# CITY OF HARPER, KANSAS

## DECEMBER 31, 2023

LINDBURG
VOGEL PIERCE FARIS
Chartered

CITY OF HARPER, KANSAS

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# INDEPENDENT AUDITORS' REPORT

The Mayor and City Council
City of Harper, Kansas

## Adverse and Unmodified Opinions

We have audited the accompanying regulatory basis summary statement of receipts, expenditures, and unencumbered cash balances of City of Harper, Kansas (the City), as of and for the year ended December 31, 2023, 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 matters discussed in the "Basis for Adverse and Unmodified Opinions on U.S. Generally Accepted Accounting Principles" 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, 2023, or changes in financial position and cash flows thereof for the year then ended.

### *Unmodified Opinion on the 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, 2023, 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—Summary of Significant Accounting Policies.

## Basis for Adverse and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, and the *Kansas Municipal Audit and Accounting Guide*. Our responsibilities under those standards are further described in the Auditors' 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 audit opinions.

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

As discussed in Note 1—Summary of Significant Accounting Policies 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 the financial statement in accordance with the regulatory basis reporting provisions in the *Kansas Municipal Audit and Accounting Guide*, as described in Note 1, to meet the financial reporting requirements of the State of Kansas; this includes determining that the regulatory basis of accounting is an acceptable basis for preparation 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.

Auditors' 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 generally accepted auditing standards (GAAS) and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements 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 generally accepted auditing standards and *Government Auditing Standards*, 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 receipts, expenditures, and unencumbered cash balance – regulatory basis (basic financial statement) as a whole. The summary of expenditures – regulatory basis – actual and budget, the individual fund schedules of receipts and expenditures – regulatory basis – actual and budget, the schedule of receipts and expenditures – regulatory basis – related municipal entities, and the agency fund schedule of receipts and disbursements – regulatory basis (Schedules 1 through 4, as listed in the table of contents) are presented for additional analysis and are not a required part of the basic financial statement; however, they are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and the supplementary information 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—Summary of Significant Accounting Policies.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report, dated May 24, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.




Certified Public Accountants

Hutchinson, Kansas
May 24, 2024

CITY OF HARPER, KANSAS

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH - REGULATORY BASIS
For Year Ended December 31, 2023



| Funds | Beginning Unencumbered Cash Balance | Receipts | Expenditures | Ending Unencumbered Cash Balance | Add Encumbrances and Accounts Payable | Ending Cash Balance |
|---|---|---|---|---|---|---|
| GENERAL FUND | $ 180,803 | $ 1,004,387 | $ 1,010,542 | $ 174,648 | $ 21,712 | $ 196,360 |
| SPECIAL PURPOSE FUNDS | | | | | | |
| Airport | 80,024 | 4,380 | 32,625 | 51,779 | 382 | 52,161 |
| Employee Benefits | 31,496 | 178,632 | 187,078 | 23,050 | 158 | 23,208 |
| Library | 1,045 | 57,631 | 57,920 | 756 | - | 756 |
| Special Parks and Recreation | 41,351 | - | - | 41,351 | - | 41,351 |
| Recreation | 730 | 44,617 | 44,750 | 597 | - | 597 |
| Transient Guest Tax | 25,746 | 31,038 | 30,878 | 25,906 | - | 25,906 |
| Police and Fire Equipment | 14,678 | 10,077 | 22,760 | 1,995 | - | 1,995 |
| Special Street and Highway | 107,194 | 341,816 | 402,497 | 46,513 | 1,484 | 47,997 |
| Equipment Reserve | 388,400 | 79,229 | 82,861 | 384,768 | - | 384,768 |
| Fire Equipment Reserve | 127,586 | 36,437 | 7,481 | 156,542 | - | 156,542 |
| Capital Improvement Program | 57,561 | 12,500 | 23,508 | 46,553 | 1,902 | 48,455 |
| Street Reserve | 89,609 | 15,000 | 58,039 | 46,570 | - | 46,570 |
| Street Improvement Sales Tax | 201,175 | 278,057 | 216,578 | 262,654 | - | 262,654 |
| Infrastructure Sales Tax | 335,140 | 498,542 | 621,065 | 212,617 | - | 212,617 |
| Economic Development Incentives | 119,898 | 85,149 | 62,750 | 142,297 | 3,495 | 145,792 |
| Cobblestone CID | 31,249 | 19,710 | - | 50,959 | - | 50,959 |
| Parks and Culture | 5,000 | - | 5,000 | - | - | - |
| Firemen's Activity | 10,965 | 200 | - | 11,165 | - | 11,165 |
| Police Activity | 5,259 | - | - | 5,259 | - | 5,259 |
| VIN Inspection | 2,138 | 1,040 | - | 3,178 | - | 3,178 |
| Diversion | 4,950 | 2,250 | - | 7,200 | - | 7,200 |
| BASE Project (ARPA Grant) | 175,886 | 212,068 | 435,564 | (47,610) | - | (47,610) |
| Community Development | 55,006 | 8,536 | 3,723 | 59,819 | - | 59,819 |
| Donations and Gifts | 1,952 | 18,924 | 18,009 | 2,867 | - | 2,867 |
| Future Community Center | 32,470 | 15,519 | - | 47,989 | - | 47,989 |
| Police Drug Seizure Trust | 885 | 5,437 | 265 | 6,057 | - | 6,057 |
| Cemetery Veteran's Memorial | 2,366 | - | 300 | 2,066 | - | 2,066 |
| TOTAL SPECIAL PURPOSE FUNDS | 1,949,759 | 1,956,789 | 2,313,651 | 1,592,897 | 7,421 | 1,600,318 |
| BOND AND INTEREST FUND | | | | | | |
| Bond and Interest | 85,675 | 49,013 | 46,195 | 88,493 | - | 88,493 |

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

CITY OF HARPER, KANSAS

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH - REGULATORY BASIS
For Year Ended December 31, 2023



| Funds | Beginning Unencumbered Cash Balance | Receipts | Expenditures | Ending Unencumbered Cash Balance | Add Encumbrances and Accounts Payable | Ending Cash Balance |
|---|---|---|---|---|---|---|
| BUSINESS FUNDS | | | | | | |
| Water Utility | | | | | | |
| Operating | $ 36,652 | $ 568,285 | $ 549,258 | $ 55,679 | $ 10,066 | $ 65,745 |
| Reserve | 205,555 | 63,268 | 121,255 | 147,568 | - | 147,568 |
| Sewer Utility | | | | | | |
| Operating | 46,291 | 259,302 | 260,637 | 44,956 | 3,359 | 48,315 |
| Reserve | 316,724 | 32,000 | 25,100 | 323,624 | - | 323,624 |
| TOTAL BUSINESS FUNDS | 605,222 | 922,855 | 956,250 | 571,827 | 13,425 | 585,252 |
| CAPITAL PROJECT FUNDS | | | | | | |
| Harper Sports Complex Improvements | 6,000 | - | 6,000 | - | - | - |
| Public Facilities Improvement | 300,101 | - | - | 300,101 | - | 300,101 |
| TOTAL CAPITAL PROJECT FUNDS | 306,101 | - | 6,000 | 300,101 | - | 300,101 |
| TRUST FUNDS | | | | | | |
| Health Insurance Savings | 13,564 | 44,885 | 44,478 | 13,971 | 942 | 14,913 |
| Cemetery Trust | 28,916 | - | - | 28,916 | - | 28,916 |
| Cemetery Endowment | 63,519 | 100 | - | 63,619 | - | 63,619 |
| TOTAL TRUST FUNDS | 105,999 | 44,985 | 44,478 | 106,506 | 942 | 107,448 |
| TOTAL CITY | 3,233,559 | 3,978,029 | 4,377,116 | 2,834,472 | 43,500 | 2,877,972 |
| RELATED MUNICIPAL ENTITIES | | | | | | |
| Harper Public Library | 71,982 | 78,691 | 95,394 | 55,279 | 1,665 | 56,944 |
| Harper Recreation Commission | 67,119 | 101,298 | 118,225 | 50,192 | - | 50,192 |
| TOTAL RELATED MUNICIPAL ENTITIES | 139,101 | 179,989 | 213,619 | 105,471 | 1,665 | 107,136 |
| TOTAL FINANCIAL REPORTING ENTITY | $ 3,372,660 | $ 4,158,018 | $ 4,590,735 | $ 2,939,943 | $ 45,165 | $ 2,985,108 |

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

CITY OF HARPER, KANSAS

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH - REGULATORY BASIS
For Year Ended December 31, 2023



| | |
|---|---|
| COMPOSITION OF CASH AND INVESTMENTS | |
| Cash and cash items | $ 300 |
| Checking accounts | 15,125 |
| Money Market accounts | 958,151 |
| Certificates of deposit | 1,924,618 |
| TOTAL PRIMARY GOVERNMENT | 2,898,194 |
| RELATED MUNICIPAL ENTITIES | |
| Harper Public Library | 56,944 |
| Harper Recreation Commission | 50,192 |
| TOTAL RELATED MUNICIPAL ENTITIES | 107,136 |
| TOTAL CASH | 3,005,330 |
| AGENCY FUNDS (Schedule 4) | (20,222) |
| TOTAL REPORTING ENTITY | $ 2,985,108 |

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

CITY OF HARPER, KANSAS

NOTES TO THE FINANCIAL STATEMENT
December 31, 2023

## NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Reporting Entity

The City of Harper, Kansas (the City) is a municipal corporation governed by an elected mayor and council. This regulatory financial statement presents the City and includes its related municipal entities. The related municipal entities discussed below are included in the City's reporting entity because of their operational or financial relationship with the City:

#### Library Board

The Harper Public Library Board operates the City's public library. The Library is a related municipal entity of the City because of their fiscal dependency. The City budgets an appropriation for the Library. Acquisition or disposition of real property by the Library Board must be approved by the City. Bond issuances must also be approved by the City.

#### Recreation Commission

The Harper Recreation Commission operates the City's recreation activities. The Recreation Commission is a related municipal entity of the City because of their fiscal dependency. The City budgets an appropriation for the Recreation Commission. The City approved a charter ordinance exempting the City from the provisions of K.S.A. 12-1926 and K.S.A. 12-1928 relating to the powers and operations of the Recreation Commission. As such, the Recreation Commission has only the powers granted by City Ordinance G-416.

### Fund Accounting

A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

### Kansas Municipal Audit and Accounting Guide Regulatory Basis of Presentation Fund Definitions

The following types of funds comprise the financial activities of the City for the year of 2023:

#### General Fund

Used to account for all unrestricted resources, except those required to be accounted for in another fund.

#### Special Purpose Funds

Used to account for the proceeds of specific tax levies and other specific revenue sources (other than capital projects 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 for the payment of interest and principal on long-term debt.

Capital Project Funds

Used to account for debt proceeds and other financial resources to be used for the acquisition of major capital facilities or equipment.

Business Funds

Funds financed in whole or in part by fees charged to users of the goods and services.

Trust Funds

Funds used to report assets held in trust for the benefit of the municipal financial reporting entity.

Agency Funds

Funds used to account for assets held by a government as an agent or in a custodial capacity.

Regulatory Basis of Accounting and Departures from Accounting Principles Generally Accepted in the United States of America

The regulatory basis of accounting provisions in the *Kansas Municipal Audit and Accounting Guide* 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 reporting the 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 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 municipality to use the regulatory basis of accounting.

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:

1. Preparation of the budget for the succeeding calendar year on or before August 1.

2. Publication in the local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5.

3. Public hearing on or before August 15, but at least ten days after publication of notice of hearing.

4. Adoption of the final budget on or before August 25.

If the municipality is holding a revenue neutral rate hearing, the budget timeline for adoption of the final budget has been adjusted to on or before September 20th. The City held a revenue neutral rate hearing as a part of the process for adoption of the 2023 budget.

The statutes allow for the governing body to increase the original 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 amended budgets for the year ended December 31, 2023.

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 prior year's accounts payable and encumbrances. Encumbrances are commitments for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budget expenditure authority lapses at year end.

A legal operating budget is not required for capital project funds, trust funds, and certain special purpose funds. 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 governing body.

Tax Cycle

The determination of assessed valuations and the collections of property taxes for all political subdivisions in the State of Kansas are the responsibility of the County. The County Appraiser annually determines assessed valuations based on real property transactions as recorded by the Register of Deeds and personal property holdings reported by taxpayers. The County Clerk spreads the annual assessment on the tax rolls and the County Treasurer collects the taxes for all taxing entities within the County.

In accordance with state statutes, property taxes levied during the current year are a revenue source to be used to finance the budget of the ensuing year. Taxes are assessed on a calendar year basis and become a lien on the property on November 1 of each year. One half of the property taxes are due December 20 prior to the fiscal year for which they are budgeted, and the second half is due the following May 10. Delinquent taxes were assessed interest as prescribed by Kansas statute. The interest is retained by the County.

Taxes levied to finance the budget are made available to the City after January 1 and are distributed by the County Treasurer. Approximately 50% of the taxes levied are available in January. Delinquent tax collections are distributed throughout the year.

Estimates

The preparation of the financial statement requires management to make estimates and assumptions that affect: (1) the reported amounts of assets and liabilities, (2) disclosures such as contingencies, and (3) the reported amounts of revenues and expenses included in such financial statement. Actual results could differ from those estimates.

Deposits and Investments

Deposits include amounts in demand deposits, time deposits, and certificates of deposit with financial institutions. K.S.A. 12-1675, authorizes the City to invest monies in temporary notes or no-fund warrants of the governmental unit; in time deposits, open accounts, or certificates of deposit with maturities not exceeding two years; repurchase agreements consisting of obligations insured by the U.S. Government or any agency thereof; U.S. Treasury bills or notes with maturities not exceeding two years, and the Kansas Municipal Investment Pool.

Cemetery Endowment Fund

The Cemetery Endowment Fund was established to provide for perpetual care and maintenance of the cemetery. The funds were invested and only the interest earned on this may be used for maintenance and upkeep of the cemetery.

## NOTE 2—STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Compliance with Kansas Statutes

The cash-basis law, K.S.A. 10-113, requires that no indebtedness be created in excess of available monies in a fund. The fund for the BASE Project (ARPA Grant) had a deficit balance at year end for expenditures that will be reimbursed in the ensuing year, a cash-basis exception.

Management was not aware of any other material statutory violations.

## NOTE 3—DEPOSITS AND INVESTMENTS

The City's policies relating to deposits and investments are governed by various Kansas statutes. Those statutes specify the type of deposits and investments as well as the securing of those deposits and investments.

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 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 Federal Deposit Insurance Corporation (FDIC) coverage.

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 (KMIP). The City has no investment policy that would further limit its investment choices.

Interest Rate Risk

In accordance with K.S.A. 12-1675, the City manages its exposure to interest rate fluctuations by limiting all time investments to maturities of two years or less. The City has no other policies that would further limit interest rate risk.

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 FDIC 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, the Federal Home Loan Bank of Topeka, or deposit guaranty bonds coverage.

At December 31, 2023, the City's carrying amount of deposits (including related municipal entities) was $3,005,030 and the bank balance was $3,064,650. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, $360,116 was covered by FDIC insurance and $2,704,534 was collateralized with securities held by the pledging financial institutions' agents in the City's name.

Custodial Credit Risk – Investments

For an investment, this is the risk that in the event of the failure of the issuer or counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes limit the amount of credit risk by restricting governments to specific investment types as listed in K.S.A. 12-1675. The City's practice is to invest funds in U.S. obligations and the KMIP.

Concentration of Credit Risk

This is the risk of loss attributed to the magnitude of a government's investment in a single issuer. 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. The City manages this risk by placing funds with financial institutions only after contacting all eligible institutions in the taxing area and monies in the KMIP are diverse according to the policies of the investment pool.

NOTE 4—LONG-TERM DEBT

At year end, the City's long-term debt consisted of the following:

| Issue | Date of Issue | Interest Rate | Amount of Issue | Year of Final Maturity |
|---|---|---|---|---|
| General Obligation Bonds | | | | |
| Fire truck, Series 2010 | 10/20/10 | 3.75% | $ 183,600 | 2025 |
| Street improvement, Series 2016A | 11/15/16 | 1.25% - 2.50% | 730,000 | 2032 |
| Public facilities and street improvements, Series 2020 | 02/04/20 | 2.00% - 2.40% | 1,300,000 | 2039 |
| Refunding, Series 2021 | 07/06/21 | 0.20% - 1.30% | 1,500,000 | 2034 |
| Firemen's Relief Association Loan Warrants | | | | |
| Loan dated March 1, 2018 | 03/01/18 | 1.00% | 50,000 | 2025 |
| Finance Leases | | | | |
| Street sweeper | 04/15/22 | 4.15% | 197,000 | 2027 |

Changes in long-term liabilities of the City for the year ended December 31, 2023, were as follows:

| Issue | Balance Beginning of Year | Additions | Reductions/ Payments | Balance End of Year | Interest Paid |
|---|---|---|---|---|---|
| General Obligation Bonds | | | | | |
| Fire truck | $ 45,200 | $ - | $ 14,500 | $ 30,700 | $ 1,695 |
| Street improvement | 520,000 | - | 45,000 | 475,000 | 11,735 |
| Public facilities and street improvements | 1,045,000 | - | 90,000 | 955,000 | 21,880 |
| Refunding | 1,315,000 | - | 180,000 | 1,135,000 | 9,818 |
| | 2,925,200 | - | 329,500 | 2,595,700 | 45,128 |
| Firemen's Relief Association Loan Warrants | | | | | |
| Loan dated March 1, 2018 | 22,001 | - | 7,261 | 14,740 | 220 |
| Finance Leases | | | | | |
| Street sweeper | 197,000 | - | 25,525 | 171,475 | 8,175 |
| | $ 3,144,201 | $ - | $ 362,286 | $ 2,781,915 | $ 53,523 |

Current maturities of principal and interest on long-term debt for the next five years and in five-year increments through maturity are as follows:

| General Obligation Bonds | Principal | Interest |
|---|---|---|
| 2024 | $ 340,100 | $ 41,569 |
| 2025 | 300,600 | 37,555 |
| 2026 | 255,000 | 33,445 |
| 2027 | 265,000 | 29,730 |
| 2028 | 265,000 | 25,710 |
| 2029-2033 | 895,000 | 69,215 |
| 2034-2038 | 235,000 | 19,415 |
| 2039 | 40,000 | 960 |
| | $ 2,595,700 | $ 257,599 |

| Firemen's Relief Association Loan Warrants | Principal | Interest |
|---|---|---|
| 2024 | $ 7,333 | $ 148 |
| 2025 | 7,407 | 74 |
| 2026 | - | - |
| 2027 | - | - |
| 2028 | - | - |
| | $ 14,740 | $ 222 |

| Finance Leases | Principal | Interest |
|---|---|---|
| 2024 | $ 26,564 | $ 7,136 |
| 2025 | 27,686 | 6,014 |
| 2026 | 28,835 | 4,865 |
| 2027 | 88,390 | 3,668 |
| 2028 | - | - |
| | $ 171,475 | $ 21,683 |

NOTE 5—INTERFUND TRANSFERS

Operating transfers were made as follows:

| From Fund | To Fund | Statutory Authority | Amount |
|---|---|---|---|
| General | Equipment Reserve | K.S.A. 12-1,117 | $ 57,576 |
| General | Fire Equipment Reserve | K.S.A. 12-1,117 | 31,437 |
| General | Capital Improvement | K.S.A. 12-1,118 | 12,500 |
| General | Street Reserve | K.S.A. 12-1,119 | 15,000 |
| General | Economic Development Incentives | Ordinance | 10,000 |
| General | Community Development | Accounting | 3,600 |
| Equipment Reserve | General | K.S.A. 12-1,117 | 35,000 |
| Police and Fire Equipment | Equipment Reserve | K.S.A. 12-1,117 | 16,500 |
| Police and Fire Equipment | Fire Equipment Reserve | K.S.A. 12-1,117 | 5,000 |
| Water Utility | Water Reserve | K.S.A. 12-825d | 57,000 |
| Sewer Utility | Sewer Reserve | K.S.A. 12-825d | 32,000 |
| Street Improvement Sales Tax | BASE Project (ARPA Grant) | Accounting | 144,200 |
| Infrastructure Sales Tax | BASE Project (ARPA Grant) | Accounting | 14,200 |
| Economic Development Incentives | BASE Project (ARPA Grant) | Accounting | 10,000 |

## NOTE 6—DEFINED BENEFIT PENSION PLAN

### Plan Description

The City participates 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 the Comprehensive Annual Financial Report, which can be found on KPERS website at www.kpers.org or 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 establishes the KPERS member-employee contribution rate at 6.00% of covered salary for KPERS 1, KPERS 2, or KPERS 3 members. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

Kansas law provides that employer contribution rates for KPERS 1, KPERS 2, and KPERS 3 be determined annually based on the results of annual actuarial valuation. The actuarially determined employer contribution rate (excluding the contribution rate for the Death and Disability program) and the statutory contribution rate for KPERS was 8.43% for the year ended December 31, 2023. Contributions to the pension plan from the City for KPERS was $61,353 for the year ended December 31, 2023.

### Net Pension Liability

At December 31, 2023, the City's proportionate share of the collective net pension liability reported by KPERS was $608,036. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022, which was rolled forward to June 30, 2023. The City's share of the allocated net pension liability is based on the ratio of the City's employer contributions to KPERS, relative to the total employer contributions and nonemployer contributions of local subgroup within KPERS.

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 website at www.kpers.org or can be obtained as described above.

## NOTE 7—OTHER LONG-TERM OBLIGATIONS

### Other Post-Employment Benefits – Death and Disability Benefits

As provided by K.S.A. 74-4927, disabled members in the Kansas Public Employees Retirement System (KPERS) receive long-term disability 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 was set at 1% for the year ended December 31, 2023.

### Compensated Absences

Under City personnel policies in effect at year end, the City is liable for payments to employees for vacation and sick pay when taken in agreement with the policy. Under certain conditions employees may carry over limited credits and may be paid for unused time at termination. The City's estimated liability for compensated absences at December 31, 2023, was $37,929.

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. The City has been unable to obtain insurance at a cost it considered to be economically justifiable. For this reason, the City joined together with other municipalities to participate in the Midwest Public Risk (MPR) and Kansas Municipal Insurance Pool (KMIP), which are public entity risk pools operating as common risk management and insurance programs for participating members.

The City pays an annual premium to MPR for property and liability insurance coverage and to KMIP for workers' compensation insurance coverage. The agreements to participate in these public entity risk pools provide that they will be self-sustaining through member premiums, and that MPR and KMIP will reinsure through commercial companies for claims in excess of specified amounts for each insured event. Additional premiums may be due if total claims for the pool are different than what has been anticipated.

The City continues to carry commercial insurance for all other risks of loss. There were no significant reductions in coverage during the past fiscal year and there were no settlements exceeding insurance coverage for each of the past three fiscal years. Medical benefits were provided to employees and their eligible dependents through commercial insurance.

NOTE 9—CONCENTRATIONS

A substantial portion of the City's water and sewer sales are to one customer. During 2023, water and sewer sales to the customer were 12.3%.

NOTE 10—CAPITAL PROJECTS

On February 4, 2020, the City issued $1,300,000 general obligation bonds for Street and Drainage Improvements, Harper Sports Complex Improvements, and Public Building Improvements.

At year end, capital project authorizations with approved change orders compared with expenditures from inception are as follows:

| | Public Facilities Improvement |
|---|---|
| Project authorization | $ 315,000 |
| Approved change orders | 8,371 |
| Less: expenditures to date | (8,270) |
| Remaining project authorization | $ 315,101 |

NOTE 11—OTHER COMMITMENTS AND CONTINGENCIES

Grant Program Involvement

The City participates in various federal and state grant programs from year to year. These grants are often subject to grantor audit or review, the purpose of which is to ensure compliance with specific conditions of the grant. Any liability for reimbursement that may arise as a result of audit or review cannot be reasonably determined at this time; however, it is believed that the amount, if any, would not be material.

BASE Grant Commitment

On April 25, 2022, the City Council committed $635,370 to the Harper County Growth Initiative Project to be funded with a $3,000,000 BASE grant awarded to the Harper County Community Foundation by the Kansas Department of Commerce with the City of Harper responsible for 47.6% of the matching costs of $635,370.

Litigation

The City may sometimes be a defendant in various legal actions pending or in process concerning personal injury, workers' compensation claims, and property damage. The ultimate liability that might result from the final resolution of these matters is not presently determinable. The financial statement does not include accruals or provisions for loss contingencies that may result from these proceedings.

Neighborhood Revitalization Program

The City participates in a neighborhood revitalization program as allowed by K.S.A. 12-17,114, et seq. Under the program, participants are provided a rebate of ad valorem taxes paid based on the increase in assessed valuation attributable to improvements made by the taxpayer after being approved for participation in the neighborhood revitalization program. For the year ended December 31, 2023, the City's neighborhood revitalization tax rebates totaled $32,473.

In 2020, the City Council approved, by ordinance, an ad valorem tax rebate program. For the year ended December 31, 2023, the City had no rebates from the ad valorem tax rebate program.

CITY OF HARPER, KANSAS

SUMMARY OF EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2023

Schedule 1

| Funds | Certified Budget | Adjustment for Qualifying Budget Credit | Total for Comparison | Expenditures Chargeable to Current Year Budget | Over (Under) Budget |
|---|---|---|---|---|---|
| GENERAL FUND | $ 1,057,745 | $ - | $ 1,057,745 | $ 1,010,542 | $ (47,203) |
| SPECIAL PURPOSE FUNDS | | | | | |
| Airport | 75,423 | - | 75,423 | 32,625 | (42,798) |
| Employee Benefits | 216,595 | - | 216,595 | 187,078 | (29,517) |
| Library | 62,750 | - | 62,750 | 57,920 | (4,830) |
| Special Parks and Recreation | 41,351 | - | 41,351 | - | (41,351) |
| Recreation | 47,300 | - | 47,300 | 44,750 | (2,550) |
| Transient Guest Tax | 43,354 | - | 43,354 | 30,878 | (12,476) |
| Police and Fire Equipment | 23,500 | - | 23,500 | 22,760 | (740) |
| Special Street and Highway | 181,561 | 300,000 | 481,561 | 402,497 | (79,064) |
| Equipment Reserve | 351,923 | - | 351,923 | 82,861 | (269,062) |
| Fire Equipment Reserve | 146,465 | - | 146,465 | 7,481 | (138,984) |
| Capital Improvement Program | 59,901 | - | 59,901 | 23,508 | (36,393) |
| Street Reserve | 82,109 | - | 82,109 | 58,039 | (24,070) |
| Street Improvement Sales Tax | 217,163 | - | 217,163 | 216,578 | (585) |
| Infrastructure Sales Tax | 303,727 | 318,126 | 621,853 | 621,065 | (788) |
| Economic Development Incentives | 89,503 | - | 89,503 | 62,750 | (26,753) |
| Cobblestone CID | 35,766 | - | 35,766 | - | (35,766) |
| BOND AND INTEREST FUND | | | | | |
| Bond and Interest | 136,295 | - | 136,295 | 46,195 | (90,100) |
| BUSINESS FUNDS | | | | | |
| Water Utility | | | | | |
| Operating | 565,394 | - | 565,394 | 549,258 | (16,136) |
| Reserve | 195,005 | - | 195,005 | 121,255 | (73,750) |
| Sewer Utility | | | | | |
| Operating | 261,028 | - | 261,028 | 260,637 | (391) |
| Reserve | 331,712 | - | 331,712 | 25,100 | (306,612) |

CITY OF HARPER, KANSAS

GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2023



| | Actual | Budget | Over (Under) Budget |
|---|---|---|---|
| RECEIPTS | | | |
| Taxes and shared revenue | | | |
| Ad valorem property tax | $ 466,034 | $ 517,847 | $ (51,813) |
| Delinquent tax | 21,876 | 9,000 | 12,876 |
| Motor vehicle tax | 42,199 | 47,000 | (4,801) |
| Recreational vehicle tax | 712 | 905 | (193) |
| 16/20M truck tax | 141 | 370 | (229) |
| Commercial vehicle registration fee | 2,518 | 1,979 | 539 |
| Local retail sales tax | 180,441 | 140,000 | 40,441 |
| Connecting links | 21,803 | 17,500 | 4,303 |
| Neighborhood revitalization | (20,860) | (20,033) | (827) |
| Licenses, fees, and permits | | | |
| Franchise fees | 125,738 | 110,000 | 15,738 |
| Liquor and CMB licenses | 630 | 380 | 250 |
| Zoning fees | 550 | 1,000 | (450) |
| Animal impound fees | 300 | 50 | 250 |
| Miscellaneous licenses, fees, and permits | 3,035 | 1,200 | 1,835 |
| Fines and forfeitures | | | |
| Municipal Court | 29,709 | 18,000 | 11,709 |
| Uses of money and property | | | |
| Interest earned | 12,679 | 4,000 | 8,679 |
| Cemetery farm rent | 6,766 | 6,766 | - |
| Charges for services | | | |
| Swimming pool receipts | 13,730 | 10,000 | 3,730 |
| Rural fire contracts | 40,688 | 51,103 | (10,415) |
| Cemetery lots and fees | 8,950 | 8,000 | 950 |
| Other | | | |
| Grants and reimbursements | 400 | 500 | (100) |
| Sale of surplus equipment and material | 501 | 250 | 251 |
| Miscellaneous | 10,847 | - | 10,847 |
| Transfer from - Equipment Reserve | 35,000 | - | 35,000 |
| TOTAL RECEIPTS | 1,004,387 | 925,817 | 78,570 |

CITY OF HARPER, KANSAS

GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2023



| | Actual | Budget | Over (Under) Budget |
|---|---|---|---|
| EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET | | | |
| Administration | | | |
| Personal services | $ 71,562 | $ 79,000 | $ (7,438) |
| Contractual services | 59,819 | 60,000 | (181) |
| Commodities | 5,849 | 10,000 | (4,151) |
| Department total | 137,230 | 149,000 | (11,770) |
| Police department | | | |
| Personal services | 180,498 | 187,000 | (6,502) |
| Contractual services | 8,718 | 7,500 | 1,218 |
| Commodities | 24,440 | 26,550 | (2,110) |
| Emergency management | - | - | - |
| Training | 1,970 | 3,000 | (1,030) |
| Code abatement | 5,571 | 5,000 | 571 |
| Department total | 221,197 | 229,050 | (7,853) |
| Municipal Court | | | |
| Personal services | 1,800 | 1,800 | - |
| Contractual services | 2,617 | 10,000 | (7,383) |
| Commodities | 43 | 500 | (457) |
| Department total | 4,460 | 12,300 | (7,840) |
| Street department | | | |
| Personal services | 172,184 | 178,000 | (5,816) |
| Contractual services | 15,334 | 15,000 | 334 |
| Commodities | 45,074 | 64,025 | (18,951) |
| Storm drainage system | 25,000 | 25,000 | - |
| Code abatement | - | 1,000 | (1,000) |
| Department total | 257,592 | 283,025 | (25,433) |
| Fire department | | | |
| Personal services | 3,751 | 4,500 | (749) |
| Contractual services | 1,832 | 7,000 | (5,168) |
| Commodities | 12,835 | 14,500 | (1,665) |
| Transfer to: | | | |
| Equipment Reserve Fund | 17,546 | 12,500 | 5,046 |
| Fire Equipment Reserve Fund | 31,437 | 51,370 | (19,933) |
| Department total | 67,401 | 89,870 | (22,469) |
| Park department | | | |
| Personal services | 7,591 | 8,960 | (1,369) |
| Contractual services | 1,996 | 2,500 | (504) |
| Commodities | 8,759 | 6,000 | 2,759 |
| Tree care | 3,351 | 5,000 | (1,649) |
| Department total | 21,697 | 22,460 | (763) |

CITY OF HARPER, KANSAS

GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2023



| | Actual | Budget | Over (Under) Budget |
|---|---|---|---|
| EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET (Continued) | | | |
| Cemetery department | | | |
| Personal services | $ 52,540 | $ 47,140 | $ 5,400 |
| Contractual services | 6,590 | 5,000 | 1,590 |
| Commodities | 9,901 | 9,000 | 901 |
| Road materials | 184 | 3,000 | (2,816) |
| Department total | 69,215 | 64,140 | 5,075 |
| Swimming pool | | | |
| Personal services | 26,949 | 33,000 | (6,051) |
| Contractual services | 5,522 | 7,800 | (2,278) |
| Commodities | 6,519 | 11,100 | (4,581) |
| Capital outlay | 1,672 | 5,000 | (3,328) |
| Department total | 40,662 | 56,900 | (16,238) |
| Utility services | | | |
| Electric | 42,515 | 54,000 | (11,485) |
| Gas | 6,769 | 7,600 | (831) |
| Telephone | 5,673 | 5,700 | (27) |
| Department total | 54,957 | 67,300 | (12,343) |
| Planning and Zoning | | | |
| Personal services | - | 4,200 | (4,200) |
| Contractual services | 1,085 | 8,500 | (7,415) |
| Comprehensive Development Plan | 41,879 | 5,000 | 36,879 |
| Department total | 42,964 | 17,700 | 25,264 |
| Other | | | |
| Condemnation | 1,096 | 11,000 | (9,904) |
| Community development | 10,971 | 15,000 | (4,029) |
| Transfer to: | | | |
| Equipment Reserve Fund | 40,000 | 15,000 | 25,000 |
| Community Development Fund | 3,600 | - | 3,600 |
| Capital Improvement Fund | 12,500 | 7,500 | 5,000 |
| Street Reserve Fund | 15,000 | 7,500 | 7,500 |
| Economic Development Incentives Fund | 10,000 | 10,000 | - |
| Other total | 93,167 | 66,000 | 27,167 |
| TOTAL EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET | 1,010,542 | 1,057,745 | (47,203) |
| RECEIPTS OVER (UNDER) EXPENDITURES | (6,155) | (131,928) | 125,773 |
| UNENCUMBERED CASH, JANUARY 1 | 180,803 | 131,928 | 48,875 |
| UNENCUMBERED CASH, DECEMBER 31 | $ 174,648 | $ - | $ 174,648 |

CITY OF HARPER, KANSAS

SPECIAL PURPOSE FUNDS

AIRPORT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2023

Schedule 2-2

| | Actual | Budget | Over (Under) Budget |
|---|---|---|---|
| RECEIPTS | | | |
| Taxes | | | |
| Ad valorem property tax | $ - | $ - | $ - |
| Delinquent tax | 365 | 100 | 265 |
| Motor vehicle tax | 448 | 500 | (52) |
| Recreational vehicle tax | 8 | 10 | (2) |
| 16/20M truck tax | 3 | 4 | (1) |
| Commercial vehicle registration fee | 27 | 21 | 6 |
| Neighborhood revitalization | - | - | - |
| Aviation fuel reimbursements | 469 | 7,000 | (6,531) |
| Rentals | 360 | 359 | 1 |
| Grants and reimbursements | - | 20,000 | (20,000) |
| Sale of crops | 2,700 | 1,000 | 1,700 |
| TOTAL RECEIPTS | 4,380 | 28,994 | (24,614) |
| EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET | | | |
| Contractual services | 4,823 | 8,000 | (3,177) |
| Commodities | 2,469 | 14,650 | (12,181) |
| Capital outlay | - | 30,773 | (30,773) |
| Airport improvements | | | |
| City match | 4,083 | 2,000 | 2,083 |
| Grant | 21,250 | 20,000 | 1,250 |
| TOTAL EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET | 32,625 | 75,423 | (42,798) |
| RECEIPTS OVER (UNDER) EXPENDITURES | (28,245) | (46,429) | 18,184 |
| UNENCUMBERED CASH, JANUARY 1 | 80,024 | 46,676 | 33,348 |
| UNENCUMBERED CASH, DECEMBER 31 | $ 51,779 | $ 247 | $ 51,532 |

CITY OF HARPER, KANSAS

SPECIAL PURPOSE FUNDS

EMPLOYEE BENEFITS FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2023

Schedule 2-3

| | Actual | Budget | Over (Under) Budget |
|---|---|---|---|
| RECEIPTS | | | |
| Taxes | | | |
| Ad valorem property tax | $ 158,281 | $ 175,882 | $ (17,601) |
| Delinquent tax | 8,356 | 3,000 | 5,356 |
| Motor vehicle tax | 17,672 | 19,682 | (2,010) |
| Recreational vehicle tax | 298 | 379 | (81) |
| 16/20M truck tax | 55 | 156 | (101) |
| Commercial vehicle registration fee | 1,055 | 829 | 226 |
| Neighborhood revitalization | (7,085) | (6,804) | (281) |
| TOTAL RECEIPTS | 178,632 | 193,124 | (14,492) |
| EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET | | | |
| Health insurance | 60,811 | 70,000 | (9,189) |
| Claims | 29,681 | 33,000 | (3,319) |
| Social Security | 37,530 | 41,000 | (3,470) |
| KPERS | 42,512 | 43,500 | (988) |
| Workers' compensation | 12,446 | 8,000 | 4,446 |
| Unemployment insurance | 618 | 1,000 | (382) |
| Other | 3,480 | 20,095 | (16,615) |
| TOTAL EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET | 187,078 | 216,595 | (29,517) |
| RECEIPTS OVER (UNDER) EXPENDITURES | (8,446) | (23,471) | 15,025 |
| UNENCUMBERED CASH, JANUARY 1 | 31,496 | 23,471 | 8,025 |
| UNENCUMBERED CASH, DECEMBER 31 | $ 23,050 | $ - | $ 23,050 |

CITY OF HARPER, KANSAS

SPECIAL PURPOSE FUNDS

LIBRARY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2023

Schedule 2-4

| | Actual | Budget | Over (Under) Budget |
|---|---|---|---|
| RECEIPTS | | | |
| Taxes | | | |
| Ad valorem property tax | $ 51,303 | $ 57,009 | $ (5,706) |
| Delinquent tax | 2,858 | 500 | 2,358 |
| Motor vehicle tax | 5,337 | 5,943 | (606) |
| Recreational vehicle tax | 90 | 115 | (25) |
| 16/20M truck tax | 21 | 47 | (26) |
| Commercial vehicle registration fee | 318 | 250 | 68 |
| Neighborhood revitalization | (2,296) | (2,205) | (91) |
| TOTAL RECEIPTS | 57,631 | 61,659 | (4,028) |
| EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET | | | |
| Appropriation to library | 57,920 | 62,000 | (4,080) |
| Insurance | - | 750 | (750) |
| TOTAL EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET | 57,920 | 62,750 | (4,830) |
| RECEIPTS OVER (UNDER) EXPENDITURES | (289) | (1,091) | 802 |
| UNENCUMBERED CASH, JANUARY 1 | 1,045 | 1,091 | (46) |
| UNENCUMBERED CASH, DECEMBER 31 | $ 756 | $ - | $ 756 |

CITY OF HARPER, KANSAS

SPECIAL PURPOSE FUNDS

SPECIAL PARKS AND RECREATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2023

Schedule 2-5

| | Actual | Budget | Over (Under) Budget |
|---|---|---|---|
| RECEIPTS | | | |
| Local alcoholic liquor tax | $ - | $ - | $ - |
| EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET | | | |
| Culture and recreation | - | 41,351 | (41,351) |
| RECEIPTS OVER (UNDER) EXPENDITURES | - | (41,351) | 41,351 |
| UNENCUMBERED CASH, JANUARY 1 | 41,351 | 41,351 | - |
| UNENCUMBERED CASH, DECEMBER 31 | $ 41,351 | $ - | $ 41,351 |

CITY OF HARPER, KANSAS

SPECIAL PURPOSE FUNDS

RECREATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2023

Schedule 2-6

| | Actual | Budget | Over (Under) Budget |
|---|---|---|---|
| RECEIPTS | | | |
| Taxes | | | |
| Ad valorem property tax | $ 39,334 | $ 42,143 | $ (2,809) |
| Delinquent tax | 1,673 | 900 | 773 |
| Motor vehicle tax | 3,298 | 4,577 | (1,279) |
| Recreational vehicle tax | 65 | 88 | (23) |
| 16/20M truck tax | 2 | 36 | (34) |
| Commercial vehicle registration fee | 245 | 193 | 52 |
| Neighborhood revitalization | - | (1,630) | 1,630 |
| TOTAL RECEIPTS | 44,617 | 46,307 | (1,690) |
| EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET | | | |
| Appropriation to Recreation Commission | 44,750 | 47,000 | (2,250) |
| Insurance | - | 300 | (300) |
| TOTAL EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET | 44,750 | 47,300 | (2,550) |
| RECEIPTS OVER (UNDER) EXPENDITURES | (133) | (993) | 860 |
| UNENCUMBERED CASH, JANUARY 1 | 730 | 993 | (263) |
| UNENCUMBERED CASH, DECEMBER 31 | $ 597 | $ - | $ 597 |

CITY OF HARPER, KANSAS

SPECIAL PURPOSE FUNDS

TRANSIENT GUEST TAX FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2023

Schedule 2-7

| | Actual | Budget | Over (Under) Budget |
|---|---|---|---|
| RECEIPTS | | | |
| Transient Guest Tax | $ 31,038 | $ 20,000 | $ 11,038 |
| EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET | | | |
| Promotion and tourism | 15,359 | 33,354 | (17,995) |
| Activity Center allocation | 15,519 | 10,000 | 5,519 |
| EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET | 30,878 | 43,354 | (12,476) |
| RECEIPTS OVER (UNDER) EXPENDITURES | 160 | (23,354) | 23,514 |
| UNENCUMBERED CASH, JANUARY 1 | 25,746 | 23,354 | 2,392 |
| UNENCUMBERED CASH, DECEMBER 31 | $ 25,906 | $ - | $ 25,906 |

CITY OF HARPER, KANSAS

SPECIAL PURPOSE FUNDS

POLICE AND FIRE EQUIPMENT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2023

Schedule 2-8

| | Actual | Budget | Over (Under) Budget |
|---|---|---|---|
| RECEIPTS | | | |
| Taxes | | | |
| Ad valorem property tax | $ 7,893 | $ 8,774 | $ (881) |
| Delinquent tax | 992 | 250 | 742 |
| Motor vehicle tax | 1,427 | 1,589 | (162) |
| Recreational vehicle tax | 24 | 31 | (7) |
| 16/20M truck tax | 9 | 13 | (4) |
| Commercial vehicle registration fee | 85 | 67 | 18 |
| Neighborhood revitalization | (353) | (339) | (14) |
| TOTAL RECEIPTS | 10,077 | 10,385 | (308) |
| EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET | | | |
| Capital outlay | 1,260 | 6,500 | (5,240) |
| Emergency Management | - | 1,000 | (1,000) |
| Transfer to: | | | |
| Equipment Reserve Fund | 16,500 | 16,000 | 500 |
| Fire Equipment Reserve Fund | 5,000 | - | 5,000 |
| TOTAL EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET | 22,760 | 23,500 | (740) |
| RECEIPTS OVER (UNDER) EXPENDITURES | (12,683) | (13,115) | 432 |
| UNENCUMBERED CASH, JANUARY 1 | 14,678 | 13,115 | 1,563 |
| UNENCUMBERED CASH, DECEMBER 31 | $ 1,995 | $ - | $ 1,995 |

CITY OF HARPER, KANSAS

SPECIAL PURPOSE FUNDS

SPECIAL STREET AND HIGHWAY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2023

Schedule 2-9

| | Actual | Budget | Over (Under) Budget |
|---|---|---|---|
| RECEIPTS | | | |
| State fuel tax | $ 34,469 | $ 36,620 | $ (2,151) |
| Connecting links | 7,347 | 5,000 | 2,347 |
| Grant proceeds | 300,000 | - | 300,000 |
| TOTAL RECEIPTS | 341,816 | 41,620 | 300,196 |
| EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET | | | |
| Streets and highway | 402,497 | 181,561 | 220,936 |
| ADJUSTMENT FOR QUALIFYING BUDGET CREDIT | - | 300,000 | (300,000) |
| TOTAL FOR COMPARISON | 402,497 | 481,561 | (79,064) |
| RECEIPTS OVER (UNDER) EXPENDITURES | (60,681) | (139,941) | 79,260 |
| UNENCUMBERED CASH, JANUARY 1 | 107,194 | 139,941 | (32,747) |
| UNENCUMBERED CASH, DECEMBER 31 | $ 46,513 | $ - | $ 46,513 |

CITY OF HARPER, KANSAS

SPECIAL PURPOSE FUNDS

EQUIPMENT RESERVE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2023

Schedule 2-10

| | Actual | Budget | Over (Under) Budget |
|---|---|---|---|
| RECEIPTS | | | |
| Transfer from: | | | |
| General Fund | $ 57,546 | $ 32,500 | $ 25,046 |
| Police and Fire Equipment Fund | 16,500 | 16,000 | 500 |
| Interest earned | 1,383 | - | 1,383 |
| Sale of surplus equipment | 3,800 | - | 3,800 |
| TOTAL RECEIPTS | 79,229 | 48,500 | 30,729 |
| EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET | | | |
| Capital outlay | 47,861 | 143,123 | (95,262) |
| Equipment replacement | - | 208,800 | (208,800) |
| Transfer to - General Fund | 35,000 | - | 35,000 |
| TOTAL EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET | 82,861 | 351,923 | (269,062) |
| RECEIPTS OVER (UNDER) EXPENDITURES | (3,632) | (303,423) | 299,791 |
| UNENCUMBERED CASH, JANUARY 1 | 388,400 | 303,423 | 84,977 |
| UNENCUMBERED CASH, DECEMBER 31 | $ 384,768 | $ - | $ 384,768 |

CITY OF HARPER, KANSAS

SPECIAL PURPOSE FUNDS

FIRE EQUIPMENT RESERVE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2023

Schedule 2-11

| | Actual | Budget | Over (Under) Budget |
|---|---|---|---|
| RECEIPTS | | | |
| Transfer from: | | | |
| General Fund | $ 31,437 | $ 51,370 | $ (19,933) |
| Police and Fire Equipment Fund | 5,000 | - | 5,000 |
| TOTAL RECEIPTS | 36,437 | 51,370 | (14,933) |
| EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET | | | |
| Capital outlay | - | 128,984 | (128,984) |
| FRA loan payments | 7,481 | 7,481 | - |
| Hydrant replacement | - | 10,000 | (10,000) |
| TOTAL EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET | 7,481 | 146,465 | (138,984) |
| RECEIPTS OVER (UNDER) EXPENDITURES | 28,956 | (95,095) | 124,051 |
| UNENCUMBERED CASH, JANUARY 1 | 127,586 | 95,095 | 32,491 |
| UNENCUMBERED CASH, DECEMBER 31 | $ 156,542 | $ - | $ 156,542 |

CITY OF HARPER, KANSAS

SPECIAL PURPOSE FUNDS

CAPITAL IMPROVEMENT PROGRAM FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2023

Schedule 2-12

| | Actual | Budget | Over (Under) Budget |
|---|---|---|---|
| RECEIPTS | | | |
| Transfer from - General Fund | $ 12,500 | $ 7,500 | $ 5,000 |
| EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET | | | |
| Capital improvements | 23,508 | 59,901 | (36,393) |
| RECEIPTS OVER (UNDER) EXPENDITURES | (11,008) | (52,401) | 41,393 |
| UNENCUMBERED CASH, JANUARY 1 | 57,561 | 52,401 | 5,160 |
| UNENCUMBERED CASH, DECEMBER 31 | $ 46,553 | $ - | $ 46,553 |

CITY OF HARPER, KANSAS

SPECIAL PURPOSE FUNDS

STREET RESERVE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2023

Schedule 2-13

| | Actual | Budget | Over (Under) Budget |
|---|---|---|---|
| RECEIPTS | | | |
| Transfer from - General Fund | $ 15,000 | $ 7,500 | $ 7,500 |
| EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET | | | |
| Street improvement and repair | - | 44,209 | (44,209) |
| Equipment | 58,039 | 37,900 | 20,139 |
| TOTAL EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET | 58,039 | 82,109 | (24,070) |
| RECEIPTS OVER (UNDER) EXPENDITURES | (43,039) | (74,609) | 31,570 |
| UNENCUMBERED CASH, JANUARY 1 | 89,609 | 74,609 | 15,000 |
| UNENCUMBERED CASH, DECEMBER 31 | $ 46,570 | $ - | $ 46,570 |

CITY OF HARPER, KANSAS

SPECIAL PURPOSE FUNDS

STREET IMPROVEMENT SALES TAX FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2023

Schedule 2-14

| | Actual | Budget | Over (Under) Budget |
|---|---|---|---|
| RECEIPTS | | | |
| Local sales tax | $ 278,057 | $ 140,000 | $ 138,057 |
| EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET | | | |
| Street improvements | - | 68,463 | (68,463) |
| Infrastructure improvements | 3,678 | - | 3,678 |
| Equipment | - | 40,000 | (40,000) |
| Pine/21st project | | | |
| Bond principal | 60,000 | 60,000 | - |
| Bond interest | 8,700 | 8,700 | - |
| Transfer to - BASE Project (ARPA Grant) | 144,200 | 40,000 | 104,200 |
| TOTAL EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET | 216,578 | 217,163 | (585) |
| RECEIPTS OVER (UNDER) EXPENDITURES | 61,479 | (77,163) | 138,642 |
| UNENCUMBERED CASH, JANUARY 1 | 201,175 | 77,163 | 124,012 |
| UNENCUMBERED CASH, DECEMBER 31 | $ 262,654 | $ - | $ 262,654 |

CITY OF HARPER, KANSAS

SPECIAL PURPOSE FUNDS

INFRASTRUCTURE SALES TAX FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2023

Schedule 2-15

| | Actual | Budget | Over (Under) Budget |
|---|---|---|---|
| RECEIPTS | | | |
| Local sales tax | $ 180,416 | $ 140,000 | $ 40,416 |
| Grants | 317,186 | - | 317,186 |
| Reimbursements | 940 | - | 940 |
| Interest earned | - | 100 | (100) |
| TOTAL RECEIPTS | 498,542 | 140,100 | 358,442 |
| EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET | | | |
| Infrastructure improvements | 536,950 | 98,812 | 438,138 |
| Sidewalk CID | - | 20,000 | (20,000) |
| Principal | 45,000 | 45,000 | - |
| Interest | 24,915 | 24,915 | - |
| Transfer to - BASE Project (ARPA Grant) | 14,200 | 115,000 | (100,800) |
| TOTAL EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET | 621,065 | 303,727 | 317,338 |
| ADJUSTMENT FOR QUALIFYING BUDGET CREDIT | - | 318,126 | (318,126) |
| TOTAL FOR COMPARISON | 621,065 | 621,853 | (788) |
| RECEIPTS OVER (UNDER) EXPENDITURES | (122,523) | (163,627) | 41,104 |
| UNENCUMBERED CASH, JANUARY 1 | 335,140 | 163,627 | 171,513 |
| UNENCUMBERED CASH, DECEMBER 31 | $ 212,617 | $ - | $ 212,617 |

CITY OF HARPER, KANSAS

SPECIAL PURPOSE FUNDS

ECONOMIC DEVELOPMENT INCENTIVE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2023

Schedule 2-16

| | Actual | Budget | Over (Under) Budget |
|---|---|---|---|
| RECEIPTS | | | |
| Transfer from - General Fund | $ 10,000 | $ 10,000 | $ - |
| Reimbursements | 75,149 | - | 75,149 |
| TOTAL RECEIPTS | 85,149 | 10,000 | 75,149 |
| EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET | | | |
| Business incentives | 740 | 10,000 | (9,260) |
| Development projects | 35,802 | 72,003 | (36,201) |
| Rural opportunity zones | 65 | 7,500 | (7,435) |
| Rural champion | 16,143 | - | 16,143 |
| Transfer to - BASE Project (ARPA Grant) | 10,000 | - | 10,000 |
| TOTAL EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET | 62,750 | 89,503 | (26,753) |
| RECEIPTS OVER (UNDER) EXPENDITURES | 22,399 | (79,503) | 101,902 |
| UNENCUMBERED CASH, JANUARY 1 | 119,898 | 79,503 | 40,395 |
| UNENCUMBERED CASH, DECEMBER 31 | $ 142,297 | $ - | $ 142,297 |

CITY OF HARPER, KANSAS

SPECIAL PURPOSE FUNDS

COBBLESTONE CID FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2023

Schedule 2-17

| | Actual | Budget | Over (Under) Budget |
|---|---|---|---|
| RECEIPTS | | | |
| Local sales tax | $ 19,710 | $ 11,200 | $ 8,510 |
| EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET | | | |
| Appropriation | - | 35,766 | (35,766) |
| RECEIPTS OVER (UNDER) EXPENDITURES | 19,710 | (24,566) | 44,276 |
| UNENCUMBERED CASH, JANUARY 1 | 31,249 | 24,566 | 6,683 |
| UNENCUMBERED CASH, DECEMBER 31 | $ 50,959 | $ - | $ 50,959 |

CITY OF HARPER, KANSAS

NONBUDGETED SPECIAL PURPOSE FUNDS
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL)
For Year Ended December 31, 2023

Schedule 2-18
Page 1 of 2

| | Parks and Culture | Firemen's Activity | Police Activity | VIN Inspection | Diversion |
|---|---|---|---|---|---|
| RECEIPTS | | | | | |
| Donations and gifts | $ - | $ 200 | $ - | $ - | $ - |
| Grants | - | - | - | - | - |
| Fees | - | - | - | 1,040 | 2,250 |
| Reimbursements | - | - | - | - | - |
| Forfeitures | - | - | - | - | - |
| Transfer from: | | | | | |
| Transient Guest Tax | - | - | - | - | - |
| General Fund | - | - | - | - | - |
| Economic Development Incentive Fund | - | - | - | - | - |
| Infrastructure Sales Tax Fund | - | - | - | - | - |
| Street Improvement Sales Tax Fund | - | - | - | - | - |
| TOTAL RECEIPTS | - | 200 | - | 1,040 | 2,250 |
| EXPENDITURES | | | | | |
| Engineering | - | - | - | - | - |
| Construction | - | - | - | - | - |
| Administration | - | - | - | - | - |
| Improvement loans and grants | - | - | - | - | - |
| Program expenditures | 5,000 | - | - | - | - |
| TOTAL EXPENDITURES | 5,000 | - | - | - | - |
| RECEIPTS OVER (UNDER) EXPENDITURES | (5,000) | 200 | - | 1,040 | 2,250 |
| UNENCUMBERED CASH, JANUARY 1 | 5,000 | 10,965 | 5,259 | 2,138 | 4,950 |
| UNENCUMBERED CASH, DECEMBER 31 | $ - | $ 11,165 | $ 5,259 | $ 3,178 | $ 7,200 |

CITY OF HARPER, KANSAS

NONBUDGETED SPECIAL PURPOSE FUNDS
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL)
For Year Ended December 31, 2023



| | BASE Project (ARPA Grant) | Community Development | Donations and Gifts | Future Community Center | Police Drug Seizure Trust | Cemetery Veteran's Memorial |
|---|---|---|---|---|---|---|
| RECEIPTS | | | | | | |
| Donations and gifts | $ - | $ - | $ 18,924 | $ - | $ - | $ - |
| Grants | 43,668 | 692 | - | - | - | - |
| Fees | - | - | - | - | - | - |
| Reimbursements | - | 4,244 | - | - | - | - |
| Forfeitures | - | - | - | - | 5,437 | - |
| Transfer from: | | | | | | |
| Transient Guest Tax | - | - | - | 15,519 | - | - |
| General Fund | - | 3,600 | - | - | - | - |
| Economic Development Incentive Fund | 10,000 | - | - | - | - | - |
| Infrastructure Sales Tax Fund | 14,200 | - | - | - | - | - |
| Street Improvement Sales Tax Fund | 144,200 | - | - | - | - | - |
| TOTAL RECEIPTS | 212,068 | 8,536 | 18,924 | 15,519 | 5,437 | - |
| EXPENDITURES | | | | | | |
| Engineering | 32,574 | - | - | - | - | - |
| Construction | 339,062 | - | - | - | - | - |
| Administration | 63,811 | - | - | - | - | - |
| Improvement loans and grants | - | 3,723 | - | - | - | - |
| Program expenditures | 117 | - | 18,009 | - | 265 | 300 |
| TOTAL EXPENDITURES | 435,564 | 3,723 | 18,009 | - | 265 | 300 |
| RECEIPTS OVER (UNDER) EXPENDITURES | (223,496) | 4,813 | 915 | 15,519 | 5,172 | (300) |
| UNENCUMBERED CASH, JANUARY 1 | 175,886 | 55,006 | 1,952 | 32,470 | 885 | 2,366 |
| UNENCUMBERED CASH, DECEMBER 31 | $ (47,610) | $ 59,819 | $ 2,867 | $ 47,989 | $ 6,057 | $ 2,066 |

CITY OF HARPER, KANSAS

BOND AND INTEREST FUND

BOND AND INTEREST FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2023

Schedule 2-19

| | Actual | Budget | Over (Under) Budget |
|---|---|---|---|
| RECEIPTS | | | |
| Taxes | | | |
| Ad valorem property tax | $ 41,967 | $ 46,629 | $ (4,662) |
| Delinquent tax | 3,574 | 500 | 3,074 |
| Motor vehicle tax | 4,944 | 5,506 | (562) |
| Recreational vehicle tax | 83 | 106 | (23) |
| 16/20M truck tax | 28 | 44 | (16) |
| Commercial vehicle registration fee | 295 | 232 | 63 |
| Neighborhood revitalization | (1,878) | (1,804) | (74) |
| TOTAL RECEIPTS | 49,013 | 51,213 | (2,200) |
| EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET | | | |
| Fire truck | | | |
| Principal | 14,500 | 14,500 | - |
| Interest | 1,695 | 1,695 | - |
| Commissions | - | 100 | (100) |
| Ballfield improvements | | | |
| Principal | 30,000 | 30,000 | - |
| Reserve for temporary improvement note | - | 50,000 | (50,000) |
| Activity Center | - | 30,000 | (30,000) |
| Cash basis requirement | - | 10,000 | (10,000) |
| TOTAL EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET | 46,195 | 136,295 | (90,100) |
| RECEIPTS OVER (UNDER) EXPENDITURES | 2,818 | (85,082) | 87,900 |
| UNENCUMBERED CASH, JANUARY 1 | 85,675 | 85,082 | 593 |
| UNENCUMBERED CASH, DECEMBER 31 | $ 88,493 | $ - | $ 88,493 |

CITY OF HARPER, KANSAS

BUSINESS FUNDS

WATER UTILITY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2023

Schedule 2-20

| | Actual | Budget | Over (Under) Budget |
|---|---|---|---|
| RECEIPTS | | | |
| Sales to consumers | $ 555,216 | $ 530,000 | $ 25,216 |
| Reimbursements and other | 13,069 | 10,000 | 3,069 |
| TOTAL RECEIPTS | 568,285 | 540,000 | 28,285 |
| EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET | | | |
| Administration | | | |
| Salaries | 79,110 | 78,500 | 610 |
| Health insurance | 26,205 | 29,000 | (2,795) |
| Self-insurance expense | 10,817 | 14,000 | (3,183) |
| Social Security | 9,867 | 12,000 | (2,133) |
| KPERS | 13,102 | 15,000 | (1,898) |
| Workers' compensation | 1,115 | 1,000 | 115 |
| Other employee benefits | 2,162 | 4,527 | (2,365) |
| Contractual services | 53,937 | 40,000 | 13,937 |
| Commodities | 3,487 | 8,000 | (4,513) |
| Production | | | |
| Salaries | 28,700 | 29,000 | (300) |
| Contractual services | 12,589 | 15,000 | (2,411) |
| Commodities | 38,651 | 35,000 | 3,651 |
| Distribution | | | |
| Salaries | 28,926 | 48,000 | (19,074) |
| Contractual services | 10,637 | 7,000 | 3,637 |
| Commodities | 23,011 | 25,000 | (1,989) |
| Nonoperating expenses | | | |
| Clean water drinking fee | 1,408 | 1,700 | (292) |
| Water protection fee | 1,320 | 1,500 | (180) |
| Utilities | | | |
| Electric service | 27,361 | 39,600 | (12,239) |
| Gas service | 2,912 | 3,300 | (388) |
| Telephone service | 2,723 | 3,300 | (577) |
| Debt service | | | |
| General obligation bond principal and interest | 80,618 | 80,618 | - |
| KPWS loan principal and interest | 33,600 | 33,600 | - |
| Transfer to - Water Reserve Fund | 57,000 | 40,749 | 16,251 |
| TOTAL EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET | 549,258 | 565,394 | (16,136) |
| RECEIPTS OVER (UNDER) EXPENDITURES | 19,027 | (25,394) | 44,421 |
| UNENCUMBERED CASH, JANUARY 1 | 36,652 | 25,394 | 11,258 |
| UNENCUMBERED CASH, DECEMBER 31 | $ 55,679 | $ - | $ 55,679 |

CITY OF HARPER, KANSAS

BUSINESS FUNDS

WATER RESERVE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2023

Schedule 2-21

| | Actual | Budget | Over (Under) Budget |
|---|---|---|---|
| RECEIPTS | | | |
| Transfer from - Water Utility Fund | $ 57,000 | $ 40,749 | $ 16,251 |
| Reimbursements | 6,268 | - | 6,268 |
| TOTAL RECEIPTS | 63,268 | 40,749 | 22,519 |
| EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET | | | |
| Capital improvements | - | 112,255 | (112,255) |
| Water tower repair/maintenance | 99,453 | 50,000 | 49,453 |
| Excavator | - | 3,750 | (3,750) |
| Equipment replacement | 21,802 | 29,000 | (7,198) |
| TOTAL EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET | 121,255 | 195,005 | (73,750) |
| RECEIPTS OVER (UNDER) EXPENDITURES | (57,987) | (154,256) | 96,269 |
| UNENCUMBERED CASH, JANUARY 1 | 205,555 | 154,256 | 51,299 |
| UNENCUMBERED CASH, DECEMBER 31 | $ 147,568 | $ - | $ 147,568 |

CITY OF HARPER, KANSAS

BUSINESS FUNDS

SEWER UTILITY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2023

Schedule 2-22

| | Actual | Budget | Over (Under) Budget |
|---|---|---|---|
| RECEIPTS | | | |
| Charges for services | $ 259,302 | $ 225,000 | $ 34,302 |
| Reimbursements and other | - | - | - |
| TOTAL RECEIPTS | 259,302 | 225,000 | 34,302 |
| EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET | | | |
| Administration | | | |
| Salaries | 35,704 | 36,000 | (296) |
| Health insurance | 10,289 | 12,000 | (1,711) |
| Self-insurance expense | 4,370 | 6,000 | (1,630) |
| Social Security | 4,117 | 4,800 | (683) |
| KPERS | 5,738 | 6,000 | (262) |
| Workers' compensation | 278 | 300 | (22) |
| Other employee benefits | 929 | 1,834 | (905) |
| Contractual services | 19,662 | 12,350 | 7,312 |
| Commodities | 1,706 | 3,000 | (1,294) |
| Collection | | | |
| Salaries | 11,652 | 18,500 | (6,848) |
| Contractual services | 3,334 | 5,000 | (1,666) |
| Commodities | 4,377 | 6,000 | (1,623) |
| Treatment | | | |
| Salaries | 9,566 | 10,000 | (434) |
| Contractual services | 17,100 | 7,000 | 10,100 |
| Commodities | 18,557 | 5,500 | 13,057 |
| Utilities | | | |
| Electric service | 3,646 | 7,600 | (3,954) |
| Gas service | 1,293 | 1,600 | (307) |
| Telephone service | 719 | 900 | (181) |
| Debt service | | | |
| Principal and interest | 75,600 | 75,300 | 300 |
| Transfer to - Sewer Reserve Fund | 32,000 | 41,344 | (9,344) |
| TOTAL EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET | 260,637 | 261,028 | (391) |
| RECEIPTS OVER (UNDER) EXPENDITURES | (1,335) | (36,028) | 34,693 |
| UNENCUMBERED CASH, JANUARY 1 | 46,291 | 36,028 | 10,263 |
| UNENCUMBERED CASH, DECEMBER 31 | $ 44,956 | $ - | $ 44,956 |

CITY OF HARPER, KANSAS

BUSINESS FUNDS

SEWER RESERVE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2023

Schedule 2-23

| | Actual | Budget | Over (Under) Budget |
|---|---|---|---|
| RECEIPTS | | | |
| Transfer from - Sewer Utility Fund | $ 32,000 | $ 41,344 | $ (9,344) |
| EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET | | | |
| Capital improvements | - | 116,762 | (116,762) |
| Lagoon improvement | - | 150,000 | (150,000) |
| Excavator | - | 3,750 | (3,750) |
| Sewer cleanout | - | 45,000 | (45,000) |
| Equipment replacement | 25,100 | 16,200 | 8,900 |
| TOTAL EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET | 25,100 | 331,712 | (306,612) |
| RECEIPTS OVER (UNDER) EXPENDITURES | 6,900 | (290,368) | 297,268 |
| UNENCUMBERED CASH, JANUARY 1 | 316,724 | 290,368 | 26,356 |
| UNENCUMBERED CASH, DECEMBER 31 | $ 323,624 | $ - | $ 323,624 |

CITY OF HARPER, KANSAS

CAPITAL PROJECT FUNDS
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL)
For Year Ended December 31, 2023

Schedule 2-24

| | Harper Sports Complex Improvements | Public Facilities Improvements |
|---|---|---|
| RECEIPTS | | |
| Interest earned | $ - | $ - |
| EXPENDITURES AND TRANSFERS | | |
| Construction | 6,000 | - |
| RECEIPTS OVER (UNDER) EXPENDITURES | (6,000) | - |
| UNENCUMBERED CASH, JANUARY 1 | 6,000 | 300,101 |
| UNENCUMBERED CASH, DECEMBER 31 | $ - | $ 300,101 |

CITY OF HARPER, KANSAS

TRUST FUNDS
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL)
For Year Ended December 31, 2023

Schedule 2-25

| | Health Insurance Savings | Cemetery Trust | Cemetery Endowment |
|---|---|---|---|
| RECEIPTS | | | |
| Premium savings | $ 44,869 | $ - | $ - |
| Donations and other | - | - | 100 |
| Interest earned | 16 | - | - |
| TOTAL RECEIPTS | 44,885 | - | 100 |
| EXPENDITURES | | | |
| Capital improvements | - | - | - |
| Claims paid | 44,478 | - | - |
| TOTAL EXPENDITURES | 44,478 | - | - |
| RECEIPTS OVER (UNDER) EXPENDITURES | 407 | - | 100 |
| UNENCUMBERED CASH, JANUARY 1 | 13,564 | 28,916 | 63,519 |
| UNENCUMBERED CASH, DECEMBER 31 | $ 13,971 | $ 28,916 | $ 63,619 |

CITY OF HARPER, KANSAS

RELATED MUNICIPAL ENTITIES

HARPER PUBLIC LIBRARY
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL)
For Year Ended December 31, 2023

Schedule 3-1

| | | |
|---|---|---|
| RECEIPTS | | |
| Appropriation from the City | $ | 58,073 |
| South Central Kansas Library | | 13,439 |
| State aid | | 359 |
| Interest earned | | 941 |
| Grants and donations | | 950 |
| Fines and copies | | 2,453 |
| Miscellaneous | | 2,476 |
| TOTAL RECEIPTS | | 78,691 |
| EXPENDITURES | | |
| Payroll expense | | 50,087 |
| Books and periodicals | | 7,396 |
| Supplies | | 2,213 |
| Outside services | | 1,690 |
| Professional fees | | 1,800 |
| Utilities, telephone, and internet | | 9,861 |
| Insurance | | 2,148 |
| Maintenance | | 10,804 |
| Technology expense | | 4,594 |
| Equipment | | 1,164 |
| Library programs | | 2,518 |
| Miscellaneous | | 1,119 |
| TOTAL EXPENDITURES | | 95,394 |
| RECEIPTS OVER (UNDER) EXPENDITURES | | (16,703) |
| UNENCUMBERED CASH, JANUARY 1 | | 71,982 |
| UNENCUMBERED CASH, DECEMBER 31 | $ | 55,279 |
| ANALYSIS OF AVAILABLE CASH | | |
| Checking account | $ | 10,109 |
| Money Market account | | 16,635 |
| Savings account | | 7,200 |
| Certificate of deposit | | 23,000 |
| TOTAL CASH | | 56,944 |
| ACCOUNTS PAYABLE, DECEMBER 31 | | (1,665) |
| UNENCUMBERED CASH, DECEMBER 31 | $ | 55,279 |

CITY OF HARPER, KANSAS

RELATED MUNICIPAL ENTITIES

HARPER RECREATION COMMISSION
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL)
For Year Ended December 31, 2023

Schedule 3-2

| | General Fund | Capital Improvement Fund | Total |
|---|---|---|---|
| RECEIPTS | | | |
| Appropriation from the City | $ 44,750 | $ - | $ 44,750 |
| Entry fees | 11,630 | - | 11,630 |
| Event revenue | 3,315 | - | 3,315 |
| Donations and other | 5,000 | 11,820 | 16,820 |
| Signage | - | 15,875 | 15,875 |
| Concessions | - | 7,456 | 7,456 |
| Other | 1,321 | 131 | 1,452 |
| TOTAL RECEIPTS | 66,016 | 35,282 | 101,298 |
| EXPENDITURES | | | |
| Advertising | 193 | - | 193 |
| Utilities and telephone | 5,146 | - | 5,146 |
| Insurance | 5,352 | - | 5,352 |
| Office supplies | 280 | - | 280 |
| Uniforms, banners, etc. | 1,562 | - | 1,562 |
| Activities equipment | 2,979 | - | 2,979 |
| Director fees | 12,000 | - | 12,000 |
| Umpires, referees, and scorekeepers | 6,524 | - | 6,524 |
| Administrative assistance | 1,400 | - | 1,400 |
| Complex maintenance | 19,841 | - | 19,841 |
| Equipment maintenance | 2,558 | - | 2,558 |
| Tournaments and events | 3,517 | - | 3,517 |
| Dues, memberships, and miscellaneous | 1,527 | - | 1,527 |
| Capital equipment | - | 27,128 | 27,128 |
| Capital improvements | - | 27,091 | 27,091 |
| Sponsorships | - | 1,127 | 1,127 |
| TOTAL EXPENDITURES | 62,879 | 55,346 | 118,225 |
| RECEIPTS OVER (UNDER) EXPENDITURES | 3,137 | (20,064) | (16,927) |
| UNENCUMBERED CASH, JANUARY 1 | 14,123 | 75,710 | 67,119 |
| UNENCUMBERED CASH, DECEMBER 31 | $ 17,260 | $ 55,646 | $ 50,192 |

| | |
|---|---|
| ANALYSIS OF AVAILABLE CASH | |
| Checking account | $ 17,612 |
| Money Market account | 32,580 |
| TOTAL CASH | 50,192 |
| ACCOUNTS PAYABLE, DECEMBER 31 | - |
| UNENCUMBERED CASH, DECEMBER 31 | $ 50,192 |

CITY OF HARPER, KANSAS

AGENCY FUNDS
SCHEDULE OF RECEIPTS AND DISBURSEMENTS - REGULATORY BASIS
(ACTUAL)
For Year Ended December 31, 2023

Schedule 4

| | Beginning Cash Balance | Receipts | Disbursements | Ending Cash Balance |
|---|---|---|---|---|
| Security Deposit | $ 23,513 | $ 5,410 | $ 8,701 | $ 20,222 |

LINDBURG
VOGEL PIERCE FARIS
Chartered

Guy A. Scofield, CPA
Kenneth D. Hamby, CPA
Michael R. Meisenheimer, CPA
Nick L. Mueting, CPA
Billy J. Klug, CPA
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Brent L. Knoche, CPA
Brian W. Mapel, CPA
Jeffrey D. Reece, CPA
Brady H. Byrnes, CPA
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Kayleen E. Million, CPA

# INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Mayor and City Council
City of Harper, Kansas

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the *Kansas Municipal Audit and Accounting Guide*, the regulatory basis summary statement of receipts, expenditures, and unencumbered cash of City of Harper, Kansas (the City) as of and for the year ended December 31, 2023, and the related notes to the financial statement, which collectively comprise the City's basic financial statement, and have issued our report thereon dated May 24, 2024, which was modified because the financial statement is prepared on the regulatory basis of accounting.

## Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statement, we considered the City's internal control over financial reporting (internal control) as a basis for designing our audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be a material weakness. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that we consider to be a significant deficiency, which is identified as 2023-1.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City's Response to Findings

*Government Auditing Standards* requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statement, and accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.




Certified Public Accountants

Hutchinson, Kansas
May 24, 2024

CITY OF HARPER, KANSAS

SCHEDULE OF FINDINGS AND RESPONSES
For Year Ended December 31, 2023

**2023-1** Significant Deficiency – Segregation of Duties

Condition

Because of the limited staff size at the City office, duties within the office are not designed in such a manner to provide segregation of duties over authorizing, recording, and custody of an asset; such as, the City employee responsibilities with payroll processing, or duties associated with billing, collecting, recording, and depositing receipts resulting from the utility transactions. This situation also exists with the Harper Public Library and the Harper Recreation Commission.

Criteria

No single individual should be able to authorize a transaction, record the transaction, and ensure custody of the asset resulting from the transaction.

Effect

The lack of segregation of duties increases the possibility that misstatements may occur, whether the result of error or fraud, and not be prevented, or detected and corrected on a timely basis.

Recommendation

In addition to logically dividing accounting duties to the extent possible, the City should develop other controls to mitigate the risks associated with a small office staff, which limits the segregation of duties. This should include designating other individuals, or groups of individuals, such as the Mayor or Council members for oversight responsibilities. Examples of some of the control procedures that may be performed include the following:

- Review of budget comparison reports and investigating unexpected variances or results, including comparison with previous periods, to ensure that reported results do not vary from anticipated results.

- Examining bank reconciliations prepared by the City's office, including comparing a sample of the checks that clear the bank statement with check registers or appropriation ordinances.

- Reviewing utility customer charges, collections, adjustments, write-offs, and balances.

It is also important that performance of these control procedures be documented, including the date the review procedure was completed, and the signature of the individual or a representative of the group that performed the procedure.

Management Response

We agree with the auditors' findings. We understand that the design of appropriate separation of duties is important and will continue to separate duties to the extent possible.