

CITY OF OVERBROOK, KANSAS

FINANCIAL STATEMENTS

Year ended December 31, 2024

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CITY OF OVERBROOK, KANSAS

FINANCIAL STATEMENTS
Year ended December 31, 2024

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INDEPENDENT AUDITOR'S REPORT

Mayor and City Council
City of Overbrook, Kansas

Adverse and Unmodified Opinions

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of Overbrook, Kansas, (the City), as of and for the year ended December 31, 2024 and the related notes to the financial statement.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis of Adverse and Unmodified Opinions" section of our report, the accompanying financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City as of December 31, 2024, or the changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City as of December 31, 2024, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

Basis for Adverse and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the *Kansas Municipal Audit and Accounting Guide*. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statement" 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 adverse and unmodified opinions.

Matter Giving Rise to Adverse Opinion on U.S. Generally Accepted Accounting Principles

As discussed in Note 1 of the financial statement, the financial statement is prepared by the City on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Responsibilities of Management for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 1; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

In preparing the financial statement, 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 Statement

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is 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 and 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 statement.

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 statement, 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 statement.
- 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 statement.
- 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget and individual fund schedules of regulatory basis receipts and expenditures-actual and budget (Schedules 1 and 2 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however, are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, 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 basic financial statement as a whole, on the basis of accounting described in Note 1.

Gordon CPA LLC

Certified Public Accountant
Lawrence, Kansas

June 18, 2025

CITY OF OVERBROOK, KANSAS
Summary Statement of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended December 31, 2024

Funds	Beginning Unencumbered Cash Balance	Prior Period Adjustment	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add: Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
General Funds:							
General	\$ 458,272	\$ -	\$ 836,817	\$ 799,246	\$ 495,843	\$ [3,921]	\$ 491,922
Special Purpose Funds:							
Public Safety	[797]	-	248,434	241,809	5,828	[2,971]	2,857
Street Maintenance	100,700	-	91,330	77,392	114,638	239	114,877
Library	-	-	113,282	113,282	-	-	-
Parks and Recreation	13,972	-	100,340	113,224	1,088	213	1,301
Special Highway	137,145	-	26,760	5,875	158,030	-	158,030
Water Reserve	73,590	-	29,868	-	103,458	-	103,458
Sewer Reserve	15,890	-	3,132	-	19,022	-	19,022
Law Equipment Reserve	9,892	-	92,640	98,759	3,773	-	3,773
Employee Benefit Reserve	22,671	-	-	1,965	20,706	[335]	20,371
Water/Sewer Debt Reserve	50,560	-	209,376	238,525	21,411	-	21,411
Equipment Reserve	56,181	-	29,928	69,797	16,312	-	16,312
Bond and Interest Funds:							
Bond and Interest	[560]	-	16,835	16,275	-	-	-
Capital Projects Funds:							
Park/Lake	22,418	-	32,024	23,269	31,173	-	31,173
Water Distribution Project	13,020	-	32,511	45,531	-	-	-
Business Funds:							
Water Utility	253,969	-	387,015	395,920	245,064	[336]	244,728
Sewer Utility	91,303	-	179,188	153,995	116,496	505	117,001
Pool	3,567	-	72,490	74,240	1,817	20	1,837
Total Primary Government	1,321,793	-	2,501,970	2,469,104	1,354,659	[6,586]	1,348,073
Related Municipal Entity:							
Overbrook Public Library	77,666	-	161,571	146,854	92,383	2,295	94,678
Total Reporting Entity	\$ 1,399,459	\$ -	\$ 2,663,541	\$ 2,615,958	\$ 1,447,042	\$ [4,291]	\$ 1,442,751

Composition of Cash:

Checking	\$ 774,882
Savings	420,974
Certificates of deposit	152,208
Checking - Library	64,971
Savings - Library	23,342
Certificates of deposit - Library	6,374
Total	<u>\$ 1,442,751</u>

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

CITY OF OVERBROOK, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

NOTE 1 - Summary of Significant Accounting Policies

Municipal Financial Reporting Entity

The City of Overbrook (the City) is a municipal corporation governed by a mayor and a five-member council. This financial statement presents the City (the primary government) and the Overbrook Public Library (the related municipal entity), for which it is considered to be financially accountable. The related municipal entity is included in the City's reporting entity because it was established to benefit the City and/or its constituents.

Library Board - The Overbrook Public Library Board operates the City's public library. Acquisition or disposition of real property by the Board must be approved by the City. Bond issuances must also be approved by the City.

Basis of Accounting

Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America. The Kansas Municipal Audit and Accounting Guide (KMAAG) regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis receipts and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

The City has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the City to use the regulatory basis of accounting.

Regulatory Basis Fund Types

General Fund - the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

Special Purpose Fund - used to account for the proceeds of specific tax levies and other specific regulatory receipt sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

Bond and Interest Fund - used to account for the accumulation of resources, including tax levies, transfers from other funds and payment of general long-term debt.

Capital Projects Fund - used to account for the debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment.

Business Fund - funds financed in whole or in part by fees charged to users of the goods or services (i.e. enterprise and internal service fund etc.)

Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), bond and interest funds, and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

CITY OF OVERBROOK, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Budgetary Information (Continued)

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in 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 notice of hearing.
4. Adoption of the final budget on or before August 25th.

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

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts 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 such budget amendments for this year.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which regulatory receipts are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for the prior year's 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. Any unused budgeted expenditure authority lapses at year end.

A legal operating budget is not required for capital projects funds and Water Reserve, Sewer Reserve, Law Equipment Reserve, Employee Benefit Reserve, Water/Sewer Debt Reserve and Equipment Reserve.

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

NOTE 2 - Deposits and Investments

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

Investments. K.S.A. 12-1675 limits the City's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The City has no investment policy that would further limit its investment choices. As of December 31, 2024, the City held no such investments.

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

CITY OF OVERBROOK, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024

NOTE 2 - Deposits and Investments (Continued)

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

As of December 31, 2024, the City's carrying amount of deposits was \$1,348,064 and the bank balance was \$1,333,889. The bank balance was held by two banks, resulting in a concentration of credit risk. Of the bank balance, \$377,183 was covered by federal depository insurance and the remaining \$956,706 was collateralized with securities held by the pledging financial institutions' agents in the City's name.

As of December 31, 2024, the Library's carrying amount of deposits was \$94,687 and the bank balance was \$99,188. The bank balance was held by one bank, resulting in a concentration of credit risk. The bank balance was covered by federal depository insurance.

Custodial credit risk - investments. For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured. The City had no such investments as of December 31, 2024.

NOTE 3 - Retirement Plan

Plan Description. The City and the Library participate in the Kansas Public Employees Retirement System (KPERS), a cost-sharing, multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et. seq. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at www.kpers.org by writing to KPERS (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Contributions. K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. K.S.A. 74-4975 establishes KP&F member-employee contribution rate at 7.15% of covered salary. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1, KPERS 2, KPERS 3 and KP&F be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate for the Death and Disability Program) and the statutory contribution rate was 9.26% for KPERS and 23.10% for KP&F for the fiscal year ended December 31, 2024. Contributions to the pension plan from the City \$25,101 for KPERS and \$15,183 for KP&F for the year ended December 31, 2024. Contributions to the pension plan from the Library were \$4,638 for the year ended December 31, 2024.

Net Pension Liability. As of December 31, 2024, the City's proportionate share of the collective net pension liability reported by KPERS was \$260,877 and \$146,920 for KP&F. As of December 31, 2024, the Library's proportionate share of the collective net pension liability reported by KPERS was \$48,199. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023, which was rolled forward to June 30, 2024. The City's and Library's

CITY OF OVERBROOK, KANSAS

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

NOTE 3 - Retirement Plan (Continued)

proportion of the net pension liability was based on the ratio of the City's and Library's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup of KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in these financial statements.

The complete actuarial valuation report, including all actuarial assumptions and methods, and the report on the allocation of the KPERS collective net pension liability to all participating employers are publicly available on the KPERS website at www.kpers.org or can be obtained as described above.

NOTE 4 - Long-Term Debt

Changes in Long-term Debt. During the year ended December 31, 2024, the following changes occurred in long-term debt:

	Beginning Principal <u>Outstanding</u>	Additions to <u>Principal</u>	Reductions of <u>Principal</u>	Ending Principal <u>Outstanding</u>	<u>Interest Paid</u>
General Obligation Bonds	\$4,362,000	\$ -	\$ 96,962	\$ 4,265,038	\$ 60,840
State Revolving Loans	225,385	-	72,126	153,259	24,873
Finance Leases	85,999	-	21,039	64,960	3,784
	<u>\$4,673,384</u>	<u>\$ -</u>	<u>\$ 190,127</u>	<u>\$ 4,483,257</u>	<u>\$ 89,497</u>

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

General Obligation <u>Bonds</u>	<u>Interest Rate</u>	Amount <u>Outstanding</u>	Original <u>Amount</u>	Date of <u>Issue</u>	Final <u>Maturity</u>
Series 2010	1.50 - 4.25%	\$ 15,000	\$ 775,000	9/1/2010	9/1/2025
Series 2023-1	1.375%	4,073,444	4,152,000	10/19/2023	10/19/2063
Series 2023-2	1.375%	176,594	180,000	10/19/2023	10/19/2063
		<u>\$ 4,265,038</u>	<u>\$5,107,000</u>		

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

Year Ending <u>December 31,</u>	<u>Principal Due</u>	<u>Interest Due</u>	<u>Total Due</u>
2025	\$ 98,089	\$ 59,075	\$ 157,164
2026	84,231	57,296	141,527
2027	85,389	56,138	141,527
2028	86,564	54,963	141,527
2029	87,754	53,773	141,527
2030 - 2034	457,204	250,431	707,635
2035 - 2039	489,515	218,121	707,636
2040 - 2044	524,107	183,528	707,635
2045 - 2049	561,144	146,491	707,635
2050 - 2054	600,798	106,837	707,635
2055 - 2059	643,254	64,381	707,635
2060 - 2063	546,989	18,928	565,917
	<u>\$ 4,265,038</u>	<u>\$ 1,269,962</u>	<u>\$ 5,535,000</u>

CITY OF OVERBROOK, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

NOTE 4 - Long-Term Debt (Continued)

Revolving Loans. State revolving loans currently outstanding are as follows:

State Revolving Loans	Interest Rate	Amount Outstanding	Original Amount	Date of Issue	Final Maturity
KS PWSLF #2989	1.50%	\$ 117,951	\$6,175,300	2/1/2023	2/1/2042
KS WPCR #C20 1587 01	3.56%	35,308	1,054,662	10/22/2004	10/22/2024
		<u>\$ 153,259</u>	<u>\$7,229,962</u>		

The annual debt service requirements to maturity for the revolving loans are as follows:

Year Ending December 31,	Principal Due	Interest Due	Total Due
2025	\$ 41,249	\$ 927	\$ 42,176
2026	6,031	823	6,854
2027	6,122	1,201	7,323
2028	6,214	1,131	7,345
2029	6,307	1,059	7,366
2030 - 2034	32,991	4,180	37,171
2035 - 2039	35,549	2,218	37,767
2040 - 2042	18,796	326	19,122
	<u>\$ 153,259</u>	<u>\$ 11,865</u>	<u>\$ 165,124</u>

Finance Leases. Finance leases currently outstanding are as follows:

Finance Leases	Interest Rate	Amount Outstanding	Original Amount	Date of Issue	Final Maturity
2021 Skid Steer	3.75%	\$ 33,653	\$ 63,782	11/4/2021	11/4/2027
2019 Ford F150	5.25%	31,307	41,749	12/21/2022	12/21/2029
		<u>\$ 64,960</u>	<u>\$105,531</u>		

The annual debt service requirements to maturity for the finance leases are as follows:

Year Ending December 31,	Principal Due	Interest Due	Total Due
2025	\$ 16,445	\$ 2,906	\$ 19,351
2026	17,146	2,205	19,351
2027	17,880	1,472	19,352
2028	6,572	710	7,282
2029	6,917	363	7,280
	<u>\$ 64,960</u>	<u>\$ 7,656</u>	<u>\$ 72,616</u>

CITY OF OVERBROOK, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

NOTE 5 - Compensated Absences

City employees receive vacation and sick leave benefits. Vacation benefits accrue on a monthly basis and an annual carryover caps the number of days transferred from year to year. Upon termination, employees are compensated for any unused vacation leave. Sick leave accrues on a monthly basis up to a maximum. Upon termination, employees are not compensated for any unused sick leave. It is the City's policy to recognize the costs of compensated absences when actually paid.

NOTE 6 - Commitments and Contingencies

The City receives significant financial assistance from numerous federal and state governmental agencies in the form of grants and state pass-through aid. The disbursements of funds received under these programs generally require compliance with terms and conditions specified in the grant agreements and are subject to audit. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on the financial statements of the City as of December 31, 2024.

NOTE 7 - Interfund Transfers

Operating transfers during the year ended December 31, 2024, were as follows:

<u>From</u>	<u>To</u>	<u>Amount</u>	<u>Regulatory Authority</u>
General	Pool	\$ 37,600	Council Motion
General	Equipment Reserve	14,988	K.S.A. 12-1,117
General	Water Reserve	24,036	K.S.A. 12-631o
General	Water Distribution Project	25,366	K.S.A. 12-1,117
General	Park/Lake	22,880	K.S.A. 12-1,118
General	Water/Sewer Debt Reserve	10,000	K.S.A. 12-1,117
General	Bond and Interest	15,298	Bond Agreement
General	Public Safety	30,000	Council Motion
General	Parks and Recreation	15,000	Council Motion
General	Law Equipment Reserve	45,000	K.S.A. 12-1,118
Public Safety	Law Equipment Reserve	6,000	K.S.A. 12-1,118
Water Utility	Bond and Interest	1,275	Bond Agreement
Water Utility	Equipment Reserve	4,980	K.S.A. 12-825d
Water Utility	Water Reserve	5,832	K.S.A. 12-825d
Water Utility	Water/Sewer Debt Reserve	77,488	K.S.A. 12-825d
Water Distribution Project	Pool	12,400	K.S.A. 12-825d
Water Distribution Project	General	24,320	Council Motion
Street Maintenance	Equipment Reserve	4,980	K.S.A. 12-1,117
Sewer Utility	Equipment Reserve	4,980	K.S.A. 12-825d
Sewer Utility	Sewer Reserve	3,132	K.S.A. 12-825d
Sewer Utility	Water/Sewer Debt Reserve	91,337	K.S.A. 12-825d
		<u>\$ 476,892</u>	

NOTE 8 - Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters, for which the City has carried commercial insurance. Settled claims resulting from these risks have not exceeded commercial insurance in any of the past three fiscal years.

CITY OF OVERBROOK, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024

NOTE 9 - Other Long-Term Obligations from Operations

Other Post-Employment Benefits. As provided by K.S.A. 12-5040, the City allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the City is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in this financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the City makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

Death and Disability Other Post-Employment Benefits. As provided by K.S.A. 74-4927, disabled members in the Kansas Public Employees Retirement System (KPERS) receive long-term disability benefits and life insurance benefits. The plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. The employer contribution rate is set at 1% for the year ended December 31, 2024.

NOTE 10 - Stewardship, Compliance, and Accountability

Expenditures in the Library Fund exceeded the adopted budget for the year ended December 31, 2024, which is a violation of K.S.A. 79-2935.

SCHEDULE 1

CITY OF OVERBROOK, KANSAS
Summary of Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024

<u>Funds</u>	<u>Certified Budget</u>	<u>Adjustment for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance Over [Under]</u>
General Funds:					
General	\$ 1,096,870	\$ -	\$ 1,096,870	\$ 799,246	\$ [297,624]
Special Purpose Funds:					
Public Safety	254,920	-	254,920	241,809	[13,111]
Street Maintenance	169,980	-	169,980	77,392	[92,588]
Library	111,000	-	111,000	113,282	2,282
Parks and Recreation	150,000	-	150,000	113,224	[36,776]
Special Highway	206,358	-	206,358	5,875	[200,483]
Bond and Interest Funds:					
Bond and Interest	19,276	-	19,276	16,275	[3,001]
Business Funds:					
Water Utility	656,828	-	656,828	395,920	[260,908]
Sewer Utility	225,383	-	225,383	153,995	[71,388]
Pool	91,188	-	91,188	74,240	[16,948]

See independent auditor's report on the financial statements.

CITY OF OVERBROOK, KANSAS
GENERAL FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024

	<u>Actual</u>	<u>Budget</u>	Variance Over [Under]
Receipts			
Taxes and shared revenue			
Ad valorem property tax	\$ 207,639	\$ 213,853	\$ [6,214]
Delinquent tax	5,444	7,000	[1,556]
Motor vehicle tax	28,079	10,246	17,833
Recreational vehicle tax	528	6	522
Commercial vehicle taxes	912	6,830	[5,918]
Franchise fees	72,120	90,000	[17,880]
Intergovernmental	4,786	-	4,786
Sales tax	261,004	290,000	[28,996]
Licenses, rent, permits	20,488	5,000	15,488
Municipal court	110,745	40,000	70,745
Interest income	6,804	4,500	2,304
Miscellaneous revenues	93,948	35,000	58,948
Operating transfers	24,320	-	24,320
Total Receipts	<u>836,817</u>	<u>\$ 702,435</u>	<u>\$ 134,382</u>
Expenditures			
Personnel services	205,450	\$ 722,000	\$ [516,550]
Commodities	27,111	-	27,111
Contractual services	286,763	-	286,763
Capital outlay	39,754	240,000	[200,246]
Operating transfers	240,168	134,870	105,298
Total Expenditures	<u>799,246</u>	<u>\$ 1,096,870</u>	<u>\$ [297,624]</u>
Receipts Over [Under] Expenditures	37,571		
Unencumbered Cash, Beginning	<u>458,272</u>		
Unencumbered Cash, Ending	<u>\$ 495,843</u>		

See independent auditor's report on the financial statements.

SCHEDULE 2 - 2

CITY OF OVERBROOK, KANSAS
PUBLIC SAFETY FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024

	<u>Actual</u>	<u>Budget</u>	Variance Over [Under]
Receipts			
Taxes and shared revenue			
Ad valorem property tax	\$ 187,613	\$ 192,873	\$ [5,260]
Delinquent tax	4,808	7,500	[2,692]
Motor vehicle tax	24,184	8,823	15,361
Recreational vehicle tax	141	6	135
Commercial vehicle tax	794	5,882	[5,088]
Miscellaneous revenues	894	-	894
Operating transfers	30,000	-	30,000
Total Receipts	<u>248,434</u>	<u>215,084</u>	<u>33,350</u>
Expenditures			
Personnel services	195,027	\$ 147,500	\$ 47,527
Commodities	17,897	30,000	[12,103]
Contractual services	13,796	25,000	[11,204]
Capital outlay	9,089	46,420	[37,331]
Operating transfers	6,000	6,000	-
Total Expenditures	<u>241,809</u>	<u>\$ 254,920</u>	<u>\$ [13,111]</u>
Receipts Over [Under] Expenditures	6,625		
Unencumbered Cash, Beginning	<u>[797]</u>		
Unencumbered Cash, Ending	<u>\$ 5,828</u>		

See independent auditor's report on the financial statements.

CITY OF OVERBROOK, KANSAS
STREET MAINTENANCE FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024

	<u>Actual</u>	<u>Budget</u>	Variance Over [Under]
Receipts			
Taxes and shared revenue			
Ad valorem property tax	\$ 74,249	\$ 79,127	\$ [4,878]
Delinquent tax	2,029	2,000	29
Motor vehicle tax	10,585	3,900	6,685
Recreational vehicle tax	199	3	196
Commercial vehicle tax	2,920	2,600	320
Miscellaneous revenues	<u>1,348</u>	<u>-</u>	<u>1,348</u>
Total Receipts	<u>91,330</u>	<u>\$ 87,630</u>	<u>\$ 3,700</u>
Expenditures			
Streets	72,412	\$ 165,000	\$ [92,588]
Operating transfers	<u>4,980</u>	<u>4,980</u>	<u>-</u>
Total Expenditures	<u>77,392</u>	<u>\$ 169,980</u>	<u>\$ [92,588]</u>
Receipts Over [Under] Expenditures	13,938		
Unencumbered Cash, Beginning	<u>100,700</u>		
Unencumbered Cash, Ending	<u>\$ 114,638</u>		

See independent auditor's report on the financial statements.

SCHEDULE 2 - 4

CITY OF OVERBROOK, KANSAS
LIBRARY FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024

	<u>Actual</u>	<u>Budget</u>	Variance Over [Under]
Receipts			
Taxes and Shared Revenue			
Ad valorem property tax	\$ 103,094	\$ 99,532	\$ 3,562
Delinquent tax	2,562	3,500	[938]
Motor vehicle tax	4,145	4,779	[634]
Recreational vehicle tax	3	3	-
Commercial vehicle tax	3,478	3,186	292
Total Receipts	<u>113,282</u>	<u>\$ 111,000</u>	<u>\$ 2,282</u>
Expenditures			
Appropriation to Library Board	<u>113,282</u>	<u>\$ 111,000</u>	<u>\$ 2,282</u>
Total Expenditures	<u>113,282</u>	<u>\$ 111,000</u>	<u>\$ 2,282</u>
Receipts Over [Under] Expenditures	-		
Unencumbered Cash, Beginning	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>		

See independent auditor's report on the financial statements.

CITY OF OVERBROOK, KANSAS
PARKS AND RECREATION FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024

	<u>Actual</u>	<u>Budget</u>	Variance Over <u>[Under]</u>
Receipts			
Taxes and Shared Revenue			
Ad valorem property tax	\$ 50,343	\$ 46,991	\$ 3,352
Delinquent tax	1,048	1,000	48
Motor vehicle tax	5,812	2,252	3,560
Recreational vehicle tax	109	2	107
Commercial vehicle tax	151	1,502	[1,351]
Charges for services	24,801	35,000	[10,199]
State aid/grants	-	3,000	[3,000]
Miscellaneous revenues	3,076	-	3,076
Operating transfers	15,000	-	15,000
Total Receipts	<u>100,340</u>	<u>\$ 89,747</u>	<u>\$ 10,593</u>
Expenditures			
General government	<u>113,224</u>	<u>\$ 150,000</u>	<u>\$ [36,776]</u>
Total Expenditures	<u>113,224</u>	<u>\$ 150,000</u>	<u>\$ [36,776]</u>
Receipts Over [Under] Expenditures	[12,884]		
Unencumbered Cash, Beginning	<u>13,972</u>		
Unencumbered Cash, Ending	<u>\$ 1,088</u>		

See independent auditor's report on the financial statements.

SCHEDULE 2 - 6

CITY OF OVERBROOK, KANSAS
SPECIAL HIGHWAY FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024

	<u>Actual</u>	<u>Budget</u>	Variance Over [Under]
Receipts			
Intergovernmental revenues	\$ 26,760	\$ 27,680	\$ [920]
Total Receipts	<u>26,760</u>	<u>\$ 27,680</u>	<u>\$ [920]</u>
Expenditures			
Contractual services	<u>5,875</u>	\$ 206,358	\$ [200,483]
Total Expenditures	<u>5,875</u>	<u>\$ 206,358</u>	<u>\$ [200,483]</u>
Receipts Over [Under] Expenditures	20,885		
Unencumbered Cash, Beginning	<u>137,145</u>		
Unencumbered Cash, Ending	<u>\$ 158,030</u>		

See independent auditor's report on the financial statements.

CITY OF OVERBROOK, KANSAS
 NON-BUDGETED SPECIAL PURPOSE FUNDS
 Schedule of Receipts and Expenditures - Actual *
 Regulatory Basis
 For the Year Ended December 31, 2024

	<u>Water Reserve</u>	<u>Sewer Reserve</u>	<u>Law Equipment Reserve</u>	<u>Employee Benefit Reserve</u>	<u>Water/Sewer Debt Reserve</u>	<u>Equipment Reserve</u>
Receipts						
Operating transfers	\$ 29,868	\$ 3,132	\$ 51,000	\$ -	\$ 178,825	\$ 29,928
Miscellaneous revenues	-	-	41,640	-	30,551	-
Total Receipts	<u>29,868</u>	<u>3,132</u>	<u>92,640</u>	<u>-</u>	<u>209,376</u>	<u>29,928</u>
Expenditures						
Contractual services	-	-	-	1,965	-	-
Capital outlay	-	-	98,759	-	-	69,797
Debt service	-	-	-	-	238,525	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>98,759</u>	<u>1,965</u>	<u>238,525</u>	<u>69,797</u>
Receipts Over [Under] Expenditures	29,868	3,132	[6,119]	[1,965]	[29,149]	[39,869]
Unencumbered Cash, Beginning	<u>73,590</u>	<u>15,890</u>	<u>9,892</u>	<u>22,671</u>	<u>50,560</u>	<u>56,181</u>
Unencumbered Cash, Ending	<u>\$ 103,458</u>	<u>\$ 19,022</u>	<u>\$ 3,773</u>	<u>\$ 20,706</u>	<u>\$ 21,411</u>	<u>\$ 16,312</u>

* These funds are not required to be budgeted.

SCHEDULE 2 - 8

CITY OF OVERBROOK, KANSAS
BOND AND INTEREST FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024

	<u>Actual</u>	<u>Budget</u>	Variance Over [Under]
Receipts			
Taxes and Shared Revenue			
Delinquent tax	\$ 227	\$ 1,600	\$ [1,373]
Intergovernmental	-	15,000	[15,000]
Miscellaneous revenues	35	-	35
Operating transfers	16,573	-	16,573
Total Receipts	<u>16,835</u>	<u>\$ 16,600</u>	<u>\$ 235</u>
Expenditures			
Debt service	16,275	\$ 16,276	\$ [1]
Cash basis reserve	-	3,000	[3,000]
Total Expenditures	<u>16,275</u>	<u>\$ 19,276</u>	<u>\$ [3,001]</u>
Receipts Over [Under] Expenditures	560		
Unencumbered Cash, Beginning, Restated	<u>[560]</u>		
Unencumbered Cash, Ending	<u>\$ -</u>		

See independent auditor's report on the financial statements.

CITY OF OVERBROOK, KANSAS
 CAPITAL PROJECTS FUNDS
 Schedule of Receipts and Expenditures - Actual *
 Regulatory Basis
 For the Year Ended December 31, 2024

	<u>Park/ Lake</u>	<u>Water Distribution Project</u>
Receipts		
Charges for services	\$ 9,144	\$ -
Miscellaneous revenues	-	7,145
Operating transfers	<u>22,880</u>	<u>25,366</u>
Total Receipts	<u>32,024</u>	<u>32,511</u>
Expenditures		
Personnel services	470	-
Commodities	8,000	-
Contractual services	14,799	-
Capital outlay	-	8,811
Operating transfers	<u>-</u>	<u>36,720</u>
Total Expenditures	<u>23,269</u>	<u>45,531</u>
Receipts Over [Under] Expenditures	8,755	[13,020]
Unencumbered Cash, Beginning	<u>22,418</u>	<u>13,020</u>
Unencumbered Cash, Ending	<u>\$ 31,173</u>	<u>\$ -</u>

* These funds are not required to be budgeted.

SCHEDULE 2 - 10

CITY OF OVERBROOK, KANSAS
WATER UTILITY FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024

	<u>Actual</u>	<u>Budget</u>	Variance Over [Under]
Receipts			
Charges for services	\$ 387,015	\$ 445,000	\$ [57,985]
Total Receipts	<u>387,015</u>	<u>445,000</u>	<u>[57,985]</u>
Expenditures			
Personnel services	\$ 78,313	\$ 135,000	\$ [56,687]
Commodities	43,889	140,000	[96,111]
Contractual services	138,994	40,000	98,994
Capital outlay	915	242,312	[241,397]
Refuse collection	44,234	75,000	[30,766]
Operating transfers	<u>89,575</u>	<u>24,516</u>	<u>65,059</u>
Total Expenditures	<u>395,920</u>	<u>\$ 656,828</u>	<u>\$ [260,908]</u>
Receipts Over [Under] Expenditures	[8,905]		
Unencumbered Cash, Beginning	<u>253,969</u>		
Unencumbered Cash, Ending	<u>\$ 245,064</u>		

See independent auditor's report on the financial statements.

CITY OF OVERBROOK, KANSAS
SEWER UTILITY FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024

	<u>Actual</u>	<u>Budget</u>	Variance Over [Under]
Receipts			
Charges for services	\$ 179,188	\$ 180,000	\$ [812]
Total Receipts	<u>179,188</u>	<u>\$ 180,000</u>	<u>\$ [812]</u>
Expenditures			
Personnel services	\$ 22,183	\$ 55,000	\$ [32,817]
Commodities	1,401	30,000	[28,599]
Contractual services	30,962	60,919	[29,957]
Operating transfers	<u>99,449</u>	<u>79,464</u>	<u>19,985</u>
Total Expenditures	<u>153,995</u>	<u>\$ 225,383</u>	<u>\$ [71,388]</u>
Receipts Over [Under] Expenditures	25,193		
Unencumbered Cash, Beginning	<u>91,303</u>		
Unencumbered Cash, Ending	<u>\$ 116,496</u>		

See independent auditor's report on the financial statements.

SCHEDULE 2 - 12

CITY OF OVERBROOK, KANSAS
 POOL FUND
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2024

	<u>Actual</u>	<u>Budget</u>	Variance Over [Under]
Receipts			
Charges for services	\$ 22,490	\$ 30,000	\$ [7,510]
Operating transfers	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Total Receipts	<u>72,490</u>	<u>\$ 80,000</u>	<u>\$ [7,510]</u>
Expenditures			
Personnel services	45,886	\$ 50,000	\$ [4,114]
Commodities	17,756	20,000	[2,244]
Contractual services	<u>10,598</u>	<u>21,188</u>	<u>[10,590]</u>
Total Expenditures	<u>74,240</u>	<u>\$ 91,188</u>	<u>\$ [16,948]</u>
Receipts Over [Under] Expenditures	[1,750]		
Unencumbered Cash, Beginning	<u>3,567</u>		
Unencumbered Cash, Ending	<u>\$ 1,817</u>		

See independent auditor's report on the financial statements.

SCHEDULE 3

CITY OF OVERBROOK, KANSAS
OVERBROOK PUBLIC LIBRARY - RELATED MUNICIPAL ENTITY
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2024

Receipts	
City appropriation	\$ 113,282
Interest	148
Donations and grants	39,006
Room rentals	4,319
Miscellaneous	<u>4,816</u>
Total Receipts	<u>161,571</u>
Expenditures	
Personnel services	12,320
Contractual services	118,160
Collection	<u>16,374</u>
Total Expenditures	<u>146,854</u>
Receipts Over [Under] Expenditures	14,717
Unencumbered Cash, Beginning	<u>77,666</u>
Unencumbered Cash, Ending	<u>\$ 92,383</u>

See independent auditor's report on the financial statements.

