CITY OF GARNETT, KANSAS

Independent Auditor's Report and
Financial Statement with
Supplementary Information

For the Year Ended December 31, 2023

CITY OF GARNETT, KANSAS
For the Year Ended December 31, 2023

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CITY OF GARNETT, KANSAS
For the Year Ended December 31, 2023

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JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Commission
City of Garnett, 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 Garnett, 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 Garnett, 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 Garnett, 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), the *Kansas Municipal Audit and Accounting Guide,* and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 City of Garnett, Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

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

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

Auditor's Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *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 GAAS 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 regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, schedules of receipts and expenditures – actual and budget – regulatory basis for each individual fund, and schedule of receipts and disbursements – agency funds, regulatory basis (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*. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 *U.S. Code of Fedearl Regulations* (CFR) *Part 200*, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statement. 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 City of Garnett, Kansas as of and for the year ended December 31, 2022 (not presented herein), and have issued our report thereon dated July 13, 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 13, 2024, on our consideration of the City of Garnett, Kansas' 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 solely 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 of Garnett, Kansas' 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 of Garnett, Kansas' internal control over financial reporting and compliance.

Jarred, Gilmore & Phillips, PA

JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

June 13, 2024
Chanute, Kansas

CITY OF GARNETT, 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	Cash Balance December 31, 2023
General Fund	$ 671,240.52	$ 2,917,768.67	$ 2,914,453.44	$ 674,555.75	$ 45,934.89	$ 720,490.64
Special Purpose Funds:						
Airport	5,438.33	173,279.91	116,491.74	62,226.50	600.00	62,826.50
Library	15,916.54	205,559.88	216,528.59	4,947.83	6,951.38	11,899.21
Special Highway	5,674.35	434,634.87	204,222.22	236,087.00	-	236,087.00
Special Parks and Recreation	20,398.06	6,971.31	-	27,369.37	-	27,369.37
Public Safety	2,661.15	1,312,430.76	1,091,976.51	223,115.40	22,460.95	245,576.35
Capital Outlay Improvement	999,985.89	4,341,338.37	4,077,843.65	1,263,480.61	4,959.22	1,268,439.83
Equipment Reserve	502,486.75	320,429.57	302,274.19	520,642.13	-	520,642.13
Creative Arts Grant	6,630.62	-	-	6,630.62	-	6,630.62
Tourism	66,916.57	36,979.41	31,855.68	72,040.30	1,591.88	73,632.18
Tax Refund Reserve	840,000.00	140,000.00	-	980,000.00	-	980,000.00
Tax Refund Litigation	300,000.00	50,000.00	-	350,000.00	-	350,000.00
Economic Development	39,692.55	104,480.00	75,652.27	68,520.28	-	68,520.28
Bond and Interest Funds:						
General Obligation Bond and Interest	236.17	404,388.93	404,625.10	-	-	-
Capital Projects Funds:						
Industrial Park Development	86,564.41	-	-	86,564.41	-	86,564.41
Business Funds:						
Sanitation Utility	199,442.50	442,125.91	354,600.00	286,968.41	5,829.58	292,797.99
Electric Utility	1,671,967.78	4,476,792.47	4,102,891.79	2,045,868.46	89,192.34	2,135,060.80
Water Utility	2,671,092.85	1,778,648.42	2,447,998.23	2,001,743.04	18,393.86	2,020,136.90
Gas Utility	5,278.66	1,833,820.18	1,830,307.22	8,791.62	88,229.53	97,021.15
Wastewater Utility	313,516.31	659,129.94	584,016.80	388,629.45	4,788.14	393,417.59
Total Reporting Entity (Excluding Agency Funds)	$ 8,425,140.01	$ 19,638,778.60	$ 18,755,737.43	$ 9,308,181.18	$ 288,931.77	$ 9,597,112.95

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

CITY OF GARNETT, KANSAS

Summary Statement of Receipts, Expenditures, and Unencumbered Cash
Regulatory Basis
For the Year Ended December 31, 2023

	2023
Total Cash to be accounted for:	$ 9,597,112.95
Composition of Cash:	
Cash on Hand	$ 3,425.00
Checking Accounts:	
Goppert State Service Bank	1,264,701.29
Patriots Bank - Utility Account	800,079.27
Patriots Bank -Asset Forfeiture	9,879.76
Patriots Bank -Drug Tax Stamp	5,595.75
Patriots Bank - Municipal Court	16,457.22
Patriots Bank - Diversion	2,215.73
Patriots Bank - Bond Account	9,751.45
Investments:	
Certificates of Deposit	9,100,000.00
Less:	
Housing Authority Cash Balances	(1,442,301.78)
Total Cash	9,769,803.69
Agency Funds Per Schedule 3	(172,690.74)
Total Reporting Entity (Excluding Agency Funds)	$ 9,597,112.95

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Garnett, Kansas, (the City) is incorporated as a City of the second class, under the provisions of K.S.A. 13-101 *et seq.* The City operates under a Commission-City Manager form of government and provides the following services as authorized by its charter: public safety (police and fire), highways and streets, water and sewer, health and social services, culture-recreation, education, public improvements, planning and zoning, and general administrative services.

The financial statement and schedules of the City of Garnett, 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 Garnett, Kansas (the City) is a municipal corporation governed by an elected three member commission. This financial statement presents the City of Garnett, Kansas.

Related Municipal Entity. 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:

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

Garnett Housing Authority
The Housing Authority of the City of Garnett, Kansas operates the City's housing projects with a December 31st year end. The Housing Authority can sue and be sued, and can buy, sell, or lease real property. Bond ordinances must be approved by the City. A copy of the financial statements can be obtained from the Housing Authority. Accounting records and cash is recorded on City's accounting software and included in footnote 3, but is not included in the City's financial statement itself.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 Garnett, 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.

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

Capital Project fund – used to account for the debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment.

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

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 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pension Plan
Substantially all full-time City employees are members of the State of Kansas Public Employees Retirement System, or the State of Kansas Police and Fire Retirement System, both of which are a multi-employer state-wide pension plan. The City's policy is to fund all pension costs accrued. Such costs to be funded are actuarially determined annually by the State of Kansas.

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 schedule comparisons 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.

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 revenue 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.

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.

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, 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Information (Continued)
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. The City amended the Electric Utility Fund and Water Utility Fund.

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 by the City for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for capital projects funds, trust funds, permanent funds, and the following special purpose funds:

- Capital Outlay Improvement Fund
- Equipment Reserve Fund
- Creative Arts Grant Fund
- Tax Refund Reserve Fund
- Tax Refund Litigation 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, the City was in compliance with the cash basis laws of Kansas. As shown in Schedule 1, the City was in apparent violation of K.S.A. 79-2934 as the City has obligated expenditures in excess of budgetary limits in the General Obligation Bond and Interest Fund.

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 adjoining county if such institution has been designated as an official depository, and the bank provides 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, including certificates of deposit and amounts from the Housing Authority was $11,208,680.47 and the bank balance was $11,369,694.38. The bank balance was held by three banks resulting in a concentration of credit risk. Of the bank balance, $794,544.88 was covered by FDIC insurance and $10,575,149.50 was collateralized with pledged securities held by the pledging financial institutions' agents in the City's name and letters of credit.

4. FINANCE LEASES

The City has entered into a finance lease agreement in order to finance the purchase of a 2023 Freightliner truck with a New Way Viper 11 yard compactor. Payments are made annually including interest at 2.45%. Final maturity of the lease is November 21, 2029. Future minimum lease payments are as follows:

Year Ended December 31	Totals
2024	$ 27,126.06
2025	27,126.06
2026	27,126.06
2027	27,126.06
2028	27,126.06
2029	27,126.12
	162,756.42
Less Imputed interest	(13,275.85)
Net Present Value of Minimum Lease Payments	149,480.57
Less: Current Maturities	(23,402.75)
Long-Term Finance Lease Obligations	$ 126,077.82

5. LONG-TERM DEBT

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

Issue	Interest Rates	Date of Issue	Original Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
General Obligation Bonds									
Paid by Utility Receipts:									
Series 2015	2.25-4.00%	December 10, 2015	$ 645,000.00	October 1, 2035	$ 455,000.00	$ -	$ (30,000.00)	$ 425,000.00	$ 14,875.00
State Low Interest Loan	0.25%	March 24, 2021	2,900,000.00	January 1, 2031	2,324,442.95	-	(262,455.02)	2,061,987.93	62,295.08
Senior Housing Revenue Bonds									
Series 2006	4.25-5.00%	March 15, 2006	2,395,000.00	October 1, 2028	615,000.00	-	(90,000.00)	525,000.00	20,638.16
Finance Leases									
2023 Trash Truck	2.45%	November 22, 2022	172,326.00	November 21, 2029	172,326.00	-	(22,845.43)	149,480.57	4,280.63
Total Contractual Indebtedness					$ 3,566,768.95	$ -	$ (405,300.45)	$ 3,161,468.50	$ 102,088.87

5. 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	2034-2035	Total
Principal								
General Obligation Bonds								
Paid by Utility Receipts:								
Series 2015	$ 30,000.00	$ 35,000.00	$ 35,000.00	$ 35,000.00	$ 30,000.00	$ 180,000.00	$ 80,000.00	$ 425,000.00
State Low Interest Loan	134,188.41	274,059.34	281,814.51	289,789.13	297,989.41	784,147.13	-	2,061,987.93
Senior Housing Revenue Bonds								
Series 2006	95,000.00	100,000.00	105,000.00	110,000.00	115,000.00	-	-	525,000.00
Finance Leases								
2023 Trash Truck	23,402.75	23,994.25	24,590.28	25,201.11	25,823.55	26,468.63	-	149,480.57
Total Principal Payments	282,591.16	433,053.59	446,404.79	459,990.24	468,812.96	990,615.76	80,000.00	3,161,468.50
Interest								
General Obligation Bonds								
Paid by Utility Receipts:								
Series 2015	14,125.00	13,375.00	12,500.00	11,450.00	10,400.00	35,325.00	4,500.00	101,675.00
State Low Interest Loan	28,946.22	52,209.92	44,454.75	36,480.13	28,279.85	33,284.39	-	223,655.26
Senior Housing Revenue Bonds								
Series 2006	27,443.76	22,575.00	17,325.00	11,812.50	6,037.50	-	-	85,193.76
Finance Leases								
2023 Trash Truck	3,723.31	3,131.81	2,535.78	1,924.95	1,302.51	657.49	-	13,275.85
Total Interest Payments	74,238.29	91,291.73	76,815.53	61,667.58	46,019.86	69,266.88	4,500.00	423,799.87
Total Principal and Interest	$ 356,829.45	$ 524,345.32	$ 523,220.32	$ 521,657.82	$ 514,832.82	$ 1,059,882.64	$ 84,500.00	$ 3,585,268.37

6. 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, 2017. Effective January 1, 2017, Kansas law established the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. K.S.A. 74-4975 establishes KP&F member-employee contribution rate at 7.15% of covered salary. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1 and KPERS 2 and KPERS 3 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 and 22.86% for KP&F for the fiscal year ended December 31, 2023. Contributions to the pension plan from the City were $225,353.76 for KPERS and $114,834.27 for KP&F 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 $2,378,647.00 and $1,196,935.00 for KP&F. 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.

7. 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.

Compensated Absences:
It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits.

Vacation – All employees shall accrue vacation leave each pay period according to their position and years of service with the City. Employees can accrue up to 20 days of vacation if under 10 years of service and 30 days if over 10 years of service.

Full time employees:

Year of Service	Days per Year	Maximum Accrual
1-5 years	10	20
5-10 years	12	20
10-15 years	15	30
15 + years	18	30

Sick leave – All full time employees shall accrue paid sick leave at a rate of at least one eight hour day per month of service with a maximum accrual of 90 days.

Accumulated leave payout – All employees separating from City employment that have given and satisfactorily completed an appropriate notice will receive payment for all accumulated accrued and unused vacation and depending upon the employees length of service with the City and maximum accruals and a percentage of their accrued unused sick leave as follows:

- Full time employees with 0-10 full years of continuous service will receive 0 sick leave payout.
- Full time employees with 11-15 full years of continuous service will receive 10 days sick leave payout.
- Full time employees with 16+ full years of continuous service will receive 20 days sick leave payout,

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 pay, which has been earned, but not taken by City employees of $139,752.39. The City has not accrued a liability for sick leave earned, but not taken, by City employees, as the amounts cannot be reasonably estimated at this time.

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

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.

8. 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.

9. OTHER LEASING ARRANGEMENTS

Simultaneously with the execution and delivery of the Series 2006 Bonds, the City of Garnett entered into a 23-year lease agreement with the Housing Authority whereby the City will lease the housing projects to the Housing Authority. Under the terms of the lease, the Housing Authority is required to make monthly rent payments to a bond trustee in amounts sufficient to pay Series 2006 bond principal and interest when due. The Housing Authority and the City of Garnett, Kansas also entered into an agreement whereby the City of Garnett, Kansas, subject to certain limitations, will pay to the bond trustee the monthly rent amounts to the extent not paid by the Housing Authority. An additional agreement provides that the Housing Authority will repay the City of Garnett, Kansas for any amounts it advances to the bond trustee. Additionally, the bonds are secured by the financed property, furnishings and equipment and by the City's annual appropriation pledge. The Series 2006 Bonds are recorded as a long-term finance lease of the Housing Authority.

10. INTERFUND TRANSFERS

Operating transfers were as follows:

From Fund:	To Fund:	Statutory Authority	Amount
General	Capital Outlay Improvement	K.S.A. 12-1,118	$ 20,000.00
General	Equipment Reserve	K.S.A. 12-1,117	86,500.00
General	Tax Refund Reserve	Ord. No. 4192	45,000.00
General	Tax Refund Litigation	Ord. No. 4192	15,000.00
Airport	Capital Outlay Improvement	K.S.A. 12-1,118	22,500.00
Airport	Equipment Reserve	K.S.A. 12-1,117	2,500.00
Airport	Tax Refund Reserve	Ord. No. 4192	25,000.00
Airport	Tax Refund Litigation	Ord. No. 4192	10,000.00
Library	Capital Outlay Improvement	K.S.A. 12-1,118	5,000.00
Public Safety	Capital Outlay Improvement	K.S.A. 12-1, 118	12,500.00

10. INTERFUND TRANSFERS (Continued)

Operating transfers were as follows (Continued):

From Fund:	To Fund:	Statutory Authority	Amount
Public Safety	Equipment Reserve	K.S.A. 12-1, 117	$ 72,149.71
Public Safety	Tax Refund Reserve	Ord. No. 4192	45,000.00
Public Safety	Tax Refund Litigation	Ord. No. 4192	15,000.00
General Obligation Bond and Interest	Tax Refund Reserve	Ord. No. 4192	25,000.00
General Obligation Bond and Interest	Tax Refund Litigation	Ord. No. 4192	10,000.00
Sanitation Utility	Capital Outlay Improvement	K.S.A. 12-1, 118	2,490.00
Sanitation Utility	Equipment Reserve	K.S.A. 12-1, 117	9,414.61
Electric Utility	Capital Outlay Improvement	K.S.A. 12-1, 118	175,000.00
Electric Utility	Equipment Reserve	K.S.A. 12-1, 117	50,000.00
Electric Utility	General	K.S.A. 12-825d	690,000.00
Electric Utility	General Obligation Bond and Interest	K.S.A. 12-825d	55,731.97
Electric Utility	Economic Development	K.S.A. 12-825d	52,000.00
Water Utility	Capital Outlay Improvement	K.S.A. 12-1, 118	695,000.00
Water Utility	Equipment Reserve	K.S.A. 12-1, 117	12,500.00
Water Utility	Public Safety	K.S.A. 12-825d	500,000.00
Water Utility	Gas Utility	K.S.A. 12-825d	80,000.00
Gas Utility	General Obligation Bond and Interest	K.S.A. 12-825d	324,750.10
Gas Utility	Public Safety	K.S.A. 12-825d	270,000.00
Wastewater Utility	Capital Outlay Improvement	K.S.A. 12-1, 118	92,000.00
Wastewater Utility	Equipment Reserve	K.S.A. 12-1, 117	7,500.00
Wastewater Utility	Public Safety	K.S.A. 12-825d	90,000.00
Wastewater Utility	General Obligation Bond and Interest	K.S.A. 12-825d	12,750.00

11. SUBSEQUENT EVENTS

The City evaluated events and transactions occurring subsequent 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 GARNETT, KANSAS
Summary of Expenditures - Actual and Budget
Regulatory Basis
(Budgeted Funds Only)
For the Year Ended December 31, 2023

Funds	Total Budget for Comparison	Adjustments for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Charged to Current Year Budget	Variance - Over (Under)
General Fund	$ 2,438,755.00	$ 475,698.44	$ 2,914,453.44	$ 2,914,453.44	$ -
Special Purpose Funds:					
Airport	163,500.00	-	163,500.00	116,491.74	(47,008.26)
Library	218,000.00	-	218,000.00	216,528.59	(1,471.41)
Special Highway	645,000.00	-	645,000.00	204,222.22	(440,777.78)
Special Parks & Recreation	4,000.00	-	4,000.00	-	(4,000.00)
Public Safety	1,182,100.00	-	1,182,100.00	1,091,976.51	(90,123.49)
Tourism	42,000.00	-	42,000.00	31,855.68	(10,144.32)
Economic Development	104,000.00	-	104,000.00	75,652.27	(28,347.73)
Bond and Interest Funds:					
General Obligation Bond and Interest	374,672.00	-	374,672.00	404,625.10	29,953.10
Business Funds:					
Sanitation Utility	354,600.00	-	354,600.00	354,600.00	-
Electric Utility	4,130,350.00	-	4,130,350.00	4,102,891.79	(27,458.21)
Water Utility	2,244,000.00	248,635.79	2,492,635.79	2,447,998.23	(44,637.56)
Gas Utility	2,106,250.00	-	2,106,250.00	1,830,307.22	(275,942.78)
Wastewater Utility	632,125.00	-	632,125.00	584,016.80	(48,108.20)

CITY OF GARNETT, 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 Prior Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Taxes and Shared Receipts				
Ad Valorem Property Tax	$ 590,112.76	$ 422,078.21	$ 434,061.00	$ (11,982.79)
Delinquent Tax	13,202.85	8,903.57	100.00	8,803.57
Motor Vehicle Tax	47,646.69	64,613.89	65,161.00	(547.11)
Commercial Vehicle Tax	2,667.20	3,946.34	3,680.00	266.34
Recreational Vehicle Tax	1,057.63	1,283.43	1,436.00	(152.57)
16/20M Truck Tax	246.31	322.74	108.00	214.74
Watercraft Tax	210.52	240.45	247.00	(6.55)
Special Assessments	25,447.50	29,530.00	-	29,530.00
Excise Tax	-	28.42	-	28.42
Neighborhood Revitalization Rebate	(5,900.75)	(4,756.08)	(4,477.00)	(279.08)
Sales Tax	347,841.26	435,350.74	300,000.00	135,350.74
Franchise Taxes	90,248.19	139,701.65	100,000.00	39,701.65
Intergovernmental				
Local Alcoholic Liquor Tax	9,351.97	6,971.31	2,250.00	4,721.31
Federal Grant	316,589.11	10,279.43	-	10,279.43
State Grants	43,771.17	438,848.01	-	438,848.01
Licenses and Permits				
Business Licenses, Permits & Fees	1,182.00	10,870.59	2,000.00	8,870.59
Non-Business Licenses, Permits & Fees	27,487.15	15,865.00	20,500.00	(4,635.00)
Camping Permits	23,112.86	23,604.00	22,000.00	1,604.00
Fines, Forfeitures and Penalties				
Municipal Court Fines	85,115.58	186,312.20	95,000.00	91,312.20
Charges for Services				
Cemetery	9,480.00	13,772.00	7,500.00	6,272.00
Recreational Center Membership	55,847.85	56,672.38	42,500.00	14,172.38
Recreational Fees	58,590.85	70,989.92	30,750.00	40,239.92
Concession Stand Sales	12,301.16	-	10,000.00	(10,000.00)
Use of Money and Property				
Interest Income	59,517.79	241,421.76	30,000.00	211,421.76
Recreation Center Rental Revenue	5,453.50	-	2,250.00	(2,250.00)
Town Hall Rental Revenue	-	6,940.00	2,000.00	4,940.00
Sale of Assets	190.00	4,815.00	-	4,815.00
Other Receipts				-
Miscellaneous	26,615.64	12,592.71	10,000.00	2,592.71
Reimbursement	-	26,571.00	26,500.00	71.00
Operating Transfers from				-
Electric Utility Fund	690,000.00	690,000.00	690,000.00	-
Total Receipts	2,537,386.79	2,917,768.67	$ 1,893,566.00	$ 1,024,202.67

CITY OF GARNETT, 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 Prior Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Expenditures				
General Administrative Services				
Personal Services	$ 623,766.90	$ 574,992.13	$ 610,250.00	$ (35,257.87)
Contractual Services	154,341.32	306,429.90	267,955.00	38,474.90
Commodities	18,254.01	32,312.17	70,000.00	(37,687.83)
Capital Outlay	-	668,571.86	-	668,571.86
Community Development				
Personal Services	225,951.78	166,777.77	233,700.00	(66,922.23)
Contractual Services	46,829.68	36,996.95	7,000.00	29,996.95
Commodities	7,233.39	30,342.34	88,050.00	(57,707.66)
Parks, Recreation, and Cemetery				
Personal Services	442,847.04	403,778.85	433,350.00	(29,571.15)
Contractual Services	162,090.79	195,970.17	66,750.00	129,220.17
Commodities	93,268.73	67,403.14	186,000.00	(118,596.86)
Street and Stormwater				
Personal Services	219,751.43	212,970.81	225,000.00	(12,029.19)
Contractual Services	50,133.31	43,052.66	12,250.00	30,802.66
Commodities	46,775.52	8,354.69	71,950.00	(63,595.31)
Operating Transfers to:				
Capital Outlay Improvement Fund	20,000.00	20,000.00	20,000.00	-
Equipment Reserve Fund	86,500.00	86,500.00	86,500.00	-
Tax Refund Reserve Fund	45,000.00	45,000.00	45,000.00	-
Tax Refund Litigation Fund	15,000.00	15,000.00	15,000.00	-
Total Certified Budget			2,438,755.00	475,698.44
Adjustments for Qualifying Budget Credits			475,698.44	(475,698.44)
Total Expenditures	2,257,743.90	2,914,453.44	$ 2,914,453.44	$ -
Receipts Over(Under) Expenditures	279,642.89	3,315.23		
Unencumbered Cash, Beginning	391,597.63	671,240.52		
Unencumbered Cash, Ending	$ 671,240.52	$ 674,555.75		

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

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Taxes and Shared Receipts				
Ad Valorem Property Tax	$ 71,767.58	$ 142,322.88	$ 146,398.00	$ (4,075.12)
Delinquent Tax	2,206.97	1,564.11	-	1,564.11
Motor Vehicle Tax	7,508.77	7,912.10	7,922.00	(9.90)
Commercial Vehicle Tax	454.40	479.87	448.00	31.87
Recreational Vehicle Tax	166.28	156.20	175.00	(18.80)
16/20M Truck Tax	58.86	50.08	13.00	37.08
Watercraft Tax	32.67	28.94	30.00	(1.06)
Excise Tax	-	3.46	-	3.46
Neighborhood Revitalization Rebates	(717.53)	(1,577.76)	(1,510.00)	(67.76)
Use of Money and Property				
Rental Income	8,984.00	7,382.87	5,500.00	1,882.87
Sale of Assets	12,669.07	14,602.39	12,500.00	2,102.39
Other Receipts				
Miscellaneous	12,587.43	354.77	-	354.77
Total Receipts	115,718.50	173,279.91	$ 171,476.00	$ 1,803.91
Expenditures				
Culture and Recreation				
Personal Services	29,163.00	30,345.52	$ 32,750.00	(2,404.48)
Contractual Services	15,709.05	23,315.95	8,950.00	14,365.95
Commodities	21,844.50	2,830.27	61,800.00	(58,969.73)
Operating Transfers to:				
Capital Outlay Improvement Fund	18,333.34	22,500.00	22,500.00	-
Equipment Reserve Fund	2,500.00	2,500.00	2,500.00	-
Tax Refund Reserve Fund	25,000.00	25,000.00	25,000.00	-
Tax Refund Litigation Fund	10,000.00	10,000.00	10,000.00	-
Total Expenditures	122,549.89	116,491.74	$ 163,500.00	$ (47,008.26)
Receipts Over(Under) Expenditures	(6,831.39)	56,788.17		
Unencumbered Cash, Beginning	12,269.72	5,438.33		
Unencumbered Cash, Ending	$ 5,438.33	$ 62,226.50		

CITY OF GARNETT, 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 Prior Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Taxes and Shared Receipts				
Ad Valorem Property Tax	$ 175,766.89	$ 183,200.70	$ 188,643.00	$ (5,442.30)
Delinquent Tax	5,132.96	3,181.25	-	3,181.25
Motor Vehicle Tax	19,897.97	19,439.18	19,403.00	36.18
Commercial Vehicle Tax	1,115.88	1,175.24	1,096.00	79.24
Recreational Vehicle Tax	441.84	382.72	428.00	(45.28)
16/20M Truck Tax	103.83	134.81	32.00	102.81
Watercraft Tax	87.92	71.09	73.00	(1.91)
Excise Tax	-	8.46	-	8.46
Neighborhood Revitalization Rebates	(1,757.29)	(2,033.57)	(1,946.00)	(87.57)
Total Receipts	200,790.00	205,559.88	$ 207,729.00	$ (2,169.12)
Expenditures				
Culture and Recreation				
Personal Services	146,410.06	139,480.19	$ 135,250.00	$ 4,230.19
Contractual Services	37,601.58	49,412.59	31,250.00	18,162.59
Commodities	17,584.12	22,635.81	46,500.00	(23,864.19)
Operating Transfers to				
Capital Outlay Improvement Fund	5,000.00	5,000.00	5,000.00	-
Total Expenditures	206,595.76	216,528.59	$ 218,000.00	$ (1,471.41)
Receipts Over(Under) Expenditures	(5,805.76)	(10,968.71)		
Unencumbered Cash, Beginning	21,722.30	15,916.54		
Unencumbered Cash, Ending	$ 15,916.54	$ 4,947.83		

CITY OF GARNETT, 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 Prior Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Taxes and Shared Receipts				
Motor Fuel Tax	$ 87,199.72	$ 86,269.11	$ 89,940.00	$ (3,670.89)
Sales Tax	301,088.39	348,365.76	250,000.00	98,365.76
Total Receipts	388,288.11	434,634.87	$ 339,940.00	$ 94,694.87
Expenditures				
General Government				
Contractual Services	-	20,827.36	$ -	$ 20,827.36
Commodities	-	20,827.36	-	20,827.36
Capital Outlay	914,989.36	162,567.50	645,000.00	(482,432.50)
Total Expenditures	914,989.36	204,222.22	$ 645,000.00	$ (440,777.78)
Receipts Over(Under) Expenditures	(526,701.25)	230,412.65		
Unencumbered Cash, Beginning	532,375.60	5,674.35		
Unencumbered Cash, Ending	$ 5,674.35	$ 236,087.00		

CITY OF GARNETT, 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 Prior Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Intergovernmental				
Local Alcoholic Liquor Tax	$ 9,351.97	$ 6,971.31	$ 1,700.00	$ 5,271.31
Total Receipts	9,351.97	6,971.31	$ 1,700.00	$ 5,271.31
Expenditures				
Culture and Recreation				
Commodities	-	-	$ 4,000.00	$ (4,000.00)
Total Expenditures	-	-	$ 4,000.00	$ (4,000.00)
Receipts Over(Under) Expenditures	9,351.97	6,971.31		
Unencumbered Cash, Beginning	11,046.09	20,398.06		
Unencumbered Cash, Ending	$ 20,398.06	$ 27,369.37		

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

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Taxes and Shared Receipts				
Ad Valorem Property Tax	$ 319,513.62	$ 399,354.02	$ 410,899.00	$ (11,544.98)
Delinquent Tax	9,889.79	6,127.71	-	6,127.71
Motor Vehicle Tax	40,598.71	35,493.11	35,272.00	221.11
Commercial Vehicle Tax	2,230.91	2,136.27	1,993.00	143.27
Recreational Vehicle Tax	902.14	696.12	777.00	(80.88)
16M-20M Truck Tax	184.76	276.14	59.00	217.14
Watercraft Tax	180.11	129.02	133.00	(3.98)
Excise Tax	-	15.38	-	15.38
Neighborhood Revitalization Rebates	(3,194.27)	(4,431.43)	(4,238.00)	(193.43)
Intergovernmental				
Federal Grants	5,097.43	3,235.27	-	3,235.27
Other Receipts				
Miscellaneous	1,939.54	1,224.15	-	1,224.15
Use of Money and Property				
Sale of Assets	-	8,175.00	-	8,175.00
Operating Transfers from:				
Gas Utility Fund	510,000.00	270,000.00	510,000.00	(240,000.00)
Water Utility Fund	10,000.00	500,000.00	-	500,000.00
Wastewater Utility Fund	90,000.00	90,000.00	90,000.00	-
Total Receipts	987,342.74	1,312,430.76	$ 1,044,895.00	$ 267,535.76
Expenditures				
Fire Department				
Personal Services	39,574.21	36,467.18	$ 47,150.00	$ (10,682.82)
Contractual Services	29,117.32	36,593.46	7,250.00	29,343.46
Commodities	7,279.34	645.26	47,500.00	(46,854.74)
Police Department				
Personal Services	728,925.31	677,424.77	765,600.00	(88,175.23)
Contractual Services	80,062.04	160,858.79	124,750.00	36,108.79
Commodities	45,319.52	24,987.05	94,850.00	(69,862.95)
Capital Outlay	-	10,350.29	-	10,350.29
Operating Transfers to:				
Capital Outlay Improvement Fund	15,000.00	12,500.00	12,500.00	-
Equipment Reserve Fund	57,500.00	72,149.71	82,500.00	(10,350.29)
Tax Refund Reserve Fund	45,000.00	45,000.00	-	45,000.00
Tax Refund Litigation Fund	15,000.00	15,000.00	-	15,000.00
Total Expenditures	1,062,777.74	1,091,976.51	$ 1,182,100.00	$ (90,123.49)
Receipts Over(Under) Expenditures	(75,435.00)	220,454.25		
Unencumbered Cash, Beginning	78,096.15	2,661.15		
Unencumbered Cash, Ending	$ 2,661.15	$ 223,115.40		

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

	Prior Year Actual	Current Year Actual
Receipts		
Intergovernmental		
FAA Grant	$ 140,054.00	$ -
Federal Grant	-	3,284,823.51
State Grant	-	32,024.86
Other Receipts		
Donations	5,000.00	-
Operating Transfers from:		
General Fund	20,000.00	20,000.00
Airport Fund	18,333.34	22,500.00
Library Fund	5,000.00	5,000.00
Public Safety Fund	15,000.00	12,500.00
Electric Utility Fund	210,000.00	175,000.00
Gas Utility Fund	7,500.00	-
Sanitation Utility Fund	2,500.00	2,490.00
Wastewater Utility Fund	92,000.00	92,000.00
Water Utility Fund	45,000.00	695,000.00
Total Receipts	560,387.34	4,341,338.37
Expenditures		
General Government		
Capital Outlay	486,881.57	4,077,843.65
Total Expenditures	486,881.57	4,077,843.65
Receipts Over(Under) Expenditures	73,505.77	263,494.72
Unencumbered Cash, Beginning	926,480.12	999,985.89
Unencumbered Cash, Ending	$ 999,985.89	$ 1,263,480.61

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

	Prior Year Actual	Current Year Actual
Receipts		
Intergovernmental		
Federal Grants	$ -	$ 55,815.25
Use of Money and Property		
Sale of Assets	-	24,050.00
Other Receipts		
Donations	10,000.00	-
Operating Transfers from:		
General Fund	86,500.00	86,500.00
Airport Fund	2,500.00	2,500.00
Public Safety Fund	57,500.00	72,149.71
Electric Utility Fund	72,500.00	50,000.00
Gas Utility Fund	20,250.00	-
Sanitation Utility Fund	15,000.00	9,414.61
Wastewater Utility Fund	7,500.00	7,500.00
Water Utility Fund	12,500.00	12,500.00
Total Receipts	284,250.00	320,429.57
Expenditures		
General Government		
Capital Outlay	114,338.95	302,274.19
Debt Service		
Finance Lease	56,271.57	-
Total Expenditures	170,610.52	302,274.19
Receipts Over(Under) Expenditures	113,639.48	18,155.38
Unencumbered Cash, Beginning	388,847.27	502,486.75
Unencumbered Cash, Ending	$ 502,486.75	$ 520,642.13

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

	Prior Year Actual	Current Year Actual
Receipts		
Other Receipts		
Proceeds from Seizures	$ -	$ -
Total Receipts	-	-
Expenditures		
General Government		
Contractual Services	7,551.67	-
Total Expenditures	7,551.67	-
Receipts Over(Under) Expenditures	(7,551.67)	-
Unencumbered Cash, Beginning	7,551.67	-
Unencumbered Cash, Ending	$ -	$ -

CITY OF GARNETT, KANSAS
CREATIVE ARTS GRANT FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2022)

	Prior Year Actual	Current Year Actual
Receipts		
Intergovernmental		
State Grants	$ -	$ -
Total Receipts	-	-
Expenditures		
Capital Projects		
Capital Outlay	-	-
Total Expenditures	-	-
Receipts Over(Under) Expenditures	-	-
Unencumbered Cash, Beginning	6,630.62	6,630.62
Unencumbered Cash, Ending	$ 6,630.62	$ 6,630.62

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

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Taxes and Shared Receipts				
Transient Guest Tax	$ 32,792.47	$ 36,979.41	$ 22,500.00	$ 14,479.41
Total Receipts	32,792.47	36,979.41	$ 22,500.00	$ 14,479.41
Expenditures				
General Government				
Contractual Services	29,395.10	31,855.68	$ 42,000.00	$ (10,144.32)
Total Expenditures	29,395.10	31,855.68	$ 42,000.00	$ (10,144.32)
Receipts Over(Under) Expenditures	3,397.37	5,123.73		
Unencumbered Cash, Beginning	63,519.20	66,916.57		
Unencumbered Cash, Ending	$ 66,916.57	$ 72,040.30		

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

	Prior Year Actual	Current Year Actual
Receipts		
Operating Transfers from:		
General Fund	$ 45,000.00	$ 45,000.00
Airport Fund	25,000.00	25,000.00
Public Safety Fund	45,000.00	45,000.00
General Obligation Bond and Interest Fund	25,000.00	25,000.00
Total Receipts	140,000.00	140,000.00
Expenditures		
General Government		
Tax Refunds	-	-
Total Expenditures	-	-
Receipts Over(Under) Expenditures	140,000.00	140,000.00
Unencumbered Cash, Beginning	700,000.00	840,000.00
Unencumbered Cash, Ending	$ 840,000.00	$ 980,000.00

CITY OF GARNETT, KANSAS
TAX REFUND LITIGATION FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2022)

	Prior Year Actual	Current Year Actual
Receipts		
Operating Transfers from:		
General Fund	$ 15,000.00	$ 15,000.00
Airport Fund	10,000.00	10,000.00
Public Safety Fund	15,000.00	15,000.00
General Obligation		
Bond and Interest Fund	10,000.00	10,000.00
Total Receipts	50,000.00	50,000.00
Expenditures		
General Government		
Tax Refunds	-	-
Total Expenditures	-	-
Receipts Over(Under) Expenditures	50,000.00	50,000.00
Unencumbered Cash, Beginning	250,000.00	300,000.00
Unencumbered Cash, Ending	$ 300,000.00	$ 350,000.00

CITY OF GARNETT, 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 Prior Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Taxes and Shared Receipts				
Anderson County Appropriations	$ 50,000.00	$ 52,000.00	$ 52,000.00	$ -
Other Receipts				
Donations	2,095.63	480.00	-	480.00
Operating Transfer from				
Electric Utility Fund	50,000.00	52,000.00	52,000.00	-
Total Receipts	102,095.63	104,480.00	$ 104,000.00	$ 480.00
Expenditures				
Collections				
Personal Services	77,066.09	62,319.45	$ 80,150.00	$ (17,830.55)
Contractual Services	9,077.17	11,801.35	8,350.00	3,451.35
Commodities	2,433.00	1,531.47	15,500.00	(13,968.53)
Total Expenditures	88,576.26	75,652.27	$ 104,000.00	$ (28,347.73)
Receipts Over(Under) Expenditures	13,519.37	28,827.73		
Unencumbered Cash, Beginning	26,173.18	39,692.55		
Unencumbered Cash, Ending	$ 39,692.55	$ 68,520.28		

CITY OF GARNETT, KANSAS
GENERAL OBLIGATION BOND AND INTEREST FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Taxes and Shared Receipts				
Ad Valorem Property Tax	$ 42.11	$ -	$ -	$ -
Delinquent Tax	1,589.24	346.70	-	346.70
Motor Vehicle Tax	9,453.84	330.05	-	330.05
Commercial Vehicle Tax	492.98	-	-	-
Recreational Vehicle Tax	210.43	0.87	-	0.87
16M-20M Truck Tax	27.38	64.94	-	64.94
Watercraft Tax	42.35	(0.70)	-	(0.70)
Anderson County Contribution	-	10,415.00	10,500.00	(85.00)
Other Receipts				
Reimbursed Expense	10,830.00	-	-	-
Operating Transfers from:				
Electric Utility Fund	34,000.00	55,731.97	33,000.00	22,731.97
Water Utility Fund	10,000.00	-	977,500.00	(977,500.00)
Gas Utility Fund	295,000.00	324,750.10	295,000.00	29,750.10
Wastewater Utility Fund	12,750.00	12,750.00	12,750.00	-
Total Receipts	374,438.33	404,388.93	$ 1,328,750.00	$ (924,361.07)
Expenditures				
General Government				
Contractual Services	-	-	$ 797.00	$ (797.00)
Debt Service				
Bond Principal	30,000.00	30,000.00	30,000.00	-
Bond Interest	15,550.00	14,875.00	14,875.00	-
Utility Loan Principal	287,302.25	262,455.02	288,000.00	(25,544.98)
Utility Loan Interest	6,349.91	62,295.08	6,000.00	56,295.08
Operating Transfers to:				
Tax Refund Reserve Fund	25,000.00	25,000.00	25,000.00	-
Tax Refund Litigation Fund	10,000.00	10,000.00	10,000.00	-
Total Expenditures	374,202.16	404,625.10	$ 374,672.00	$ 29,953.10
Receipts Over(Under) Expenditures	236.17	(236.17)		
Unencumbered Cash, Beginning	-	236.17		
Unencumbered Cash, Ending	$ 236.17	$ -		

CITY OF GARNETT, KANSAS
INDUSTRIAL PARK DEVELOPMENT FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2022)

	Prior Year Actual	Current Year Actual
Receipts		
Use of Money and Property		
Sale of Assets	$ -	$ -
Total Receipts	-	-
Expenditures		
Capital Improvements		
Capital Outlay	-	-
Total Expenditures	-	-
Receipts Over(Under) Expenditures	-	-
Unencumbered Cash, Beginning	86,564.41	86,564.41
Unencumbered Cash, Ending	$ 86,564.41	$ 86,564.41

CITY OF GARNETT, KANSAS
SANITATION 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 Prior Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Charges for Services				
Utility Collections	$ 403,057.12	$ 427,743.39	$ 413,500.00	$ 14,243.39
Penalty Fees	2,585.69	2,882.52	950.00	1,932.52
Other Receipts				
Miscellaneous	652.13	11,500.00	-	11,500.00
Total Receipts	406,294.94	442,125.91	$ 414,450.00	$ 27,675.91
Expenditures				
Collections				
Personal Services	175,618.93	156,408.36	$ 141,250.00	$ 15,158.36
Contractual Services	132,243.95	151,916.30	130,850.00	21,066.30
Commodities	27,736.19	7,244.67	50,000.00	(42,755.33)
Debt Service				
Finance Lease	14,849.82	27,126.06	15,000.00	12,126.06
Operating Transfers to:				
Capital Outlay Improvement Fund	2,500.00	2,490.00	2,500.00	(10.00)
Equipment Reserve Fund	15,000.00	9,414.61	15,000.00	(5,585.39)
Total Expenditures	367,948.89	354,600.00	$ 354,600.00	$ -
Receipts Over(Under) Expenditures	38,346.05	87,525.91		
Unencumbered Cash, Beginning	161,096.45	199,442.50		
Unencumbered Cash, Ending	$ 199,442.50	$ 286,968.41		

CITY OF GARNETT, KANSAS
ELECTRIC 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 Prior Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Charges for Services				
Electric Sales	$ 3,859,812.40	$ 4,420,919.67	$ 4,200,000.00	$ 220,919.67
Taps and Connections	4,156.10	2,525.99	2,000.00	525.99
Pole Rentals	3,911.00	2,841.00	2,500.00	341.00
Security Lights	14,661.71	14,772.62	12,000.00	2,772.62
Penalty Fees	20,058.27	25,381.03	2,500.00	22,881.03
Other Receipts				
Miscellaneous	1,083.89	10,352.16	-	10,352.16
Total Receipts	3,903,683.37	4,476,792.47	$ 4,219,000.00	$ 257,792.47
Expenditures				
Production				
Personal Services	204,628.49	175,760.60	$ 207,450.00	$ (31,689.40)
Contractual Services	2,451,559.90	2,243,113.83	2,191,750.00	51,363.83
Commodities	7,314.90	24,379.53	130,800.00	(106,420.47)
Distribution				
Personal Services	299,984.52	364,076.76	353,000.00	11,076.76
Contractual Services	27,697.23	47,841.63	22,950.00	24,891.63
Commodities	116,883.83	161,613.28	139,900.00	21,713.28
Administration and General				
Contractual Services	5,017.81	63,374.19	57,500.00	5,874.19
Operating Transfers to:				
Capital Outlay Improvement Fund	210,000.00	175,000.00	175,000.00	-
Equipment Reserve Fund	72,500.00	50,000.00	50,000.00	-
General Fund	690,000.00	690,000.00	690,000.00	-
General Obligation Bond and Interest Fund	34,000.00	55,731.97	60,000.00	(4,268.03)
Economic Development Fund	50,000.00	52,000.00	52,000.00	-
Total Expenditures	4,169,586.68	4,102,891.79	$ 4,130,350.00	$ (27,458.21)
Receipts Over(Under) Expenditures	(265,903.31)	373,900.68		
Unencumbered Cash, Beginning	1,937,871.09	1,671,967.78		
Unencumbered Cash, Ending	$ 1,671,967.78	$ 2,045,868.46		

CITY OF GARNETT, KANSAS
WATER 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 Prior Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Charges for Services				
Water Sales	$ 1,432,391.11	$ 1,519,076.78	$ 1,357,000.00	$ 162,076.78
Penalty Fees	6,686.61	7,217.72	5,000.00	2,217.72
Other Sales	2,351.56	412.78	600.00	(187.22)
Use of Money and Property				
Federal Grant	-	248,635.79	-	248,635.79
Use of Money and Property				
Rental of Property	2,400.00	-	2,400.00	(2,400.00)
Other Receipts				
Miscellaneous	29.42	3,305.35	-	3,305.35
Total Receipts	1,443,858.70	1,778,648.42	$ 1,365,000.00	$ 413,648.42
Expenditures				
Water Production				
Personal Services	265,321.45	252,542.19	$ 265,000.00	$ (12,457.81)
Contractual Services	196,238.40	295,300.78	285,400.00	9,900.78
Commodities	280,774.35	361,718.63	386,100.00	(24,381.37)
Capital Outlay	164,302.45	250,936.63	-	250,936.63
Operating Transfers to:				
Capital Outlay Improvement Fund	45,000.00	695,000.00	695,000.00	-
Equipment Reserve Fund	12,500.00	12,500.00	12,500.00	-
Public Safety Fund	10,000.00	500,000.00	500,000.00	-
Gas Utility Fund	10,000.00	80,000.00	100,000.00	(20,000.00)
General Obligation Bond and Interest Fund	10,000.00	-	-	-
Total Certified Budget			2,244,000.00	203,998.23
Adjustments for Qualifying Budget Credits			248,635.79	(248,635.79)
Total Expenditures	994,136.65	2,447,998.23	$ 2,492,635.79	$ (44,637.56)
Receipts Over(Under) Expenditures	449,722.05	(669,349.81)		
Unencumbered Cash, Beginning	2,221,370.80	2,671,092.85		
Unencumbered Cash, Ending	$ 2,671,092.85	$ 2,001,743.04		

CITY OF GARNETT, KANSAS
GAS 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 Prior Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Charges for Services				
Gas Sales	$ 1,688,707.21	$ 1,741,738.08	$ 2,030,000.00	$ (288,261.92)
Service Fees	2,501.96	1,920.80	2,500.00	(579.20)
Penalty Fees	9,307.76	10,176.57	5,000.00	5,176.57
Other Receipts				
Miscellaneous	183.30	(15.27)	-	(15.27)
Operating Transfer from				
Water Utility Fund	10,000.00	80,000.00	-	80,000.00
Total Receipts	1,710,700.23	1,833,820.18	$ 2,037,500.00	$ (203,679.82)
Expenditures				
Distribution				
Personal Services	174,848.32	185,428.32	$ 178,000.00	$ 7,428.32
Contractual Services	1,033,761.70	978,399.63	1,031,900.00	(53,500.37)
Commodities	44,149.87	71,729.17	63,600.00	8,129.17
Operating Transfers to:				
Capital Outlay Improvement Fund	7,500.00	-	7,500.00	(7,500.00)
Equipment Reserve Fund	20,250.00	-	20,250.00	(20,250.00)
General Obligation Bond and Interest Fund	295,000.00	324,750.10	295,000.00	29,750.10
Public Safety Fund	510,000.00	270,000.00	510,000.00	(240,000.00)
Total Expenditures	2,085,509.89	1,830,307.22	$ 2,106,250.00	$ (275,942.78)
Receipts Over(Under) Expenditures	(374,809.66)	3,512.96		
Unencumbered Cash, Beginning	380,088.32	5,278.66		
Unencumbered Cash, Ending	$ 5,278.66	$ 8,791.62		

CITY OF GARNETT, KANSAS
WASTEWATER 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 Prior Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Charges for Services				
Sewer Sales	$ 653,515.19	$ 653,682.14	$ 678,000.00	$ (24,317.86)
Service Fees	1,179.09	597.78	-	597.78
Penalty Fees	4,573.51	4,800.02	3,000.00	1,800.02
Other Receipts				
Miscellaneous	640.00	50.00	-	50.00
Total Receipts	659,907.79	659,129.94	$ 681,000.00	$ (21,870.06)
Expenditures				
Collections				
Personal Services	215,876.02	177,292.61	$ 191,250.00	$ (13,957.39)
Contractual Services	126,596.10	189,165.20	56,350.00	132,815.20
Commodities	24,663.75	15,308.99	182,275.00	(166,966.01)
Operating Transfers to:				
Capital Outlay Improvement Fund	92,000.00	92,000.00	92,000.00	-
Equipment Reserve Fund	7,500.00	7,500.00	7,500.00	-
Public Safety Fund	90,000.00	90,000.00	90,000.00	-
General Obligation Bond and Interest Fund	12,750.00	12,750.00	12,750.00	-
Total Expenditures	569,385.87	584,016.80	$ 632,125.00	$ (48,108.20)
Receipts Over(Under) Expenditures	90,521.92	75,113.14		
Unencumbered Cash, Beginning	222,994.39	313,516.31		
Unencumbered Cash, Ending	$ 313,516.31	$ 388,629.45		

CITY OF GARNETT, KANSAS
Agency Funds
Schedule of Receipts and Disbursements
Regulatory Basis
For the Year Ended December 31, 2023

Fund	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Utility Deposits	$ 127,346.00	$ 48,600.00	$ 61,675.00	$ 114,271.00
Medical Reserve	-	421,005.00	406,485.17	14,519.83
Drug Tax Stamp	5,908.85	10,313.60	10,626.70	5,595.75
Asset Forfeiture	7,049.95	3,310.21	480.40	9,879.76
Diversion	-	2,678.04	462.31	2,215.73
Municipal Court	9,009.03	32,497.38	15,297.74	26,208.67
			-	
	$ 149,313.83	$ 518,404.23	$ 495,027.32	$ 172,690.74

CITY OF GARNETT, KANSAS
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2023

FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM TITLE	PASS-THROUGH ENTITY IDENTIFYING NUMBER	FEDERAL CFDA NUMBER	PROVIDED TO SUBRECIPIENTS	CASH RECEIPTS	DISBURSE-MENTS/ EXPENDITURES
U.S. DEPARTMENT OF HOMELAND SECURITY					
Direct Program					
Assistance to Firefighters	N/A	97.044	$ -	$ 3,515.25	$ 12,571.42
Passed through the State Adjutant General's Office					
Disaster Grants - Public Assistance	Not Assigned	97.036	-	3,543,738.73	3,537,264.84
Total U.S. Department of Homeland Security			-	3,547,253.98	3,549,836.26
U.S. DEPARTMENT OF THE TREASURY					
Passed through State of Kansas, Department of Administration					
Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) - COVID-19	Not Assigned	21.027	-	-	493,690.62
Total U.S. Department of the Treasury			-	-	493,690.62
U.S. DEPARTMENT OF AGRICULTURE					
Direct Program					
Community Facilities Loans and Grants	N/A	10.766	-	52,300.00	52,300.00
Total U.S. Department of Agriculture			-	52,300.00	52,300.00
U.S. DEPARTMENT OF TRANSPORTATION					
Passed through the Kansas Department of Transportation					
Highway Safety Cluster					
CLICK Step Special Enforcement Program	Not Assigned	20.600	-	3,235.27	3,235.27
	Total Highway Safety Cluster		-	3,235.27	3,235.27
Direct Program					
Airport Improvement Program	N/A	20.106	-	-	94,341.89
Total U.S. Department of Transportation			-	3,235.27	97,577.16
TOTAL ALL PROGRAMS			$ -	$ 3,602,789.25	$ 4,193,404.04

NOTE A -- BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Garnett, Kansas and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statement.

NOTE B -- INDIRECT COSTS

The City of Garnett, Kansas did not elect to use the 10% de minimis cost rate.

INDEPENDENT AUDITOR'S 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*

Honorable Mayor and City Commission
City of Garnett, Kansas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statement of the City of Garnett, Kansas, as of and for the year ended December 31, 2023 and the related notes to the financial statement, which collectively comprise the City of Garnett, Kansas' basic financial statement, and have issued our report thereon dated June 13, 2024.

Report on Internal Control over Financial Reporting
In planning and performing our audit of the financial statement, we considered the City of Garnett, Kansas' 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 Garnett, Kansas' internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Garnett, Kansas' 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 City'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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters
As part of obtaining reasonable assurance about whether the City of Garnett, Kansas' financial statement is free from 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*.

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 City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Jarred, Gilmore & Phillips, PA

JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

Chanute, Kansas
June 13, 2024

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Honorable Mayor and City Commission
City of Garnett, Kansas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Garnett, Kansas' compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City of Garnett, Kansas' major federal programs for the year ended December 31, 2023. The City of Garnett, Kansas' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of Garnett, Kansas complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with 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 audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City of Garnett, Kansas and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City of Garnett, Kansas' compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City of Garnett, Kansas' federal programs.

Auditor's Responsibilities for the Audit of Compliance
Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City of Garnett, Kansas' compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City of Garnett, Kansas' compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 City of Garnett, Kansas' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City of Garnett, Kansas' internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City of Garnett, Kansas' internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance
A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

Chanute, Kansas
June 13, 2024

CITY OF GARNETT, KANSAS

Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2023

I. SUMMARY OF AUDITOR'S RESULTS

Financial Statement:

The auditor's report expresses an adverse opinion on the basic financial statement of the City of Garnett, Kansas on the Generally Accepted Accounting Principles (GAAP) basis of accounting and an unmodified opinion on the regulatory basis of accounting.

Internal Control over Financial Reporting:

Material weakness(es) identified?	____ Yes	X	No
Significant deficiencies identified?	____ Yes	X	None Reported
Noncompliance or other matters required to be reported under *Government Auditing Standards*	____ Yes	X	No

Federal Awards:

Internal control over major programs:			
Material weakness(es) identified?	____ Yes	X	No
Significant deficiencies identified?	____ Yes	X	None Reported

The auditor's report on compliance for the major federal award programs for the City of Garnett, Kansas expresses an unmodified opinion.

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	____ Yes	X	No

Identification of major programs:

U.S. DEPARTMENT OF HOMELAND SECURITY
Disaster Grants – Public Assistance CFDA No. 97.036

The threshold for distinguishing Types A and B programs was $750,000.00.

Auditee qualified as a low risk auditee? ____ Yes X No

II. FINANCIAL STATEMENT FINDINGS

None

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

CITY OF GARNETT, KANSAS

Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2023

NONE