u>	<u>[470,942]</u>
Total transfers	<u>[450,127]</u>	<u>[20,815]</u>	<u>[470,942]</u>
Change in net position	159,546	[4,860]	154,686
Net position, January 1	<u>9,376,298</u>	<u>79,049</u>	<u>9,455,347</u>
Net position, December 31	<u>\$ 9,535,844</u>	<u>\$ 74,189</u>	<u>\$ 9,610,033</u>

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

CITY OF BASEHOR, KANSAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2018

	Business-Type Activities: Enterprise Funds		
	Sewer Utility	Solid Waste Utility	Total Enterprise Funds
Cash Flows from Operating Activities:			
Cash received from customers	\$ 2,082,599	\$ 402,080	\$ 2,484,679
Cash paid to suppliers and employees	<u>[666,658]</u>	<u>[388,919]</u>	<u>[1,055,577]</u>
Net Cash Provided by [Used in] Operating Activities	<u>1,415,941</u>	<u>13,161</u>	<u>1,429,102</u>
Cash Flows from Non-Capital Financing Activities:			
Transfers [in] out	<u>[450,127]</u>	<u>[20,815]</u>	<u>[470,942]</u>
Net Cash Provided by [Used in] Non-Capital Financing Activities	<u>[450,127]</u>	<u>[20,815]</u>	<u>[470,942]</u>
Cash Flows from Capital and Related Financing Activities			
Capital asset additions, net	[26,995]	-	[26,995]
Principal paid on bonds, notes and loans	[730,440]	-	[730,440]
Interest expense and fiscal charges	<u>[151,274]</u>	<u>-</u>	<u>[151,274]</u>
Net Cash Provided by [Used in] Capital and Related Financing Activities	<u>[908,709]</u>	<u>-</u>	<u>[908,709]</u>
Cash Flows from Investing Activities:			
Interest income	<u>33,836</u>	<u>1,122</u>	<u>34,958</u>
Net Cash Provided by [Used in] Investing Activities	<u>33,836</u>	<u>1,122</u>	<u>34,958</u>
Net Increase [Decrease] in Cash and Cash Equivalents	90,941	[6,532]	84,409
Cash and Equivalents, January 1	<u>1,904,493</u>	<u>63,192</u>	<u>1,967,685</u>
Cash and Equivalents, December 31	<u>\$ 1,995,434</u>	<u>\$ 56,660</u>	<u>\$ 2,052,094</u>

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

CITY OF BASEHOR, KANSAS
STATEMENT OF CASH FLOWS - CONTINUED
PROPRIETARY FUNDS
For the Year Ended December 31, 2018

	Business-Type Activities: Enterprise Funds		
	Sewer Utility	Solid Waste Utility	Total Enterprise Funds
Reconciliation of Operating Net Income to Net Cash Provided by Operating Activities:			
Operating income [loss]	\$ 698,299	\$ 14,833	\$ 713,132
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	716,589	-	716,589
Change in assets and liabilities:			
[Increase] decrease in accounts receivable	[263]	[1,662]	[1,925]
Increase [decrease] in compensated absences/accrued payroll	1,316	[10]	1,306
Total Adjustments	717,642	[1,672]	715,970
Net Cash Provided by [Used in] Operating Activities	\$ 1,415,941	\$ 13,161	\$ 1,429,102

CITY OF BASEHOR, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. *Reporting Entity*

The City of Basehor, Kansas (the City), is a municipal corporation governed by an elected six-member council. The City has no component units.

B. *Government-wide and Fund Financial Statements*

The statement of net position and the statement of activities report information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are charges between the City's governmental and business-type activities. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual funds are reported as separate columns in the fund financial statements. The City has no fiduciary 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, as are the proprietary 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 certain compensated absences and claims and judgments 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.

CITY OF BASEHOR, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing goods and services in connection with a proprietary fund's ongoing operations. The principal operating revenues of the City's proprietary funds 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 revenue and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The City reports the following major governmental funds:

The General Fund is used to account for resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund.

The Consolidated Highway Fund is used to account for road and highway projects.

The Capital Improvements Reserve Fund is used to account for capital improvement projects.

The Employee Benefit Fund is used to account for employee benefits.

The Bond and Interest Fund is used to account for the accumulation of resources and payment of general obligation bond principal and interest from governmental.

The City reports the following major proprietary funds:

The Sewer Utility Fund is used to account for the activities of the City's wastewater operations.

The Solid Waste Utility Fund is used to account for the activities of the City's refuse operations.

D. *Assets, Liabilities and Equity*

1. Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments (including certificates of deposit) with original maturities of six months or less from the date of acquisition.

Kansas statutes authorize the City to invest in U.S. Treasury bills and notes, repurchase agreements, the Kansas Municipal Investment Pool, and certain other types of federal and Kansas municipal obligations.

Investments are stated at fair market value.

CITY OF BASEHOR, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. *Assets, Liabilities and Equity (Continued)*

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 at February 15 and July 1 are subject to collection procedures prescribed in state statutes.

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 2019.

3. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$2,500 and an estimated useful life in excess of two years. 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. Capital assets used in governmental fund types of the City are recorded at cost or estimated historical cost if purchased or constructed.

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. Interest incurred during the construction phase of capital assets of business-type is included in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

CITY OF BASEHOR, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. *Assets, Liabilities and Equity (Continued)*

3. Capital Assets (Continued)

Property, plant and equipment of the City, are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	50 - 100
Other equipment	5 - 20
Vehicles	6 - 10
Infrastructure	30 - 75

4. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused paid time off. Paid time off earned but unused at termination (if a two-week notice is given) is paid to the employees at their current rate of pay.

Vested or accumulated paid time off that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability in the government fund financial statements that will pay it. Vested or accumulated paid time off of the business-type funds and government wide financial statements are recorded as an expense and liability of those funds as the benefits accrue to employees.

The General Fund and Sewer Utility Fund have been used in prior years to liquidate the liability for compensated absences.

5. Long-Term Obligations

In the government-wide financial statements, and proprietary fund 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, as well as issuance costs, 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. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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. 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

CITY OF BASEHOR, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. *Assets, Liabilities and Equity (Continued)*

7. 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.

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 pension contributions subsequent to the measurement date, pension changes in proportion, net differences between projected and actual pension plan investments and pension differences between expected and actual experience as deferred outflows of resources.

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

9. 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.

CITY OF BASEHOR, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. *Assets, Liabilities and Equity (Continued)*

9. Fund Balance Reserves (Continued)

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

	Major Governmental Funds					Other	Total
	General	Consolidated Highway	Capital Improvements Reserve	Employee Benefit	Bond and Interest	Governmental Funds	Governmental Funds
Fund Balances:							
Restricted for:							
Debt retirement	\$ -	\$ -	\$ -	\$ -	\$ 364,797	\$ -	\$ 364,797
Capital improvements	-	331,133	-	-	-	-	331,133
Assigned for:							
Street project construction	-	449,194	-	-	-	-	449,194
Capital improvements	-	-	224,104	-	-	148,017	372,121
Employee benefits	-	-	-	328,051	-	-	328,051
Culture and recreation	-	-	-	-	-	71,322	71,322
Equipment outlay	-	-	-	-	-	46,713	46,713
Unassigned:	2,813,470	-	-	-	-	-	2,813,470
Total Fund Balances	<u>\$2,813,470</u>	<u>\$ 780,327</u>	<u>\$ 224,104</u>	<u>\$ 328,051</u>	<u>\$ 364,797</u>	<u>\$ 266,052</u>	<u>\$ 4,776,801</u>

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), debt service funds and enterprise 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.

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 for the Consolidated Highway and the Solid Waste Utility fund during the year ended December 31, 2018.

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.

CITY OF BASEHOR, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

Budgetary Information (Continued)

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. 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						
	General	Consolidated	Capital	Employee	Bond and	Other	Total
	Fund	Highway	Improvements	Benefit	Interest	Governmental	Governmental
	Fund	Fund	Reserve	Fund	Fund	Funds	Funds
GAAP FUND BALANCE							
December 31, 2018	<u>\$2,813,470</u>	<u>\$ 780,327</u>	<u>\$ 224,104</u>	<u>\$ 328,051</u>	<u>\$ 364,797</u>	<u>\$ 266,052</u>	<u>\$ 4,776,801</u>
Unreserved fund balances not subject to the Kansas budget law:							
Municipal Equipment Reserve Fund	-	-	-	-	-	[46,713]	[46,713]
Glenwood Sewer Maintenance Fund	-	-	-	-	-	[76,318]	[76,318]
Adjustments:							
Municipal court receivable	[12,662]	-	-	-	-	-	[12,662]
Total deductions	[12,662]	-	-	-	-	[123,031]	[135,693]
BUDGETARY FUND BALANCE							
December 31, 2018	<u>\$2,800,808</u>	<u>\$ 780,327</u>	<u>\$ 224,104</u>	<u>\$ 328,051</u>	<u>\$ 364,797</u>	<u>\$ 143,021</u>	<u>\$ 4,641,108</u>

CITY OF BASEHOR, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

Budgetary Information (Continued)

	Major Business-Type Funds		
	Sewer Utility Fund	Solid Waste Utility Fund	Total Business-Type Funds
NET POSITION			
December 31, 2018	<u>\$ 9,535,844</u>	<u>\$ 74,189</u>	<u>\$ 9,610,033</u>
Adjustments:			
Capital assets, net	[13,749,508]	-	[13,749,508]
Receivables	[141,908]	[37,051]	[178,959]
Accrued interest	46,167	-	46,167
Accrued compensation	3,769	19,522	23,291
General obligation payable	<u>6,289,786</u>	<u>-</u>	<u>6,289,786</u>
Total deductions	<u>[7,551,694]</u>	<u>[17,529]</u>	<u>[7,569,223]</u>
BUDGETARY NET POSITION			
December 31, 2018	<u>\$ 1,984,150</u>	<u>\$ 56,660</u>	<u>\$ 2,040,810</u>

III. DETAILED NOTES ON ALL FUNDS

A. *Deposits and Investments*

Deposits. K.S.A. 9-1401 establishes the depositories which may be used by the City. The statute requires banks eligible to hold the City's funds have a main or branch bank in the county in which the City is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The City has no other policies that would further limit interest rate risk.

Investments. K.S.A. 12-1675 limits the City's investments of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The City has no investments policy that would further limit its investment choices.

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.

As of December 31, 2018, the City had the following investments and maturities:

Investment Type	Level 1	Rating	Weighted Average Maturity
Kansas Municipal Investment Pool	<u>\$ 3,026,402</u>	S&P AAAf/S1+	1 Day

CITY OF BASEHOR, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018

III. DETAILED NOTES ON ALL FUNDS (Continued)

A. *Deposits and Investments (Continued)*

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 ten 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.

Concentration of credit risk. State statutes place no limit on the amount the City may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The City has no designated "peak periods."

At December 31, 2018, the City's carrying amount of deposits was \$3,882,465 and the bank balance was \$4,335,785. Of the bank balance, \$991,615 was covered by federal depository insurance, and \$3,344,170 was collateralized with securities held by the pledging financial institutions' agents in the City's name.

Custodial credit risk – investments. For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

B. *Receivables*

Receivables at year end are as follows:

	<u>General</u>	<u>Employee Benefit</u>	<u>Bond and Interest</u>	<u>Sewer Utility</u>	<u>Solid Waste Utility</u>	<u>Total</u>
Receivables:						
Accounts	\$ 60	\$ -	\$ -	\$ 141,908	\$ 37,051	\$ 179,019
Taxes	1,457,859	643,431	254,719	-	-	2,356,009
Municipal court	12,662	-	-	-	-	12,662
Total	<u>\$ 1,470,581</u>	<u>\$ 643,431</u>	<u>\$ 254,719</u>	<u>\$ 141,908</u>	<u>\$ 37,051</u>	<u>\$ 2,547,690</u>

CITY OF BASEHOR, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018

III. DETAILED NOTES ON ALL FUNDS (Continued)

C. *Capital Assets*

Capital asset activity for the year ended December 31, 2018, was as follows:

	Balance <u>12/31/17</u>	<u>Additions</u>	<u>Retirements</u>	Balance <u>12/31/18</u>
City governmental activities:				
Capital assets, not being depreciated				
Land	\$ 550,659	\$ -	\$ -	\$ 550,659
Construction in progress	265,122	2,312,733	-	2,577,855
Capital assets, being depreciated				
Buildings, improvements, vehicles, and equipme	<u>23,670,024</u>	<u>1,049,918</u>	<u>22,600</u>	<u>24,697,342</u>
Total capital assets	<u>24,485,805</u>	<u>3,362,651</u>	<u>22,600</u>	<u>27,825,856</u>
Less accumulated depreciation for:				
Buildings, improvements, vehicles, and equipme	<u>13,749,289</u>	<u>1,236,444</u>	<u>22,600</u>	<u>14,963,133</u>
Total accumulated depreciation	<u>13,749,289</u>	<u>1,236,444</u>	<u>22,600</u>	<u>14,963,133</u>
Governmental activities capital assets, net	<u>\$ 10,736,516</u>	<u>\$ 2,126,207</u>	<u>\$ -</u>	<u>\$ 12,862,723</u>
Business-type activities:				
Capital assets, not being depreciated				
Construction in progress	\$ -	\$ -	\$ -	\$ -
Capital assets, being depreciated				
Buildings, improvements, vehicles, and equipme	<u>28,692,156</u>	<u>26,995</u>	<u>7,475</u>	<u>28,711,676</u>
Total capital assets	<u>28,692,156</u>	<u>26,995</u>	<u>7,475</u>	<u>28,711,676</u>
Less accumulated depreciation for:				
Buildings, improvements, vehicles, and equipme	<u>14,253,054</u>	<u>716,589</u>	<u>7,475</u>	<u>14,962,168</u>
Total accumulated depreciation	<u>14,253,054</u>	<u>716,589</u>	<u>7,475</u>	<u>14,962,168</u>
Business-type activities capital assets, net	<u>\$ 14,439,102</u>	<u>\$ [689,594]</u>	<u>\$ -</u>	<u>\$ 13,749,508</u>

CITY OF BASEHOR, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018

III. DETAILED NOTES ON ALL FUNDS (Continued)

C. *Capital Assets (Continued)*

The City's depreciation expense was charged as follows:

Governmental Activities:	
General government	\$ 37,599
Public safety	81,780
Public works	536
Culture and recreation	11,272
Infrastructure	<u>1,105,257</u>
Total depreciation expense	<u>\$ 1,236,444</u>
Business-type Activities:	
Sewer utility	<u>\$ 716,589</u>
Total depreciation expense	<u>\$ 716,589</u>

D. *Long-term Debt*

During the year ended December 31, 2018, the following changes occurred in long term liabilities:

<u>Government Fund Activities</u>					
	Balance January 1, 2018	Additions	Retirements	Balance December 31, 2018	Due Within One Year
General obligation bonds	\$ 5,608,353	\$ -	\$ 925,514	\$ 4,682,839	\$ 943,699
General obligation bonds premium	249,984	-	22,154	227,830	-
Total general obligation bonds	5,858,337	-	947,668	4,910,669	943,699
Capital lease	13,400	-	8,300	5,100	2,700
	<u>\$ 5,871,737</u>	<u>\$ -</u>	<u>\$ 955,968</u>	<u>\$ 4,915,769</u>	<u>\$ 946,399</u>
<u>Enterprise Fund Activities</u>					
General obligation bonds	\$ 6,641,648	\$ -	\$ 704,486	\$ 5,937,162	\$ 721,301
General obligation bonds premium	378,578	-	25,954	352,624	-
Total general obligation bonds	<u>\$ 7,020,226</u>	<u>\$ -</u>	<u>\$ 730,440</u>	<u>\$ 6,289,786</u>	<u>\$ 721,301</u>

General Obligation Bonds. The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both general government and proprietary funds if they are expected to be repaid from proprietary fund revenues. In addition, general obligation bonds have been issued to refund other general obligation bonds.

CITY OF BASEHOR, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018

III. DETAILED NOTES ON ALL FUNDS (Continued)

D. Long-term Debt (Continued)

General obligation bonds are direct obligations and pledge the full faith and credit of the City. General obligation bonds currently outstanding are as follows:

<u>Governmental Activities</u>	<u>Date of Issuance</u>	<u>Date of Final Maturity</u>	<u>Interest Rate</u>	<u>Original Amount</u>	<u>Outstanding Amount</u>
Improvements, Series 2004	01/15/04	09/01/19	3.25-4.35%	\$ 3,415,000	\$ 10,350
Refunding and improvements, Series 2012	08/08/12	09/01/32	2.00-3.00%	9,345,884	2,328,892
Refunding, Series 2013	01/15/13	09/01/25	2.00%	3,480,000	1,460,000
Improvements, Series 2015	08/26/15	09/01/35	2.00-4.00%	995,000	883,597
				<u>\$ 17,235,884</u>	<u>\$ 4,682,839</u>

Business-type Activities

Improvements, Series 2004	01/15/04	09/01/19	3.25-4.35%	\$ 1,058,650	\$ 4,650
Refunding and improvements, Series 2012	08/08/12	09/01/32	2.00-3.00%	4,175,000	2,086,108
Improvements, Series 2015	08/26/15	09/01/35	2.00-4.00%	300,000	266,404
Refunding, Series 2016	06/03/16	09/01/30	2.00-2.25%	4,095,000	3,580,000
				<u>\$ 9,628,650</u>	<u>\$ 5,937,162</u>

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

Year Ending December 31,	<u>Governmental activities</u>		<u>Business-type activities</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2019	\$ 943,699	\$ 115,706	\$ 721,301	\$ 132,897	\$ 1,913,603
2020	505,238	91,789	564,763	114,061	1,275,851
2021	687,674	78,515	417,326	99,926	1,283,441
2022	175,311	64,951	424,689	91,749	756,701
2023	180,585	61,445	434,415	83,256	759,701
2024-2028	1,309,661	219,890	2,320,339	279,916	4,129,807
2029-2033	750,009	89,369	1,014,992	58,646	1,913,015
2034-2035	130,663	7,837	39,338	2,363	180,201
Total	<u>\$ 4,682,839</u>	<u>\$ 729,501</u>	<u>\$ 5,937,162</u>	<u>\$ 862,815</u>	<u>\$ 12,212,318</u>

CITY OF BASEHOR, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018

III. DETAILED NOTES ON ALL FUNDS (Continued)

D. Long-term Debt (Continued)

Special Assessments. As provided by Kansas Statutes, projects financed in part by special assessments are financed through general obligation bonds of the City and are retired from the bond and interest fund. Special assessments paid prior to the issuance of bonds are recorded as revenue in the appropriate project. Special assessments received after the issuance of bonds are recorded as revenue in the bond and interest fund. The special assessments receivable are not recorded as revenue when levied against the respective property owners as such amounts are not available to finance current year operations. The special assessment debt is a contingent liability of the City to the extent of property owner defaults, which have historically been immaterial.

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; injuries to employees; and natural disasters. The City carries commercial insurance for these risks of loss including related lost revenue. No significant reductions in insurance coverage from that of the prior year have occurred. Settlements have not exceeded insurance coverage for each of the last three years.

B. 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.

C. Retirement Plans

Description of Deferred Compensation Plan. All employees employed by the City are entitled to enroll, at the City Council's discretion, in a Deferred Compensation Plan, offered by Mass Mutual or such other insurance company that may offer a plan approved by the Kansas Legislature pursuant to K.S.A. 75-5522 et seq. and K.S.A. 75-5529 et seq. For all employees who enroll in the plan, excluding those participating in the Kansas Police and Firemen (KP&F) retirement plan, the City shall contribute to the Plan an amount as specified according to the current maximum contribution to old age Social Security benefits. The payroll for employees covered by the Plan was \$1,172,448. Total gross payroll was \$1,649,144. The contribution for the year ending December 31, 2018, was \$46,238 from employees and \$69,966 from employer.

CITY OF BASEHOR, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018

IV. OTHER INFORMATION (Continued)

C. *Retirement Plans (Continued)*

Description of Pension Plan. The City also 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 Kansas Police and Firemen (KP&F) group.

KPERS issues a stand-alone comprehensive annual financial report, 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. Police and Firemen with twenty or more years of credited service, may retire as early as age 50, with an actuarially reduced monthly benefit. Police and Firemen 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.

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 account balance at retirement.

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.

CITY OF BASEHOR, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018

IV. OTHER INFORMATION (Continued)

C. Retirement Plans (Continued)

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, 2018.

The actuarially determined employer contribution rates and the statutory contribution rates are as follows for the KPERS fiscal year ended June 30, 2018:

	<u>Actuarial Employer Rate</u>	<u>Statutory Employer Capped Rate</u>
Police and Firemen	20.09%	20.09%

Member contribution rates as a percentage of eligible compensation in fiscal year 2018 are 7.15% for Police and Firemen.

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 June 30, 2018, are based on the ratio of its contributions to the total of the employer and nonemployer contributions of the group for the fiscal year ended June 30, 2018.

The contributions used exclude contributions made for prior service, excess benefits and irregular payments. At December 31, 2018, the City's proportion for the Police and Firemen group was 0.146%, which was an increase of .015% from its proportion measured at December 31, 2017.

CITY OF BASEHOR, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018

IV. OTHER INFORMATION (Continued)

C. Retirement Plans (Continued)

Net Pension Liability. At December 31, 2018 and 2017, the City reported a liability of \$1,402,014 and \$1,230,371, respectively, for its total proportionate share of the net pension liability for the Police and Firemen groups.

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation as of December 31, 2017, which was rolled forward to June 30, 2018, using the following actuarial assumptions:

<u>Assumptions</u>	<u>Rate</u>
Price inflation	2.75%
Wage inflation	3.50%
Salary increases, including wage increases	3.50% to 12.00%, including inflation
Long-term rate of return, net of investment expense, and including price inflation	7.75%

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 actuarial assumptions used in the December 31, 2017 valuation were based on the results of an actuarial experience study conducted for the period January 1, 2013, through December 31, 2015. The experience study is dated November 18, 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 weighting 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, 2018 are summarized in the following table:

<u>Asset</u>	<u>Long-Term Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global Equity	47.00%	6.85%
Fixed Income	13.00%	1.25%
Yield driven	8.00%	6.55%
Real Return	11.00%	1.71%
Real estate	11.00%	5.05%
Alternatives	8.00%	9.85%
Short-term investments	<u>2.00%</u>	-0.25%
	<u>100.00%</u>	

CITY OF BASEHOR, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018

IV. OTHER INFORMATION (Continued)

C. Retirement Plans (Continued)

Discount Rate. The discount rate used to measure the total pension liability was 7.75%. 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 7.75%, 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 (6.75%) or 1-percentage point higher (8.75%) than the current rate:

<u>1% Decrease (6.75%)</u>	<u>Discount Rate (7.75%)</u>	<u>1% Increase (8.75%)</u>
\$1,998,149	\$1,402,014	\$902,908

Pension Expense. For the year ended December 31, 2018, the City recognized pension expense of \$218,236, 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. At December 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred outflows of resources</u>	<u>Deferred inflows of resources</u>
Differences between expected and actual experience	\$ 85,667	\$ 6,477
Net difference between projected and actual earnings on pension plan investments	36,488	3,870
Changes in assumptions	73,829	-
Changes in proportion	123,866	57,317
Total	<u>\$ 319,850</u>	<u>\$ 67,664</u>

\$72,741 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, 2019. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

CITY OF BASEHOR, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018

IV. OTHER INFORMATION (Continued)

C. Retirement Plans (Continued)

Year ended December 31,	Deferred	
	[Inflows]	Outflows
	<u>Amount</u>	
2019	\$	118,628
2020		75,885
2021		18,547
2022		31,885
2023		7,241
Total	\$	<u>252,186</u>

D. Interfund Transfers

A reconciliation of all operating transfers by fund type for 2018 follows:

<u>From</u>	<u>To</u>	<u>Amount</u>	<u>Regulatory Authority</u>
Sewer Utility	General	\$ 247,500	K.S.A. 12-825d
General	Municipal Equipment Reserve	91,200	K.S.A. 12-1,117
General	Bond and Interest	200,000	K.S.A. 12-197
Solid Waste Utility	Employee Benefit	20,815	K.S.A. 12-825d
Sewer Utility	Bond and Interest	202,627	K.S.A. 12-825d
		<u>\$ 762,142</u>	

The City uses interfund transfers to share administrative costs between funds.

E. Restricted Cash

In an agreement with the developer of the Falcon Lakes subdivision dated February 20, 2001, the City agreed to restrict the use of the \$2,405 per lot impact fee. This restriction limited the use of these funds to improvements to the perimeter roads (Donohoo Road, Hollingsworth Road and 147th Street). Of the \$449,194 of cash in the Consolidated Highway Fund as of December 31, 2018, \$331,133 was subject to this restriction.

F. Tax Abatements

Property Tax Abatements. Property tax abatements are authorized under K.S.A. 79-201a and subject to City policy. The City provides tax abatements to encourage business development within City limits. Tax abatements reduce ad valorem property taxes reduced by the City. To receive property tax abatements, an applicant must submit an application to the City Clerk and is subject to approval by the City Council. During the year ended December 31, 2018, the City had the following tax abatement agreement:

<u>Company</u>	<u>Taxes Abated</u>	<u>Percentage Abated</u>	<u>Amount Abated in 2018</u>	<u>Agreement Expiration</u>
Orscheln Farm and Home	Property tax	95%	\$ 16,099	2019

CITY OF BASEHOR, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018

IV. OTHER INFORMATION (Continued)

F. Tax Abatements (Continued)

No other commitments were entered in to by the Company or the City as part of the agreement.

Neighborhood Revitalization Areas. The City had three neighborhood revitalization areas established during the year ended December 31, 2018. NRAs are established under K.S.A. 12-17,114 and subject to City policy. NRAs are provided to assist with spurring investment and revitalization of properties which can benefit a neighborhood and the general public. The program works by rebating a portion (95% for residential property improvements, 50% for commercial and industrial improvements) of the incremental increase in property taxes resulting from improvements back to the property owner. The base value, or what the property was valued at prior to improvements, is shielded from the rebate. To receive an NRA, individuals or businesses must submit an application to be reviewed by City staff and approved by the City Council. Applicants must also provide verification they are current on all real or personal property taxes. During the year ended December 31, 2018, the City paid \$41,156 to various homeowners under the neighborhood revitalization program.

No other governments have entered into tax abatement agreements that reduce the City's tax revenues.

G. Subsequent Events

On March 21, 2019, the City issued Series 2019-A General Obligation Improvement Bonds in the amount of \$2,105,000 and Series 2019-I General Obligation Temporary Notes in the amount of \$1,035,000. Proceeds of the bonds and notes will be used for certain public improvement projects within the City. The bonds carry an interest rate ranging from 1.70-2.35% and the notes carry an interest rate of 2.00%. The bonds mature on September 1, 2039 and the notes mature on October 1, 2019.

CITY OF BASEHOR, KANSAS

KP&F PENSION PLAN
REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
Year ended December 31, 2018

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

	<u>12/31/18</u>	<u>12/31/17</u>	<u>12/31/16</u>	<u>12/31/15</u>
City's proportion of the net pension liability	0.146%	0.131%	0.142%	0.143%
City's proportionate share of the net pension liability	\$ 1,402,014	\$ 1,230,371	\$ 1,317,562	\$ 1,041,028
City's covered-employee payroll	\$ 694,849	\$ 662,996	\$ 662,996	\$ 634,065
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	201.77%	185.58%	198.73%	164.18%
Plan fiduciary net position as a percentage of the total pension liability	74.22%	72.15%	69.30%	74.60%

*The amounts presented for each fiscal year were determined as of 12/31. Data became available with the inception of GASB 68 during fiscal year 2015, therefore 10 years of data is unavailable.

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

	<u>12/31/18</u>	<u>12/31/17</u>	<u>12/31/16</u>	<u>12/31/15</u>
Contractually required contribution	\$ 149,920	\$ 132,230	\$ 135,384	\$ 141,616
Contributions in relation to the contractually required contribution	<u>149,920</u>	<u>132,230</u>	<u>135,384</u>	<u>141,616</u>
Contribution deficiency [excess]	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered-employee payroll	\$ 746,242	\$ 694,849	\$ 662,996	\$ 662,996
Contributions as a percentage of covered employee payroll	20.09%	19.03%	20.42%	21.36%

*Data became available with the inception of GASB 68 during fiscal year 2015, therefore 10 years of data is unavailable.

CITY OF BASEHOR, KANSAS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 December 31, 2018

	Special Revenue	Capital Projects	Total
ASSETS			
Cash and cash equivalents	\$ 118,035	\$ 148,017	\$ 266,052
Total assets	<u>\$ 118,035</u>	<u>\$ 148,017</u>	<u>\$ 266,052</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance:			
Assigned	<u>118,035</u>	<u>148,017</u>	<u>266,052</u>
Total fund balance [deficit]	<u>118,035</u>	<u>148,017</u>	<u>266,052</u>
Total liabilities and fund balances	<u>\$ 118,035</u>	<u>\$ 148,017</u>	<u>\$ 266,052</u>

CITY OF BASEHOR, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2018

	Special Revenue	Capital Projects	Total
REVENUES:			
Taxes	\$ 17,621	\$ -	\$ 17,621
Licenses, permits and fees	27,800	73,000	100,800
Use of money and property	<u>2,184</u>	<u>1,693</u>	<u>3,877</u>
Total revenues	<u>47,605</u>	<u>74,693</u>	<u>122,298</u>
EXPENDITURES:			
Capital outlay	<u>272,689</u>	<u>42,841</u>	<u>315,530</u>
Total expenditures	<u>272,689</u>	<u>42,841</u>	<u>315,530</u>
Excess [deficiency] of revenues over [under] expenditures	<u>[225,084]</u>	<u>31,852</u>	<u>[193,232]</u>
OTHER FINANCING SOURCES [USES]:			
Transfers in	<u>91,200</u>	<u>-</u>	<u>91,200</u>
Total other financing sources [uses]	<u>91,200</u>	<u>-</u>	<u>91,200</u>
Excess [Deficiency] of Revenues and Other Financing Sources Over [Under] Expenditures and Other [Uses]	<u>[133,884]</u>	<u>31,852</u>	<u>[102,032]</u>
Fund balance - Beginning of year	<u>251,919</u>	<u>116,165</u>	<u>368,084</u>
Fund balance - End of year	<u>\$ 118,035</u>	<u>\$ 148,017</u>	<u>\$ 266,052</u>

CITY OF BASEHOR, KANSAS
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 December 31, 2018

	Special Parks and Recreation	Municipal Equipment Reserve	Special Alcohol and Drug	Totals
ASSETS				
Cash and cash equivalents	\$ 67,044	\$ 46,713	\$ 4,278	\$ 118,035
Total assets	<u>\$ 67,044</u>	<u>\$ 46,713</u>	<u>\$ 4,278</u>	<u>\$ 118,035</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance:				
Assigned	<u>67,044</u>	<u>46,713</u>	<u>4,278</u>	<u>118,035</u>
Total fund balance [deficit]	<u>67,044</u>	<u>46,713</u>	<u>4,278</u>	<u>118,035</u>
Total liabilities and fund balances	<u>\$ 67,044</u>	<u>\$ 46,713</u>	<u>\$ 4,278</u>	<u>\$ 118,035</u>

See independent auditor's report on the financial statements

CITY OF BASEHOR, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended December 31, 2018

	Special Parks and Recreation	Municipal Equipment Reserve	Special Alcohol and Drug	Totals
REVENUES:				
Taxes	\$ 13,347	\$ -	\$ 4,274	\$ 17,621
Licenses, permits and fees	27,800	-	-	27,800
Use of money and property	<u>1,382</u>	<u>798</u>	<u>4</u>	<u>2,184</u>
Total revenues	<u>42,529</u>	<u>798</u>	<u>4,278</u>	<u>47,605</u>
EXPENDITURES:				
Capital outlay	<u>70,889</u>	<u>201,800</u>	<u>-</u>	<u>272,689</u>
Total expenditures	<u>70,889</u>	<u>201,800</u>	<u>-</u>	<u>272,689</u>
Excess [deficiency] of revenues over [under] expenditures	<u>[28,360]</u>	<u>[201,002]</u>	<u>4,278</u>	<u>[225,084]</u>
OTHER FINANCING SOURCES [USES]:				
Transfers in	<u>-</u>	<u>91,200</u>	<u>-</u>	<u>91,200</u>
Total other financing sources [uses]	<u>-</u>	<u>91,200</u>	<u>-</u>	<u>91,200</u>
Excess [Deficiency] of Revenues and Other Financing Sources Over [Under] Expenditures and Other [Uses]	<u>[28,360]</u>	<u>[109,802]</u>	<u>4,278</u>	<u>[133,884]</u>
Fund balance - Beginning of year	<u>95,404</u>	<u>156,515</u>	<u>-</u>	<u>251,919</u>
Fund balance - End of year	<u>\$ 67,044</u>	<u>\$ 46,713</u>	<u>\$ 4,278</u>	<u>\$ 118,035</u>

CITY OF BASEHOR, KANSAS
 COMBINING BALANCE SHEET
 NONMAJOR CAPITAL PROJECT FUNDS
 December 31, 2018

	Cedar Lakes Maintenance	Glenwood Sewer Maintenance	Totals
ASSETS			
Cash and cash equivalents	\$ 71,699	\$ 76,318	\$ 148,017
Total assets	<u>\$ 71,699</u>	<u>\$ 76,318</u>	<u>\$ 148,017</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance:			
Assigned	<u>71,699</u>	<u>76,318</u>	<u>148,017</u>
Total fund balance [deficit]	<u>71,699</u>	<u>76,318</u>	<u>148,017</u>
Total liabilities and fund balances	<u>\$ 71,699</u>	<u>\$ 76,318</u>	<u>\$ 148,017</u>

CITY OF BASEHOR, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECT FUNDS
For the Year Ended December 31, 2018

	Cedar Lakes Maintenance	Glenwood Sewer Maintenance	Totals
REVENUES:			
Licenses, permits and fees	\$ 40,000	\$ 33,000	\$ 73,000
Use of money and property	<u>851</u>	<u>842</u>	<u>1,693</u>
Total revenues	<u>40,851</u>	<u>33,842</u>	<u>74,693</u>
EXPENDITURES:			
Capital outlay	<u>24,323</u>	<u>18,518</u>	<u>42,841</u>
Total expenditures	<u>24,323</u>	<u>18,518</u>	<u>42,841</u>
Excess [deficiency] of revenues over [under] expenditures	16,528	15,324	31,852
Fund balance - Beginning of year	<u>55,171</u>	<u>60,994</u>	<u>116,165</u>
Fund balance - End of year	<u>\$ 71,699</u>	<u>\$ 76,318</u>	<u>\$ 148,017</u>

CITY OF BASEHOR, KANSAS

SPECIAL PARKS AND RECREATION FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET

For the Year Ended December 31, 2018

	GAAP <u>Basis</u>	Adjustments to Budgetary <u>Basis</u>	Budgetary <u>Basis</u>	<u>Budgeted Amounts</u>		Variance with Final Budget Positive [Negative]
				<u>Original</u>	<u>Final</u>	
Revenues:						
Taxes	\$ 13,347	\$ -	\$ 13,347	\$ 15,000	\$ 15,000	\$ [1,653]
Licenses, permits and fees	27,800	-	27,800	17,000	17,000	10,800
Use of money and property	<u>1,382</u>	<u>-</u>	<u>1,382</u>	<u>410</u>	<u>410</u>	<u>972</u>
Total Revenues	<u>42,529</u>	<u>-</u>	<u>42,529</u>	<u>32,410</u>	<u>32,410</u>	<u>10,119</u>
Expenditures:						
Capital outlay	<u>70,889</u>	<u>-</u>	<u>70,889</u>	<u>90,000</u>	<u>90,000</u>	<u>19,111</u>
Total Expenditures	<u>70,889</u>	<u>-</u>	<u>70,889</u>	<u>90,000</u>	<u>90,000</u>	<u>19,111</u>
Excess [Deficiency] of Revenues Over [Under] Expenditures	[28,360]	-	[28,360]	<u>\$ [57,590]</u>	<u>\$ [57,590]</u>	<u>\$ 29,230</u>
Fund Balance, January 1	<u>95,404</u>	<u>-</u>	<u>95,404</u>			
Fund Balance, December 31	<u>\$ 67,044</u>	<u>\$ -</u>	<u>\$ 67,044</u>			

See independent auditor's report on the financial statements

CITY OF BASEHOR, KANSAS

SPECIAL ALCOHOL AND DRUG FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
For the Year Ended December 31, 2018

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
Revenues:						
Taxes	\$ 4,274	\$ -	\$ 4,274	\$ -	\$ -	\$ 4,274
Use of money and property	<u>4</u>	<u>-</u>	<u>4</u>	<u>-</u>	<u>-</u>	<u>4</u>
Total Revenues	<u>4,278</u>	<u>-</u>	<u>4,278</u>	<u>-</u>	<u>-</u>	<u>4,278</u>
Expenditures:						
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess [Deficiency] of Revenues Over [Under] Expenditures	4,278	-	4,278	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,278</u>
Fund Balance, January 1	<u>-</u>	<u>-</u>	<u>-</u>			
Fund Balance, December 31	<u>\$ 4,278</u>	<u>\$ -</u>	<u>\$ 4,278</u>			

CITY OF BASEHOR, KANSAS

CEDAR LAKES MAINTENANCE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
For the Year Ended December 31, 2018

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
Revenues:						
Licenses, permits and fees	\$ 40,000	\$ -	\$ 40,000	\$ 40,000	\$ 40,000	\$ -
Use of money and property	851	-	851	55	55	796
Total Revenues	<u>40,851</u>	<u>-</u>	<u>40,851</u>	<u>40,055</u>	<u>40,055</u>	<u>796</u>
Expenditures:						
Capital outlay	<u>24,323</u>	<u>-</u>	<u>24,323</u>	<u>40,000</u>	<u>40,000</u>	<u>15,677</u>
Total Expenditures	<u>24,323</u>	<u>-</u>	<u>24,323</u>	<u>40,000</u>	<u>40,000</u>	<u>15,677</u>
Excess [Deficiency] of Revenues Over [Under] Expenditures	16,528	-	16,528	<u>\$ 55</u>	<u>\$ 55</u>	<u>\$ 16,473</u>
Fund Balance, January 1	<u>55,171</u>	<u>-</u>	<u>55,171</u>			
Fund Balance, December 31	<u>\$ 71,699</u>	<u>\$ -</u>	<u>\$ 71,699</u>			

CITY OF BASEHOR, KANSAS

BOND AND INTEREST FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
For the Year Ended December 31, 2018

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
Revenues:						
Taxes	\$ 265,452	\$ -	\$ 265,452	\$ 255,819	\$ 255,819	\$ 9,633
Intergovernmental	36,186	-	36,186	-	-	36,186
Special assessments	582,304	-	582,304	510,109	510,109	72,195
Use of money and property	28,522	-	28,522	2,250	2,250	26,272
Total Revenues	<u>912,464</u>	<u>-</u>	<u>912,464</u>	<u>768,178</u>	<u>768,178</u>	<u>144,286</u>
Expenditures:						
Debt service:						
Principal	925,514	[63,511]	862,003	947,981	947,981	85,978
Interest	139,116	[139,116]	-	-	-	-
Total Expenditures	<u>1,064,630</u>	<u>[202,627]</u>	<u>862,003</u>	<u>947,981</u>	<u>947,981</u>	<u>85,978</u>
Excess [Deficiency] of Revenues Over [Under] Expenditures	<u>[152,166]</u>	<u>202,627</u>	<u>50,461</u>	<u>[179,803]</u>	<u>[179,803]</u>	<u>230,264</u>
Other Financing Sources [Uses]:						
Transfer in	402,627	[202,627]	200,000	107,875	107,875	92,125
Total Other Financing Sources [Uses]	<u>402,627</u>	<u>[202,627]</u>	<u>200,000</u>	<u>107,875</u>	<u>107,875</u>	<u>92,125</u>
Excess [Deficiency] of Revenues and Other Sources Over [Under] Expenditures and Other [Uses]	250,461	-	250,461	<u>\$ [71,928]</u>	<u>\$ [71,928]</u>	<u>\$ 322,389</u>
Fund Balances, January 1	<u>114,336</u>	<u>-</u>	<u>114,336</u>			
Fund Balances, December 31	<u>\$ 364,797</u>	<u>\$ -</u>	<u>\$ 364,797</u>			

CITY OF BASEHOR, KANSAS

SEWER UTILITY FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN NET POSITION - ACTUAL AND BUDGET
For the Year Ended December 31, 2018

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
Revenues						
Charges for services	\$ 1,978,399	\$ [263]	\$ 1,978,136	\$ 1,664,060	\$ 1,664,060	\$ 314,076
Special assessments	78,511	-	78,511	91,000	91,000	[12,489]
Miscellaneous	25,953	-	25,953	-	-	25,953
Use of money and property	33,835	-	33,835	2,500	2,500	31,335
Total revenues	<u>2,116,698</u>	<u>[263]</u>	<u>2,116,435</u>	<u>1,757,560</u>	<u>1,757,560</u>	<u>358,875</u>
Expenditures						
Personnel	245,519	252	245,771	202,666	202,666	[43,105]
Contractual	267,965	-	267,965	269,416	269,416	1,451
Commodities	37,469	-	37,469	39,700	39,700	2,231
Capital outlay	117,021	26,995	144,016	168,000	168,000	23,984
Depreciation	716,589	[716,589]	-	-	-	-
Total expenditures	<u>1,384,563</u>	<u>[689,342]</u>	<u>695,221</u>	<u>679,782</u>	<u>679,782</u>	<u>[15,439]</u>
Operating income [loss]	<u>732,135</u>	<u>689,079</u>	<u>1,421,214</u>	<u>1,077,778</u>	<u>1,077,778</u>	<u>343,436</u>
Other Financing Sources [Uses]:						
Debt principal	-	[730,440]	[730,440]	[1,094,495]	[1,094,495]	364,055
Debt interest and fees	[122,462]	[28,812]	[151,274]	-	-	[151,274]
Transfers [out]	[450,127]	-	[450,127]	[247,500]	[247,500]	[202,627]
Total Other Financing Sources [Uses]	<u>[572,589]</u>	<u>[759,252]</u>	<u>[1,331,841]</u>	<u>[1,341,995]</u>	<u>[1,341,995]</u>	<u>10,154</u>
Change in net position	159,546	[70,173]	89,373	\$ [264,217]	\$ [264,217]	\$ 353,590
Net position, January 1	<u>9,376,298</u>	<u>[7,481,521]</u>	<u>1,894,777</u>			
Net position, December 31	<u>\$ 9,535,844</u>	<u>\$ [7,551,694]</u>	<u>\$ 1,984,150</u>			

See independent auditor's report on the financial statements

CITY OF BASEHOR, KANSAS

SOLID WASTE UTILITY FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN NET POSITION - ACTUAL AND BUDGET
For the Year Ended December 31, 2018

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
Revenues						
Charges for services	\$ 403,742	\$ [1,662]	\$ 402,080	\$ 350,000	\$ 350,000	\$ 52,080
Use of money and property	1,122	-	1,122	300	300	822
Total revenues	<u>404,864</u>	<u>[1,662]</u>	<u>403,202</u>	<u>350,300</u>	<u>350,300</u>	<u>52,902</u>
Expenditures						
Personnel	55,873	10	55,883	-	-	[55,883]
Contractual	329,847	-	329,847	315,000	335,889	6,042
Commodities	3,189	-	3,189	6,300	6,300	3,111
Total expenditures	<u>388,909</u>	<u>10</u>	<u>388,919</u>	<u>321,300</u>	<u>342,189</u>	<u>[46,730]</u>
Operating income [loss]	<u>15,955</u>	<u>[1,672]</u>	<u>14,283</u>	<u>29,000</u>	<u>8,111</u>	<u>6,172</u>
Other Financing Sources [Uses]:						
Transfer [out]	<u>[20,815]</u>	<u>-</u>	<u>[20,815]</u>	<u>[77,811]</u>	<u>[77,811]</u>	<u>56,996</u>
Total Other Financing Sources [Uses]	<u>[20,815]</u>	<u>-</u>	<u>[20,815]</u>	<u>[77,811]</u>	<u>[77,811]</u>	<u>56,996</u>
Change in net position	[4,860]	[1,672]	[6,532]	<u>\$ [48,811]</u>	<u>\$ [69,700]</u>	<u>\$ 63,168</u>
Net position, January 1	<u>79,049</u>	<u>[15,857]</u>	<u>63,192</u>			
Net position, December 31	<u>\$ 74,189</u>	<u>\$ [17,529]</u>	<u>\$ 56,660</u>			