

**CITY OF SPRING HILL, KANSAS**

**FINANCIAL STATEMENTS**

**Year ended December 31, 2024**

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CITY OF SPRING HILL, KANSAS

FINANCIAL STATEMENTS  
Year ended December 31, 2024

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CITY OF SPRING HILL, KANSAS

FINANCIAL STATEMENTS  
Year ended December 31, 2024

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## INDEPENDENT AUDITOR'S REPORT

Mayor and City Council  
City of Spring Hill, Kansas

### **Opinions**

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 Spring Hill, Kansas, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the 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 Spring Hill, Kansas, as of December 31, 2024, and the respective changes in financial position, and where applicable, cash flows thereof and the respective budgetary comparison for the general fund, fire services fund, special highway fund, the excise tax fund and the debt service fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the *Kansas Municipal Accounting and Audit Guide*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

## **Other Matters**

### *Required Supplementary Information*

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

### *Supplementary Information*

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

*Gordon CPA LLC*

Certified Public Accountant  
Lawrence, Kansas

July 9, 2025

## CITY OF SPRING HILL, KANSAS

### MANAGEMENT'S DISCUSSION AND ANALYSIS For the Year Ended December 31, 2024 Unaudited

Our discussion and analysis of the City of Spring Hill, Kansas financial performance provides an overview of the City's financial activities for the fiscal year ended December 31, 2024.

#### **Financial Highlights**

- The Government-wide net position totaled \$36.9 million at the end of the current fiscal year.
- Total capital assets, net of accumulated depreciation, as of December 31, 2024 totaled \$50.1 million.
- Government-wide activities increased the net position of the City by \$5.1 million for the year ended December 31, 2024.
- The City's total indebtedness (not including compensated absences) decreased by \$3.0 million.
- The City's net capital assets increased \$2.0 million.

#### **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. 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 water utility and sewer utility are reported as business-type activities.

CITY OF SPRING HILL, KANSAS

MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended December 31, 2024  
Unaudited

**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 year end 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 (Water 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 SPRING HILL, KANSAS

MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended December 31, 2024  
Unaudited

**The City as a Whole**

**Government-Wide Assets**

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, 2024:

City of Spring Hill  
Condensed Statement of Net Position  
December 31, 2024 and 2023

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Current assets	\$ 17,980,254	\$ 20,565,601	\$ 10,151,069	\$ 8,894,964	\$ 28,131,323	\$ 29,460,565
Net capital assets	37,309,104	36,314,589	12,792,111	11,789,463	50,101,215	48,104,052
Deferred outflows of resources	<u>1,543,506</u>	<u>1,845,677</u>	<u>54,412</u>	<u>101,501</u>	<u>1,597,918</u>	<u>1,947,178</u>
Total assets and deferred outflows of resources	<u>\$ 56,832,864</u>	<u>\$ 58,725,867</u>	<u>\$ 22,997,592</u>	<u>\$ 20,785,928</u>	<u>\$ 79,830,456</u>	<u>\$ 79,511,795</u>
Current liabilities	\$ 3,159,992	\$ 4,120,485	\$ 863,721	\$ 948,884	\$ 4,023,713	\$ 5,069,369
Noncurrent liabilities	29,864,740	32,423,748	4,565,402	5,265,811	34,430,142	37,689,559
Deferred inflows of resources	<u>4,436,695</u>	<u>4,931,905</u>	<u>2,041</u>	<u>5,621</u>	<u>4,438,736</u>	<u>4,937,526</u>
Total liabilities and deferred inflows of resources	<u>\$ 37,461,427</u>	<u>\$ 41,476,138</u>	<u>\$ 5,431,164</u>	<u>\$ 6,220,316</u>	<u>\$ 42,892,591</u>	<u>\$ 47,696,454</u>
Net Position:						
Net investment in capital assets	\$ 10,316,003	\$ 6,807,760	\$ 8,046,417	\$ 6,157,614	\$ 18,362,420	\$ 12,965,374
Restricted for:						
Debt Service	537,266	468,217	-	-	537,266	468,217
Unrestricted	<u>8,518,168</u>	<u>9,973,752</u>	<u>9,520,011</u>	<u>8,407,998</u>	<u>18,038,179</u>	<u>18,381,750</u>
Total net position	<u>\$ 19,371,437</u>	<u>\$ 17,249,729</u>	<u>\$ 17,566,428</u>	<u>\$ 14,565,612</u>	<u>\$ 36,937,865</u>	<u>\$ 31,815,341</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 \$24.1 million.

The City has \$31.7 million in long-term debt, consisting of general obligation bonds, temporary notes, loans, and financed purchases, of which \$5.8 million is due within the next fiscal year.

The City had total assets and deferred outflows as of December 31, 2024, totaling \$79.8 million. The total assets and deferred outflows of the City exceeded the total liabilities and deferred inflows by \$36.9 million. Net investment in capital assets totaled \$18.4 million, restricted net position totaled \$0.5 million and unrestricted net position totaled \$18.0 million.

CITY OF SPRING HILL, KANSAS

MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended December 31, 2024  
Unaudited

**Government-Wide Activities**

The following is a condensed statement of the City's change in net position for the year ended December 31, 2024. Major items of program revenues, grants and general revenues are detailed below. A reconciliation of the total change in fund balances for the governmental funds to the Statement of Activities is located on page 10 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, temporary notes, and financed purchases in the current fiscal year of \$2.4 million which are treated as an expenditure in the fund statements and a reduction of long-term debt payable in the Government wide financial statements. In addition, the capital outlays of \$2.8 million are treated as expenditures in the fund statements but are treated as capital assets in the Government wide financial statements.

City of Spring Hill  
Condensed Statement of Changes in Net Position  
For the Years Ending December 31, 2024 and 2023

	Governmental Activities		Business-Type Activities		Total	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 1,894,864	\$ 791,091	\$ 6,563,340	\$ 5,451,047	\$ 8,458,204	\$ 6,242,138
Operating grants and contributions	1,305,651	1,635,903	-	-	1,305,651	1,635,903
Capital grants and contributions	1,293,837	4,010,097	-	-	1,293,837	4,010,097
General revenues:						
Taxes	10,719,168	9,630,267	-	-	10,719,168	9,630,267
Other	547,454	758,684	195,265	11,362	742,719	770,046
<b>Total revenues</b>	<b>15,760,974</b>	<b>16,826,042</b>	<b>6,758,605</b>	<b>5,462,409</b>	<b>22,519,579</b>	<b>22,288,451</b>
Program expenses:						
General government	4,206,915	6,931,677	-	-	4,206,915	6,931,677
Public safety	3,248,100	3,030,778	-	-	3,248,100	3,030,778
Public works	4,563,919	3,205,569	-	-	4,563,919	3,205,569
Culture and recreation	687,604	606,831	-	-	687,604	606,831
Water utility	-	-	1,799,040	1,990,711	1,799,040	1,990,711
Sewer utility	-	-	2,010,549	2,474,463	2,010,549	2,474,463
Interest on long term debt	932,728	1,057,535	-	-	932,728	1,057,535
<b>Total expenses</b>	<b>13,639,266</b>	<b>14,832,390</b>	<b>3,809,589</b>	<b>4,465,174</b>	<b>17,448,855</b>	<b>19,297,564</b>
Transfers in [out]	-	189,148	-	[189,148]	-	-
<b>Increase [decrease] in net position</b>	<b>\$ 2,121,708</b>	<b>\$ 2,182,800</b>	<b>\$ 2,949,016</b>	<b>\$ 808,087</b>	<b>\$ 5,070,724</b>	<b>\$ 2,990,887</b>

Governmental Activities increased the net position by \$2.1 million. Business-type activities increased the net position by \$2.9 million.

CITY OF SPRING HILL, KANSAS

MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended December 31, 2024  
Unaudited

**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 as of December 31, 2024 for the governmental funds totaled \$13.3 million. Total unassigned fund balances as of December 31, 2024 totaled \$4.7 million, of which \$2.5 million was attributable to the General Fund. The remainder of fund balance includes: \$8.5 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 million of committed fund balance to indicate amounts that are constrained by the City governing body to be used for specific purposes; and \$13,139 in assigned fund balance to indicate amounts that are constrained by the City's management 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 \$2.5 million and \$13,139 in assigned fund balance. The increase in the General Fund's fund balance was \$0.6 million.

The Fire Services Fund is used to account for fire services provided in a designated area within the city limits of Spring Hill. At the end of the current fiscal year, restricted fund balance of the fund was \$.1 million, which represents all of the total fund balance. The increase in the fund's fund balance was \$24,666.

The Special Highway Fund is used to account for capital improvements of City streets. At the end of the current fiscal year, restricted fund balance of the fund was \$1.5 million, which represents the total fund balance. The increase in the fund's fund balance was \$1.0 million.

The Excise Tax Fund is used to account for funds levied on the platting of real property and is a general revenue of the City. At the end of the current fiscal year, restricted fund balance of the fund was \$1.6 million, which represents the total fund balance. The increase in the fund's fund balance was \$.1 million.

The Debt Service Fund is used to accumulate tax revenues and other revenues for the payment of principal and interest on general short and long-term debt. At the end of the current fiscal year, restricted fund balance of the fund was \$.5 million, which represents the total fund balance. The increase in the fund's fund balance was \$.1 million.

The Capital Projects Infrastructure, Capital Projects Facilities, and GO 2023-A, and GO 2023-B Temp Note funds are used to account for capital improvement projects throughout the City.

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 Water Fund at the end of the year amounted to \$1.5 million and the unrestricted net position of the Sewer Fund at the end of the year amounted to \$6.9 million. The total change in the two funds was \$.4 million and \$2.6 million, respectively.

CITY OF SPRING HILL, KANSAS

MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended December 31, 2024  
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 General Fund budget for expenditures were \$9,315,649. The revenues were more than budgetary estimates by \$1.3 million and the expenditures were less than budgetary estimates by \$1.2 million.

**Fixed Assets and Debt Administration**

The City's investment in fixed assets for its governmental and business-type activities totaled \$50.1 million (net of accumulated depreciation) as of December 31, 2024.

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

North Webster Road was completed, connecting 199<sup>th</sup> Street and 191<sup>st</sup> Street.

Several vehicles and various pieces of equipment were also purchased during the fiscal year.

As of December 31, 2024, the City had total debt outstanding of \$31.7 million, backed by the full faith and credit of the City. Total long-term debt decreased for the fiscal year ended December 31, 2024, in the amount of \$3.0 million. This was a result of the scheduled principal payments on general obligation bonds, loans, and financed purchases.

Additional information on the City's general long-term debt can be found in Note III.D 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, visit the Finance Director at 401 N. Madison, Spring Hill, Kansas 66083 or (913) 592-3664.

## CITY OF SPRING HILL, KANSAS

STATEMENT OF NET POSITION  
December 31, 2024

	Primary Government		
	Total Governmental Activities	Total Business-type Activities	Total Primary Government
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>			
Current assets:			
Cash and cash equivalents	\$ 13,612,336	\$ 9,921,692	\$ 23,534,028
Taxes receivable	4,310,406	-	4,310,406
Accounts receivable	57,512	229,377	286,889
Total current assets	<u>17,980,254</u>	<u>10,151,069</u>	<u>28,131,323</u>
Noncurrent assets:			
Capital assets, nondepreciable			
Land	381,449	36,281	417,730
Construction in progress	6,963,095	488,353	7,451,448
Capital assets, depreciable	46,655,629	33,684,767	80,340,396
Less: accumulated depreciation	<u>[16,691,069]</u>	<u>[21,417,290]</u>	<u>[38,108,359]</u>
Total noncurrent assets	<u>37,309,104</u>	<u>12,792,111</u>	<u>50,101,215</u>
Total assets	<u>55,289,358</u>	<u>22,943,180</u>	<u>78,232,538</u>
Deferred outflows of resources			
Pension related	1,319,828	54,412	1,374,240
KPERS OPEB related	223,678	-	223,678
Total deferred outflows of resources	<u>1,543,506</u>	<u>54,412</u>	<u>1,597,918</u>
Total assets and deferred outflows of resources	<u>\$ 56,832,864</u>	<u>\$ 22,997,592</u>	<u>\$ 79,830,456</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>			
Liabilities:			
Current liabilities: (payable from current assets):			
Accounts payable	\$ 263,226	\$ 353,469	\$ 616,695
Accrued interest payable	374,749	40,750	415,499
Accrued salaries	119,663	15,141	134,804
Compensated absences payable	169,586	23,219	192,805
Current portion of financed purchase	80,278	15,950	96,228
Current portion of bonds payable	<u>2,152,490</u>	<u>415,192</u>	<u>2,567,682</u>
Total current liabilities (payable from current assets)	<u>3,159,992</u>	<u>863,721</u>	<u>4,023,713</u>
Noncurrent liabilities:			
Financed purchases	112,504	33,107	145,611
KPERS OPEB liability	119,949	-	119,949
Net pension liability	4,984,458	250,850	5,235,308
Notes payable	3,105,000	-	3,105,000
Bonds payable	<u>21,542,829</u>	<u>4,281,445</u>	<u>25,824,274</u>
Total noncurrent liabilities	<u>29,864,740</u>	<u>4,565,402</u>	<u>34,430,142</u>
Total liabilities	<u>33,024,732</u>	<u>5,429,123</u>	<u>38,453,855</u>
Deferred inflows of resources:			
Unavailable revenue - property taxes	4,310,406	-	4,310,406
Pension related	6,281	2,041	8,322
KPERS OPEB related	120,008	-	120,008
Total deferred inflows of resources	<u>4,436,695</u>	<u>2,041</u>	<u>4,438,736</u>
Total liabilities and deferred inflows of resources	<u>\$ 37,461,427</u>	<u>\$ 5,431,164</u>	<u>\$ 42,892,591</u>
Net Position			
Net investment in capital assets	\$ 10,316,003	\$ 8,046,417	\$ 18,362,420
Restricted for:			
Debt service	537,266	-	537,266
Unrestricted	<u>8,518,168</u>	<u>9,520,011</u>	<u>18,038,179</u>
Total net position	<u>\$ 19,371,437</u>	<u>\$ 17,566,428</u>	<u>\$ 36,937,865</u>

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

CITY OF SPRING HILL, KANSAS

STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2024

	Program Revenues				Net [Expenses] Revenue and Changes in Net Assets		
					Primary Government		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business Type Activities	Total
<b>Governmental activities:</b>							
General government	\$ 4,206,915	\$ 1,542,742	\$ 41,171	\$ -	\$ [2,623,002]	\$ -	\$ [2,623,002]
Public safety	3,248,100	206,686	-	-	[3,041,414]	-	[3,041,414]
Public works	4,563,919	-	1,156,565	1,293,837	[2,113,517]	-	[2,113,517]
Culture and recreation	687,604	145,436	107,915	-	[434,253]	-	[434,253]
Interest on long-term debt	932,728	-	-	-	[932,728]	-	[932,728]
Total governmental activities	<u>13,639,266</u>	<u>1,894,864</u>	<u>1,305,651</u>	<u>1,293,837</u>	<u>[9,144,914]</u>	<u>-</u>	<u>[9,144,914]</u>
<b>Business-type activities:</b>							
Water	1,799,040	2,175,423	-	-	-	376,383	376,383
Sewer	2,010,549	4,387,917	-	-	-	2,377,368	2,377,368
Total business-type activities	<u>3,809,589</u>	<u>6,563,340</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,753,751</u>	<u>2,753,751</u>
Total primary government	<u>\$ 17,448,855</u>	<u>\$ 8,458,204</u>	<u>\$ 1,305,651</u>	<u>\$ 1,293,837</u>	<u>[9,144,914]</u>	<u>2,753,751</u>	<u>[6,391,163]</u>
<b>General Revenues:</b>							
Taxes levied for							
General purposes					10,480,092	-	10,480,092
Debt service					239,076	-	239,076
Investments earnings					195,882	195,265	391,147
Miscellaneous					351,572	-	351,572
Total general revenues and transfers					<u>11,266,622</u>	<u>195,265</u>	<u>11,461,887</u>
Change in net position					2,121,708	2,949,016	5,070,724
Net position - beginning					<u>17,249,729</u>	<u>14,565,612</u>	<u>31,815,341</u>
Net position - ending					<u>\$ 19,371,437</u>	<u>\$ 17,514,628</u>	<u>\$ 36,886,065</u>

CITY OF SPRING HILL, KANSAS

BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2024

	<u>General</u>	<u>Fire Services</u>	<u>Special Highway</u>	<u>Excise Tax</u>
<b>ASSETS</b>				
Cash and investments	\$ 2,745,592	\$ 118,673	\$ 1,523,317	\$ 1,609,753
Due from other funds	45,638	-	-	-
Receivables				
Taxes	4,021,688	-	-	-
Accounts	57,512	-	-	-
Total assets	<u>\$ 6,870,430</u>	<u>\$ 118,673</u>	<u>\$ 1,523,317</u>	<u>\$ 1,609,753</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 192,678	\$ -	\$ 1,441	\$ -
Accrued salaries payable	119,663	-	-	-
Due to other funds	-	-	-	-
Total liabilities	<u>312,341</u>	<u>-</u>	<u>1,441</u>	<u>-</u>
Deferred inflows of resources:				
Unavailable revenue - property taxes	4,021,688	-	-	-
Total deferred inflows of resources	<u>4,021,688</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>4,334,029</u>	<u>-</u>	<u>1,441</u>	<u>-</u>
Fund balance:				
Restricted	-	118,673	1,521,876	1,609,753
Committed	-	-	-	-
Assigned	13,139	-	-	-
Unassigned	2,523,262	-	-	-
Total fund balance	<u>2,536,401</u>	<u>118,673</u>	<u>1,521,876</u>	<u>1,609,753</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 6,870,430</u>	<u>\$ 118,673</u>	<u>\$ 1,523,317</u>	<u>\$ 1,609,753</u>

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

Debt Service	Capital Projects Infrastructure	Capital Projects Facilities	GO 2023-A	GO 2023-B Temp Note	Other Governmental Funds	Total Governmental Funds
\$ 537,266	\$ 2,189,097	\$ 107,957	\$ 839,734	\$ 386,821	\$ 3,554,126	\$ 13,612,336
-	-	-	-	-	-	45,638
246,855	-	-	-	-	41,863	4,310,406
-	-	-	-	-	-	57,512
<u>\$ 784,121</u>	<u>\$ 2,189,097</u>	<u>\$ 107,957</u>	<u>\$ 839,734</u>	<u>\$ 386,821</u>	<u>\$ 3,595,989</u>	<u>\$ 18,025,892</u>
\$ -	\$ 40,435	\$ 8,368	\$ 18,272	\$ -	\$ 2,032	\$ 263,226
-	-	-	-	-	-	119,663
-	-	-	-	-	45,638	45,638
<u>-</u>	<u>40,435</u>	<u>8,368</u>	<u>18,272</u>	<u>-</u>	<u>47,670</u>	<u>428,527</u>
246,855	-	-	-	-	41,863	4,310,406
246,855	-	-	-	-	41,863	4,310,406
246,855	40,435	8,368	18,272	-	89,533	4,738,933
537,266	-	99,589	821,462	386,821	3,435,858	8,531,298
-	-	-	-	-	70,598	70,598
-	-	-	-	-	-	13,139
<u>-</u>	<u>2,148,662</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,671,924</u>
<u>537,266</u>	<u>2,148,662</u>	<u>99,589</u>	<u>821,462</u>	<u>386,821</u>	<u>3,506,456</u>	<u>13,286,959</u>
<u>\$ 784,121</u>	<u>\$ 2,189,097</u>	<u>\$ 107,957</u>	<u>\$ 839,734</u>	<u>\$ 386,821</u>	<u>\$ 3,595,989</u>	<u>\$ 18,025,892</u>

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

CITY OF SPRING HILL, KANSAS

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

December 31, 2024

Total Governmental Fund Balances	\$ 13,286,959
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	54,000,173
Accumulated depreciation is	<u>16,691,069</u>
	37,309,104
Pension and OPEB contributions are reported as an expense in the funds and as a deferred outflow of resources in the governmental activities in the statement of net position	1,543,506
Pension and OPEB 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	[126,289]
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	23,695,319
Temporary notes payable	3,105,000
Financed purchase payable	192,782
Interest payable	374,749
KPERS OPEB liability	119,949
Net pension liability	4,984,458
Compensated absences payable	<u>169,586</u>
	[32,641,843]
Net Position of Governmental Activities	<u>\$ 19,371,437</u>

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

CITY OF SPRING HILL, KANSAS

STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
For the Year Ended December 31, 2024

	<u>General</u>	<u>Fire Services</u>	<u>Special Highway</u>	<u>Excise Tax</u>
<b>REVENUES:</b>				
Taxes	\$ 8,065,938	\$ 1,138,465	\$ -	\$ 157,752
Special assessments	-	-	-	-
Intergovernmental	6,171	-	1,057,548	-
Fines and fees	1,894,864	-	-	-
Use of money and property	79,743	585	2,184	44,458
Miscellaneous	25,629	-	-	-
<b>Total revenues</b>	<u>10,072,345</u>	<u>1,139,050</u>	<u>1,059,732</u>	<u>202,210</u>
<b>EXPENDITURES:</b>				
Current				
General government	3,003,712	1,114,384	-	-
Public safety - law enforcement	2,653,320	-	-	-
Public safety - court services	143,357	-	-	-
Public works	1,742,625	-	67,180	-
Culture and recreation	622,607	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	14,904	-	-	-
Interest and other charges	-	-	-	-
<b>Total expenditures</b>	<u>8,180,525</u>	<u>1,114,384</u>	<u>67,180</u>	<u>-</u>
<b>Excess [deficiency] of revenues over [under] expenditures</b>	<u>1,891,820</u>	<u>24,666</u>	<u>992,552</u>	<u>202,210</u>
<b>OTHER FINANCING SOURCES [USES]</b>				
Sale of property	110,372	-	-	-
Transfers in	5,333	-	-	65,364
Transfers out	[1,431,032]	-	-	[103,700]
<b>Total other financing sources [uses]</b>	<u>[1,315,327]</u>	<u>-</u>	<u>-</u>	<u>[38,336]</u>
Net change in fund balance	576,493	24,666	992,552	163,874
Fund balance - Beginning of year	<u>1,959,908</u>	<u>94,007</u>	<u>529,324</u>	<u>1,445,879</u>
Fund balance - End of year	<u>\$ 2,536,401</u>	<u>\$ 118,673</u>	<u>\$ 1,521,876</u>	<u>\$ 1,609,753</u>

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

Debt Service	Capital Projects Infrastructure	Capital Projects Facilities	GO 2023-A	GO 2023-B Temp Note	Other Governmental Funds	Total Governmental Funds
\$ 239,076	\$ -	\$ -	\$ -	\$ -	\$ 1,117,937	\$ 10,719,168
1,293,837	-	-	-	-	-	1,293,837
-	99,017	-	-	-	167,381	1,330,117
-	-	-	-	-	-	1,894,864
870	2,355	222	3,642	1,876	59,947	195,882
-	50,000	47,852	-	-	61,630	185,111
<u>1,533,783</u>	<u>151,372</u>	<u>48,074</u>	<u>3,642</u>	<u>1,876</u>	<u>1,406,895</u>	<u>15,618,979</u>
-	-	-	-	-	267,142	4,385,238
-	-	-	-	-	10,000	2,663,320
-	-	-	-	-	-	143,357
-	-	-	-	-	45,908	1,855,713
-	-	-	-	-	22,611	645,218
-	170,872	359,887	2,273,226	1,404,432	-	4,208,417
1,800,661	-	-	-	-	-	1,815,565
1,126,719	-	-	-	-	-	1,126,719
<u>2,927,380</u>	<u>170,872</u>	<u>359,887</u>	<u>2,273,226</u>	<u>1,404,432</u>	<u>345,661</u>	<u>16,843,547</u>
<u>[1,393,597]</u>	<u>[19,500]</u>	<u>[311,813]</u>	<u>[2,269,584]</u>	<u>[1,402,556]</u>	<u>1,061,234</u>	<u>[1,224,568]</u>
-	-	-	-	-	-	110,372
1,462,646	830,689	300,000	-	-	131,553	2,795,585
-	[71,439]	[84,767]	-	[235,463]	[869,184]	[2,795,585]
<u>1,462,646</u>	<u>759,250</u>	<u>215,233</u>	<u>-</u>	<u>[235,463]</u>	<u>[737,631]</u>	<u>110,372</u>
69,049	739,750	[96,580]	[2,269,584]	[1,638,019]	323,603	[1,114,196]
468,217	1,408,912	196,169	3,091,046	2,024,840	3,182,853	14,401,155
<u>\$ 537,266</u>	<u>\$ 2,148,662</u>	<u>\$ 99,589</u>	<u>\$ 821,462</u>	<u>\$ 386,821</u>	<u>\$ 3,506,456</u>	<u>\$ 13,286,959</u>

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

CITY OF SPRING HILL, 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, 2024

Total Net Change In Fund Balances - Governmental Funds	\$ [1,114,196]
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 depreciation exceeds capital outlays in the period.	
Capital outlays	2,780,611
Depreciation expense	<u>[1,786,096]</u>
	994,515
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.	
	193,991
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	[12,559]
Some expenses reported in the statement of activities, such as other post employment benefits, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	[18,456]
Governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	156,901
Pension payments are reported as expenditures in the governmental funds and do not affect the statement of net activities.	[435,317]
Repayment of debt principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the statement of net position and does not affect the statement of activities.	<u>2,356,829</u>
Changes In Net Position of Governmental Activities	<u>\$ 2,121,708</u>

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

CITY OF SPRING HILL, KANSAS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - ACTUAL AND BUDGET  
GENERAL FUND

For the Year Ended December 31, 2024

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Original Budget	Final Budget	Variance Positive [Negative]
<b>Revenues</b>						
Taxes	\$ 8,065,938	\$ -	\$ 8,065,938	\$ 7,927,337	\$ 7,927,337	\$ 138,601
Intergovernmental	6,171	-	6,171	3,500	3,500	2,671
Fines and fees	1,894,864	-	1,894,864	805,231	805,231	1,089,633
Use of money and property	79,743	-	79,743	3,801	3,801	75,942
Miscellaneous	25,629	-	25,629	20,055	20,055	5,574
<b>Total revenues</b>	<b>10,072,345</b>	<b>-</b>	<b>10,072,345</b>	<b>8,759,924</b>	<b>8,759,924</b>	<b>1,312,421</b>
<b>Expenditures</b>						
General government	3,003,712	-	3,003,712	4,451,762	4,451,762	1,448,050
Public safety - law enforcement	2,653,320	[46,613]	2,606,707	2,685,038	2,685,038	78,331
Public safety - court services	143,357	-	143,357	128,359	128,359	[14,998]
Public works	1,742,625	-	1,742,625	1,613,864	1,613,864	[128,761]
Culture and recreation	622,607	-	622,607	421,509	421,509	[201,098]
Debt service						
Principal	14,904	-	14,904	15,117	15,117	213
<b>Total expenditures</b>	<b>8,180,525</b>	<b>[46,613]</b>	<b>8,133,912</b>	<b>9,315,649</b>	<b>9,315,649</b>	<b>1,181,737</b>
<b>Excess [deficiency] of revenues over [under] expenditures</b>	<b>1,891,820</b>	<b>46,613</b>	<b>1,938,433</b>	<b>[555,725]</b>	<b>[555,725]</b>	<b>2,494,158</b>
<b>Other financing sources [uses]</b>						
Sale of property	110,372	-	110,372	23,499	23,499	86,873
Transfers in	5,333	-	5,333	-	-	5,333
Transfers [out]	[1,431,032]	-	[1,431,032]	[712,000]	[712,000]	[719,032]
<b>Total other financing sources [uses]</b>	<b>[1,315,327]</b>	<b>-</b>	<b>[1,315,327]</b>	<b>[688,501]</b>	<b>[688,501]</b>	<b>[626,826]</b>
<b>Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]</b>	<b>576,493</b>	<b>46,613</b>	<b>623,106</b>	<b>\$[1,244,226]</b>	<b>\$[1,244,226]</b>	<b>\$ 1,867,332</b>
<b>Fund balance, January 1</b>	<b>1,959,908</b>	<b>[52,386]</b>	<b>1,907,522</b>			
<b>Fund balance, December 31</b>	<b>\$ 2,536,401</b>	<b>\$ [5,773]</b>	<b>\$ 2,530,628</b>			

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

CITY OF SPRING HILL, KANSAS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - ACTUAL AND BUDGET  
FIRE SERVICES FUND

For the Year Ended December 31, 2024

	GAAP <u>Basis</u>	Adjustments to Budgetary <u>Basis</u>	Budgetary <u>Basis</u>	Original Budget	Final Budget	Variance Positive [Negative]
Revenues						
Taxes	\$ 1,138,465	\$ -	\$ 1,138,465	\$ 1,118,579	\$ 1,118,579	\$ 19,886
Use of money and property	585	-	585	100	100	485
Total revenues	<u>1,139,050</u>	<u>-</u>	<u>1,139,050</u>	<u>1,118,679</u>	<u>1,118,679</u>	<u>20,371</u>
Expenditures						
General government						
Contractual services	1,114,384	-	1,114,384	1,198,384	1,198,384	84,000
Total expenditures	<u>1,114,384</u>	<u>-</u>	<u>1,114,384</u>	<u>1,198,384</u>	<u>1,198,384</u>	<u>84,000</u>
Excess [deficiency] of revenues over [under] expenditures	24,666	-	24,666	\$ <u>79,705</u>	\$ <u>79,705</u>	\$ <u>104,371</u>
Fund balance, January 1	<u>94,007</u>	<u>-</u>	<u>94,007</u>			
Fund balance, December 31	<u>\$ 118,673</u>	<u>\$ -</u>	<u>\$ 118,673</u>			

CITY OF SPRING HILL, KANSAS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - ACTUAL AND BUDGET  
SPECIAL HIGHWAY FUND  
For the Year Ended December 31, 2024

	GAAP <u>Basis</u>	Adjustments to Budgetary <u>Basis</u>	Budgetary <u>Basis</u>	Original Budget	Final Budget	Variance Positive [Negative]
<b>Revenues</b>						
Intergovernmental	\$ 1,057,548	\$ -	\$ 1,057,548	\$ 114,540	\$ 114,540	\$ 943,008
Use of money and property	<u>2,184</u>	<u>-</u>	<u>2,184</u>	<u>-</u>	<u>-</u>	<u>2,184</u>
<b>Total revenues</b>	<u><u>1,059,732</u></u>	<u><u>-</u></u>	<u><u>1,059,732</u></u>	<u><u>114,540</u></u>	<u><u>114,540</u></u>	<u><u>945,192</u></u>
<b>Expenditures</b>						
Highways and streets						
Commodities	53,644	-	53,644	115,000	115,000	61,356
Contractual services	643	-	643	135,000	135,000	134,357
Capital outlay	<u>12,893</u>	<u>-</u>	<u>12,893</u>	<u>565,000</u>	<u>565,000</u>	<u>552,107</u>
<b>Total expenditures</b>	<u><u>67,180</u></u>	<u><u>-</u></u>	<u><u>67,180</u></u>	<u><u>815,000</u></u>	<u><u>815,000</u></u>	<u><u>747,820</u></u>
<b>Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]</b>	992,552	-	992,552	<u>\$ [700,460]</u>	<u>\$ [700,460]</u>	<u>\$ 1,693,012</u>
<b>Fund balance, January 1</b>	<u><u>529,324</u></u>	<u><u>-</u></u>	<u><u>529,324</u></u>			
<b>Fund balance, December 31</b>	<u><u>\$ 1,521,876</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,521,876</u></u>			

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

CITY OF SPRING HILL, KANSAS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - ACTUAL AND BUDGET  
EXCISE TAX FUND

For the Year Ended December 31, 2024

	GAAP <u>Basis</u>	Adjustments to Budgetary <u>Basis</u>	Budgetary <u>Basis</u>	Original Budget	Final Budget	Variance Positive [Negative]
Revenues						
Taxes	\$ 157,752	\$ -	\$ 157,752	\$ 400,000	\$ 400,000	\$ [242,248]
Use of money and property	44,458	-	44,458	12,000	12,000	32,458
Total revenues	<u>202,210</u>	<u>-</u>	<u>202,210</u>	<u>412,000</u>	<u>412,000</u>	<u>[209,790]</u>
Expenditures						
Highways and streets	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess [deficiency] of revenues over [under] expenditures	<u>202,210</u>	<u>-</u>	<u>202,210</u>	<u>412,000</u>	<u>412,000</u>	<u>[209,790]</u>
Other financing sources [uses]						
Transfers in	65,364	-	65,364	-	-	65,364
Transfers [out]	[103,700]	-	[103,700]	[1,000,000]	[1,000,000]	896,300
Total other financing sources [uses]	<u>[38,336]</u>	<u>-</u>	<u>[38,336]</u>	<u>[1,000,000]</u>	<u>[1,000,000]</u>	<u>961,664</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	<u>163,874</u>	<u>-</u>	<u>163,874</u>	<u>\$ [588,000]</u>	<u>\$ [588,000]</u>	<u>\$ 751,874</u>
Fund balance, January 1	<u>1,445,879</u>	<u>-</u>	<u>1,445,879</u>			
Fund balance, December 31	<u>\$ 1,609,753</u>	<u>\$ -</u>	<u>\$ 1,609,753</u>			

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

CITY OF SPRING HILL, KANSAS

STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
December 31, 2024

Business-Type Activities: Enterprise Funds			
	Water	Sewer	Total Enterprise Funds
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>			
Current assets:			
Cash and cash equivalents	\$ 1,619,735	\$ 8,301,957	\$ 9,921,692
Receivables	95,306	134,071	229,377
Total current assets	<u>1,715,041</u>	<u>8,436,028</u>	<u>10,151,069</u>
Noncurrent assets:			
Capital assets, nondepreciable			
Land	-	36,281	36,281
Construction in progress	-	488,353	488,353
Capital assets, depreciable	10,613,283	23,071,484	33,684,767
Less: accumulated depreciation	[9,481,436]	[11,935,854]	[21,417,290]
Total noncurrent assets	<u>1,131,847</u>	<u>11,660,264</u>	<u>12,792,111</u>
Total assets	<u>2,846,888</u>	<u>20,096,292</u>	<u>22,943,180</u>
Deferred outflows of resources			
Pension related	22,538	31,874	54,412
Total deferred outflows of resources	<u>22,538</u>	<u>31,874</u>	<u>54,412</u>
Total assets and deferred outflows of resources	<u>\$ 2,869,426</u>	<u>\$ 20,128,166</u>	<u>\$ 22,997,592</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>			
Current liabilities (payable from current assets):			
Accounts payable	\$ 111,994	\$ 241,475	\$ 353,469
Accrued salaries payable	7,889	7,252	15,141
Accrued interest payable	-	40,750	40,750
Compensated absences payable	13,311	9,908	23,219
Current portion of financed purchases	2,815	13,135	15,950
Current portion of bonds payable	-	415,192	415,192
Total current liabilities	<u>136,009</u>	<u>727,712</u>	<u>863,721</u>
(payable from current assets):			
Noncurrent liabilities			
Financed purchases	5,842	27,265	33,107
Net pension liability	101,985	148,865	250,850
Bonds payable	-	4,281,445	4,281,445
Total noncurrent liabilities	<u>107,827</u>	<u>4,457,575</u>	<u>4,565,402</u>
Total liabilities	<u>243,836</u>	<u>5,185,287</u>	<u>5,429,123</u>
Deferred inflows of resources			
Pension related	1,036	1,005	2,041
Total deferred inflows of resources	<u>1,036</u>	<u>1,005</u>	<u>2,041</u>
Total liabilities and deferred inflows of resources	<u>\$ 244,872</u>	<u>\$ 5,186,292</u>	<u>\$ 5,431,164</u>
Net position			
Net investment in capital assets	\$ 1,123,190	\$ 6,923,227	\$ 8,046,417
Unrestricted	1,501,364	8,018,647	9,520,011
Total net position	<u>\$ 2,624,554</u>	<u>\$ 14,941,874</u>	<u>\$ 17,566,428</u>

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

CITY OF SPRING HILL, KANSAS

STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
For the Year Ended December 31, 2024

	Business-Type Activities: Enterprise Funds		
	Water	Sewer	Total Enterprise Funds
Operating revenues			
Charges for services	\$ 2,175,423	\$ 4,387,917	\$ 6,563,340
Total operating revenues	<u>2,175,423</u>	<u>4,387,917</u>	<u>6,563,340</u>
Operating expenses			
Personal services	438,263	414,709	852,972
Contractual services	403,605	352,769	756,374
Commodities	842,238	358,587	1,200,825
Depreciation	113,288	779,726	893,014
Amortization	-	[25,192]	[25,192]
Total operating expenses	<u>1,797,394</u>	<u>1,880,599</u>	<u>3,677,993</u>
Operating income [loss]	<u>378,029</u>	<u>2,507,318</u>	<u>2,885,347</u>
Nonoperating revenues [expenses]			
Interest income	4,212	191,053	195,265
Sale of assets	26,500	25,300	51,800
Interest expense	[1,646]	[129,950]	[131,596]
Total nonoperating revenues [expenses]	<u>29,066</u>	<u>86,403</u>	<u>115,469</u>
Change in net position	407,095	2,593,721	3,000,816
Net position, January 1	<u>2,217,459</u>	<u>12,348,153</u>	<u>14,565,612</u>
Net position, December 31	<u>\$ 2,624,554</u>	<u>\$ 14,941,874</u>	<u>\$ 17,566,428</u>

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

CITY OF SPRING HILL, KANSAS

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
For the Year Ended December 31, 2024

	Business-Type Activities: Enterprise Funds		
	Water	Sewer	Total Enterprise Funds
Cash flows from operating activities			
Cash received from customers	\$ 2,176,718	\$ 4,381,066	\$ 6,557,784
Cash paid to suppliers	[1,245,189]	[606,942]	[1,852,131]
Cash paid to employees	[413,137]	[391,579]	[804,716]
Net cash provided by [used in] operating activities	<u>518,392</u>	<u>3,382,545</u>	<u>3,900,937</u>
Cash flows from capital and related financing activities			
Capital expenditures	[12,199]	[1,779,860]	[1,792,059]
Interest paid on debt	[7,029]	[133,800]	[140,829]
Principal payments on financed purchases	[43,738]	[225,685]	[269,423]
Principal payments on bonds	[120,000]	[385,000]	[505,000]
Principal payments on notes	[190,142]	-	[190,142]
Net cash provided by [used in] capital and related financing activities	<u>[373,108]</u>	<u>[2,524,345]</u>	<u>[2,897,453]</u>
Cash flows from investing activities			
Interest income	4,212	191,053	195,265
Sale of assets	26,500	25,300	51,800
Net cash provided by investing activities	<u>30,712</u>	<u>216,353</u>	<u>247,065</u>
Net increase [decrease] in cash and cash equivalents	175,996	1,074,553	1,250,549
Cash and cash equivalents, January 1	<u>1,443,739</u>	<u>7,227,404</u>	<u>8,671,143</u>
Cash and cash equivalents, December 31	<u>\$ 1,619,735</u>	<u>\$ 8,301,957</u>	<u>\$ 9,921,692</u>

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

CITY OF SPRING HILL, KANSAS

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
For the Year Ended December 31, 2024

	Business-Type Activities: Enterprise Funds			Total Enterprise Funds
	Water	Sewer		
Reconciliation of operating income [loss] to net cash provided by [used in] operating activities				
Operating income [loss]	\$ 378,029	\$ 2,507,318	\$ 2,885,347	
Adjustments to reconcile operating income [loss] to net cash provided by [used in] operating activities				
Depreciation and amortization expense	113,288	754,534	867,822	
Changes in assets and liabilities				
Accounts receivable [increase] decrease	1,295	[6,851]	[5,556]	
Deferred outflows [increase] decrease	23,098	23,992	47,090	
Accounts payable increase [decrease]	654	104,414	105,068	
Accrued salaries increase [decrease]	2,122	2,242	4,364	
Net pension liability increase [decrease]	11,692	11,351	23,043	
KPERS OPEB liability increase [decrease]	[11,047]	[13,078]	[24,125]	
Deferred inflows increase [decrease]	[1,721]	[1,860]	[3,581]	
Accrued compensated absences increase [decrease]	982	483	1,465	
Net cash provided by [used in] operating activities	<u>\$ 518,392</u>	<u>\$ 3,382,545</u>	<u>\$ 3,900,937</u>	

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

CITY OF SPRING HILL, KANSAS

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2024

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The City of Spring Hill (the City) is a municipal corporation governed by a mayor and five-member council. As required by accounting principles generally accepted in the United States of America (GAAP), these financial statements present the City and any component units, entities for which the City is considered to be financially accountable. The Spring Hill Cemetery Association is considered a blended component unit of the City. The Association is a separate legal entity governed by an eight-member board, which is appointed by the City Council. The City provides a significant portion of the Association's support. The Association does not issue separate financial statements.

**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 primary government. 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. Nonmajor funds are aggregated and presented in a single column in the fund financial statements.

**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.

CITY OF SPRING HILL, KANSAS

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2024

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

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 *Fire Services Fund* is used to account for the fire services provided in a designated area within Spring Hill city limits.

The *Special Highway Fund* is used to account for the improvement of City streets.

The *Excise Tax Fund* is used to account for funds levied on the platting of real property and is a general revenue of the City.

The *Debt Service Fund* is used to account for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources and special assessment bond principal and interest from special assessment levies when the City is obligated in some manner for the payment.

The *Capital Projects Infrastructure Fund* is used to account for the public infrastructure projects that are general projects of the city with various funding sources.

The *Capital Projects Facilities Fund* is used to account for general projects related to city facilities with various funding sources.

The *GO 2023-A Fund* is used to account for specific projects related to the City's Series 2023-A general obligation bond issuance.

The *GO 2023-B Temp Note Fund* is used to account for specific projects related to the City's Series 2023-B general obligation temporary note issuance.

The City reports the following major proprietary funds:

The *Water Fund* is used to account for the activities of the City's water operations.

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

CITY OF SPRING HILL, KANSAS

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2024

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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 three months or less from the date of acquisition.

Kansas statutes authorize the City and the Cemetery Board 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. The remaining proceeds of the issuance of the certificates of participation in 1998 are invested as specified by that agreement.

**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."

Advances between funds are offset by a fund balance reserve account in applicable governmental funds to indicate they are not available for appropriation and are not expendable available financial resources.

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

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 2025.

It is not practicable to apportion delinquent taxes held by the County Treasurer at the end of the accounting period, and further, the amounts thereof are not material in relationship to the financial statements taken as a whole.

The determination of assessed valuations and the collection of property taxes for all political subdivisions in the State of Kansas is the responsibility of the various counties. The County Appraiser annually determines assessed valuations on January 1 and the County Clerk spreads the annual assessment on the tax rolls. Property taxes are levied as of December 1 and become a lien on the property as of that date. Payments are due December 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.

The County Treasurer is the tax collection agent for all taxing entities within the County. The initial distribution to the subdivisions, including the City, is on or before January 20 of the ensuing year. Additional amounts are distributed on four (4) subsequent dates throughout the calendar year.

CITY OF SPRING HILL, KANSAS

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2024

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

**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 \$2,000 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.

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

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

**4. Compensated Absences**

It is the City's policy to permit employees to accumulate earned but unused vacation pay. Vacation pay is accrued when incurred in the governmental statement of net position and the proprietary funds and reported as a fund liability.

**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.

CITY OF SPRING HILL, KANSAS

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2024

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

**6. Deferred outflows/inflows of resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City reports changes in the pension and KPERS OPEB liability proportion, changes in assumptions, differences between expected and actual experience and the net difference between projected and actual earnings on pension plan investments are reported as deferred outflows of resources in the government activities.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government funds report unavailable revenues from one source: property taxes. The government-wide statements of net position report only the unavailable revenue for property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Differences between expected and actual experience, changes in assumptions, and changes in the pension and KPERS OPEB liability proportion are reported as deferred inflows for governmental activities.

**7. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**8. Fund Balance**

In the fund financial statements, governmental funds report fund balance in the following classifications: 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. Outstanding encumbrances at year-end are reported as assigned fund balance unless they specifically meet the requirements to be committed or restricted. *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 SPRING HILL, KANSAS

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2024

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

**6. Fund Balance (Continued)**

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

	Major Governmental Funds						Capital Projects Infrastructure
	General	Fire Services	Special Highway	Excise Tax	Debt Service		
<b>Fund Balances:</b>							
Restricted for:							
Public safety	\$ -	\$ 118,673	\$ -	\$ -	\$ -	\$ -	\$ -
Economic development	-	-	-	-	-	-	-
Public works	-	-	1,521,876	-	-	-	-
Debt payments	-	-	-	-	-	537,266	-
Capital improvements	-	-	-	1,609,753	-	-	-
Cemetery operations	-	-	-	-	-	-	-
Employee benefits	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Committed for:							
Capital improvements	-	-	-	-	-	-	-
Assigned for:							
Public safety	13,139	-	-	-	-	-	-
Unassigned:	2,523,262	-	-	-	-	-	2,148,662
<b>Total Fund Balances</b>	<b>\$ 2,536,401</b>	<b>\$ 118,673</b>	<b>\$ 1,521,876</b>	<b>\$ 1,609,753</b>	<b>\$ 537,266</b>	<b>\$ 2,148,662</b>	

	Major Governmental Funds (Continued)					Total Governmental Funds
	Capital Projects	GO	2023-B	Other Governmental Funds	Total	
	Facilities	2023-A	Temp Note	Funds		
<b>Fund Balances:</b>						
Restricted for:						
Public safety	\$ -	\$ -	\$ -	\$ 44,661	\$ 163,334	
Economic development	-	-	-	88,250	88,250	
Public works	-	821,462	386,821	-	2,730,159	
Debt payments	-	-	-	1,605,851	2,143,117	
Capital improvements	99,589	-	-	[45,908]	1,663,434	
Cemetery operations	-	-	-	216,456	216,456	
Employee benefits	-	-	-	825,032	825,032	
Culture and recreation	-	-	-	701,516	701,516	
Committed for:						
Capital improvements	-	-	-	70,598	70,598	
Assigned for:						
Public safety	-	-	-	-	13,139	
Unassigned:	-	-	-	-	-	4,671,924
<b>Total Fund Balances</b>	<b>\$ 99,589</b>	<b>\$ 821,462</b>	<b>\$ 386,821</b>	<b>\$ 3,506,456</b>	<b>\$ 13,286,959</b>	

CITY OF SPRING HILL, KANSAS

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2024

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

**9. Net Position**

Net position represents the difference between assets and liabilities. Net investments 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 are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

**II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. 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 fund, 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.

If the City is holding a revenue neutral rate hearing, the budget timeline for the public hearing is adjusted to no sooner than August 20<sup>th</sup> and no later than September 20<sup>th</sup>, but at least 10 days after all statutory notification and publication requirements have been met. Municipal budgets requiring a hearing to exceed the revenue neutral rate should be adopted on or before October 1<sup>st</sup> but may not be adopted prior to the revenue neutral rate hearing. The City did hold a revenue neutral rate hearing for the 2024 budget year.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. There were no budget amendments for the year ended December 31, 2024.

The statutes permit management to transfer budgeted amounts between accounts within an individual fund. However, such statutes prohibit management from incurring expenditures in excess of the total amount of the adopted budget for expenditures of individual funds without first following the amendment procedures mentioned in the above paragraph. Budget comparison statements are presented for certain funds showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the modified accrual basis of accounting, modified further by the encumbrance method of accounting. Revenues are recognized when cash is received. 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.

CITY OF SPRING HILL, KANSAS

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2024

**II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**A. Budgetary Information (Continued)**

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						
	<u>General</u>	<u>Fire Services</u>	<u>Special Highway</u>	<u>Excise Tax</u>	<u>Debt Service</u>	<u>Capital Projects Infrastructure</u>
GAAP FUND BALANCE 12/31/2024	<u>\$ 2,536,401</u>	<u>\$ 118,673</u>	<u>\$ 1,521,876</u>	<u>\$ 1,609,753</u>	<u>\$ 537,266</u>	<u>\$ 2,148,662</u>

Adjustments:

Fund balances not subject to the Kansas Budget Law:

Capital project funds	-	-	-	-	-	[2,148,662]
Special revenue funds	-	-	-	-	-	-
Reserve for encumbrances	<u>[5,773]</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deductions	<u>[5,773]</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
BUDGETARY FUND BALANCE 12/31/2024	<u>\$ 2,530,628</u>	<u>\$ 118,673</u>	<u>\$ 1,521,876</u>	<u>\$ 1,609,753</u>	<u>\$ 537,266</u>	<u>\$ -</u>

Major Governmental Funds					
	<u>Capital Projects Facilities</u>	<u>GO 2023-A</u>	<u>GO 2023-B Temp Note</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
GAAP FUND BALANCE 12/31/2023	<u>\$ 99,589</u>	<u>\$ 821,462</u>	<u>\$ 386,821</u>	<u>\$ 3,506,456</u>	<u>\$ 13,286,959</u>

Adjustments:

Fund balances not subject to the Kansas Budget Law:

Capital project funds	<u>[99,589]</u>	<u>[821,462]</u>	<u>[386,821]</u>	-	[3,456,534]
Special revenue funds	-	-	-	<u>[1,410,514]</u>	<u>[1,410,514]</u>
Reserve for encumbrances	-	-	-	-	<u>[5,773]</u>
Total deductions	<u>[99,589]</u>	<u>[821,462]</u>	<u>[386,821]</u>	<u>[1,410,514]</u>	<u>[4,872,821]</u>
BUDGETARY FUND BALANCE 12/31/2024	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,095,942</u>	<u>\$ 8,414,138</u>

CITY OF SPRING HILL, KANSAS

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2024

**III. DETAILED NOTES ON ALL FUNDS**

**A. Deposits and Investments**

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

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

Some of the City's investments are of bond proceeds invested pursuant to K.S.A. 10-131. This statute allows additional investment authority beyond that of K.S.A. 12-1675. Investments of bond proceeds may follow K.S.A. 12-1675 or include other investments such as the KMIP, direct obligations of the U.S. government or any agency thereof, investment agreements with a financial institution the obligations of which at the time of investment are rated in either of the three highest rating categories by Moody's investors service or Standard and Poor's corporation, and various other investments as specified in K.S.A. 10-131.

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

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's deposit policy for custodial credit risk require that the depository banks will maintain 100% security in the form of FDIC coverage and pledged collateral according to K.S.A. 9-1402. All deposits were legally secured as of December 31, 2024.

**B. Receivables**

Receivables as of year-end are as follows:

	Major Governmental Funds					Other Governmental Funds	Total Primary Government
	General	Fire Services	Debt Service	Water	Sewer		
<b>Receivables:</b>							
Taxes	\$ 4,021,688	\$ -	\$ 246,855	\$ -	\$ -	\$ 41,863	\$ 4,310,406
Accounts	57,512	-	-	95,306	134,071	-	286,889
<b>Total receivables</b>	<b>\$ 4,079,200</b>	<b>\$ -</b>	<b>\$ 246,855</b>	<b>\$ 95,306</b>	<b>\$ 134,071</b>	<b>\$ 41,863</b>	<b>\$ 4,597,295</b>

CITY OF SPRING HILL, KANSAS

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2024

**III. DETAILED NOTES ON ALL FUNDS (Continued)**

**C. Capital Assets**

Capital asset activity for the year ended December 31, 2024, was as follows:

	<u>Balance</u> <u>12/31/2023</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>12/31/2024</u>
<b>City governmental activities:</b>				
Capital assets, not being depreciated				
Land	\$ 381,449	\$ -	\$ -	\$ 381,449
Construction in progress	5,324,426	2,444,491	805,821	6,963,096
Capital assets, being depreciated				
Buildings, improvements, vehicles, and equipment	<u>45,513,686</u>	<u>1,141,943</u>	<u>-</u>	<u>46,655,629</u>
Total capital assets	<u>51,219,561</u>	<u>3,586,434</u>	<u>805,821</u>	<u>54,000,174</u>
Less accumulated depreciation for:				
Buildings, improvements, vehicles, and equipment	<u>14,904,964</u>	<u>1,786,096</u>	<u>-</u>	<u>16,691,060</u>
Total accumulated depreciation	<u>14,904,964</u>	<u>1,786,096</u>	<u>-</u>	<u>16,691,060</u>
Governmental activities capital assets, net	<u>\$ 36,314,597</u>	<u>\$ 1,800,338</u>	<u>\$ 805,821</u>	<u>\$ 37,309,114</u>
<b>Business-type activities:</b>				
Capital assets, not being depreciated				
Land	\$ 36,281	\$ -	\$ -	\$ 36,281
Construction in progress	60,215	1,665,371	1,237,233	488,353
Capital assets, being depreciated				
Buildings, improvements, vehicles, and equipment	<u>32,217,243</u>	<u>1,467,525</u>	<u>-</u>	<u>33,684,768</u>
Total capital assets	<u>32,313,739</u>	<u>3,132,896</u>	<u>1,237,233</u>	<u>34,209,402</u>
Less accumulated depreciation for:				
Buildings, improvements, vehicles, and equipment	<u>20,524,277</u>	<u>893,014</u>	<u>-</u>	<u>21,417,291</u>
Total accumulated depreciation	<u>20,524,277</u>	<u>893,014</u>	<u>-</u>	<u>21,417,291</u>
Business-type activities capital assets, net	<u>\$ 11,789,462</u>	<u>\$ 2,239,882</u>	<u>\$ 1,237,233</u>	<u>\$ 12,792,111</u>

CITY OF SPRING HILL, KANSAS

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2024

**III. DETAILED NOTES ON ALL FUNDS (Continued)**

**C. Capital Assets (Continued)**

The City's depreciation expense was charged as follows:

Governmental Activities:		Business-type Activities:	
General government	\$ 251,190	Water	\$ 113,288
Public safety	115,374	Sewer	<u>779,726</u>
Highways and streets	1,381,060	Total depreciation	<u>\$ 893,014</u>
Culture and recreation	38,472		
Total depreciation	<u>\$ 1,786,096</u>		

**D. Long-term Debt**

During the year ended December 31, 2024, the following changes occurred in long term liabilities:

	Balance		Reductions	Balance		Due Within One Year
	<u>January 1, 2024</u>	<u>Additions</u>		<u>December 31, 2024</u>		
<b>Governmental Activities</b>						
General obligation bonds	\$ 23,618,113	\$ -	\$ 1,800,661	\$ 21,817,452	\$ 1,995,874	
General obligation bonds premium	2,034,767	-	156,900	1,877,869	156,616	
General obligation bonds, net	<u>25,652,880</u>	-	1,957,561	23,695,321	2,152,490	
Temporary notes	3,105,000	-	-	3,105,000	3,105,000	
Financed purchases	334,473	-	141,691	192,782	80,278	
Compensated absences *	157,027	12,559	-	169,586	169,586	
	<u>\$ 29,249,380</u>	<u>\$ 12,559</u>	<u>\$ 2,099,252</u>	<u>\$ 27,162,689</u>	<u>\$ 5,507,354</u>	
<b>Business-type Activities</b>						
General obligation bonds	\$ 4,945,000	\$ -	\$ 505,000	\$ 4,440,000	\$ 390,000	
General obligation bonds premium	281,829	-	25,192	256,637	25,192	
General obligation bonds, net	<u>5,226,829</u>	-	530,192	4,696,637	415,192	
Loans payable	190,142	-	190,142	-	-	
Financed purchases	214,878	-	165,821	49,057	15,949	
Compensated absences *	21,753	1,465	-	23,218	23,218	
	<u>\$ 10,880,431</u>	<u>\$ 1,465</u>	<u>\$ 1,416,347</u>	<u>\$ 9,465,549</u>	<u>\$ 869,551</u>	

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

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

CITY OF SPRING HILL, KANSAS

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2024

**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. These bonds generally are issued with equal amounts of principal maturing each year. General Obligation Bonds currently outstanding are as follows:

The following table details the City's outstanding general obligation bonds as of December 31, 2024:

<u>Governmental Activities</u>	<u>Date of Issuance</u>	<u>Date of Maturity</u>	<u>Interest Rates</u>	<u>Original Amount</u>	<u>Outstanding Amount</u>
2012-A general obligation	01/27/12	01/27/52	3.75%	\$ 338,385	\$ 282,452
2016-B general obligation	12/05/16	09/01/36	3.00%	4,737,942	1,713,765
2019-B general obligation & refunding	07/23/19	09/01/39	3.00 - 5.00%	11,278,755	8,565,316
2020-B general obligation refunding	11/04/20	09/01/36	2.00 - 3.00%	4,741,134	3,584,601
2021-B general obligation refunding	08/19/21	09/01/41	2.00 - 3.00%	1,729,141	1,523,520
2022-A general obligation	08/10/22	09/01/42	3.00 - 4.00%	2,905,000	2,796,268
2023-A general obligation	03/28/23	09/01/31	4.00 - 5.00%	5,145,000	5,229,399
				<u>30,875,357</u>	<u>23,695,321</u>
<u>Business-type Activities</u>					
2016-B general obligation	12/05/16	09/01/33	3.00%	4,363,776	3,056,999
2020-B general obligation refunding	11/04/20	09/01/36	2.00 - 3.00%	1,969,548	1,639,638
				<u>6,333,324</u>	<u>4,696,637</u>
				<u>\$ 68,084,038</u>	<u>\$ 52,087,279</u>

On March 28, 2023, the City issued General Obligation Bonds, Series 2023-A in the amount of \$5,145,000. Proceeds from the bonds were used to (i) finance the cost of certain main trafficway and trafficway connection improvements and to (ii) pay the cost of issuance of the bonds. The bonds require semi-annual payments, carry interest rate between 4.00% and 5.00%, and are scheduled for final maturity on September 1, 2033.

Annual debt service requirements to maturity for the City's outstanding general obligation bonds are as follows:

<u>Year Ending December 31,</u>	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 2,152,490	\$ 798,217	\$ 415,192	\$ 122,250
2026	2,242,710	716,097	430,192	110,550
2027	2,242,938	629,868	435,192	98,400
2028	2,328,176	542,131	430,192	86,100
2029	2,148,422	450,535	430,192	73,950
2030 - 2034	7,885,688	1,265,250	2,055,738	185,950
2035 - 2039	3,731,910	473,285	499,939	14,500
2040 - 2044	850,976	79,640	-	-
2045 - 2049	66,100	16,227	-	-
2050 - 2052	45,911	3,486	-	-
	<u>\$ 23,695,321</u>	<u>\$ 4,974,736</u>	<u>\$ 4,696,637</u>	<u>\$ 691,700</u>

CITY OF SPRING HILL, KANSAS

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2024

**III. DETAILED NOTES ON ALL FUNDS (Continued)**

**D. Long-term Debt (Continued)**

*Financed Purchases.* The City has entered into financed purchase agreements for the acquisition of equipment in the current and prior years.

The following lists the cost of items leased under purchase agreements as of December 31, 2024.

	Governmental Activities	Business-type Activities
	<u>Assets</u>	<u>Assets</u>
Equipment	\$ 192,782	\$ 49,057

*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 debt service 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 debt service 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.

CITY OF SPRING HILL, KANSAS

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2024

**IV. OTHER INFORMATION (Continued)**

*Conduit Debt Obligations.* From time to time, the City has issued Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity serviced by the bond issuance. Neither the City, the State of Kansas nor any political subdivision thereof is obligated in any manner for replacement of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of December 31, 2024, there was four series of Industrial Revenue Bonds outstanding, with an aggregate outstanding principal amount payable of \$34,821,673.

**IV. OTHER INFORMATION**

**A. Risk Management**

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the City carries commercial insurance. No significant reductions in insurance from that of the prior year have occurred. Settlements have not exceeded insurance coverage for each of the last three years.

**B. Defined Benefit Pension Plan**

*Description of Pension Plan.* The City participates in a cost-sharing multiple-employer pension plan (Pension Plan), as defined in Governmental Accounting Standards Board Statement No. 67, *Financial Reporting for Pension Plans*. The Pension Plan is administered by the Kansas Public Employees Retirement System (KPERS), a body corporate and an instrumentality of the State of Kansas. KPERS provides benefit provisions to the following statewide pension groups under one plan, as provided by K.S.A. 74, article 49:

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

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

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

KPERS issues a stand-alone comprehensive annual financial report, which is available on the KPERS website at [www.kpers.org](http://www.kpers.org).

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

CITY OF SPRING HILL, KANSAS

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2024

**IV. OTHER INFORMATION (Continued)**

**B. Defined Benefit Pension Plan (Continued)**

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

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

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

For all pension coverage groups, the retirement benefits are disbursed from the retirement benefit payment reserve fund as established by K.S.A. 74-4922.

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

For fiscal years beginning in 1995, Kansas legislation established statutory limits on increases in contribution rates for KPERS employers. Annual increases in the employer contribution rates related to subsequent benefit enhancements are not subject to these limitations. The statutory cap increase over the prior year contribution rate is 1.2% of total payroll for the fiscal year ended June 30, 2024.

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

	Statutory	Employer
Actuarial		
<u>Employer Rate</u>	<u>Caped Rate</u>	
Local government employees	9.26%	9.26%
Police and Firement	23.10%	23.10%

Member contribution rates as a percentage of eligible compensation for the KPERS fiscal year June 30, 2024, are 6.00% for Local employees and 7.15% for Police and Firemen.

CITY OF SPRING HILL, KANSAS

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2024

**IV. OTHER INFORMATION (Continued)**

**B. Defined Benefit Pension Plan (Continued)**

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

- State/School
- Local
- Police and Firemen
- Judges

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

The allocation percentages for the City's share of the collective pension amounts as of December 31, 2024, are based on the ratio of its contributions to the total of the employer and nonemployer contributions of the group for the fiscal years ended December 31, 2024.

The contributions used exclude contributions made for prior service, excess benefits, and irregular payments. As of June 30, 2024, the City's proportion for the Local employees group was 0.111%, which was an increase of .004% from its proportion measured as of June 30, 2023. As of June 30, 2024, the City's proportion for the Police and Firemen group was 0.181%, which was an increase of .005% from its proportion measured as of June 30, 2023.

*Net Pension Liability.* As of December 31, 2024, the City reported a liability of \$2,348,952 and \$2,886,356, respectively, for its total proportionate share of the net pension liability for the Local and Police and Firemen groups.

*Actuarial Assumptions.* The total pension liability was determined by an actuarial valuation as of December 31, 2023, which was rolled forward to June 30, 2024, using the following actuarial assumptions:

<u>Assumption</u>	<u>Rate</u>
Price inflation	2.75%
Wage inflation	3.50%
Salary increases, including wage increases	3.50 to 15.5%, including inflation
Long-term rate of return, net of investment expense, and including price inflation	7.00%

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

CITY OF SPRING HILL, KANSAS

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2024

**IV. OTHER INFORMATION (Continued)**

**B. Defined Benefit Pension Plan (Continued)**

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.

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, 2024, are summarized in the following table:

<u>Asset</u>	<u>Long-Term Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Non-U.S. Equities	43.00%	8.20%
Core Fixed Income	13.00%	2.20%
Yield Driven	12.00%	5.30%
Infrastructure	3.00%	6.80%
Real Estate	15.00%	5.70%
Alternatives	11.00%	12.00%
Short-term investments	3.00%	0.30%
<b>Total</b>	<b><u>100.00%</u></b>	

*Discount Rate.* The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the contractually required rate. The State, School and Local employers do not necessarily contribute the full actuarial determined rate. Based on legislation passed in 1993, the employer contribution rates certified by the System's Board of Trustees for these groups may not increase by more than the statutory cap. The expected KPERS employer statutory contribution was modeled for future years, assuming all actuarial assumptions are met in future years. Employers contribute the full actuarial determined rate for Police & Firemen, and Judges. Future employer contribution rates were also modeled for Police & Firemen and Judges, assuming all actuarial assumptions are met in future years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	<u>1% Decrease (6.00%)</u>	<u>Discount rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
Local	\$ 3,400,640	\$ 2,348,952	\$ 1,470,028
Police and Firemen	<u>3,948,995</u>	<u>2,886,356</u>	<u>1,997,691</u>
<b>Total</b>	<b><u>\$ 7,349,635</u></b>	<b><u>\$ 5,235,308</u></b>	<b><u>\$ 3,467,719</u></b>

CITY OF SPRING HILL, KANSAS

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2024

**IV. OTHER INFORMATION (Continued)**

**B. Defined Benefit Pension Plan (Continued)**

*Pension Expense.* For the year ended December 31, 2024, the City recognized Local pension expense of \$411,262 and Police and Firemen pension expense of \$617,999, which includes the changes in the collective net pension liability, projected earnings on pension plan investments, and the amortization of deferred outflows of resources and deferred inflows of resources for the current period.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* As of December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions for Local and Police and Firemen groups from the following sources:

	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	\$ 535,256	\$ -
Changes in proportion	242,726	[8,322]
Net difference between projected and actual earnings	28,147	-
Changes of assumptions	<u>295,714</u>	<u>-</u>
	<u>\$ 1,101,843</u>	<u>\$ [8,322]</u>

\$272,396 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, 2025. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30	Local		Police and Firemen		<u>Total</u>	
	Deferred		Deferred			
	[Inflows]	Outflows	[Inflows]	Outflows		
June 30	<u>Amount</u>		<u>Amount</u>			
2025	\$ 153,255		\$ 192,153		\$ 345,408	
2026	278,807		278,014		556,821	
2027	85,416		71,779		157,195	
2028	23,402		10,695		34,097	
2029	-		-		-	
Total	<u>\$ 540,880</u>		<u>\$ 552,641</u>		<u>\$ 1,093,521</u>	

CITY OF SPRING HILL, KANSAS

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2024

**IV. OTHER INFORMATION (Continued)**

**E. Interfund Transfers**

A reconciliation of transfers by fund for 2024 follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General	\$ 5,334	\$ 1,431,032
Excise Tax	65,364	103,700
Debt Service	1,462,646	-
Capital Projects Infrastructure	830,689	71,439
Capital Projects Facilities	300,000	84,767
GO 2023-B Temp Note	-	235,463
Other Governmental Funds	131,552	869,184
	<u>\$ 2,795,585</u>	<u>\$ 2,795,585</u>

**F. Contingent Liabilities**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of 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.

**G. Commitments**

Normal commitments have been made for future expenditures related to the City's operations. As of December 31, 2024, the City encumbered \$13,139 to be spent in 2025 on public safety equipment.

**H. Other Postemployment Benefits - KPERS**

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

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

CITY OF SPRING HILL, KANSAS

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2024

**IV. OTHER INFORMATION (Continued)**

**H. Other Postemployment Benefits – KPERS (Continued)**

The monthly long-term disability benefit is 60 percent of the member's monthly compensation, with a minimum of \$100 and a maximum of \$5,000. The monthly benefit is subject to reduction by deductible sources of income, which include Social Security primary disability or retirement benefits, workers compensation benefits, other disability benefits from any other sources by reason of employment, and earnings from any form of employment. If the disability begins before age 60, benefits are payable while the disability continues until the member's 65th birthday or retirement date, whichever occurs first. If the disability begins after age 60, benefits are payable while the disability continues, for a period of five years or until the member retires, whichever occurs first. Benefit payments for disabilities caused or contributed to by substance abuse or non-biologically based mental illnesses are limited to the shorter of the term of the disability or 24 months per lifetime.

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

*Employees covered by benefit terms.* As of December 31, 2024, the following employees were covered by the benefit terms:

Active employees	32
Disabled employees	1
Retirees and covered spouses	-
<b>Total</b>	<b>33</b>

*Total OPEB Liability.* The City's total KPERS OPEB liability of \$119,948 reported as of December 31, 2024, was measured as of June 30, 2024, and was determined by an actuarial valuation as of December 31, 2023, which was rolled forward to June 30, 2024, using the following actuarial assumptions:

Valuation date	December 31, 2023
Actuarial cost method	Entry age normal as a level percentage of payroll
Salary increases	3.00%
Discount rate	3.93%

The discount rate was based on 20-year municipal bond rate with an average rating of AA/Aa or better, obtained through the Bond Buyer General Obligation 20-Bond Municipal Index.

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-2024.

The actuarial assumptions used in the December 31, 2023, valuation were based on the results of an actuarial experience study during 2019-202. Other demographic assumptions are set to be consistent with the actuarial assumptions reflected in the most recent KPERS pension valuation as of the measurement date.

CITY OF SPRING HILL, KANSAS

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2024

**IV. OTHER INFORMATION (Continued)**

**H. Other Postemployment Benefits – KPERS (Continued)**

The changes in the total OPEB liability are as follows:

	<u>Total OPEB Liability</u>
Balance 1/1/2024	\$ 219,733
Service cost	6,802
Interest	8,106
Changes in demographics	[105,125]
Changes in assumptions	[618]
Benefit payments	[8,950]
Balance 12/31/2024	<u>\$ 119,948</u>

*Sensitivity of the total KPERS OPEB liability to changes in the discount rate.* The following presented the total KPERS OPEB liability of the City, as well as what the City's total KPERS OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.93%) or 1-percentage-point higher (4.93%) than the current discount rate:

	1% Decrease	Discount Rate	1% Increase
	<u>(2.93%)</u>	<u>(3.93%)</u>	<u>(4.93%)</u>
Total OPEB Liability	<u>\$ 124,106</u>	<u>\$ 119,948</u>	<u>\$ 115,856</u>

*Sensitivity of the total KPERS OPEB liability to changes in the healthcare cost trend rates.* The following presented the total KPERS OPEB liability of the City calculated using the current healthcare cost trend rates as well as what the City's total KPERS OPEB liability would be if it were calculated using trend rates that are 1 percentage point lower or 1 percentage point higher than the current trend rates. The reader should note that healthcare trend rates do not affect the liabilities related to the long-term disability benefits sponsored by KPERS, but this exhibit is provided as it is a required disclosure under GASB 75.

	Healthcare Cost		
	<u>1% Decrease</u>	<u>Trend Rates</u>	<u>1% Increase</u>
Total OPEB Liability	<u>\$ 119,948</u>	<u>\$ 119,948</u>	<u>\$ 119,948</u>

For the year ended December 31, 2024, the City recognized OPEB expense of \$36,705.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* As of December 31, 2024, the City reported deferred outflows and inflows related to other postemployment benefits from the following sources:

	Deferred outflows	Deferred inflows
	<u>of resources</u>	<u>of resources</u>
Changes of assumptions	\$ 1,613	\$ [12,108]
Differences between expected and actual experience	<u>207,910</u>	<u>[107,900]</u>
Total	<u>\$ 209,523</u>	<u>\$ [120,008]</u>

\$14,154 reported as deferred outflows of resources related to OPEB 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, 2025. Amounts reported as deferred outflows of resources and deferred inflows of resources related to the KPERS will be recognized in pension expense as follows:

CITY OF SPRING HILL, KANSAS

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2024

**IV. OTHER INFORMATION (Continued)**

**H. Other Postemployment Benefits – KPERS (Continued)**

Year ended <u>June 30,</u>	Deferred [Inflows] Outflows
<u>Amount</u>	
2025	\$ 14,109
2026	14,141
2027	14,473
2028	15,061
2029	15,099
Thereafter	<u>16,632</u>
<b>Total</b>	<b><u>\$ 89,515</u></b>

**I. Tax Abatements**

During 2024, the City of Spring Hill participated in real property tax abatements for two local companies. Property tax abatements are authorized under Kansas state statutes K.S.A. 12-1740 et seq. and K.S.A. 79-201a and subject to City policy.

The City provides property tax abatements to encourage existing industry to expand, assist new business start-ups, recruit new companies from out-of-state or internationally, encourage high technology and research based businesses, encourage training and development of Spring Hill area employees, and encourage location and retention of businesses which are good "corporate citizens" that will add to the quality of life in the community through leadership and support of civic and philanthropic organizations. Property tax abatements reduce ad valorem property taxes. The percentage of reduction ranges from 33% - 100% with a maximum duration for ten years as per state statute. To receive an abatement, applicants must submit an application, which undergoes due diligence and analysis before being considered by the City. If the abatement is authorized, the applicant must sign a performance agreement that specifies annual compliance measures. Each year, the applicant submits a renewal application, along with compliance information, which is reviewed by City staff for conformance with agreement provisions. If compliance is not met, appeals can be made to the City to determine the amount of incentives, if any, to be received by the property owner. The City of Spring Hill negotiates property tax abatements on an individual basis.

<b>Ad Valorem Property Tax Abatements</b>				
<b>Abatement</b>				
<b>Company</b>	<b>Start</b>	<b>End</b>	<b>%</b>	<b>2024 Tax Abated</b>
Blackhawk Apartment Homes, LLC	2018	2027	49% - 81%	\$ 47,911
Blackhawk II	2021	2030	53%	\$ 38,849
Seats, Inc*	2019	2023	50%	\$ 40,020
Seats, Inc*	2020	2024	50%	\$ 21,102
Knaebel's	2022	2031	33% - 100%	\$ 28,233
<b>Total</b>				<b>\$ 176,115</b>

\* Seats, Inc abatement subject to renewal upon agreement with the City for an additional five-year term.

CITY OF SPRING HILL, KANSAS

REQUIRED SUPPLEMENTARY INFORMATION

OTHER POSTEMPLOYMENT BENEFITS - KPERS

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

Total KPERS OPEB liability	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service cost	\$ 6,802	\$ 5,552	\$ 9,587	\$ 8,791	\$ 7,241	\$ 5,600	\$ 5,561
Interest	8,106	6,616	267	1,102	1,609	1,422	1,372
Changes in demographics	[105,125]	47,316	242,122	[10,456]	[9,226]	[31]	[8,176]
Changes in assumptions	[618]	[797]	[15,199]	52	2,734	593	[376]
Benefit payments	[8,950]	[40,234]	[76,080]	-	-	-	-
Net change in total OPEB liability	[99,785]	18,453	160,697	[511]	2,358	7,584	[1,619]
Total OPEB liability - beginning	<u>219,733</u>	<u>201,280</u>	<u>40,583</u>	<u>41,094</u>	<u>38,736</u>	<u>31,152</u>	<u>32,771</u>
Total OPEB liability - ending	<u>\$ 119,948</u>	<u>\$ 219,733</u>	<u>\$ 201,280</u>	<u>\$ 40,583</u>	<u>\$ 41,094</u>	<u>\$ 38,736</u>	<u>\$ 31,152</u>
Covered-employee payroll	<u>\$ 2,280,796</u>	<u>\$ 2,130,307</u>	<u>\$ 1,868,826</u>	<u>\$ 2,015,317</u>	<u>\$ 1,934,089</u>	<u>\$ 1,813,813</u>	<u>\$ 1,478,382</u>
Total OPEB liability as a percentage of covered-employee payroll	5.26%	10.31%	10.77%	2.01%	2.12%	2.14%	2.11%
Actuarially determined contribution	<u>\$ 25,481</u>	<u>\$ 22,408</u>	<u>\$ -</u>	<u>\$ 10,456</u>	<u>\$ 9,226</u>	<u>\$ 31</u>	<u>\$ 8,176</u>
Actual contribution	<u>\$ 25,481</u>	<u>\$ 22,408</u>	<u>\$ -</u>	<u>\$ 10,456</u>	<u>\$ 9,226</u>	<u>\$ 31</u>	<u>\$ 8,176</u>
Contributions as a percentage of covered-employee payroll	1.12%	1.05%	0.00%	0.52%	0.48%	0.00%	0.55%

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

CITY OF SPRING HILL, KANSAS  
REQUIRED SUPPLEMENTARY INFORMATION

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
City's proportion of the net pension liability										
Local	0.1106%	0.1075%	0.1005%	0.0991%	0.1014%	0.1043%	0.0886%	0.0852%	0.0876%	0.0853%
Police & Fire	0.1811%	0.1759%	0.1747%	0.1649%	0.1522%	0.1218%	0.1361%	0.1287%	0.1343%	0.1237%
City's proportionate share of the net pension liability										
Local	\$ 2,348,952	\$ 2,255,017	\$ 1,997,587	\$ 1,189,085	\$ 1,757,630	\$ 1,456,970	\$ 1,234,591	\$ 1,233,737	\$ 1,354,641	\$ 1,119,738
Police & Fire	\$ 2,886,536	\$ 2,808,790	\$ 2,520,257	\$ 1,573,912	\$ 1,877,352	\$ 1,233,127	\$ 1,309,778	\$ 1,206,608	\$ 1,247,014	\$ 898,135
City's covered employee payroll										
Local	\$ 2,348,460	\$ 2,169,753	\$ 1,913,130	\$ 2,047,130	\$ 1,842,423	\$ 1,723,890	\$ 1,506,074	\$ 1,527,671	\$ 1,430,589	\$ 1,420,633
Police & Fire	\$ 1,204,207	\$ 1,103,817	\$ 965,597	\$ 927,005	\$ 738,407	\$ 656,876	\$ 667,151	\$ 639,580	\$ 635,570	\$ 542,879
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll										
Local	100.02%	103.93%	104.41%	58.09%	95.40%	84.52%	81.97%	80.76%	94.69%	78.82%
Police & Fire	239.70%	254.46%	261.00%	169.78%	254.24%	187.73%	196.32%	188.66%	196.20%	165.44%
Plan fiduciary net position as a percentage of the total pension liability										
Local	71.71%	70.55%	70.66%	81.14%	70.77%	75.02%	72.15%	72.15%	68.55%	71.98%
Police & Fire	66.61%	64.95%	66.12%	76.09%	66.81%	71.22%	70.99%	70.99%	69.30%	74.60%

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

CITY OF SPRING HILL, KANSAS  
REQUIRED SUPPLEMENTARY INFORMATION

KPERS PENSION PLAN  
Schedule of the City's Contributions  
Last Ten Fiscal Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution										
Local	\$ 165,999	\$ 197,975	\$ 193,108	\$ 169,695	\$ 176,258	\$ 163,791	\$ 144,634	\$ 127,414	\$ 140,240	\$ 135,589
Police & Fire	\$ 308,632	\$ 275,281	\$ 253,768	\$ 220,156	\$ 203,292	\$ 163,410	\$ 131,966	\$ 126,959	\$ 130,602	\$ 135,758
Contributions in relation to the contractually required contribution										
Local	165,999	197,975	193,108	169,695	176,258	163,791	144,634	127,414	140,240	135,589
Police & Fire	308,632	275,281	253,768	220,156	203,292	163,410	131,966	126,959	130,602	135,758
Contribution deficiency [deficiency]	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -
City's covered-employee payroll										
Local	\$ 2,766,647	\$ 2,348,460	\$ 2,169,753	\$ 1,913,130	\$ 2,047,130	\$ 1,842,423	\$ 1,723,890	\$ 1,506,074	\$ 1,527,671	\$ 1,430,589
Police & Fire	\$ 1,336,071	\$ 1,204,207	\$ 1,103,817	\$ 965,597	\$ 927,005	\$ 738,407	\$ 656,876	\$ 667,151	\$ 639,580	\$ 635,570
Contributions as a percentage of covered-employee payroll										
Local	9.26%	8.43%	8.90%	8.87%	8.61%	8.89%	8.39%	8.46%	9.18%	9.48%
Police & Fire	23.10%	22.86%	22.99%	22.80%	21.93%	22.13%	20.09%	19.03%	20.42%	21.36%

CITY OF SPRING HILL, KANSAS

COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
December 31, 2024

	<u>Cemetery Taxation</u>	<u>Cemetery Reserve</u>	<u>Special Parks</u>	<u>Gift</u>
<b>Assets</b>				
Cash and cash equivalents	\$ 25,487	\$ 91,338	\$ 464,604	\$ 54,833
Receivables:				
Taxes	<u>41,863</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total assets</b>	<b><u>\$ 67,350</u></b>	<b><u>\$ 91,338</u></b>	<b><u>\$ 464,604</u></b>	<b><u>\$ 54,833</u></b>
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ 1,762
Due to other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total liabilities</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>1,762</u></b>
 Deferred inflows of resources				
Deferred revenue	<u>41,863</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total deferred inflows of resources</b>	<b><u>41,863</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
 Total liabilities and deferred inflows of resources				
	<u>41,863</u>	<u>-</u>	<u>-</u>	<u>1,762</u>
 Fund balances				
Restricted	25,487	91,338	464,604	53,071
Committed	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total fund balance</b>	<b><u>25,487</u></b>	<b><u>91,338</u></b>	<b><u>464,604</u></b>	<b><u>53,071</u></b>
 <b>Total liabilities and fund balances</b>	<b><u>\$ 67,350</u></b>	<b><u>\$ 91,338</u></b>	<b><u>\$ 464,604</u></b>	<b><u>\$ 54,833</u></b>

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

Law Enforcement Reserve	Water Feature	Sales Tax	County Special Sales Tax	Special Alcohol	Stormwater Utility	Transient Guest Tax
\$ 6,217	\$ 1,822	\$ 1,315,055	\$ 290,796	\$ 162,744	\$ -	\$ 9,871
-	-	-	-	-	-	-
\$ 6,217	\$ 1,822	\$ 1,315,055	\$ 290,796	\$ 162,744	\$ -	\$ 9,871

6,217	1,822	1,315,055	290,796	162,744	[24,688]	9,871
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>6,217</u>	<u>1,822</u>	<u>1,315,055</u>	<u>290,796</u>	<u>162,744</u>	<u>[24,688]</u>	<u>9,871</u>

CITY OF SPRING HILL, KANSAS

COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
December 31, 2024

	<u>Employee</u>				
	<u>Replacement</u>	<u>Healthcare</u>	<u>Cemetery</u>	<u>Mayor's</u>	<u>Tree</u>
	<u>Reserve</u>	<u>Reserve</u>	<u>Reserve</u>	<u>Reserve</u>	<u>Reserve</u>
<b>Assets</b>					
Cash and cash equivalents	\$ 70,598	\$ 815,807	\$ 99,631	\$ 9,293	
Receivables:					
Taxes	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total assets</b>	<b><u>\$ 70,598</u></b>	<b><u>\$ 815,807</u></b>	<b><u>\$ 99,631</u></b>	<b><u>\$ 9,293</u></b>	
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
 <b>Liabilities</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total liabilities</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
 Deferred inflows of resources					
Deferred revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total deferred inflows of resources</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
 Total liabilities and deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 <b>Fund balances</b>					
Restricted	<u>-</u>	815,807	99,631	9,293	
Committed	<u>70,598</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total fund balance</b>	<b><u>70,598</u></b>	<b><u>815,807</u></b>	<b><u>99,631</u></b>	<b><u>9,293</u></b>	
 <b>Total liabilities and fund balances</b>	<b><u>\$ 70,598</u></b>	<b><u>\$ 815,807</u></b>	<b><u>\$ 99,631</u></b>	<b><u>\$ 9,293</u></b>	

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

<u>Fire Proceeds</u>	<u>Melvin Murry Playground</u>	<u>SBD - Future Temp Note</u>	<u>Fight Addiction</u>	<u>Flex Spending</u>	<u>Economic Development</u>	<u>Totals</u>
\$ -	\$ 111	\$ -	\$ 38,444	\$ 9,225	\$ 88,250	\$ 3,554,126
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	41,863
\$ -	\$ 111	\$ -	\$ 38,444	\$ 9,225	\$ 88,250	\$ 3,595,989
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	
\$ -	\$ -	\$ 270	\$ -	\$ -	\$ -	\$ 2,032
<hr/>	<hr/>	20,950	<hr/>	<hr/>	<hr/>	45,638
<hr/>	<hr/>	21,220	<hr/>	<hr/>	<hr/>	47,670
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	41,863
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	41,863
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	89,533
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	
-	111	[21,220]	38,444	9,225	88,250	3,435,858
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	70,598
<hr/>	111	[21,220]	38,444	9,225	88,250	3,506,456
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	
\$ -	\$ 111	\$ -	\$ 38,444	\$ 9,225	\$ 88,250	\$ 3,595,989

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

CITY OF SPRING HILL, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
For the Year Ended December 31, 2024

	Cemetery <u>Taxation</u>	Cemetery <u>Reserve</u>	Special <u>Parks</u>	<u>Gift</u>
<b>Revenues</b>				
Taxes	\$ 40,508	\$ -	\$ -	\$ -
Intergovernmental	- -	- -	107,915	- -
Use of money and property	30,046	144	637	66
Miscellaneous	- -	- -	109	3,727
<b>Total revenues</b>	<b>70,554</b>	<b>144</b>	<b>108,661</b>	<b>3,793</b>
<b>Expenditures</b>				
General government	65,777	- -	- -	- -
Public safety - law enforcement	- -	- -	- -	- -
Public works	- -	- -	- -	- -
Culture and recreation	- -	- -	22,432	- -
<b>Total expenditures</b>	<b>65,777</b>	<b>- -</b>	<b>22,432</b>	<b>- -</b>
<b>Excess [deficiency] of revenues over [under] expenditures</b>	<b>4,777</b>	<b>144</b>	<b>86,229</b>	<b>3,793</b>
<b>Other financing sources and [uses]</b>				
Transfers in	- -	- -	32,986	- -
Transfers [out]	- -	- -	- -	- -
<b>Total other financing sources and [uses]</b>	<b>- -</b>	<b>- -</b>	<b>32,986</b>	<b>- -</b>
<b>Excess [deficiency] of revenues and other financing sources over [under] expenditures and other financing [uses]</b>	<b>4,777</b>	<b>144</b>	<b>119,215</b>	<b>3,793</b>
<b>Fund balances, January 1</b>	<b>20,710</b>	<b>91,194</b>	<b>345,389</b>	<b>49,278</b>
<b>Fund balances, December 31</b>	<b>\$ 25,487</b>	<b>\$ 91,338</b>	<b>\$ 464,604</b>	<b>\$ 53,071</b>

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

<u>Law Enforcement Reserve</u>	<u>Water Feature</u>	<u>Sales Tax</u>	<u>County Special Sales Tax</u>	<u>Special Alcohol</u>	<u>Stormwater Utility</u>	<u>Transient Guest Tax</u>
\$ -	\$ -	\$ 859,619	\$ 189,873	\$ 19,780	\$ -	\$ 8,157
-	-	-	-	-	-	-
10	-	26,695	405	244	-	9
-	-	-	-	-	-	-
<u>10</u>	<u>-</u>	<u>886,314</u>	<u>190,278</u>	<u>20,024</u>	<u>-</u>	<u>8,166</u>
-	-	-	-	8,798	-	-
-	-	-	-	-	-	-
-	-	-	-	-	24,688	-
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,798</u>	<u>24,688</u>	<u>-</u>
<u>10</u>	<u>-</u>	<u>886,314</u>	<u>190,278</u>	<u>11,226</u>	<u>[24,688]</u>	<u>8,166</u>
-	-	86,857	-	-	-	-
-	-	[763,050]	[100,000]	-	-	-
<u>-</u>	<u>-</u>	<u>[676,193]</u>	<u>[100,000]</u>	<u>-</u>	<u>-</u>	<u>-</u>
10	-	210,121	90,278	11,226	[24,688]	8,166
<u>6,207</u>	<u>1,822</u>	<u>1,104,934</u>	<u>200,518</u>	<u>151,518</u>	<u>-</u>	<u>1,705</u>
<u>\$ 6,217</u>	<u>\$ 1,822</u>	<u>\$ 1,315,055</u>	<u>\$ 290,796</u>	<u>\$ 162,744</u>	<u>\$ [24,688]</u>	<u>\$ 9,871</u>

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

CITY OF SPRING HILL, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
For the Year Ended December 31, 2024

	<u>Replacement Reserve</u>	<u>Employee Healthcare Reserve</u>	<u>Cemetery</u>	<u>Mayor's Tree</u>
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	- -	- -	35,000	- -
Use of money and property	157	1,267	- -	- -
Miscellaneous	- -	5,160	8,600	9,203
Total revenues	<u>157</u>	<u>6,427</u>	<u>43,600</u>	<u>9,203</u>
Expenditures				
General government	34,788	- -	71,481	5,766
Public safety - law enforcement	- -	- -	- -	- -
Public works	- -	- -	- -	- -
Culture and recreation	- -	- -	- -	- -
Total expenditures	<u>34,788</u>	<u>- -</u>	<u>71,481</u>	<u>5,766</u>
Excess [deficiency] of revenues over [under] expenditures	<u>[34,631]</u>	<u>6,427</u>	<u>[27,881]</u>	<u>3,437</u>
Other financing sources and [uses]				
Transfers in	- -	800	- -	- -
Transfers [out]	- -	- -	- -	- -
Total other financing sources and [uses]	<u>- -</u>	<u>800</u>	<u>- -</u>	<u>- -</u>
Excess [deficiency] of revenues and other financing sources over [under] expenditures and other financing [uses]	<u>[34,631]</u>	<u>7,227</u>	<u>[27,881]</u>	<u>3,437</u>
Fund balances, January 1	<u>105,229</u>	<u>808,580</u>	<u>127,512</u>	<u>5,856</u>
Fund balances, December 31	<u>\$ 70,598</u>	<u>\$ 815,807</u>	<u>\$ 99,631</u>	<u>\$ 9,293</u>

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

<u>Fire Proceeds</u>	<u>Melvin Murry Playground</u>	<u>SBD - Future Temp Note</u>	<u>Fight Addiction</u>	<u>Flex Spending</u>	<u>Economic Development</u>	<u>Totals</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,117,937
			24,466			167,381
22	-	-	51	-	194	59,947
33,143	111	-	-	1,577	-	61,630
<u>33,165</u>	<u>111</u>	<u>-</u>	<u>24,517</u>	<u>1,577</u>	<u>194</u>	<u>1,406,895</u>
 33,165	 - -	 - -	 - -	 - -	 47,367	 267,142
			10,000			10,000
		21,220	-	-	-	45,908
	179	-	-	-	-	22,611
<u>33,165</u>	<u>179</u>	<u>21,220</u>	<u>10,000</u>	<u>-</u>	<u>47,367</u>	<u>345,661</u>
 - -	 [68]	 [21,220]	 14,517	 1,577	 [47,173]	 1,061,234
 - -	 - -	 - -	 - -	 10,910	 - -	 131,553
				[6,134]		[869,184]
				4,776		[737,631]
 - -	 [68]	 [21,220]	 14,517	 6,353	 [47,173]	 323,603
 - -	 179	 - -	 23,927	 2,872	 135,423	 3,182,853
<u>\$ -</u>	<u>\$ 111</u>	<u>\$ [21,220]</u>	<u>\$ 38,444</u>	<u>\$ 9,225</u>	<u>\$ 88,250</u>	<u>\$ 3,506,456</u>

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

CITY OF SPRING HILL, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - ACTUAL AND BUDGET  
CEMETERY TAXATION FUND  
For the Year Ended December 31, 2024

	Adjustments						Variance
	GAAP <u>Basis</u>	to Budgetary <u>Basis</u>	Budgetary <u>Basis</u>	Original <u>Budget</u>	Final <u>Budget</u>		Positive [Negative]
Revenues							
Taxes	\$ 40,508	\$ -	\$ 40,508	\$ 39,271	\$ 39,271		\$ 1,237
Use of money and property	30,046	-	30,046	10	10		30,036
Total revenues	<u>70,554</u>	<u>-</u>	<u>70,554</u>	<u>39,281</u>	<u>39,281</u>		<u>31,273</u>
Expenditures							
Culture and recreation							
Contractual services	65,777	-	65,777	57,500	57,500		[8,277]
Total expenditures	<u>65,777</u>	<u>-</u>	<u>65,777</u>	<u>57,500</u>	<u>57,500</u>		<u>[8,277]</u>
Excess [deficiency] of revenues over [under] expenditures	4,777	-	4,777	\$ [18,219]	\$ [18,219]		\$ 22,996
Fund balance, January 1	<u>20,710</u>	<u>-</u>	<u>20,710</u>				
Fund balance, December 31	<u>\$ 25,487</u>	<u>\$ -</u>	<u>\$ 25,487</u>				

See independent auditor's report on the financial statements.

CITY OF SPRING HILL, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - ACTUAL AND BUDGET  
SPECIAL PARKS FUND  
For the Year Ended December 31, 2024

	GAAP <u>Basis</u>	Adjustments to Budgetary <u>Basis</u>	Budgetary <u>Basis</u>	Original <u>Budget</u>	Final <u>Budget</u>	Variance Positive [Negative]
<b>Revenues</b>						
Intergovernmental	\$ 107,915	\$ -	\$ 107,915	\$ 91,000	\$ 91,000	\$ 16,915
Miscellaneous	109	-	109	-	-	109
Use of money and property	637	-	637	200	200	437
<b>Total revenues</b>	<u>108,661</u>	<u>-</u>	<u>108,661</u>	<u>91,200</u>	<u>91,200</u>	<u>17,461</u>
<b>Expenditures</b>						
Culture and recreation						
Contractual services	-	-	-	50,000	50,000	50,000
Capital outlay	22,432	-	22,432	500,000	500,000	477,568
<b>Total expenditures</b>	<u>22,432</u>	<u>-</u>	<u>22,432</u>	<u>550,000</u>	<u>550,000</u>	<u>527,568</u>
<b>Excess [deficiency] of revenues over [under] expenditures</b>	<u>86,229</u>	<u>-</u>	<u>86,229</u>	<u>[458,800]</u>	<u>[458,800]</u>	<u>545,029</u>
<b>Other financing sources [uses]</b>						
Transfers in	32,986	-	32,986	29,000	29,000	3,986
<b>Total other financing sources [uses]</b>	<u>32,986</u>	<u>-</u>	<u>32,986</u>	<u>29,000</u>	<u>29,000</u>	<u>3,986</u>
<b>Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]</b>	<u>119,215</u>	<u>-</u>	<u>119,215</u>	<u>\$ [429,800]</u>	<u>\$ [429,800]</u>	<u>\$ 549,015</u>
<b>Fund balance, January 1</b>	<u>345,389</u>	<u>-</u>	<u>345,389</u>			
<b>Fund balance, December 31</b>	<u>\$ 464,604</u>	<u>\$ -</u>	<u>\$ 464,604</u>			

See independent auditor's report on the financial statements.

CITY OF SPRING HILL, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - ACTUAL AND BUDGET  
SALES TAX FUND  
For the Year Ended December 31, 2024

	GAAP <u>Basis</u>	Adjustments to Budgetary <u>Basis</u>	Budgetary <u>Basis</u>	Original <u>Budget</u>	Final <u>Budget</u>	Variance Positive [Negative]
<b>Revenues</b>						
Taxes	\$ 859,619	\$ -	\$ 859,619	\$ 740,000	\$ 740,000	\$ 119,619
Use of money and property	26,695	-	26,695	350	350	26,345
<b>Total revenues</b>	<u>886,314</u>	<u>-</u>	<u>886,314</u>	<u>740,350</u>	<u>740,350</u>	<u>145,964</u>
<b>Expenditures</b>						
Capital outlay	-	-	-	1,000,000	1,000,000	1,000,000
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>
<b>Excess [deficiency] of revenues over [under] expenditures</b>	<u>886,314</u>	<u>-</u>	<u>886,314</u>	<u>[259,650]</u>	<u>[259,650]</u>	<u>1,145,964</u>
<b>Other financing sources [uses]</b>						
Transfers in	86,857	-	86,857	-	-	86,857
Transfers [out]	[763,050]	-	[763,050]	[463,050]	[463,050]	[300,000]
<b>Total other financing sources [uses]</b>	<u>[676,193]</u>	<u>-</u>	<u>[676,193]</u>	<u>[463,050]</u>	<u>[463,050]</u>	<u>[213,143]</u>
<b>Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]</b>	<u>210,121</u>	<u>-</u>	<u>210,121</u>	<u>\$ [722,700]</u>	<u>\$ [722,700]</u>	<u>\$ 932,821</u>
<b>Fund balance, January 1</b>	<u>1,104,934</u>	<u>-</u>	<u>1,104,934</u>			
<b>Fund balance, December 31</b>	<u>\$ 1,315,055</u>	<u>\$ -</u>	<u>\$ 1,315,055</u>			

See independent auditor's report on the financial statements.

CITY OF SPRING HILL, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - ACTUAL AND BUDGET  
COUNTY SPECIAL SALES TAX FUND  
For the Year Ended December 31, 2024

	GAAP <u>Basis</u>	Adjustments to Budgetary <u>Basis</u>	Budgetary <u>Basis</u>	Original <u>Budget</u>	Final <u>Budget</u>	Variance Positive [Negative]
<b>Revenues</b>						
Taxes	\$ 189,873	\$ -	\$ 189,873	\$ 144,000	\$ 144,000	\$ 45,873
Use of money and property	405	-	405	70	70	335
<b>Total revenues</b>	<u>190,278</u>	<u>-</u>	<u>190,278</u>	<u>144,070</u>	<u>144,070</u>	<u>46,208</u>
<b>Expenditures</b>						
Capital outlay	-	-	-	150,000	150,000	150,000
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>
<b>Excess [deficiency] of revenues over [under] expenditures</b>	<u>190,278</u>	<u>-</u>	<u>190,278</u>	<u>[5,930]</u>	<u>[5,930]</u>	<u>196,208</u>
<b>Other financing sources [uses]</b>						
Transfers [out]	[100,000]	-	[100,000]	[100,000]	[100,000]	-
<b>Total other financing sources [uses]</b>	<u>[100,000]</u>	<u>-</u>	<u>[100,000]</u>	<u>[100,000]</u>	<u>[100,000]</u>	<u>-</u>
<b>Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]</b>	<u>90,278</u>	<u>-</u>	<u>90,278</u>	<u>\$ [105,930]</u>	<u>\$ [105,930]</u>	<u>\$ 196,208</u>
<b>Fund balance, January 1</b>	<u>200,518</u>	<u>-</u>	<u>200,518</u>			
<b>Fund balance, December 31</b>	<u>\$ 290,796</u>	<u>\$ -</u>	<u>\$ 290,796</u>			

See independent auditor's report on the financial statements.

CITY OF SPRING HILL, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - ACTUAL AND BUDGET  
DEBT SERVICE FUND  
For the Year Ended December 31, 2024

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Original Budget	Final Budget	Variance Positive [Negative]
Revenues						
Taxes	\$ 239,076	\$ -	\$ 239,076	\$ 231,529	\$ 231,529	\$ 7,547
Special assessments	1,293,837	-	1,293,837	1,190,502	1,190,502	103,335
Use of money and property	870	-	870	1,000	1,000	[130]
Total revenues	<u>1,533,783</u>	<u>-</u>	<u>1,533,783</u>	<u>1,423,031</u>	<u>1,423,031</u>	<u>110,752</u>
Expenditures						
Principal	1,800,661	-	1,800,661	3,279,951	3,279,951	1,479,290
Interest and other charges	1,126,719	-	1,126,719	232,756	232,756	[893,963]
Total expenditures	<u>2,927,380</u>	<u>-</u>	<u>2,927,380</u>	<u>3,512,707</u>	<u>3,512,707</u>	<u>585,327</u>
Excess [deficiency] of revenues over [under] expenditures	<u>[1,393,597]</u>	<u>-</u>	<u>[1,393,597]</u>	<u>[2,089,676]</u>	<u>[2,089,676]</u>	<u>696,079</u>
Other financing sources [uses]						
Transfers in	1,462,646	-	1,462,646	1,809,111	1,809,111	[346,465]
Total other financing sources [uses]	<u>1,462,646</u>	<u>-</u>	<u>1,462,646</u>	<u>1,809,111</u>	<u>1,809,111</u>	<u>[346,465]</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	69,049	-	69,049	\$ [280,565]	\$ [280,565]	\$ 349,614
Fund balance, January 1	<u>468,217</u>	<u>-</u>	<u>468,217</u>			
Fund balance, December 31	<u>\$ 537,266</u>	<u>\$ -</u>	<u>\$ 537,266</u>			

See independent auditor's report on the financial statements.