CITY OF YATES CENTER, KANSAS

Independent Auditor's Report and
Financial Statement with
Supplementary Information

For the Year Ended December 31, 2023

CITY OF YATES CENTER, KANSAS

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JARRED, GILMORE & PHILLIPS, PA
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
City of Yates Center, 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 Yates Center, Kansas, 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 matter discussed in the Basis for 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 of Yates Center, Kansas as of December 31, 2023, or 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 of Yates Center, Kansas 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.

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 audit 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 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 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, individual fund schedules of regulatory basis receipts and expenditures – actual and budget, and summary of regulatory basis receipts and expenditures-agency funds (Schedules 1, 2, and 3 as listed in the table of contents) are presented for purposes of additional 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 accompanying supplementary 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.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of as of and for the year ended December 31, 2022 (not presented herein), and have issued our report thereon dated March 17, 2023, which contained an unmodified opinion on the basic financial statement. The 2022 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link https://admin.ks.gov/offices/accounts-reports/local-government/municipal-services. The 2022 actual column (2022 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures—actual and budget for the year ended December 31, 2023 (Schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2022 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2022 basic financial statement. The 2022 comparative information was subjected to the auditing procedures applied in the audit of the 2022 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 2022 basic financial statement or to the 2022 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 2022 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended December 31, 2022, on the basis of accounting described in Note 1.

Jarred, Gilmore & Phillips, PA

JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

July 08, 2024
Chanute, Kansas

CITY OF YATES CENTER, KANSAS
Summary Statement of Receipts, Expenditures, and Unencumbered Cash
Regulatory Basis
For the Year Ended December 31, 2023

Funds	Beginning Unencumbered Cash Balances	Receipts	Expenditures	Ending Unencumbered Cash Balances	Add Encumbrances and Accounts Payable	Ending Cash Balance December 31, 2023
General	$ 245,787.80	$ 1,410,969.92	$ 1,191,475.37	$ 465,282.35	$ 21,207.05	$ 486,489.40
Special Purpose Funds:						
ARPA	201,596.70	-	156,130.00	45,466.70	-	45,466.70
Special Highway	750.46	278,277.28	213,236.95	65,790.79	6,285.22	72,076.01
Special Highway Reserve	100,352.60	43,082.15	-	143,434.75	-	143,434.75
Library	5,007.79	68,917.08	68,917.08	5,007.79	-	5,007.79
Library Reserve	33,000.00	-	-	33,000.00	-	33,000.00
Recreation Commission	1,758.26	26,371.72	28,129.98	-	-	-
Lincoln Park Memorial	13,591.58	-	-	13,591.58	-	13,591.58
Special Law and Emergency Vehicles	174,288.26	67,454.13	53,120.10	188,622.29	-	188,622.29
Special Parks and Recreation	9,667.18	4,447.15	-	14,114.33	-	14,114.33
Municipal Equipment	188,729.35	-	-	188,729.35	-	188,729.35
Multi-Year Capital Improvement	415,898.74	109,669.72	50,087.64	475,480.82	-	475,480.82
Fire Protection Building	93,498.69	16,625.07	6,565.90	103,557.86	190.28	103,748.14
Ball Field Improvements	21,381.69	12,468.81	2,060.00	31,790.50	-	31,790.50
Economic Development	49,824.57	33,250.14	44,229.38	38,845.33	-	38,845.33
Special Recreational Facilities	104,935.53	24,351.57	19,051.18	110,235.92	1,945.63	112,181.55
Police Department Special Account	456.09	0.89	-	456.98	-	456.98
Business Funds:						
Water Works Utility	375,558.88	696,067.25	1,015,495.28	56,130.85	22,298.34	78,429.19
Water Reserve	347,241.73	22,055.00	-	369,296.73	-	369,296.73
Sewer System Utility	185,230.42	352,035.35	304,412.32	232,853.45	4,842.29	237,695.74
Sewer Debt Service	60,826.40	26,000.00	85,038.68	1,787.72	-	1,787.72
Sewer Replacement	87,785.19	-	-	87,785.19	-	87,785.19
Total Reporting Entity (Excluding Agency Funds)	$ 2,717,167.91	$ 3,192,043.23	$ 3,237,949.86	$ 2,671,261.28	$ 56,768.81	$ 2,728,030.09

Composition of Cash:	
Cash on Hand	$ 10.00
Checking Accounts	
Operating Checking Account	2,192,718.91
Water Reserve	369,447.62
Sewer Debt	1,787.72
Police	456.98
Retirement	879.83
Municipal Court	74.00
Tax Withholding	12.29
Municipal Bonds	232.00
Petty Cash	275.00
Certificates of Deposit	163,333.86
Total Primary Government	2,729,228.21
Less: Agency Funds Per Schedule 3	(1,198.12)
Total Reporting Entity	$ 2,728,030.09

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statement and schedules of the City of Yates Center, Kansas have been prepared in order to show compliance with the cash basis and budget laws of the State of Kansas. The Governmental Accounting Standards Board is the principal standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies follow. Note 1 describes how the City's accounting policies differ from generally accepted accounting principles.

Financial Reporting Entity
The City of Yates Center, Kansas, is a municipal corporation governed by an elected eight-member council and mayor. This financial statement presents the City of Yates Center.

Related Municipal Entities: A related municipal entity is determined by the following criteria. Whether the City exercises oversight responsibility on financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters, scope of the public service, and significant operational or financial relationships with the City. Related municipal entities are not required to be included in the City's audit by the Kansas Municipal Audit and Accounting Guide (KMAAG). Based upon the application of this criterion, the following is a brief review of potential related municipal entities:

Yates Center Public Library
The City of Yates Center Library Board operates the City's public library. Acquisition or disposition of real property by the Board must be approved by the City. Separate unaudited financial statements are available at the Library.

Recreation Commission – City of Yates Center Recreation Commission oversees recreational activities. The recreation commission can sue and be sued, but acquisition of real property by the commission, must be approved by the City. The City levies taxes for the recreation commission. Bond issuances must be approved by the City. The Recreation Commission funds in this financial statement only include tax levy money collected by the City and distributed to the Commission. Financial statements are available at the Commission.

Regulatory Basis Fund Types
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. The following types of funds comprise the financial activities of the City of Yates Center, Kansas, for the year of 2023:

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Regulatory Basis Fund Types (Continued)

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.)

Agency fund – funds used to report assets held by the municipal reporting entity in a purely custodial capacity (payroll clearing fund, county treasurer tax collection accounts, etc.).

Basis of Presentation – Regulatory Basis of Accounting

Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America. The (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 municipality 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.

Property Taxes

In accordance with governing state statutes, property taxes levied during the current year are a regulatory receipt 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 1st of each year. The County Treasurer is the tax collection agent for all taxing entities within the County. Property owners have the option of paying one-half or the full amount of taxes levied on or before December 20 during the year levied with the balance to be paid on or before May 10 of the ensuing year. State statutes prohibit the County Treasurer from distributing taxes collected in the year levied prior to January 1st of the ensuing year. Consequently, for regulatory receipt recognition purposes, taxes levied during the current year are not due and receivable until the ensuing year. At December 31, such taxes are a lien on the property.

Reimbursed Expenses

K.S.A. 79-2934 provides that reimbursed expenditures, in excess of those budgeted, should be recorded as reductions in expenditures rather than as cash receipts. In the financial statement and budget comparisons schedules presented in this report, reimbursements and refunds are recorded as cash receipts. The reimbursements are recorded as cash receipts when received by the City Treasurer and are often difficult to identify the exact expenditure which they are reimbursing. In funds showing expenditures in excess of the original adopted budget, reimbursements are added to the adopted budget as budget credits for comparison with the actual expenditures.

Special Assessments

Kansas statutes require projects financed in part by special assessments to be financed through the issuance of general obligation bonds which are secured by the full faith and credit of the City. Special assessments paid prior to the issuance of general obligation bonds are recorded as cash receipts in the appropriate project. Special assessments received after the issuance of general obligation bonds are recorded as cash receipts in the bond and interest fund. Further, state statutes require levying additional general ad valorem property taxes in the City bond and interest fund to finance delinquent special assessments receivable.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 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 local newspaper on or before August 5 of the proposed budget and notice of public hearing on the budget.
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 City 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 did not 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. During the year ended December 31, 2023, the City did not amend any funds.

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 the 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 by the municipality 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, trust funds, and the following special purpose funds:

- Municipal Equipment Fund
- Multi-Year Capital Improvement Fund
- Lincoln Park Memorial Fund
- Water Rescue Fund
- Police Department Special Account Fund
- ARPA Fund
- Special Highway Reserve Fund
- Library Reserve Fund

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

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Compliance with Kansas Statutes
Statement 1 and Schedule 1 have been prepared in order to show compliance with the cash basis and budget laws of Kansas. As shown in Statement 1 and Schedule 1, the City was in compliance with Kansas cash basis and budget laws of the State of Kansas.

Management is not aware of any other material statute violations.

3. 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 branch or branch bank in the county in which the City is located, or in an adjoin 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.

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.

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

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka. All deposits were legally secured at December 31, 2023.

Deposits: At year-end, the City's carrying amount of deposits was $2,729,218.21 and the bank balance was $2,822,705.98. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, $286,902.84 was covered by FDIC insurance, and $2,535,803.14 was collateralized with pledged securities held by the pledging financial institutions' agents in the City's name.

4. RIGHT TO USE CONTRACT

The City has entered into a contract for equipment. Contractual expense for the year ended December 31, 2023 was $496.62. Under the current contract agreements, the future minimum rental payments are as follows:

2024	$ 662.16
2025	662.16
2026	662.16
2027	662.16
2028	662.16
2029	165.54

5. FINANCE LEASE OBLIGATIONS

The City has entered into a finance lease agreement in order to finance the construction of a sewer line replacement project. Payments are made annually, including interest at approximately 3.50%. Final maturity of the lease is July 18, 2026. Future minimum lease payments are as follows:

Year Ended December 31	Totals
2024	$ 11,562.48
2025	11,562.48
2026	11,562.45
	34,687.41
Less: Imputed interest	(2,342.59)
Net Present Value of Minimum Lease Payments	32,344.82
Less: Current Maturities	(10,410.98)
Long-Term Finance Lease Obligations	$ 21,933.84

The City has entered into a Finance lease agreement in order to finance the construction and renovation of the city swimming pool. Payments are made annually, including interest at approximately 4.15%. Final maturity of the lease is July 1, 2037. Future minimum lease payments are as follows:

Year Ended December 31	Totals
2024	$ 46,098.44
2025	46,098.44
2026	46,098.44
2027	46,098.44
2028	46,098.44
2029-2033	230,492.20
2034-2037	184,698.13
	645,682.53
Less: Imputed interest	(162,928.81)
Net Present Value of Minimum Lease Payments	482,753.72
Less: Current Maturities	(26,092.63)
Long-Term Finance Lease Obligations	$ 456,661.09

5. FINANCE LEASE OBLIGATIONS (Continued)

The City has entered into a Finance lease agreement in order to finance the acquisition of a Caterpillar Hydraulic Excavator. Payments are made annually, including interest at approximately 5.49%. Final maturity of the lease is June 16, 2029. Future minimum lease payments are as follows:

Year Ended December 31	Totals
2024	$ 14,261.64
2025	14,261.64
2026	14,261.64
2027	14,261.64
2028	14,261.64
2029	25,200.00
	96,508.20
Less: Imputed interest	(16,699.73)
Net Present Value of Minimum Lease Payments	79,808.47
Less: Current Maturities	(9,880.15)
Long-Term Finance Lease Obligations	$ 69,928.32

6. LONG-TERM DEBT

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

Issue	Interest Issue	Date of of Issue	Amount Maturity	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
Revolving Loans:									
Total be paid with Utility Receipts:									
Kansas Water Pollution	3.39%	September 1, 2003	$ 2,738,507.38	March 1, 2023	$ 83,621.30	$ -	$ 83,621.30	$ -	$ 1,417.38
Kansas Public Water Supply	3.82%	February 1, 2011	576,897.24	August 1, 2030	213,248.18	-	23,261.97	189,986.21	7,926.03
Finance Leases:									
Sewer Line Replacement	3.50%	July 18, 2018	79,310.00	July 18, 2026	42,402.05	-	10,057.23	32,344.82	1,505.25
Sewer Truck	4.29%	April 2, 2019	103,000.00	April 25, 2023	21,518.29	-	21,518.29	-	935.48
Swimming Pool	4.15%	July 1, 2020	615,000.00	July 1, 2037	507,806.65		25,052.93	482,753.72	21,045.51
Caterpillar Excavator	5.49%	June 16, 2023	79,808.47	June 16, 2029	-	79,808.47	-	79,808.47	-
Total Contractual Indebtedness					$ 868,596.47	$ 79,808.47	$ 163,511.72	$ 784,893.22	$ 32,829.65

6. LONG-TERM DEBT (Continued)

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

Issue	2024	2025	2026	2027	2028	2029-2033	2034-2037	Total
Principal								
Revolving Loan								
Kansas Public Water Supply	$ 24,159.06	$ 25,090.75	$ 26,058.37	$ 27,063.31	$ 28,107.00	$ 59,507.72	$ -	$ 189,986.21
Finance Leases:								
Sewer Line Replacement	10,410.98	10,783.57	11,150.27	-	-	-	-	32,344.82
Swimming Pool	26,092.63	27,175.48	28,303.26	29,477.84	30,701.17	173,708.32	167,295.02	482,753.72
Caterpillar Excavator	9,880.15	10,422.58	10,994.77	11,598.39	12,235.14	24,677.44	-	79,808.47
Total Principal Payments	70,542.82	73,472.38	76,506.67	68,139.54	71,043.31	257,893.48	167,295.02	784,893.22
Interest								
Revolving Loan								
Kansas Public Water Supply	7,028.94	6,097.25	5,129.63	4,124.69	3,081.00	2,868.28	-	28,329.79
Finance Leases:								
Sewer Line Replacement	1,151.50	778.91	412.18	-	-	-	-	2,342.59
Swimming Pool	20,005.81	18,922.96	17,795.18	16,620.60	15,397.27	56,783.88	17,403.11	162,928.81
Caterpillar Excavator	4,381.49	3,839.06	3,266.87	2,663.25	2,026.50	522.56	-	16,699.73
Total Interest Payments	32,567.74	29,638.18	26,603.86	23,408.54	20,504.77	60,174.72	17,403.11	210,300.92
Total Principal and Interest	$ 103,110.56	$ 103,110.56	$ 103,110.53	$ 91,548.08	$ 91,548.08	$ 318,068.20	$ 184,698.13	$ 995,194.14

7. DEFINED BENEFIT PENSION PLAN

General Information about the 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 its Comprehensive Annual Financial Report which can be found on the 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 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 6% 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 8.43% for KPERS for the fiscal year ended December 31, 2023. Contributions to the pension plan from the City were $46,852.31 for KPERS 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 $494,099.00. 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 proportion of the net pension liability was based on the ratio of the City's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

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.

8. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

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, 2023.

8. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS (Continued)

Compensated Absences
All full-time employees of the City are eligible for vacation benefits in varying annual amounts. Full time employees will be granted paid vacation time according to the following schedules:

After one year employment	5 Days
After two years of employment	10 Days
After eleven years of employment	15 Days
After twenty-one years of employment	20 Days

Police Officers

After one year employment	4 Days
After two years of employment	8 Days
After eleven years of employment	12 Days
After twenty-one years of employment	16 Days

In the event of termination employees will be compensated for unused vacation leave.

All full time employees are eligible for paid sick leave and is accrued at a rate of eight hours for each full month of service. Police department employees shall earn twelve hours of sick leave for each full month of service. Maximum accumulation of 90 days is allowed and not paid upon termination.

The City determines a liability for compensated absences when the following conditions are met:

1. The City's obligation relating to employees' rights to receive compensation for future absences is attributable to employees' services already rendered.
2. The obligation relates to rights that vest or accumulate.
3. Payment of the compensation is probable.
4. The amount can be reasonably estimated.

In accordance with the above criteria, the City has estimated a liability for vacation benefits of $7,268.96, and not estimated a liability for sick pay which has been earned, but not taken by City employees, inasmuch as the amount cannot be reasonably estimated.

Other Post Employment Benefits
As provided by K.S.A. 12-5040, the local government 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 these financial statements.

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. There is no cost to the City under this program.

9. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employees' health and life; and natural disasters. The City manages these risks of loss through the purchase of various insurance policies.

10. INTERFUND TRANSFERS

Operating transfers were as follows:

From Fund:	To Fund:	Statutory Authority	Amount
General	Special Highway	K.S.A. 12-197	$ 83,250.14
General	Economic Development	K.S.A. 12-197	33,250.14
General	Special Law and Emergency Vehicle	K.S.A. 12-1,117	41,562.68
General	Multi-Year Capital Improvement	K.S.A. 12-197	109,636.55
General	Fire Protection Building	K.S.A. 12-197	16,625.07
General	Ball Field Improvements	K.S.A. 12-197	12,468.81
Water Works Utility	Sewer System Utility	K.S.A. 12-825d	48,000.00
Water Works Utility	Water Reserve	K.S.A. 12-825d	20,400.00
Water Works Utility	Special Highway	K.S.A. 12-825d	80,000.00
Sewer System Utility	Sewer Debt Service	K.S.A. 12-825d	26,000.00
Sewer System Utility	Special Highway	K.S.A. 12-825d	80,000.00

11. RELATED PARTY TRANSACTIONS

During the year ended December 31, 2023, the City paid $28,930.00 for mowing to Green Acres Lawn Care which is owned by a council member.

12. SUBSEQUENT EVENTS

The City evaluated events and transactions occurring subsequent to year end, and there were no subsequent events requiring recognition in the financial statement. Additionally, there were no non-recognized subsequent events requiring disclosure.

SUPPLEMENTARY INFORMATION

Schedule 1

CITY OF YATES CENTER, KANSAS

Summary of Expenditures - Actual and Budget
(Budgeted Funds Only)
Regulatory Basis
For the Year Ended December 31, 2023

Funds	Certified Budget	Adjustments for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Charged to Current Year Budget	Variance - Over (Under)
General Fund	$ 1,397,746.00	$ 134,181.17	$ 1,531,927.17	$ 1,191,475.37	$ (340,451.80)
Special Purpose Funds:					
Special Highway	263,298.00	-	263,298.00	213,236.95	(50,061.05)
Library	69,520.00	-	69,520.00	68,917.08	(602.92)
Recreation Commission	34,285.00	-	34,285.00	28,129.98	(6,155.02)
Special Law and Emergency Vehicles	236,340.00	-	236,340.00	53,120.10	(183,219.90)
Special Parks and Recreation	9,609.00	-	9,609.00	-	(9,609.00)
Fire Protection Building	96,110.00	-	96,110.00	6,565.90	(89,544.10)
Ball Field Improvements	22,620.00	-	22,620.00	2,060.00	(20,560.00)
Economic Development	51,735.00	-	51,735.00	44,229.38	(7,505.62)
Special Recreational Facilities	179,536.00	-	179,536.00	19,051.18	(160,484.82)
Business Funds:					
Water Works Utility	1,031,389.00	-	1,031,389.00	1,015,495.28	(15,893.72)
Sewer System Utility	461,615.00	-	461,615.00	304,412.32	(157,202.68)
Sewer Debt Service	86,826.00	-	86,826.00	85,038.68	(1,787.32)

CITY OF YATES CENTER, KANSAS
GENERAL FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Taxes and Shared Receipts				
Ad Valorem Property Tax	$ 314,181.90	$ 311,395.45	$ 324,252.00	$ (12,856.55)
Delinquent Tax	18,035.63	12,531.88	6,358.00	6,173.88
Motor Vehicle Tax	53,224.86	59,371.16	52,195.00	7,176.16
Recreational Vehicle Tax	978.62	894.32	993.00	(98.68)
16 & 20M Truck Tax	753.20	631.91	766.00	(134.09)
Commercial Vehicle Tax	4,247.22	5,192.24	4,111.00	1,081.24
Mineral Tax	4.39	4.11	4.00	0.11
Special Assessments	4,370.00	2,465.00	-	2,465.00
Local Sales Tax	487,936.98	443,335.25	462,618.00	(19,282.75)
County Sales Tax	128,627.27	115,943.89	133,292.00	(17,348.11)
Franchise Tax	72,517.71	76,300.02	64,191.00	12,109.02
Intergovernmental				
Federal Grant	-	7,414.73	-	7,414.73
Local Alcoholic Liquor Tax	2,777.97	4,447.15	2,323.00	2,124.15
USDA Grant Proceeds	-	52,400.00	-	52,400.00
Charges for Services				
Licenses and Permits	6,130.00	7,193.00	4,165.00	3,028.00
Swimming Pool	9,565.87	8,087.91	14,643.00	(6,555.09)
Golf Cart Permit	-	-	2,000.00	(2,000.00)
Impound Fees	235.00	75.00	990.00	(915.00)
Technology Assistance	-	5,820.00	-	5,820.00
Fines, Forfeitures and Penalties				
Fines	98,424.85	163,207.31	90,790.00	72,417.31
Use of Money and Property				
Interest Income	9,594.82	40,435.04	4,474.00	35,961.04
Dividends	15,999.18	18,418.19	15,000.00	3,418.19
Other Receipts				
Donations	-	20.00	-	20.00
Reimbursed Expense	72,551.33	74,366.44	15,000.00	59,366.44
Miscellaneous	1,679.93	1,019.92	-	1,019.92
Total Receipts	1,301,836.73	1,410,969.92	$ 1,198,165.00	$ 212,804.92

CITY OF YATES CENTER, KANSAS
GENERAL FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Expenditures				
General Government				
Personal Services	$ 140,713.34	$ 116,377.55	$ 160,064.00	$ (43,686.45)
Contractual Services	102,439.92	104,931.21	130,000.00	(25,068.79)
Commodities	5,495.66	9,861.42	18,500.00	(8,638.58)
Capital Outlay	-	14,485.42	207,972.00	(193,486.58)
Employee Benefits				
Workmen's Compensation	22,506.00	25,575.00	24,184.00	1,391.00
Retirement Contributions	48,828.69	47,233.20	49,731.00	(2,497.80)
FICA Payments	44,622.93	43,778.21	48,902.00	(5,123.79)
Unemployment Contributions	5,019.70	413.59	8,400.00	(7,986.41)
Fire Department				
Personal Services	23,369.70	19,467.33	25,410.00	(5,942.67)
Contractual Services	39,751.47	22,077.91	16,820.00	5,257.91
Commodities	6,023.87	5,042.66	10,000.00	(4,957.34)
Capital Outlay	-	8,490.60	10,000.00	(1,509.40)
Law Enforcement				
Personal Services	245,125.62	269,999.70	277,459.00	(7,459.30)
Contractual Services	50,907.05	53,507.59	45,000.00	8,507.59
Commodities	17,944.12	20,458.13	17,500.00	2,958.13
Capital Outlay	4,822.43	11,552.56	7,500.00	4,052.56
Utilities Services				
Contractual Services	44,770.07	43,432.03	60,000.00	(16,567.97)
Swimming Pool				
Personal Services	20,744.12	22,717.54	30,000.00	(7,282.46)
Contractual Services	13,149.77	9,567.82	14,500.00	(4,932.18)
Commodities	10,710.27	10,709.42	17,000.00	(6,290.58)
Parks Department				
Personal Services	4,712.03	1,797.44	11,000.00	(9,202.56)
Contractual Services	30,657.09	30,143.18	15,000.00	15,143.18
Commodities	3,897.59	3,062.47	2,500.00	562.47
Capital Outlay	-	-	3,000.00	(3,000.00)

CITY OF YATES CENTER, KANSAS
GENERAL FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Expenditures (Continued)				
Operating Transfer to:				
Special Highway Fund	$ 86,595.28	$ 83,250.14	$ 64,044.00	$ 19,206.14
Economic Development Fund	36,595.28	33,250.14	14,044.00	19,206.14
Special Law and Emergency Vehicle Fund	45,744.11	41,562.68	18,516.00	23,046.68
Multi-Year Capital Improvements Fund	108,012.99	109,636.55	65,740.00	43,896.55
Library Reserve Fund	12,000.00	-	12,000.00	(12,000.00)
Fire Protection Building Fund	18,297.64	16,625.07	7,406.00	9,219.07
Ball Field Improvements Fund	13,723.23	12,468.81	5,554.00	6,914.81
Total Certified Budget			1,397,746.00	(206,270.63)
Adjustments for Qualifying Budget Credits			134,181.17	(134,181.17)
Total Expenditures	1,207,179.97	1,191,475.37	$ 1,531,927.17	$ (340,451.80)
Receipts Over(Under) Expenditures	94,656.76	219,494.55		
Unencumbered Cash, Beginning	151,131.04	245,787.80		
Unencumbered Cash, Ending	$ 245,787.80	$ 465,282.35		

CITY OF YATES CENTER, KANSAS
ARPA FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Year Ended December 31, 2022)

	Prior Year Actual	Current Year Actual
Receipts		
Intergovernmental		
Federal Grant - ARPA	$ 100,798.35	$ -
Total Receipts	100,798.35	-
Expenditures		
General Government		
Capital Outlay	-	156,130.00
Total Expenditures	-	156,130.00
Receipts Over(Under) Expenditures	100,798.35	(156,130.00)
Unencumbered Cash, Beginning	100,798.35	201,596.70
Unencumbered Cash, Ending	$ 201,596.70	$ 45,466.70

CITY OF YATES CENTER, KANSAS
SPECIAL HIGHWAY FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Intergovernmental				
Special Highway Tax	$ 25,202.71	$ 33,197.74	$ 36,730.00	$ (3,532.26)
Use of Money and Property				
Sale of Assets	225.00	545.00	-	545.00
Other Receipts				
Reimbursed Expense	140.94	1,284.40	-	1,284.40
Miscellaneous	209.50	-		-
Operating Transfer from:				
General Fund	86,595.28	83,250.14	64,044.00	19,206.14
Water Works Utility Fund	74,400.00	80,000.00	80,000.00	-
Sewer System Utility Fund	49,600.00	80,000.00	80,000.00	-
Total Receipts	236,373.43	278,277.28	$ 260,774.00	$ 17,503.28
Expenditures				
General Government				
Personal Services	82,232.47	90,422.31	$ 86,100.00	$ 4,322.31
Contractual Services	46,732.29	40,701.32	25,947.00	14,754.32
Commodities	75,482.72	77,447.37	150,000.00	(72,552.63)
Capital Outlay	57,373.48	4,665.95	1,251.00	3,414.95
Operating Transfer to				
Municipal Equipment Fund	32,840.00	-	-	-
Total Expenditures	294,660.96	213,236.95	$ 263,298.00	$ (50,061.05)
Receipts Over(Under) Expenditures	(58,287.53)	65,040.33		
Unencumbered Cash, Beginning	59,037.99	750.46		
Unencumbered Cash, Ending	$ 750.46	$ 65,790.79		

CITY OF YATES CENTER, KANSAS
SPECIAL HIGHWAY RESERVE FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Year Ended December 31, 2022)

	Prior Year Actual	Current Year Actual
Receipts		
Intergovernmental		
Special Highway Tax	$ 10,000.30	$ 2,892.16
KDOT - Connecting Links	40,189.99	40,189.99
Total Receipts	50,190.29	43,082.15
Expenditures		
General Government		
Contractual Services	-	-
Total Expenditures	-	-
Receipts Over(Under) Expenditures	50,190.29	43,082.15
Unencumbered Cash, Beginning	50,162.31	100,352.60
Unencumbered Cash, Ending	$ 100,352.60	$ 143,434.75

CITY OF YATES CENTER, KANSAS
LIBRARY FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Taxes and Shared Receipts				
Ad Valorem Taxes	$ 55,207.30	$ 55,044.25	$ 57,732.00	$ (2,687.75)
Delinquent Taxes	3,456.16	2,249.34	1,132.00	1,117.34
Motor Vehicle Taxes	10,153.09	10,432.61	9,171.00	1,261.61
Recreational Vehicle Taxes	186.67	157.19	175.00	(17.81)
16/20M Truck Taxes	149.46	120.59	134.00	(13.41)
Commercial Vehicle Taxes	810.18	912.37	723.00	189.37
Mineral Tax	0.77	0.73	-	0.73
Total Receipts	69,963.63	68,917.08	$ 69,067.00	$ (149.92)
Expenditures				
Culture and Recreation				
Appropriation to Library Board	66,539.86	68,917.08	$ 69,520.00	$ (602.92)
Total Expenditures	66,539.86	68,917.08	$ 69,520.00	$ (602.92)
Receipts Over(Under) Expenditures	3,423.77	-		
Unencumbered Cash, Beginning	1,584.02	5,007.79		
Unencumbered Cash, Ending	$ 5,007.79	$ 5,007.79		

CITY OF YATES CENTER, KANSAS
LIBRARY RESERVE FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Year Ended December 31, 2022)

	Prior Year Actual	Current Year Actual
Receipts		
Operating Transfer from General Fund	$ 12,000.00	$ -
Total Receipts	12,000.00	-
Expenditures		
Culture and Recreation		
Contractual Services	-	-
Total Expenditures	-	-
Receipts Over(Under) Expenditures	12,000.00	-
Unencumbered Cash, Beginning	21,000.00	33,000.00
Unencumbered Cash, Ending	$ 33,000.00	$ 33,000.00

CITY OF YATES CENTER, KANSAS
RECREATION COMMISSION FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Taxes and Shared Receipts				
Ad Valorem Taxes	$ 21,137.37	$ 21,077.05	$ 23,290.00	$ (2,212.95)
Delinquent Taxes	1,301.30	844.43	457.00	387.43
Motor Vehicle Taxes	3,887.44	3,994.36	3,511.00	483.36
Recreational Vehicle Taxes	71.49	60.15	67.00	(6.85)
16/20M Truck Taxes	54.96	46.14	51.00	(4.86)
Commercial Vehicle Taxes	310.22	349.31	277.00	72.31
Mineral Tax	0.30	0.28	-	0.28
State Assessed	-	-	3,406.00	(3,406.00)
Total Receipts	26,763.08	26,371.72	$ 31,059.00	$ (4,687.28)
Expenditures				
General Government				
Personal Services	17,495.41	18,291.98	$ 24,447.00	$ (6,155.02)
Culture and Recreation				
Golf Course Allocation	2,000.00	2,000.00	2,000.00	-
Appropriation to				
Recreation Commission Board	8,362.23	7,838.00	7,838.00	-
Total Expenditures	27,857.64	28,129.98	$ 34,285.00	$ (6,155.02)
Receipts Over(Under) Expenditures	(1,094.56)	(1,758.26)		
Unencumbered Cash, Beginning	2,852.82	1,758.26		
Unencumbered Cash, Ending	$ 1,758.26	$ -		

CITY OF YATES CENTER, KANSAS
LINCOLN PARK MEMORIAL FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Year Ended December 31, 2022)

	Prior Year Actual	Current Year Actual
Receipts		
Other Receipts		
Donations	$ -	$ -
Total Receipts	-	-
Expenditures		
Culture and Recreation		
Commodities	-	-
Total Expenditures	-	-
Receipts Over(Under) Expenditures	-	-
Unencumbered Cash, Beginning	13,591.58	13,591.58
Unencumbered Cash, Ending	$ 13,591.58	$ 13,591.58

CITY OF YATES CENTER, KANSAS
SPECIAL LAW AND EMERGENCY VEHICLES FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Taxes and Shared Receipts				
Ad Valorem Taxes	$ 12,952.01	$ 12,911.06	$ 13,440.00	$ (528.94)
Delinquent Taxes	799.31	523.47	264.00	259.47
Motor Vehicle Taxes	2,381.90	2,447.53	2,151.00	296.53
Recreational Vehicle Taxes	43.78	36.88	41.00	(4.12)
16/20M Truck Taxes	33.64	28.29	32.00	(3.71)
Commercial Vehicle Taxes	190.07	214.05	170.00	44.05
Mineral Tax	0.18	0.17	-	0.17
Use of Money and Property				
Sale of Assets	-	9,280.00	-	9,280.00
Other Receipts				
Reimbursed Expense	-	450.00	-	450.00
Operating Transfer from				
General Fund	45,744.11	41,562.68	18,516.00	23,046.68
Total Receipts	62,145.00	67,454.13	$ 34,614.00	$ 32,840.13
Expenditures				
Public Safety				
Capital Outlay	51,423.00	53,120.10	$ 236,340.00	$ (183,219.90)
Total Expenditures	51,423.00	53,120.10	$ 236,340.00	$ (183,219.90)
Receipts Over(Under) Expenditures	10,722.00	14,334.03		
Unencumbered Cash, Beginning	163,566.26	174,288.26		
Unencumbered Cash, Ending	$ 174,288.26	$ 188,622.29		

CITY OF YATES CENTER, KANSAS
SPECIAL PARKS AND RECREATION FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Intergovernmental				
Local Alcoholic Liquor Tax	$ 2,777.96	$ 4,447.15	$ 2,323.00	$ 2,124.15
Total Receipts	2,777.96	4,447.15	$ 2,323.00	$ 2,124.15
Expenditures				
General Government				
Contractual Services	-	-	$ 9,609.00	$ (9,609.00)
Total Expenditures	-	-	$ 9,609.00	$ (9,609.00)
Receipts Over(Under) Expenditures	2,777.96	4,447.15		
Unencumbered Cash, Beginning	6,889.22	9,667.18		
Unencumbered Cash, Ending	$ 9,667.18	$ 14,114.33		

CITY OF YATES CENTER, KANSAS
MUNICIPAL EQUIPMENT FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Year Ended December 31, 2022)

	Prior Year Actual	Current Year Actual
Receipts		
Operating Transfer from Special Highway Fund	$ 32,840.00	$ -
Total Receipts	32,840.00	-
Expenditures		
Operating Expenditures		
Capital Outlay	12,480.00	-
Total Expenditures	12,480.00	-
Receipts Over(Under) Expenditures	20,360.00	-
Unencumbered Cash, Beginning	168,369.35	188,729.35
Unencumbered Cash, Ending	$ 188,729.35	$ 188,729.35

CITY OF YATES CENTER, KANSAS
MULTI-YEAR CAPITAL IMPROVEMENT FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Year Ended December 31, 2022)

	Prior Year Actual	Current Year Actual
Receipts		
Taxes and Shared Receipts		
Delinquent Tax	$ 11.92	$ 33.17
Operating Transfer from		
General Fund	108,012.99	109,636.55
Residual Transfer from		
Water Rescue Fund	1,987.46	-
Total Receipts	110,012.37	109,669.72
Expenditures		
General Government		
Capital Outlay	-	3,989.20
Debt Service		
Principal	22,872.86	25,052.93
Interest	23,225.58	21,045.51
Total Expenditures	46,098.44	50,087.64
Receipts Over(Under) Expenditures	63,913.93	59,582.08
Unencumbered Cash, Beginning	351,984.81	415,898.74
Unencumbered Cash, Ending	$ 415,898.74	$ 475,480.82

CITY OF YATES CENTER, KANSAS
FIRE PROTECTION BUILDING FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Operating Transfer from				
General Fund	$ 18,297.64	$ 16,625.07	$ 7,406.00	$ 9,219.07
Total Receipts	18,297.64	16,625.07	$ 7,406.00	$ 9,219.07
Expenditures				
Fire Fighting Equipment				
Contractual	6,588.45	6,565.90	$ 7,000.00	$ (434.10)
Commodities	-	-	4,300.00	(4,300.00)
Capital Outlay	-	-	84,810.00	(84,810.00)
Total Expenditures	6,588.45	6,565.90	$ 96,110.00	$ (89,544.10)
Receipts Over(Under) Expenditures	11,709.19	10,059.17		
Unencumbered Cash, Beginning	81,789.50	93,498.69		
Unencumbered Cash, Ending	$ 93,498.69	$ 103,557.86		

CITY OF YATES CENTER, KANSAS
BALL FIELD IMPROVEMENTS FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Operating Transfers from General Fund	$ 13,723.23	$ 12,468.81	$ 5,554.00	$ 6,914.81
Total Receipts	13,723.23	12,468.81	$ 5,554.00	$ 6,914.81
Expenditures				
General Government				
Capital Outlay	8,700.00	2,060.00	$ 22,620.00	$ (20,560.00)
Total Expenditures	8,700.00	2,060.00	$ 22,620.00	$ (20,560.00)
Receipts Over(Under) Expenditures	5,023.23	10,408.81		
Unencumbered Cash, Beginning	16,358.46	21,381.69		
Unencumbered Cash, Ending	$ 21,381.69	$ 31,790.50		

CITY OF YATES CENTER, KANSAS
ECONOMIC DEVELOPMENT FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Operating Transfers from				
General Fund	$ 36,595.28	$ 33,250.14	$ 14,044.00	$ 19,206.14
Total Receipts	36,595.28	33,250.14	$ 14,044.00	$ 19,206.14
Expenditures				
General Government				
Contractual Services	12,943.25	9,640.25	$ 25,500.00	$ (15,859.75)
Capital Outlay	-	15,667.13	7,313.00	8,354.13
Culture and Recreation				
Allocation to Chamber	18,922.00	18,922.00	18,922.00	-
Total Expenditures	31,865.25	44,229.38	$ 51,735.00	$ (7,505.62)
Receipts Over(Under) Expenditures	4,730.03	(10,979.24)		
Unencumbered Cash, Beginning	45,094.54	49,824.57		
Unencumbered Cash, Ending	$ 49,824.57	$ 38,845.33		

CITY OF YATES CENTER, KANSAS
WATER RESCUE FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Year Ended December 31, 2022)

	Prior Year Actual	Current Year Actual
Receipts		
Other Receipts		
Miscellaneous	$ -	$ -
Total Receipts	-	-
Expenditures		
Residual Transfer to Multi-Year Capital Improvement Fund	1,987.46	-
Total Expenditures	1,987.46	-
Receipts Over(Under) Expenditures	(1,987.46)	-
Unencumbered Cash, Beginning	1,987.46	-
Unencumbered Cash, Ending	$ -	$ -

CITY OF YATES CENTER, KANSAS
SPECIAL RECREATIONAL FACILITIES FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Charges for Services				
Program Fees	$ 78,350.59	$ 16,853.59	$ 14,019.00	$ 2,834.59
Use of Money and Property				
Rental Income	4,253.50	6,335.98	4,429.00	1,906.98
Other Receipts				
Donations	568.00	1,162.00	-	1,162.00
Total Receipts	83,172.09	24,351.57	$ 18,448.00	$ 5,903.57
Expenditures				
General Government				
Contractual Services	11,744.91	3,421.00	$ 5,700.00	$ (2,279.00)
Commodities	6,024.98	13,796.11	12,500.00	1,296.11
Capital Outlay	72,357.15	1,834.07	161,336.00	(159,501.93)
Total Expenditures	90,127.04	19,051.18	$ 179,536.00	$ (160,484.82)
Receipts Over(Under) Expenditures	(6,954.95)	5,300.39		
Unencumbered Cash, Beginning	111,890.48	104,935.53		
Unencumbered Cash, Ending	$ 104,935.53	$ 110,235.92		

CITY OF YATES CENTER, KANSAS
POLICE DEPARTMENT SPECIAL ACCOUNT FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Year Ended December 31, 2022)

	Prior Year Actual	Current Year Actual
Receipts		
Use of Money and Property		
Interest Income	$ 0.31	$ 0.89
Total Receipts	0.31	0.89
Expenditures		
Public Safety		
Commodities	-	-
Total Expenditures	-	-
Receipts Over(Under) Expenditures	0.31	0.89
Unencumbered Cash, Beginning	455.78	456.09
Unencumbered Cash, Ending	$ 456.09	$ 456.98

CITY OF YATES CENTER, KANSAS
WATER WORKS UTILITY FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Charges for Services				
Water Sales	$ 567,847.04	$ 634,918.46	$ 588,497.00	$ 46,421.46
Service Charges	22,557.84	22,901.26	22,648.00	253.26
Connection Fees	4,858.00	4,176.00	4,620.00	(444.00)
Other Charges	1,028.22	993.62	396.00	597.62
Use of Money and Property				
Interest Income	26,797.61	22,382.57	25,264.00	(2,881.43)
Crane Sales	9,306.52	7,172.00	1,000.00	6,172.00
Sale of Assets	-	500.00	-	500.00
Other Receipts				
State Set-off Program	483.94	1,788.61	-	1,788.61
Reimbursed Expense	7,575.64	1,174.73	-	1,174.73
Miscellaneous	(79.65)	60.00	-	60.00
Total Receipts	640,375.16	696,067.25	$ 642,425.00	$ 53,642.25
Expenditures				
Operating Expenditures				
Personal Services	173,251.34	172,535.60	$ 154,838.00	$ 17,697.60
Contractual Services	148,165.48	154,219.28	120,000.00	34,219.28
Commodities	155,810.10	100,423.15	135,000.00	(34,576.85)
Capital Outlay	16,022.41	408,729.25	489,963.00	(81,233.75)
Debt Service				
Principal	22,398.19	23,261.97	23,262.00	(0.03)
Interest	8,789.81	7,926.03	7,926.00	0.03
Operating Transfers to:				
Sewer System Utility Fund	48,000.00	48,000.00	-	48,000.00
Special Highway Fund	74,400.00	80,000.00	80,000.00	-
Water Reserve Fund	20,400.00	20,400.00	20,400.00	-
Total Expenditures	667,237.33	1,015,495.28	$ 1,031,389.00	$ (15,893.72)
Receipts Over(Under) Expenditures	(26,862.17)	(319,428.03)		
Unencumbered Cash, Beginning	402,421.05	375,558.88		
Unencumbered Cash, Ending	$ 375,558.88	$ 56,130.85		

CITY OF YATES CENTER, KANSAS
WATER RESERVE FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Year Ended December 31, 2022)

	Prior Year Actual	Current Year Actual
Receipts		
Use of Money and Property		
Interest Income	$ 470.01	$ 1,655.00
Operating Transfer from		
Water Works Utility Fund	20,400.00	20,400.00
Total Receipts	20,870.01	22,055.00
Expenditures		
Operating Expenditures		
Contractual	-	-
Total Expenditures	-	-
Receipts Over(Under) Expenditures	20,870.01	22,055.00
Unencumbered Cash, Beginning	326,371.72	347,241.73
Unencumbered Cash, Ending	$ 347,241.73	$ 369,296.73

CITY OF YATES CENTER, KANSAS
SEWER SYSTEM UTILITY FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Charges for Services				
Sewer Collections	$ 258,442.36	$ 260,831.77	$ 261,747.00	$ (915.23)
Service Charges	40,460.94	41,160.00	40,680.00	480.00
Connection Fees	-	219.00	-	219.00
Other Receipts				
State Set-off Program	1,487.00	1,788.58	554.00	1,234.58
Miscellaneous	107.14	36.00	-	36.00
Operating Transfer from				
Water Works Utility Fund	48,000.00	48,000.00	-	48,000.00
Total Receipts	348,497.44	352,035.35	$ 302,981.00	$ 49,054.35
Expenditures				
Operating Expenditures				
Personal Services	-	-	$ 20,000.00	$ (20,000.00)
Contractual Services	53,451.26	78,214.94	65,000.00	13,214.94
Commodities	4,213.66	7,897.13	24,000.00	(16,102.87)
Capital Outlay	-	78,284.00	212,600.00	(134,316.00)
Debt Services - Sewer Truck				
Principal	20,620.91	21,518.29	21,518.00	0.29
Interest	1,832.86	935.48	935.00	0.48
Debt Services - Sewer Line Replacement				
Principal	9,712.57	10,057.23	10,057.00	0.23
Interest	1,849.91	1,505.25	1,505.00	0.25
Operating Transfer to:				
Special Highway Fund	49,600.00	80,000.00	80,000.00	-
Sewer Debt Service Fund	170,400.00	26,000.00	26,000.00	-
Total Expenditures	311,681.17	304,412.32	$ 461,615.00	$ (157,202.68)
Receipts Over(Under) Expenditures	36,816.27	47,623.03		
Unencumbered Cash, Beginning	148,414.15	185,230.42		
Unencumbered Cash, Ending	$ 185,230.42	$ 232,853.45		

CITY OF YATES CENTER, KANSAS
SEWER DEBT SERVICE FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Operating Transfer from				
Sewer System Utility Fund	$ 170,400.00	$ 26,000.00	$ 26,000.00	$ -
Total Receipts	170,400.00	26,000.00	$ 26,000.00	$ -
Expenditures				
Debt Services				
Principal	163,084.57	83,621.30	$ 83,621.00	$ 0.30
Interest	6,992.79	1,417.38	1,417.00	0.38
Cash Reserve	-	-	1,788.00	(1,788.00)
Total Expenditures	170,077.36	85,038.68	$ 86,826.00	$ (1,787.32)
Receipts Over(Under) Expenditures	322.64	(59,038.68)		
Unencumbered Cash, Beginning	60,503.76	60,826.40		
Unencumbered Cash, Ending	$ 60,826.40	$ 1,787.72		

CITY OF YATES CENTER, KANSAS
SEWER REPLACEMENT FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Year Ended December 31, 2022)

	Prior Year Actual	Current Year Actual
Receipts		
Operating Transfer from Sewer System Utility Fund	$ -	$ -
Total Receipts	-	-
Expenditures		
Operating Expenditures		
Contractual	-	-
Total Expenditures	-	-
Receipts Over(Under) Expenditures	-	-
Unencumbered Cash, Beginning	87,785.19	87,785.19
Unencumbered Cash, Ending	$ 87,785.19	$ 87,785.19

Schedule 3

CITY OF YATES CENTER, KANSAS
AGENCY FUNDS
Summary of Receipts and Disbursements
Regulatory Basis
For the Year Ended December 31, 2023

Funds	Beginning Cash Balances	Receipts	Disbursements	Ending Cash Balances
Municipal Court	$ 21,506.15	$ 177,795.39	$ 199,227.54	$ 74.00
Municipal Court Bonds	732.00	675.00	1,175.00	232.00
Tax Withholding	12.29	126,206.49	126,206.49	12.29
Retirement Withholding	358.08	77,797.13	77,275.38	879.83
Total Agency Funds	$ 22,608.52	$ 382,474.01	$ 403,884.41	$ 1,198.12

Jarred Gilmore Phillips

The Honorable Mayor and City Council
City of Yates Center, Kansas

In planning and performing our audit of the financial statement of the City of Yates Center, Kansas as of and for the year ended December 31, 2023, in accordance with auditing standards generally accepted in the United States of America, we considered the City of Yates Center, Kansas' system of internal control over financial reporting (internal control) as a basis for designing 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 of Yates Center, Kansas' internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Yates Center, Kansas' internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses.

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. We consider the following deficiencies in internal control to be material weaknesses:

Preparation of Financial Statement

Accounting standards states the client must be able to accept responsibility and be able to identify a material misstatement when reviewing the financial statement, including footnotes and supplemental information. This would also include knowing if a required footnote disclosure was missing or not correctly stated. Presently, the City staff does not have the ability to process and prepare the required financial statement, including footnotes. The potential effects of this material weakness could be unrecognized errors on the financial statement. While we recognize that this condition is not unusual for a City your size, it is important that you be aware of this condition for financial reporting purposes. Management and the City Council should continually be aware of the financial reporting of the City and changes in reporting requirements.

Segregation of Duties

An internal control structure is, quite simply, the procedures and policies in effect which ensure that the City's financial activity is properly recorded, processed, summarized, and reported in the financial statement. A weakness in the control structure occurs when one person is responsible for all of the accounting activities such as performing billings, receipting cash, making deposits, reconciling the bank accounts, and having access to all books and records of the City. Due to small staff size, it is not possible for reviews of daily work to take place, potentially resulting in errors in financial records and reports.

Incorrect Utility Billing

The City changed how they calculate monthly water charges effective January 1, 2023. Upon testing the utility bill calculation as part of our audit, it was discovered the City has been incorrectly calculating the water charges based on the wrong rate for one customer of twenty five randomly selected for testing. This incorrect rate resulted in the City missing out on cash receipts needed to increase unencumbered cash balances. We recommend the City review all current customer rates since the audit tested a random sample and would only find a problem when an account is selected for testing. We also recommend whenever there is a rate change, a sample of bills be recalculated manually to verify rate changes have been properly implemented.

This communication is intended solely for the information and use of management, City Council, and others within the City of Yates Center, Kansas, and is not intended to be, and should not be, used by anyone other than these specified parties.

Jarred, Gilmore & Phillips, PA

JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

Chanute, Kansas
July 08, 2024