CITY OF HARPER, KANSAS

DECEMBER 31, 2024

LINDBURG
VOGEL PIERCE FARIS
Chartered

CITY OF HARPER, KANSAS

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INDEPENDENT AUDITORS' REPORT

The Mayor and City Council
City of Harper, Kansas

Adverse and Unmodified Opinions

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Unmodified Opinion on the Regulatory Basis of Accounting

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

Basis for Adverse and Unmodified Opinions

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

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

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

Responsibilities of Management for the Financial Statement

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

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

Auditors' Responsibilities for the Audit of the Financial Statement

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

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statement.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of receipts, expenditures, and unencumbered cash balance – regulatory basis (basic financial statement) as a whole. The summary of expenditures – regulatory basis – actual and budget, the individual fund schedules of receipts and expenditures – regulatory basis – actual and budget, the schedule of receipts and expenditures – regulatory basis – related municipal entities, and the agency fund schedule of receipts and disbursements – regulatory basis (Schedules 1 through 4, as listed in the table of contents) are presented for additional analysis and are not a required part of the basic financial statement; however, they are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and the supplementary information was derived from, and relates directly to, the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects, in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1—Summary of Significant Accounting Policies.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report, dated August 21, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Lindburg Vogel Pierce Faris

Certified Public Accountants

Hutchinson, Kansas
August 21, 2025

CITY OF HARPER, KANSAS

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH - REGULATORY BASIS
For Year Ended December 31, 2024

Funds	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
GENERAL FUND	$ 174,648	$ 1,020,626	$ 1,083,062	$ 112,212	$ 15,251	$ 127,463
SPECIAL PURPOSE FUNDS						
Airport	51,779	29,729	31,081	50,427	3,861	54,288
Employee Benefits	23,050	183,699	189,762	16,987	234	17,221
Library	756	60,742	60,950	548	-	548
Special Parks and Recreation	41,351	-	-	41,351	-	41,351
Recreation	597	41,542	41,700	439	-	439
Transient Guest Tax	25,906	46,033	27,964	43,975	-	43,975
Police and Fire Equipment	1,995	21,155	22,690	460	-	460
Special Street and Highway	46,513	39,403	41,863	44,053	-	44,053
Equipment Reserve	384,768	452,997	472,863	364,902	-	364,902
Fire Equipment Reserve	156,542	545,038	14,973	686,607	-	686,607
Capital Improvement Program	46,553	20,000	36,925	29,628	19,650	49,278
Street Reserve	46,570	70,684	-	117,254		117,254
Street Improvement Sales Tax	262,654	377,861	238,723	401,792	7,285	409,077
Infrastructure Sales Tax	212,617	253,094	222,673	243,038	19,270	262,308
Economic Development Incentives	142,297	32,745	42,997	132,045	147	132,192
Cobblestone CID	50,959	30,553	66,817	14,695	-	14,695
Firemen's Activity	11,165	240	-	11,405	-	11,405
Police Activity	5,259	197	375	5,081	-	5,081
VIN Inspection	3,178	880	2,000	2,058	-	2,058
Diversion	7,200	2,501	-	9,701	-	9,701
BASE Project (ARPA Grant)	(47,610)	93,216	28,714	16,892	14	16,906
Community Development	59,819	16,316	9,850	66,285	-	66,285
Donations and Gifts	2,867	3,348	1,343	4,872	-	4,872
Future Community Center	47,989	23,566	-	71,555	-	71,555
Police Drug Seizure Trust	6,057	-	-	6,057	-	6,057
Cemetery Veteran's Memorial	2,066	-	428	1,638	-	1,638
TOTAL SPECIAL PURPOSE FUNDS	1,592,897	2,345,539	1,554,691	2,383,745	50,461	2,434,206
BOND AND INTEREST FUND						
Bond and Interest	88,493	69,076	61,851	95,718	-	95,718

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

CITY OF HARPER, KANSAS

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH - REGULATORY BASIS
For Year Ended December 31, 2024

Funds	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
BUSINESS FUNDS						
Water Utility						
Operating	$ 55,679	$ 677,662	$ 619,237	$ 114,104	$ 9,140	$ 123,244
Reserve	147,568	59,000	103,180	103,388	-	103,388
Sewer Utility						
Operating	44,956	307,236	279,625	72,567	1,831	74,398
Reserve	323,624	62,659	130,714	255,569	-	255,569
TOTAL BUSINESS FUNDS	571,827	1,106,557	1,132,756	545,628	10,971	556,599
CAPITAL PROJECT FUNDS						
Public Facilities Improvement	300,101	539,501	18,815	820,787	1,815	822,602
TRUST FUNDS						
Health Insurance Savings	13,971	44,656	38,052	20,575	942	21,517
Cemetery Trust	28,916	-	2,000	26,916	-	26,916
Cemetery Endowment	63,619	1,050	-	64,669	-	64,669
TOTAL TRUST FUNDS	106,506	45,706	40,052	112,160	942	113,102
TOTAL CITY	2,834,472	5,127,005	3,891,227	4,070,250	79,440	4,149,690
RELATED MUNICIPAL ENTITIES						
Harper Public Library	55,279	90,908	84,749	61,438	645	62,083
Harper Recreation Commission	50,192	92,225	66,234	76,183	-	76,183
TOTAL RELATED MUNICIPAL ENTITIES	105,471	183,133	150,983	137,621	645	138,266
TOTAL FINANCIAL REPORTING ENTITY	$ 2,939,943	$ 5,310,138	$ 4,042,210	$ 4,207,871	$ 80,085	$ 4,287,956

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

CITY OF HARPER, KANSAS

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH - REGULATORY BASIS
For Year Ended December 31, 2024

COMPOSITION OF CASH AND INVESTMENTS	
Cash and cash items	$ 300
Checking accounts	22,217
Money Market accounts	2,225,120
Certificates of deposit	1,924,618
TOTAL PRIMARY GOVERNMENT	4,172,255
RELATED MUNICIPAL ENTITIES	
Harper Public Library	62,083
Harper Recreation Commission	76,183
TOTAL RELATED MUNICIPAL ENTITIES	138,266
TOTAL CASH	4,310,521
AGENCY FUNDS (Schedule 4)	(22,565)
TOTAL REPORTING ENTITY	$ 4,287,956

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

CITY OF HARPER, KANSAS

NOTES TO THE FINANCIAL STATEMENT
December 31, 2024

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

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

Library Board

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

Recreation Commission

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

Fund Accounting

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

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

The following types of funds comprise the financial activities of the City for the year of 2024:

General Fund

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

Special Purpose Funds

Used to account for the proceeds of specific tax levies and other specific revenue sources (other than capital projects and tax levies for long-term debt) that are intended for specified purposes.

Bond and Interest Fund

Used to account for the accumulation of resources for the payment of interest and principal on long-term debt.

Capital Project Funds

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

Business Funds

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

Trust Funds

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

Agency Funds

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

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

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

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

Budgetary Information

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

1. Preparation of the budget for the succeeding calendar year on or before August 1.
2. Publication in the local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5.
3. Public hearing on or before August 15, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25.

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

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

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

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which regulatory receipts are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budget expenditure authority lapses at year end.

A legal operating budget is not required for capital project funds, trust funds, and certain special purpose funds. Spending in funds, which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

Tax Cycle

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

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

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

Estimates

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

Deposits and Investments

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

Cemetery Endowment Fund

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

NOTE 2—STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Compliance with Kansas Statutes

Management was not aware of any material statutory violations.

NOTE 3—DEPOSITS AND INVESTMENTS

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

K.S.A. 9-1401 establishes the depositories, which may be used by the City. The statute requires banks eligible to hold the City's funds have a main or branch bank in the county in which the City is located and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of Federal Deposit Insurance Corporation (FDIC) coverage.

K.S.A. 12-1675 limits the City's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the KMIP. The City has no investment policy that would further limit its investment choices.

Interest Rate Risk

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

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by FDIC insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, the Federal Home Loan Bank of Topeka, or deposit guaranty bonds coverage.

At December 31, 2024, the City's carrying amount of deposits (including related municipal entities) was $4,310,221 and the bank balance was $4,349,407. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, $395,311 was covered by FDIC insurance and $3,954,096 was collateralized with securities held by the pledging financial institutions' agents in the City's name.

Custodial Credit Risk – Investments

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

Concentration of Credit Risk

This is the risk of loss attributed to the magnitude of a government's investment in a single issuer. State statutes place no limit on the amount the City may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The City manages this risk by placing funds with financial institutions only after contacting all eligible institutions in the taxing area and monies in the KMIP are diverse according to the policies of the investment pool.

NOTE 4—LONG-TERM DEBT

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

Issue	Date of Issue	Interest Rate	Amount of Issue	Year of Final Maturity
General Obligation Bonds				
Street improvement, Series 2016A	11/15/16	1.25% - 2.50%	$ 730,000	2032
Public facilities and street improvements, Series 2020	02/04/20	2.00% - 2.40%	1,300,000	2039
Refunding, Series 2021	07/06/21	0.20% - 1.30%	1,500,000	2034
Fire equipment and public works building, Series 2024	12/23/24	3.13% - 4.00%	1,020,000	2039
Finance Leases				
Street sweeper	04/15/22	4.15%	197,000	2027

Changes in long-term liabilities of the City for the year ended December 31, 2024, were as follows:

Issue	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
General Obligation Bonds					
Fire truck	$ 30,700	$ -	$ 30,700	$ -	$ 1,151
Street improvement	475,000	-	50,000	425,000	10,970
Public facilities and street improvements	955,000	-	90,000	865,000	20,080
Refunding	1,135,000	-	185,000	950,000	9,368
Fire equipment and public works building	-	1,020,000	-	1,020,000	-
	2,595,700	1,020,000	355,700	3,260,000	41,569
Firemen's Relief Association Loan Warrants					
Loan dated March 1, 2018	14,740	-	14,740	-	222
Finance Leases					
Street sweeper	171,475	-	26,564	144,911	7,136
	$ 2,781,915	$ 1,020,000	$ 397,004	$ 3,404,911	$ 48,927

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

General Obligation Bonds	Principal	Interest
2025	$ 300,600	$ 64,979
2026	330,000	67,373
2027	340,000	61,314
2028	345,000	54,950
2029	355,000	48,155
2030-2034	1,130,000	145,715
2035-2039	400,000	39,080
	$ 3,200,600	$ 481,566

Finance Leases	Principal	Interest
2025	$ 27,686	$ 6,014
2026	28,835	4,865
2027	88,390	3,668
2028	-	-
2029		
	$ 144,911	$ 14,547

NOTE 5—INTERFUND TRANSFERS

Operating transfers were made as follows:

From Fund	To Fund	Statutory Authority	Amount
General	Equipment Reserve	K.S.A. 12-1,117	$ 84,546
General	Fire Equipment Reserve	K.S.A. 12-1,117	46,510
General	Capital Improvement	K.S.A. 12-1,118	20,000
General	Street Reserve	K.S.A. 12-1,119	70,000
General	Economic Development Incentives	Ordinance	10,000
General	Community Development	Accounting	10,000
General	Bond and Interest	Accounting	16,185
Police and Fire Equipment	Equipment Reserve	K.S.A. 12-1,117	16,500
Police and Fire Equipment	Fire Equipment Reserve	K.S.A. 12-1,117	5,000
Water Utility	Water Reserve	K.S.A. 12-825d	59,000
Sewer Utility	Sewer Reserve	K.S.A. 12-825d	49,000
Infrastructure Sales Tax	BASE Project (ARPA Grant)	Accounting	68,440

NOTE 6—DEFINED BENEFIT PENSION PLAN

Plan Description

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

Contributions

K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2, or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009; KPERS 2 members were first employed in a covered position on or after July 1, 2009; and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law establishes the KPERS member-employee contribution rate at 6.00% of covered salary for KPERS 1, KPERS 2, or KPERS 3 members. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

Kansas law provides that employer contribution rates for KPERS 1, KPERS 2, and KPERS 3 be determined annually based on the results of annual actuarial valuation. The actuarially determined employer contribution rate (excluding the contribution rate for the Death and Disability program) and the statutory contribution rate for KPERS was 9.26% for the year ended December 31, 2024. Contributions to the pension plan from the City for KPERS were $61,698 for the year ended December 31, 2024.

Net Pension Liability

At December 31, 2024, the City's proportionate share of the collective net pension liability reported by KPERS was $602,601. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023, which was rolled forward to June 30, 2024. The City's share of the allocated net pension liability is based on the ratio of the City's employer contributions to KPERS, relative to the total employer contributions and nonemployer contributions of local subgroup within KPERS.

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

NOTE 7—OTHER LONG-TERM OBLIGATIONS

Other Post-Employment Benefits – Death and Disability Benefits

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

Compensated Absences

Under City personnel policies in effect at year end, the City is liable for payments to employees for vacation and sick pay when taken in agreement with the policy. Under certain conditions employees may carry over limited credits and may be paid for unused time at termination. The City's estimated liability for compensated absences at December 31, 2024, was $38,636.

NOTE 8—RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has been unable to obtain insurance at a cost it considered to be economically justifiable. For this reason, the City joined together with other municipalities to participate in the Midwest Public Risk (MPR) and Kansas Municipal Insurance Pool (KMIP), which are public entity risk pools operating as common risk management and insurance programs for participating members.

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

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

NOTE 9—CONCENTRATIONS

A substantial portion of the City's water and sewer sales are to one customer. During 2024, water and sewer sales to the customer were 13.3%.

NOTE 10—CAPITAL PROJECTS

On February 4, 2020, the City issued general obligation bonds for Public Building Improvements.

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

	Public Facilities Improvement
Project authorization	$ 846,308
Approved change orders	8,371
Less: expenditures to date	(28,900)
Remaining project authorization	$ 825,779

NOTE 11—OTHER COMMITMENTS AND CONTINGENCIES

Grant Program Involvement

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

BASE Grant Commitment

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

Litigation

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

Neighborhood Revitalization Program

The City participates in a neighborhood revitalization program as allowed by K.S.A. 12-17,114, et seq. Under the program, participants are provided a rebate of ad valorem taxes paid based on the increase in assessed valuation attributable to improvements made by the taxpayer after being approved for participation in the neighborhood revitalization program. For the year ended December 31, 2024, the City's neighborhood revitalization tax rebates totaled $30,985.

In 2020, the City Council approved, by ordinance, an ad valorem tax rebate program. For the year ended December 31, 2024, the City had no rebates from the ad valorem tax rebate program.

CITY OF HARPER, KANSAS

SUMMARY OF EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2024

Schedule 1

Funds	Certified Budget	Adjustment for Qualifying Budget Credit	Total for Comparison	Expenditures Chargeable to Current Year Budget	Over (Under) Budget
GENERAL FUND	$ 1,093,412	$ -	$ 1,093,412	$ 1,083,062	$ (10,350)
SPECIAL PURPOSE FUNDS					
Airport	71,114	-	71,114	31,081	(40,033)
Employee Benefits	216,100	-	216,100	189,762	(26,338)
Library	65,750	-	65,750	60,950	(4,800)
Special Parks and Recreation	-	-	-	-	-
Recreation	42,447	-	42,447	41,700	(747)
Transient Guest Tax	53,246	-	53,246	27,964	(25,282)
Police and Fire Equipment	23,500	-	23,500	22,690	(810)
Special Street and Highway	43,884	-	43,884	41,863	(2,021)
Equipment Reserve	389,400	336,932	726,332	472,863	(253,469)
Fire Equipment Reserve	217,305	-	217,305	14,973	(202,332)
Capital Improvement Program	45,061	-	45,061	36,925	(8,136)
Street Reserve	76,570	-	76,570	-	(76,570)
Street Improvement Sales Tax	340,175	-	340,175	238,723	(101,452)
Infrastructure Sales Tax	161,359	61,329	222,688	222,673	(15)
Economic Development Incentives	114,898	-	114,898	42,997	(71,901)
Cobblestone CID	67,249	-	67,249	66,817	(432)
BOND AND INTEREST FUND					
Bond and Interest	141,351	-	141,351	61,851	(79,500)
BUSINESS FUNDS					
Water Utility					
Operating	623,004	-	623,004	619,237	(3,767)
Reserve	103,398	-	103,398	103,180	(218)
Sewer Utility					
Operating	286,429	-	286,429	279,625	(6,804)
Reserve	277,840	-	277,840	130,714	(147,126)

CITY OF HARPER, KANSAS

GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2024

	Actual	Budget	Over (Under) Budget
RECEIPTS			
Taxes and shared revenue			
Ad valorem property tax	$ 472,614	$ 522,225	$ (49,611)
Delinquent tax	27,840	9,000	18,840
Motor vehicle tax	51,195	45,826	5,369
Recreational vehicle tax	1,062	876	186
16/20M truck tax	299	2,750	(2,451)
Commercial vehicle registration fee	2,563	1,251	1,312
Local retail sales tax	189,715	140,000	49,715
Connecting links	24,847	17,500	7,347
Neighborhood revitalization	(18,595)	(17,934)	(661)
Licenses, fees, and permits			
Franchise fees	121,563	120,000	1,563
Liquor and CMB licenses	1,105	980	125
Zoning fees	2,575	500	2,075
Animal impound fees	235	150	85
Miscellaneous licenses, fees, and permits	9,155	1,500	7,655
Fines and forfeitures			
Municipal Court	27,346	20,000	7,346
Uses of money and property			
Interest earned	7,681	4,000	3,681
Cemetery farm rent	6,967	6,766	201
Charges for services			
Swimming pool receipts	16,777	10,000	6,777
Rural fire contracts	61,513	61,512	1
Cemetery lots and fees	6,225	8,000	(1,775)
Other			
Sale of surplus equipment and material	442	500	(58)
Miscellaneous	7,502	-	7,502
TOTAL RECEIPTS	1,020,626	955,402	65,224

CITY OF HARPER, KANSAS

GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2024

	Actual	Budget	Over (Under) Budget
EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET			
Administration			
Personal services	$ 75,595	$ 80,500	$ (4,905)
Contractual services	55,359	60,000	(4,641)
Commodities	6,113	12,000	(5,887)
Department total	137,067	152,500	(15,433)
Police department			
Personal services	190,264	196,000	(5,736)
Contractual services	5,949	7,500	(1,551)
Commodities	20,507	26,500	(5,993)
Emergency management	-	-	-
Training	3,407	3,000	407
Code abatement	3,375	5,000	(1,625)
Department total	223,502	238,000	(14,498)
Municipal Court			
Personal services	1,800	1,800	-
Contractual services	4,907	10,000	(5,093)
Commodities	50	500	(450)
Department total	6,757	12,300	(5,543)
Street department			
Personal services	167,199	184,000	(16,801)
Contractual services	10,478	15,000	(4,522)
Commodities	39,890	65,000	(25,110)
Storm drainage system	1,370	25,000	(23,630)
Code abatement	3,450	1,000	2,450
Department total	222,387	290,000	(67,613)
Fire department			
Personal services	3,763	4,200	(437)
Contractual services	18,971	7,000	11,971
Commodities	7,961	14,500	(6,539)
Transfer to:			
Equipment Reserve Fund	17,546	12,500	5,046
Fire Equipment Reserve Fund	46,510	61,512	(15,002)
Department total	94,751	99,712	(4,961)
Park department			
Personal services	-	7,000	(7,000)
Contractual services	1,163	2,500	(1,337)
Commodities	5,769	7,500	(1,731)
Tree care	2,111	5,000	(2,889)
Department total	9,043	22,000	(12,957)

CITY OF HARPER, KANSAS

GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2024

	Actual	Budget	Over (Under) Budget
EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET (Continued)			
Cemetery department			
Personal services	$ 55,435	$ 51,000	$ 4,435
Contractual services	4,241	4,500	(259)
Commodities	7,797	10,000	(2,203)
Road materials	-	3,000	(3,000)
Department total	67,473	68,500	(1,027)
Swimming pool			
Personal services	29,238	32,500	(3,262)
Contractual services	5,864	7,500	(1,636)
Commodities	5,613	11,000	(5,387)
Capital outlay	11,179	5,000	6,179
Department total	51,894	56,000	(4,106)
Utility services			
Electric	47,474	49,300	(1,826)
Gas	8,068	9,700	(1,632)
Telephone	5,918	6,200	(282)
Department total	61,460	65,200	(3,740)
Planning and Zoning			
Personal services	-	4,200	(4,200)
Contractual services	3,515	2,500	1,015
Comprehensive Development Plan	2,794	5,000	(2,206)
Department total	6,309	11,700	(5,391)
Other			
Condemnation	2,062	15,000	(12,938)
Community development	7,172	15,000	(7,828)
Transfer to:			
Equipment Reserve Fund	67,000	20,000	47,000
Community Development Fund	10,000	-	10,000
Capital Improvement Fund	20,000	7,500	12,500
Street Reserve Fund	70,000	10,000	60,000
Bond and Interest Fund	16,185	-	16,185
Economic Development Incentives Fund	10,000	10,000	-
Other total	202,419	77,500	124,919
TOTAL EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET	1,083,062	1,093,412	(10,350)
RECEIPTS OVER (UNDER) EXPENDITURES	(62,436)	(138,010)	75,574
UNENCUMBERED CASH, JANUARY 1	174,648	138,010	36,638
UNENCUMBERED CASH, DECEMBER 31	$ 112,212	$ -	$ 112,212

CITY OF HARPER, KANSAS

SPECIAL PURPOSE FUNDS

AIRPORT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2024

Schedule 2-2

	Actual	Budget	Over (Under) Budget
RECEIPTS			
Taxes			
Ad valorem property tax	$ (107)	$ -	$ (107)
Delinquent tax	261	100	161
Motor vehicle tax	-	-	-
Recreational vehicle tax	-	-	-
16/20M truck tax	3	-	3
Commercial vehicle registration fee	-	-	-
Neighborhood revitalization	-	-	-
Interest earned	1,366	-	1,366
Aviation fuel reimbursements	3,763	9,000	(5,237)
Rentals	360	359	1
Grants and reimbursements	21,250	-	21,250
Sale of crops	2,817	-	2,817
Miscellaneous	16	-	16
TOTAL RECEIPTS	29,729	9,459	20,270
EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET			
Contractual services	11,295	5,500	5,795
Commodities	19,786	11,000	8,786
Capital outlay	-	-	-
Airport improvements			
City match	-	54,614	(54,614)
Grant	-	-	-
TOTAL EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET	31,081	71,114	(40,033)
RECEIPTS OVER (UNDER) EXPENDITURES	(1,352)	(61,655)	60,303
UNENCUMBERED CASH, JANUARY 1	51,779	61,655	(9,876)
UNENCUMBERED CASH, DECEMBER 31	$ 50,427	$ -	$ 50,427

CITY OF HARPER, KANSAS

SPECIAL PURPOSE FUNDS

EMPLOYEE BENEFITS FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2024

Schedule 2-3

	Actual	Budget	Over (Under) Budget
RECEIPTS			
Taxes			
Ad valorem property tax	$ 160,792	$ 178,507	$ (17,715)
Delinquent tax	10,518	2,500	8,018
Motor vehicle tax	17,388	15,564	1,824
Recreational vehicle tax	361	297	64
16/20M truck tax	125	934	(809)
Commercial vehicle registration fee	871	425	446
Neighborhood revitalization	(6,356)	(6,130)	(226)
TOTAL RECEIPTS	183,699	192,097	(8,398)
EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET			
Health insurance	59,209	69,500	(10,291)
Claims	29,734	25,900	3,834
Social Security	38,053	44,000	(5,947)
KPERS	47,337	45,000	2,337
Workers' compensation	11,039	13,500	(2,461)
Unemployment insurance	645	1,200	(555)
Other	3,745	17,000	(13,255)
TOTAL EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET	189,762	216,100	(26,338)
RECEIPTS OVER (UNDER) EXPENDITURES	(6,063)	(24,003)	17,940
UNENCUMBERED CASH, JANUARY 1	23,050	24,003	(953)
UNENCUMBERED CASH, DECEMBER 31	$ 16,987	$ -	$ 16,987

CITY OF HARPER, KANSAS

SPECIAL PURPOSE FUNDS

LIBRARY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2024

Schedule 2-4

	Actual	Budget	Over (Under) Budget
RECEIPTS			
Taxes			
Ad valorem property tax	$ 53,299	$ 59,016	$ (5,717)
Delinquent tax	3,472	3,000	472
Motor vehicle tax	5,636	5,045	591
Recreational vehicle tax	117	96	21
16/20M truck tax	38	303	(265)
Commercial vehicle registration fee	282	138	144
Neighborhood revitalization	(2,102)	(2,027)	(75)
TOTAL RECEIPTS	60,742	65,571	(4,829)
EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET			
Appropriation to library	60,950	65,000	(4,050)
Insurance	-	750	(750)
TOTAL EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET	60,950	65,750	(4,800)
RECEIPTS OVER (UNDER) EXPENDITURES	(208)	(179)	(29)
UNENCUMBERED CASH, JANUARY 1	756	179	577
UNENCUMBERED CASH, DECEMBER 31	$ 548	$ -	$ 548

CITY OF HARPER, KANSAS

SPECIAL PURPOSE FUNDS

SPECIAL PARKS AND RECREATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2024

Schedule 2-5

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

CITY OF HARPER, KANSAS

SPECIAL PURPOSE FUNDS

RECREATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2024

Schedule 2-6

	Actual	Budget	Over (Under) Budget
RECEIPTS			
Taxes			
Ad valorem property tax	$ 35,831	$ 37,316	$ (1,485)
Delinquent tax	2,635	1,000	1,635
Motor vehicle tax	4,171	3,729	442
Recreational vehicle tax	87	71	16
16/20M truck tax	29	224	(195)
Commercial vehicle registration fee	209	102	107
Neighborhood revitalization	(1,420)	-	(1,420)
TOTAL RECEIPTS	41,542	42,442	(900)
EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET			
Appropriation to Recreation Commission	41,700	42,147	(447)
Insurance	-	300	(300)
TOTAL EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET	41,700	42,447	(747)
RECEIPTS OVER (UNDER) EXPENDITURES	(158)	(5)	(153)
UNENCUMBERED CASH, JANUARY 1	597	5	592
UNENCUMBERED CASH, DECEMBER 31	$ 439	$ -	$ 439

CITY OF HARPER, KANSAS

SPECIAL PURPOSE FUNDS

TRANSIENT GUEST TAX FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2024

Schedule 2-7

	Actual	Budget	Over (Under) Budget
RECEIPTS			
Transient Guest Tax	$ 44,945	$ 20,000	$ 24,945
Interest earned	1,088	-	1,088
TOTAL RECEIPTS	46,033	20,000	26,033
EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET			
Promotion and tourism	5,492	43,246	(37,754)
Activity Center allocation	22,472	10,000	12,472
TOTAL EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET	27,964	53,246	(25,282)
RECEIPTS OVER (UNDER) EXPENDITURES	18,069	(33,246)	51,315
UNENCUMBERED CASH, JANUARY 1	25,906	33,246	(7,340)
UNENCUMBERED CASH, DECEMBER 31	$ 43,975	$ -	$ 43,975

CITY OF HARPER, KANSAS

SPECIAL PURPOSE FUNDS

POLICE AND FIRE EQUIPMENT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2024

Schedule 2-8

	Actual	Budget	Over (Under) Budget
RECEIPTS			
Taxes			
Ad valorem property tax	$ 19,936	$ 21,740	$ (1,804)
Delinquent tax	1,055	250	805
Motor vehicle tax	867	776	91
Recreational vehicle tax	18	15	3
16/20M truck tax	10	47	(37)
Commercial vehicle registration fee	43	21	22
Neighborhood revitalization	(774)	(747)	(27)
TOTAL RECEIPTS	21,155	22,102	(947)
EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET			
Capital outlay	1,190	6,500	(5,310)
Emergency Management	-	1,000	(1,000)
Transfer to:			
Equipment Reserve Fund	16,500	16,000	500
Fire Equipment Reserve Fund	5,000	-	5,000
TOTAL EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET	22,690	23,500	(810)
RECEIPTS OVER (UNDER) EXPENDITURES	(1,535)	(1,398)	(137)
UNENCUMBERED CASH, JANUARY 1	1,995	1,398	597
UNENCUMBERED CASH, DECEMBER 31	$ 460	$ -	$ 460

CITY OF HARPER, KANSAS

SPECIAL PURPOSE FUNDS

SPECIAL STREET AND HIGHWAY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2024

Schedule 2-9

	Actual	Budget	Over (Under) Budget
RECEIPTS			
State fuel tax	$ 35,080	$ 35,640	$ (560)
Connecting links	4,323	5,000	(677)
Interest earned	-	75	(75)
TOTAL RECEIPTS	39,403	40,715	(1,312)
EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET			
Streets and highway	41,863	43,884	(2,021)
RECEIPTS OVER (UNDER) EXPENDITURES	(2,460)	(3,169)	709
UNENCUMBERED CASH, JANUARY 1	46,513	3,169	43,344
UNENCUMBERED CASH, DECEMBER 31	$ 44,053	$ -	$ 44,053

CITY OF HARPER, KANSAS

SPECIAL PURPOSE FUNDS

EQUIPMENT RESERVE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2024

Schedule 2-10

	Actual	Budget	Over (Under) Budget
RECEIPTS			
Transfer from:			
General Fund	$ 84,546	$ 37,500	$ 47,046
Police and Fire Equipment Fund	16,500	16,000	500
Interest earned	15,019	1,000	14,019
Reimbursements	336,932	-	336,932
TOTAL RECEIPTS	452,997	54,500	398,497
EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET			
Capital outlay	439,163	252,900	186,263
Equipment replacement	33,700	136,500	(102,800)
TOTAL EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET	472,863	389,400	83,463
ADJUSTMENT FOR QUALIFYING BUDGET CREDIT	-	336,932	(336,932)
TOTAL FOR COMPARISON	472,863	726,332	(253,469)
RECEIPTS OVER (UNDER) EXPENDITURES	(19,866)	(334,900)	315,034
UNENCUMBERED CASH, JANUARY 1	384,768	334,900	49,868
UNENCUMBERED CASH, DECEMBER 31	$ 364,902	$ -	$ 364,902

CITY OF HARPER, KANSAS

SPECIAL PURPOSE FUNDS

FIRE EQUIPMENT RESERVE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2024

Schedule 2-11

	Actual	Budget	Over (Under) Budget
RECEIPTS			
Transfer from:			
General Fund	$ 46,510	$ 61,512	$ (15,002)
Police and Fire Equipment Fund	5,000	-	5,000
Bond proceeds	487,000	-	487,000
Interest earned	6,528	-	6,528
TOTAL RECEIPTS	545,038	61,512	483,526
EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET			
Capital outlay	-	199,824	(199,824)
FRA loan payments	14,973	7,481	7,492
Hydrant replacement	-	10,000	(10,000)
TOTAL EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET	14,973	217,305	(202,332)
RECEIPTS OVER (UNDER) EXPENDITURES	530,065	(155,793)	685,858
UNENCUMBERED CASH, JANUARY 1	156,542	155,793	749
UNENCUMBERED CASH, DECEMBER 31	$ 686,607	$ -	$ 686,607

CITY OF HARPER, KANSAS

SPECIAL PURPOSE FUNDS

CAPITAL IMPROVEMENT PROGRAM FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2024

Schedule 2-12

	Actual	Budget	Over (Under) Budget
RECEIPTS			
Transfer from - General Fund	$ 20,000	$ 7,500	$ 12,500
EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET			
Capital improvements	36,925	45,061	(8,136)
RECEIPTS OVER (UNDER) EXPENDITURES	(16,925)	(37,561)	20,636
UNENCUMBERED CASH, JANUARY 1	46,553	37,561	8,992
UNENCUMBERED CASH, DECEMBER 31	$ 29,628	$ -	$ 29,628

CITY OF HARPER, KANSAS

SPECIAL PURPOSE FUNDS

STREET RESERVE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2024

Schedule 2-13

	Actual	Budget	Over (Under) Budget
RECEIPTS			
Transfer from - General Fund	$ 70,000	$ 10,000	$ 60,000
Interest earned	684	-	684
TOTAL RECEIPTS	70,684	10,000	60,684
EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET			
Street improvement and repair	-	60,270	(60,270)
Equipment	-	16,300	(16,300)
TOTAL EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET	-	76,570	(76,570)
RECEIPTS OVER (UNDER) EXPENDITURES	70,684	(66,570)	137,254
UNENCUMBERED CASH, JANUARY 1	46,570	66,570	(20,000)
UNENCUMBERED CASH, DECEMBER 31	$ 117,254	$ -	$ 117,254

CITY OF HARPER, KANSAS

SPECIAL PURPOSE FUNDS

STREET IMPROVEMENT SALES TAX FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2024

Schedule 2-14

	Actual	Budget	Over (Under) Budget
RECEIPTS			
Local sales tax	$ 377,861	$ 210,000	$ 167,861
EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET			
Street improvements	171,223	198,483	(27,260)
Equipment	-	40,000	(40,000)
Pine/21st project			
Bond principal	60,000	60,000	-
Bond interest	7,500	7,500	-
Transfer to - BASE Project (ARPA Grant)	-	34,192	(34,192)
TOTAL EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET	238,723	340,175	(101,452)
RECEIPTS OVER (UNDER) EXPENDITURES	139,138	(130,175)	269,313
UNENCUMBERED CASH, JANUARY 1	262,654	130,175	132,479
UNENCUMBERED CASH, DECEMBER 31	$ 401,792	$ -	$ 401,792

CITY OF HARPER, KANSAS

SPECIAL PURPOSE FUNDS

INFRASTRUCTURE SALES TAX FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2024

Schedule 2-15

	Actual	Budget	Over (Under) Budget
RECEIPTS			
Local sales tax	$ 189,715	$ 140,000	$ 49,715
Grants	61,329	-	61,329
Interest earned	2,050	100	1,950
TOTAL RECEIPTS	253,094	140,100	112,994
EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET			
Infrastructure improvements	70,913	7,617	63,296
Sidewalk CID	9,770	20,000	(10,230)
Principal	50,000	50,000	-
Interest	23,550	23,550	-
Transfer to - BASE Project (ARPA Grant)	68,440	60,192	8,248
TOTAL EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET	222,673	161,359	61,314
ADJUSTMENT FOR QUALIFYING BUDGET CREDIT	-	61,329	(61,329)
TOTAL FOR COMPARISON	222,673	222,688	(15)
RECEIPTS OVER (UNDER) EXPENDITURES	30,421	(21,259)	51,680
UNENCUMBERED CASH, JANUARY 1	212,617	58,012	154,605
UNENCUMBERED CASH, DECEMBER 31	$ 243,038	$ 36,753	$ 206,285

CITY OF HARPER, KANSAS

SPECIAL PURPOSE FUNDS

ECONOMIC DEVELOPMENT INCENTIVE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2024

Schedule 2-16

	Actual	Budget	Over (Under) Budget
RECEIPTS			
Transfer from - General Fund	$ 10,000	$ 10,000	$ -
Interest earned	4,080	-	4,080
Grants	18,665	25,000	(6,335)
TOTAL RECEIPTS	32,745	35,000	(2,255)
EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET			
Business incentives	264	72,398	(72,134)
Development projects	11,526	10,000	1,526
Rural opportunity zones	-	7,500	(7,500)
Rural champion	6,170	25,000	(18,830)
Grant expenditures	25,037	-	25,037
TOTAL EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET	42,997	114,898	(71,901)
RECEIPTS OVER (UNDER) EXPENDITURES	(10,252)	(79,898)	69,646
UNENCUMBERED CASH, JANUARY 1	142,297	79,898	62,399
UNENCUMBERED CASH, DECEMBER 31	$ 132,045	$ -	$ 132,045

CITY OF HARPER, KANSAS

SPECIAL PURPOSE FUNDS

COBBLESTONE CID FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2024

Schedule 2-17

	Actual	Budget	Over (Under) Budget
RECEIPTS			
Local sales tax	$ 29,323	$ 18,000	$ 11,323
Interest earned	1,230	-	1,230
TOTAL RECEIPTS	30,553	18,000	12,553
EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET			
Appropriation	66,817	67,249	(432)
RECEIPTS OVER (UNDER) EXPENDITURES	(36,264)	(49,249)	12,985
UNENCUMBERED CASH, JANUARY 1	50,959	49,249	1,710
UNENCUMBERED CASH, DECEMBER 31	$ 14,695	$ -	$ 14,695

CITY OF HARPER, KANSAS

NONBUDGETED SPECIAL PURPOSE FUNDS
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL)
For Year Ended December 31, 2024

Schedule 2-18
Page 1 of 2

	Firemen's Activity	Police Activity	VIN Inspection	Diversion
RECEIPTS				
Donations and gifts	$ 240	$ -	$ -	$ -
Fees	-	60	880	2,175
Interest earned	-	137	-	326
TOTAL RECEIPTS	240	197	880	2,501
EXPENDITURES				
Program expenditures	-	375	2,000	-
RECEIPTS OVER (UNDER) EXPENDITURES	240	(178)	(1,120)	2,501
UNENCUMBERED CASH, JANUARY 1	11,165	5,259	3,178	7,200
UNENCUMBERED CASH, DECEMBER 31	$ 11,405	$ 5,081	$ 2,058	$ 9,701

CITY OF HARPER, KANSAS

NONBUDGETED SPECIAL PURPOSE FUNDS
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL)
For Year Ended December 31, 2024

	BASE Project (ARPA Grant)	Community Development	Donations and Gifts	Future Community Center	Police Drug Seizure Trust	Cemetery Veteran's Memorial
RECEIPTS						
Donations and gifts	$ -	$ 65	$ 3,348	$ -	$ -	$ -
Reimbursements	24,776	3,803	-	-	-	-
Interest earned	-	2,448	-	1,094	-	-
Transfer from:						-
Transient Guest Tax	-	-	-	22,472	-	-
General Fund	-	10,000	-	-	-	-
Infrastructure Sales Tax Fund	68,440	-	-	-	-	-
TOTAL RECEIPTS	93,216	16,316	3,348	23,566	-	-
EXPENDITURES						
Engineering	500	-	-	-	-	-
Construction	28,169	-	-	-	-	-
Administration	45	-	-	-	-	-
Improvement loans and grants	-	9,850	-	-	-	-
Program expenditures	-	-	1,343	-	-	428
TOTAL EXPENDITURES	28,714	9,850	1,343	-	-	428
RECEIPTS OVER (UNDER) EXPENDITURES	64,502	6,466	2,005	23,566	-	(428)
UNENCUMBERED CASH, JANUARY 1	(47,610)	59,819	2,867	47,989	6,057	2,066
UNENCUMBERED CASH, DECEMBER 31	$ 16,892	$ 66,285	$ 4,872	$ 71,555	$ 6,057	$ 1,638

CITY OF HARPER, KANSAS

BOND AND INTEREST FUND

BOND AND INTEREST FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2024

Schedule 2-19

	Actual	Budget	Over (Under) Budget
RECEIPTS			
Taxes			
Ad valorem property tax	$ 43,950	$ 48,798	$ (4,848)
Delinquent tax	3,657	2,500	1,157
Motor vehicle tax	4,610	4,126	484
Recreational vehicle tax	96	79	17
16/20M truck tax	35	248	(213)
Commercial vehicle registration fee	231	113	118
Neighborhood revitalization	(1,738)	(1,676)	(62)
Interest earned	2,050	-	2,050
Transfer from - General Fund	16,185	-	16,185
TOTAL RECEIPTS	69,076	54,188	14,888
EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET			
Fire truck			
Principal	30,700	15,100	15,600
Interest	1,151	1,151	-
Commissions	-	100	(100)
Ballfield improvements			
Principal	30,000	30,000	-
Reserve for temporary improvement note	-	50,000	(50,000)
Activity Center	-	30,000	(30,000)
Cash basis requirement	-	15,000	(15,000)
TOTAL EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET	61,851	141,351	(79,500)
RECEIPTS OVER (UNDER) EXPENDITURES	7,225	(87,163)	94,388
UNENCUMBERED CASH, JANUARY 1	88,493	87,163	1,330
UNENCUMBERED CASH, DECEMBER 31	$ 95,718	$ -	$ 95,718

CITY OF HARPER, KANSAS

BUSINESS FUNDS

WATER UTILITY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2024

Schedule 2-20

	Actual	Budget	Over (Under) Budget
RECEIPTS			
Sales to consumers	$ 660,905	$ 568,000	$ 92,905
Reimbursements and other	16,757	10,000	6,757
TOTAL RECEIPTS	677,662	578,000	99,662
EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET			
Administration			
Salaries	86,192	82,000	4,192
Health insurance	29,396	31,000	(1,604)
Self-insurance expense	10,650	10,000	650
Social Security	11,069	12,000	(931)
KPERS	15,449	16,000	(551)
Workers' compensation	1,474	1,500	(26)
Other employee benefits	2,398	4,600	(2,202)
Contractual services	58,663	55,000	3,663
Commodities	4,365	6,500	(2,135)
Production			
Salaries	29,910	31,500	(1,590)
Contractual services	16,027	20,000	(3,973)
Commodities	39,558	40,000	(442)
Distribution			
Salaries	36,961	41,000	(4,039)
Contractual services	10,795	7,000	3,795
Commodities	19,445	25,000	(5,555)
Maintenance agreements	28,074	28,074	-
Nonoperating expenses			
Clean water drinking fee	1,443	2,000	(557)
Water protection fee	1,539	1,700	(161)
Utilities			
Electric service	31,437	35,000	(3,563)
Gas service	3,256	4,500	(1,244)
Telephone service	2,974	3,200	(226)
Debt service			
General obligation bond principal and interest	87,399	85,430	1,969
KPWS loan principal and interest	31,763	33,525	(1,762)
Transfer to - Water Reserve Fund	59,000	46,475	12,525
TOTAL EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET	619,237	623,004	(3,767)
RECEIPTS OVER (UNDER) EXPENDITURES	58,425	(45,004)	103,429
UNENCUMBERED CASH, JANUARY 1	55,679	45,004	10,675
UNENCUMBERED CASH, DECEMBER 31	$ 114,104	$ -	$ 114,104

CITY OF HARPER, KANSAS

BUSINESS FUNDS

WATER RESERVE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2024

Schedule 2-21

	Actual	Budget	Over (Under) Budget
RECEIPTS			
Transfer from - Water Utility Fund	$ 59,000	$ 46,475	$ 12,525
EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET			
Capital improvements	95,680	62,398	33,282
Excavator	7,500	4,000	3,500
Equipment replacement	-	37,000	(37,000)
TOTAL EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET	103,180	103,398	(218)
RECEIPTS OVER (UNDER) EXPENDITURES	(44,180)	(56,923)	12,743
UNENCUMBERED CASH, JANUARY 1	147,568	63,191	84,377
UNENCUMBERED CASH, DECEMBER 31	$ 103,388	$ 6,268	$ 97,120

CITY OF HARPER, KANSAS

BUSINESS FUNDS

SEWER UTILITY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2024

Schedule 2-22

	Actual	Budget	Over (Under) Budget
RECEIPTS			
Charges for services	$ 306,036	$ 255,000	$ 51,036
Reimbursements and other	1,200	-	1,200
TOTAL RECEIPTS	307,236	255,000	52,236
EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET			
Administration			
Salaries	38,366	38,000	366
Health insurance	11,334	12,000	(666)
Self-insurance expense	4,255	4,000	255
Social Security	4,552	5,100	(548)
KPERS	6,269	6,900	(631)
Workers' compensation	431	350	81
Other employee benefits	1,067	2,000	(933)
Contractual services	16,819	15,000	1,819
Commodities	1,075	3,000	(1,925)
Collection			
Salaries	14,438	16,000	(1,562)
Contractual services	7,347	5,000	2,347
Commodities	3,657	6,000	(2,343)
Treatment			
Salaries	9,970	10,500	(530)
Contractual services	8,747	10,000	(1,253)
Commodities	7,985	10,000	(2,015)
Utilities			
Electric service	16,801	4,500	12,301
Gas service	1,516	1,750	(234)
Telephone service	790	800	(10)
Debt service			
Principal and interest	75,206	75,413	(207)
Cost of issuance	-	15,000	(15,000)
Transfer to - Sewer Reserve Fund	49,000	45,116	3,884
TOTAL EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET	279,625	286,429	(6,804)
RECEIPTS OVER (UNDER) EXPENDITURES	27,611	(31,429)	59,040
UNENCUMBERED CASH, JANUARY 1	44,956	31,429	13,527
UNENCUMBERED CASH, DECEMBER 31	$ 72,567	$ -	$ 72,567

CITY OF HARPER, KANSAS

BUSINESS FUNDS

SEWER RESERVE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2024

Schedule 2-23

	Actual	Budget	Over (Under) Budget
RECEIPTS			
Transfer from - Sewer Utility Fund	$ 49,000	$ 45,116	$ 3,884
Interest earned	13,659	-	13,659
TOTAL RECEIPTS	62,659	45,116	17,543
EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET			
Lagoon improvement	-	252,840	(252,840)
Excavator	7,500	4,000	3,500
Sewer cleanout	123,214	-	123,214
Equipment replacement	-	21,000	(21,000)
TOTAL EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET	130,714	277,840	(147,126)
RECEIPTS OVER (UNDER) EXPENDITURES	(68,055)	(232,724)	164,669
UNENCUMBERED CASH, JANUARY 1	323,624	232,724	90,900
UNENCUMBERED CASH, DECEMBER 31	$ 255,569	$ -	$ 255,569

CITY OF HARPER, KANSAS

CAPITAL PROJECT FUNDS
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL)
For Year Ended December 31, 2024

Schedule 2-24

	Public Facilities Improvements
RECEIPTS	
Bond proceeds	$ 531,308
Interest earned	8,193
TOTAL RECEIPTS	539,501
EXPENDITURES AND TRANSFERS	
Construction	-
Cost of issuance	18,815
TOTAL EXPENDITURES	18,815
RECEIPTS OVER (UNDER) EXPENDITURES	520,686
UNENCUMBERED CASH, JANUARY 1	300,101
UNENCUMBERED CASH, DECEMBER 31	$ 820,787

CITY OF HARPER, KANSAS

TRUST FUNDS
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL)
For Year Ended December 31, 2024

Schedule 2-25

	Health Insurance Savings	Cemetery Trust	Cemetery Endowment
RECEIPTS			
Premium savings	$ 44,639	$ -	$ -
Donations and other	-	-	1,050
Interest earned	17	-	-
TOTAL RECEIPTS	44,656	-	1,050
EXPENDITURES			
Capital improvements	-	2,000	-
Claims paid	38,052	-	-
TOTAL EXPENDITURES	38,052	2,000	-
RECEIPTS OVER (UNDER) EXPENDITURES	6,604	(2,000)	1,050
UNENCUMBERED CASH, JANUARY 1	13,971	28,916	63,619
UNENCUMBERED CASH, DECEMBER 31	$ 20,575	$ 26,916	$ 64,669

CITY OF HARPER, KANSAS

RELATED MUNICIPAL ENTITIES

HARPER PUBLIC LIBRARY
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL)
For Year Ended December 31, 2024

Schedule 3-1

RECEIPTS		
Appropriation from the City	$	60,950
South Central Kansas Library		13,913
State aid		358
Interest earned		1,252
Grants and donations		4,514
Fines and copies		4,231
Miscellaneous		5,690
TOTAL RECEIPTS		90,908
EXPENDITURES		
Payroll expense		46,619
Books and periodicals		5,434
Supplies		2,276
Outside services		1,855
Professional fees		1,650
Utilities, telephone, and internet		8,366
Insurance		2,583
Maintenance		945
Technology expense		7,521
Equipment		3,653
Library programs		2,572
Miscellaneous		1,275
TOTAL EXPENDITURES		84,749
RECEIPTS OVER (UNDER) EXPENDITURES		6,159
UNENCUMBERED CASH, JANUARY 1		55,279
UNENCUMBERED CASH, DECEMBER 31	$	61,438
ANALYSIS OF AVAILABLE CASH		
Checking account	$	20,226
Money Market account		11,650
Savings account		7,207
Certificate of deposit		23,000
TOTAL CASH		62,083
ACCOUNTS PAYABLE, DECEMBER 31		(645)
UNENCUMBERED CASH, DECEMBER 31	$	61,438

CITY OF HARPER, KANSAS

RELATED MUNICIPAL ENTITIES

HARPER RECREATION COMMISSION
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL)
For Year Ended December 31, 2024

Schedule 3-2

	General Fund	Capital Improvement Fund	Total
RECEIPTS			
Appropriation from the City	$ 41,700	$ -	$ 41,700
Entry fees	11,778	-	11,778
Event revenue	-	-	-
Donations and other	30	6,750	6,780
Signage	-	18,200	18,200
Concessions	430	701	1,131
Other	-	12,636	12,636
TOTAL RECEIPTS	53,938	38,287	92,225
EXPENDITURES			
Advertising	204	-	204
Utilities and telephone	6,085	-	6,085
Insurance	3,767	-	3,767
Office supplies	68	-	68
Uniforms, banners, etc.	4,027	-	4,027
Activities equipment	6,218	-	6,218
Director fees	12,000	-	12,000
Umpires, referees, and scorekeepers	9,164	-	9,164
Administrative assistance	2,400	-	2,400
Complex maintenance	6,211	-	6,211
Equipment maintenance	141	-	141
Tournaments and events	100	1,925	2,025
Dues, memberships, and miscellaneous	5,759	-	5,759
Capital equipment	-	3,078	3,078
Capital improvements	-	3,622	3,622
Sponsorships	-	1,465	1,465
TOTAL EXPENDITURES	56,144	10,090	66,234
RECEIPTS OVER (UNDER) EXPENDITURES	(2,206)	28,197	25,991
UNENCUMBERED CASH, JANUARY 1	17,612	32,580	50,192
UNENCUMBERED CASH, DECEMBER 31	$ 15,406	$ 60,777	$ 76,183

ANALYSIS OF AVAILABLE CASH	
Checking account	$ 15,406
Money Market account	60,777
TOTAL CASH	76,183
ACCOUNTS PAYABLE, DECEMBER 31	-
UNENCUMBERED CASH, DECEMBER 31	$ 76,183

CITY OF HARPER, KANSAS

AGENCY FUNDS
SCHEDULE OF RECEIPTS AND DISBURSEMENTS - REGULATORY BASIS
(ACTUAL)
For Year Ended December 31, 2024

Schedule 4

	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Security Deposit	$ 20,222	$ 8,453	$ 6,110	$ 22,565

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

Mayor and City Council
City of Harper, Kansas

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the *Kansas Municipal Audit and Accounting Guide*, the regulatory basis summary statement of receipts, expenditures, and unencumbered cash of City of Harper, Kansas (the City) as of and for the year ended December 31, 2024, and the related notes to the financial statement, which collectively comprise the City's basic financial statement, and have issued our report thereon dated August 21, 2025, which was modified because the financial statement is prepared on the regulatory basis of accounting.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be a material weakness. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that we consider to be a significant deficiency, which is identified as 2024-1.

Report on Compliance and Other Matters

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

City's Response to Findings

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

Purpose of this Report

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



Certified Public Accountants

Hutchinson, Kansas
August 21, 2025

CITY OF HARPER, KANSAS

SCHEDULE OF FINDINGS AND RESPONSES
For Year Ended December 31, 2024

2024-1 Significant Deficiency – Segregation of Duties

Condition

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

Criteria

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

Effect

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

Recommendation

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

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

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

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

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

Management Response

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