CITY OF INDEPENDENCE, KANSAS

FINANCIAL STATEMENTS

For the Year Ended December 31, 2022

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CITY OF INDEPENDENCE, KANSAS
Financial Statements
For the Year Ended December 31, 2022
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INDEPENDENT AUDITOR'S REPORT

Mayor and City Commissioners
City of Independence, Kansas

Report on the Audit of the Financial Statements

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 Independence, Kansas and its related municipal entity, the Housing Authority of The City of Independence, Kansas (collectively, the City), as of and for the year ended December 31, 2022 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 as of December 31, 2022, 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 as of December 31, 2022, 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 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*. 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 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, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, summary of receipts and disbursements-agency funds and the schedule of regulatory basis receipts and expenditures-related municipal entity (Schedules 1, 2, 3 and 4) as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however, are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is 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 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.

Other Reporting Required by Government Auditing Standards
In accordance with *Government Auditing Standards*, we have also issued our report dated June 19, 2023, on our consideration of the City's internal controls over financial reporting and 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 controls over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report in 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.

Other Matters
The 2021 actual column presented in the individual fund schedules of regulatory basis receipts and expenditures—actual and budget for the year ended December 31, 2021 (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.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of City of Independence, Kansas, as of and for the year ended December 31, 2021 (not presented herein), and have issued our report thereon dated July 1, 2022, which contained an unmodified opinion on the basic financial statement. The 2021 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/oar/municipalservices. The 2021 actual column (2021 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures—actual and budget for the year ended December 31, 2022 (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 2021 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 2021 basic financial statement. The 2021 comparative information was subjected to the auditing procedures applied in the audit of the 2021 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 2021 basic financial statement or to the 2021 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 2021 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, 2021 , on the basis of accounting described in Note 1.

Gordon CPA LLC

Certified Public Accountant
Lawrence, Kansas

June 19, 2023

CITY OF INDEPENDENCE, KANSAS
Summary Statement of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended December 31, 2022

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add: Encumbrances and Accounts Payable	Ending Cash Balance
General Funds:							
General	$ 1,020,785	$ 258	$ 9,752,370	$ 9,045,546	$ 1,727,867	$ 316,332	$ 2,044,199
Special Purpose Funds:							
General Fund							
Employee Benefits	240,795	-	719,782	891,689	68,888	9,683	78,571
Library	-	-	217,946	217,946	-	-	-
Special Alcohol	55,264	-	40,961	30,000	66,225	-	66,225
Special Parks and Recreation	66,189	-	40,962	22,000	85,151	-	85,151
Industrial	512	-	27,747	27,500	759	-	759
Liability Insurance	120,457	-	136,383	78,985	177,855	-	177,855
Economic Development							
and Transportation	666,202	-	1,125,388	399,999	1,391,591	-	1,391,591
Tourism	-	-	-	-	-	-	-
Educational Sales Tax	211,556	-	2,507,232	2,718,788	-	-	-
Quality of Life Sales Tax	74,265	-	-	60,144	14,121	-	14,121
Special Use Sales Tax	1,143,325	93,834	2,507,232	3,205,702	538,689	86,226	624,915
Special Park	27,443	-	20,797	17,228	31,012	3,776	34,788
Crime Prevention	1,405	-	200	1,016	589	-	589
Law Enforcement Trust	26,256	-	2,747	17,950	11,053	2,418	13,471
Downtown Tree Replacement	15,349	-	141	-	15,490	-	15,490
Demolition	119,282	-	57,112	166,630	9,764	160	9,924
Memorial Hall	74,357	-	-	55,236	19,121	-	19,121
E-911 (Old)	4,697	-	-	-	4,697	-	4,697
E-911 (New)	214,029	-	140,365	98,692	255,702	1,129	256,831
K9	29,692	-	1,814	2,799	28,707	-	28,707
Incubator Building	66,280	-	46,425	-	112,705	-	112,705
Logan Foundation	394	-	-	270	124	-	124
City Grants	99,294	-	247,974	130,738	216,530	-	216,530
Land Bank	53,302	-	491	-	53,793	-	53,793
Opioid Abatement	-	-	2,070	-	2,070	-	2,070
Employee Wellness	-	-	30,579	3,977	26,602	-	26,602
Fire/EMS Grant	7,958	-	6,000	2,135	11,823	-	11,823
Walmart Grant	3,046	-	-	-	3,046	-	3,046
Federal Grants	643,976	-	658,941	1,302,567	350	-	350
Bond and Interest Funds:							
Bond and Interest	645,317	-	15,824,381	15,825,645	644,053	-	644,053
Capital Project Funds:							
General Capital Reserve	138,821	-	238,311	131,730	245,402	-	245,402
Streets Capital Reserve	282,692	-	6,898,707	4,484,694	2,696,705	735,087	3,431,792
Airport Capital Reserve	[96,204]	-	1,001,380	643,321	261,855	-	261,855
Water/Sewer Capital Reserve	3,458,848	-	1,033,743	774,240	3,718,351	-	3,718,351
Skate Park	1,695	-	-	-	1,695	-	1,695
Water Treatment							
Facility Upgrade	[152,856]	-	-	58,768	[211,624]	-	[211,624]
City Projects	7,254	-	10,668,208	4,436,897	6,238,565	4,589	6,243,154
Penn/Chestnut - Oak Project	34,943	-	-	-	34,943	-	34,943
2015-2016 KLINK Project	318,879	-	-	-	318,879	-	318,879
Curb Ramp Project	174,362	-	585,627	11,107	748,882	-	748,882
WPC Loan C20 2043 Project	[97,942]	-	-	130,219	[228,161]	-	[228,161]

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

CITY OF INDEPENDENCE, KANSAS
Summary Statement of Receipts, Expenditures and Unencumbered Cash - Continued
Regulatory Basis
For the Year Ended December 31, 2022

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add: Encumbrances and Accounts Payable	Ending Cash Balance
Business Fund:							
Airport	$ 289,135	$ -	$ 887,440	$ 1,067,163	$ 109,412	$ 6,023	$ 115,435
Water/Sewer Utility	3,617,022	10,000	5,700,383	5,635,425	3,691,980	59,505	3,751,485
Sanitation Utility	683,224	-	1,405,332	1,558,200	530,356	39,022	569,378
Grinder Pump Replacement	265,546	-	10,055	-	275,601	-	275,601
Total Primary Government	14,556,846	104,092	62,545,226	53,254,946	23,951,218	1,263,950	25,215,168
Related Municipal Entity:							
Housing Authority of The City of Independence, Kansas	4,793,362	-	1,273,747	1,168,810	4,898,299	28,629	4,926,928
Total Reporting Entity (excluding Agency Funds)	$ 19,350,208	$ 104,092	$ 63,818,973	$ 54,423,756	$ 28,849,517	$ 1,292,579	$ 30,142,096

COMPOSITION OF CASH:	
Community National Bank	
Checking	$ 24,308,538
Certificates of Deposit	4,064,138
Equity Bank	
Money Market	1,792,008
Cash on Hand	850
Total Cash	30,165,534
Less: Agency Funds per Schedule 3	[23,438]
Total Reporting Entity (excluding Agency Funds)	$ 30,142,096

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

NOTE 1 - Summary of Significant Accounting Policies

The City of Independence, Kansas (the City) is incorporated as a city of the second class under the provisions of the Kansas Constitution, Article 12, Section 5 and K.S.A. 14-101 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, sewer and trash, 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 Independence, 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 below. Note 1 describes how the City's accounting policies differ from accounting principles generally accepted in the United States of America.

Financial Reporting Entity

The City is a municipal corporation governed by an elected three-member commission. This financial statement presents the City (the municipality) and its related municipal entity, The Housing Authority of The City of Independence, Kansas, (collectively, the City). This related municipal entity is included in the City's reporting entity because it was established to benefit the City and/or its constituents. This financial statement does not include the related municipal entity, the Independence Public Library.

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

> Housing Authority - The Housing Authority of the City of Independence, Kansas is a municipal corporation responsible for operating the City's housing projects. The Housing Authority is governed by a City appointed five-member board. The Housing Authority can sue and be sued. Bond ordinances and the purchase of real property must be approved by the City. All Housing Authority funds are held by the City of Independence and all financial transactions are processed through the City's administrative offices. The Housing Authority's 2022 financial statements have been included as Schedule 4 of the City's financial statements. Complete audited financial statements are prepared and are available at the Housing Authority's administrative office.
>
> Independence Public Library - The City of Independence Library Board operates the City's public library. Acquisition or disposition of real property or bond issuances must be approved by the City. Separate audited financial statements are prepared and are available at the Independence Public Library.

Basis of Accounting

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

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

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Regulatory Basis Fund Types

The following types of funds comprise the financial activities of the City for the year ended December 31, 2022:

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 basis receipt sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

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

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

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

Agency Funds - to account for assets held by the City in a purely custodial capacity (payroll clearing fund, county treasurer tax collection accounts, etc.).

Budgetary Information

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

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

If the City is holding a revenue neutral rate hearing, the budget timeline for adoption of the final budget has been adjusted to on or before September 20th. The City did hold a revenue neutral rate hearing for this year.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. The original budget was amended for the General Fund, Educational Sales Tax Fund, Special Use Sales Tax Fund, Airport Fund, and Bond and Interest Fund during the year ended December 31, 2022.

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

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

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Budgetary Information (Continued)

A legal operating budget is not required for capital project funds and the following special purpose and business funds:

- Special Park Fund
- Crime Prevention Fund
- Law Enforcement Trust Fund
- Downtown Tree Replacement Fund
- Demolition Fund
- Memorial Hall Fund
- E-911 (Old) Fund
- E-911 (New) Fund
- K9 Fund
- Incubator Building Fund
- Logan Foundation Fund
- City Grants Fund
- Opioid Abatement Fund
- Employee Wellness Fund
- Land Bank Fund
- Fire/EMS Grant Fund
- Walmart Grant Fund
- Federal Grants Fund

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

NOTE 2 - Deposits and Investments

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

Investments. K.S.A. 12-1675 limits the City's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The City has no investment policy that would further limit its investment choices. As of December 31, 2022, the City held no such investments.

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

Custodial credit risk - deposits. Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The City has no designated "peak periods." The City's deposits were fully secured as of December 31, 2022.

As of December 31, 2022, the City's carrying amount of deposits was $30,165,534 and the bank balance was $30,981,641. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, $3,777,531 was covered by federal depository insurance and $27,204,110 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 require investments to be adequately secured.

NOTE 3 - Compensated Absences

All regular full-time and regular part-time employees of the City shall earn vacation leave. Vacation leave shall be earned beginning with the date of employment. Vacation may not be used during the first twelve month of employment. Vacation is earned at varying rates based on years of service and may be accumulated up to 160 hours for fulltime employees and 10 shifts for full-time Fire and EMS. In the event of termination, unused accrued vacation time is paid. Employees terminated prior to completing one full year of employment shall not be paid for accrued vacation leave.

Sick leave accrues to all full-time employees at the rate of eight hours per month and is limited to 1,440 hours. Sick leave may be accumulated and carried over to the next year, but is lost if employment is terminated.

The City has not estimated a liability for compensated absences which has been earned, but not taken by City employees, as the amount cannot be reasonably estimated.

NOTE 4 - 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 its Comprehensive Annual Financial Report which can be found on the KPERS website at www.kpers.org by writing to KPERS (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

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

State law provides that the employer contribution rates for KPERS 1, KPERS 2 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 8.90% for the fiscal year ended December 31, 2022. Contributions to the pension plan from the City were $479,268 for the year ended December 31, 2022.

Net Pension Liability. As of December 31, 2022, the City's proportionate share of the collective net pension liability reported by KPERS was $5,362,829. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021, which was rolled forward to June 30, 2022. 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 of KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in these financial statements.

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

NOTE 5 - Other Long-Term Obligations from Operations

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

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the City makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured. There is no cost to the City under this program.

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, 2022.

NOTE 6 - Interfund Transfers

Operating transfers were as follows during the year ended December 31, 2022:

From	To	Amount	Statutory Authority
General	Demolition	$ 50,000	K.S.A. 12-1,118
General	General Capital Reserve	238,311	K.S.A. 12-1,118
General	Economic Dev. and Transportation	797,941	K.S.A. 12-1,118
Economic Dev. and Transportation	City Grants	147,974	K.S.A. 79-2934
Economic Dev. and Transportation	Streets Capital Reserve	200,000	K.S.A. 12-1,118
Federal Grants	General	1,297,941	Grant agreement
Educational Sales Tax	Bond and Interest	245,000	K.S.A. 12,197
Special Use Sales Tax	General	626,808	K.S.A. 12,197
Special Use Sales Tax	Bond and Interest	1,125,728	K.S.A. 12,197
Special Use Sales Tax	Airport Capital Reserve	50,000	K.S.A. 12-1,118
Special Use Sales Tax	Curb Ramp Project	585,627	K.S.A. 12-1,118
Special Use Sales Tax	City Grants	50,000	K.S.A. 12-1,118
Special Use Sales Tax	Streets Capital Reserve	217,631	K.S.A. 12-1,118
Bond and Interest	City Projects	10,500,000	Bond agreement
Bond and Interest	Streets Capital Reserve	3,500,000	Bond agreement
Water/Sewer Capital Reserve	Streets Capital Reserve	755,119	K.S.A. 12-1,118
Water and Sewer Utility	General	928,789	K.S.A. 12-1,825d
Water and Sewer Utility	City Grants	50,000	K.S.A. 12-1,825d
Water and Sewer Utility	Bond and Interest	77,213	K.S.A. 12-1,825d
Water and Sewer Utility	Water/Sewer Capital Reserve	1,000,000	K.S.A. 12-1,825d
Sanitation Utility	General	154,440	K.S.A. 12-1,825d
		$ 22,598,522	

NOTE 7 - Long-Term Debt

The following table summarizes changes in the City’s long-term debt for the year ended December 31, 2022:

NOTE 7 - Long-Term Debt (Continued)

Type of Issue	Beginning Principal Outstanding	Additions to Principal	Reductions of Principal	Ending Principal Outstanding	Interest Paid
General Obligation Bonds	$ 4,400,000	$ 13,925,000	$ 1,210,000	$ 17,115,000	$ 258,102
State Revolving Loans	3,467,889	-	144,523	3,323,366	83,461
Finance Leases	589,573	199,838	120,623	668,788	18,179
Total	$ 8,457,462	$ 14,124,838	$ 1,475,146	$ 21,107,154	$ 359,742

General Obligation Bonds. The following table details the City's outstanding general obligation debt as of December 31, 2022:

General Obligation Bonds	Interest Rate	Amount Outstanding	Original Amount	Date of Issue	Final Maturity
Series 2013-A	2.60 - 2.70%	$ 325,000	$ 2,940,000	9/19/2013	10/1/2023
Series 2015-A	2.00 - 3.00%	1,110,000	1,960,000	7/22/2015	10/1/2030
Series 2016-A	2.00 - 3.00%	930,000	1,875,000	7/12/2016	10/1/2026
Series 2019-A	3.00%	1,110,000	1,430,000	10/2/2019	10/1/2026
Series 2022-A	3.00 - 5.00%	13,640,000	13,925,000	6/30/2022	10/1/2042
Total		$ 17,115,000			

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

Year Ending December 31,	Principal	Interest	Total
2023	$ 1,290,000	$ 620,256	$ 1,910,256
2024	1,105,000	578,256	1,683,256
2025	1,140,000	536,356	1,676,356
2026	1,200,000	492,256	1,692,256
2027	690,000	445,756	1,135,756
2028 - 2032	3,590,000	1,754,181	5,344,181
2033 - 2037	3,720,000	1,161,806	4,881,806
2038 - 2042	4,380,000	494,463	4,874,463
Total	$ 17,115,000	$ 6,083,330	$ 23,198,330

On June 30, 2022, the City issued General Obligation Bonds, Series 2022-A, in the amount of $13,925,000. Proceeds of the bonds will be used to provide permanent financing for the construction of certain street, building and security infrastructure projects throughout the City. The bonds carry an interest rate ranging from 3.00% - 5.00% and are scheduled to mature on October 1, 2042.

Revolving Loans. The following table details the City's outstanding revolving loan debt as of December 31, 2022:

Purpose	Interest Rate	Amount Outstanding	Original Amount	Date of Issue	Final Maturity
Kansas Water Pollution Control Revolving Fund No. 1915-01	2.50%	$ 1,947,773	$ 3,764,485	10/24/2011	3/1/2034
Kansas Public Water Supply Loan Fund No. 2933	2.33%	1,375,593	1,375,593	8/15/2018	8/1/2041
		$ 3,323,366			

NOTE 7 - Long-Term Debt (Continued)

Annual debt service requirements to maturity for Kansas Water Pollution Control Revolving Fund No. 1915-01 are as follows:

Year Ending December 31,	Principal	Interest	Total
2023	$ 148,159	$ 47,774	$ 195,933
2024	151,886	44,047	195,933
2025	155,707	40,226	195,933
2026	159,624	36,309	195,933
2027	163,639	32,294	195,933
2028 - 2032	882,056	97,609	979,665
2033 - 2034	286,702	7,197	293,899
Total	$ 1,947,773	$ 305,456	$ 2,253,229

Annual debt service requirements to maturity were not available for Kansas Public Water Supply Loan Fund No. 2933 as the loan was not finalized as of December 31, 2022.

Finance Leases. The following table details the City's outstanding finance lease obligations as of December 31, 2022:

Finance Leases	Interest Rate	Amount Outstanding	Original Amount	Date of Issue	Final Maturity
Aerial Fire Truck	3.44%	$ 358,889	$ 597,896	4/1/2019	4/1/2026
John Deere Tractor and Bushhog	2.45%	46,518	90,288	4/1/2020	4/1/2025
Streetsweeper	1.78%	63,543	149,994	2/11/2021	3/1/2025
Sanitation Truck	1.96%	199,838	199,838	10/19/2022	10/19/2027
Total		$ 668,788			

Annual debt service requirements to maturity for the finance lease obligations are as follows:

Year Ending December 31,	Principal	Interest	Total
2023	$ 162,699	$ 18,451	$ 181,150
2024	167,208	13,942	181,150
2025	162,283	9,291	171,574
2026	135,065	4,861	139,926
2027	41,533	814	42,347
Total	$ 668,788	$ 47,359	$ 716,147

On October 19, 2022, the City entered into a finance lease purchase agreement with a local financial institution in the amount of $199,838. Proceeds from the agreement were used to acquire a sanitation truck. The agreement carries an interest rate of 1.96%, requires annual payments of $42,348, and is scheduled for final maturity on October 17, 2027.

Legal Debt Margin. The City is subject to the municipal finance law of the State of Kansas which limits the net bonded debt the City may have outstanding up to 30 percent of the assessed value of all tangible personal property within the City, as certified to the County Clerk on the proceeding August 25. As of December 31, 2022, the statutory limit for the City was $14,298,640, providing a debt margin of $12,566,530.

NOTE 8 - Contingencies

The City receives significant financial assistance from numerous federal and state governmental agencies in the form of grants and state pass-through aid. The disbursement of funds received under these programs generally requires compliance with the terms and conditions specified in the grant agreements and is subject to audit. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims would not have a material effect on any of the financial statements of the City as of December 31, 2022.

The City is a party to various claims, none of which is expected to have material financial impact on the City.

NOTE 9 - Risk Management

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

The City has been unable to obtain workers' compensation insurance at a cost it considers to be economically justifiable. For this reason, the City has joined together with other cities in the State to participate in Kansas Municipal Insurance Trust (KMIT), a public entity risk pool currently operating as a common risk management and insurance program for participating members. The City pays annual premium to KMIT for its workers' compensation insurance coverage. The agreement to participate provides that KMIT will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of a stated dollar amount for each insurance event. Additional premiums may be due if total claims for the pool are different than what has been anticipated by KMIT management.

NOTE 10 - Incentive Grant Agreement

During the year ended December 31, 2021, the City entered into an incentive grant agreement with Labette County Medical Center. This agreement calls for the City to pay Labette County Medical Center $1,000,000 payable in ten equal annual payments of $100,000 beginning March 1, 2023. The incentive grant agreement calls for Labette County Medical Center to hire and maintain an increasing number of full-time employees and physicians who live in the City and serve its residents. The City intends to pay the grant from the Economic Development and Transportation Fund.

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CITY OF INDEPENDENCE, KANSAS
Summary of Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2022

Funds	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over [Under]
General Funds:					
General	$ 9,306,894	$ -	$ 9,306,894	$ 9,045,546	$ [261,348]
Special Purpose Funds:					
General Fund Employee Benefits	891,992	-	891,992	891,689	[303]
Library	227,149	-	227,149	217,946	[9,203]
Special Alcohol	30,000	-	30,000	30,000	-
Special Parks and Recreation	39,000	-	39,000	22,000	[17,000]
Industrial	27,500	-	27,500	27,500	-
Liability Insurance	88,500	-	88,500	78,985	[9,515]
Economic Development and Transportation	425,000	-	425,000	399,999	[25,001]
Tourism	150,000	-	150,000	-	[150,000]
Educational Sales Tax	2,763,188	-	2,763,188	2,718,788	[44,400]
Quality of Life Sales Tax	60,144	-	60,144	60,144	-
Special Use Sales Tax	3,694,958	-	3,694,958	3,205,702	[489,256]
Bond and Interest Funds:					
Bond and Interest	15,560,902	367,325	15,928,227	15,825,645	[102,582]
Business Fund:					
Airport	1,106,251	-	1,106,251	1,067,163	[39,088]
Water/Sewer Utility	5,714,570	-	5,714,570	5,635,425	[79,145]
Sanitation Utility	1,471,957	199,838	1,671,795	1,558,200	[113,595]

CITY OF INDEPENDENCE, KANSAS
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2022
(With Comparative Actual Amounts For the Year Ended December 31, 2021)

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance Over [Under]
Receipts				
Taxes and Shared Receipts				
Ad Valorem Property Tax	$ 1,510,926	$ 1,551,374	$ 1,664,845	$ [113,471]
Delinquent Tax	124,113	69,646	90,000	[20,354]
Motor Vehicle Tax	213,319	206,112	256,278	[50,166]
Recreational Vehicle Tax	1,910	877	-	877
16/20 M Vehicle Tax	1,068	1,934	-	1,934
Vehicle Rental Excise Tax	2,602	6,741	-	6,741
Commercial Vehicle Tax	5,866	6,756	-	6,756
Watercraft Tax	1,224	1,297	-	1,297
Neighborhood Revitalization	[48,290]	[16,902]	-	[16,902]
Mineral Tax	55	39	-	39
In Lieu of Tax	1,359	1,380	-	1,380
Nuisance Tax	4,150	3,250	5,000	[1,750]
Special Assessments	3,247	16,500	20,000	[3,500]
Franchise Tax	440,040	489,131	443,000	46,131
Sales Tax	2,243,303	2,507,233	2,050,000	457,233
Intergovernmental				
Local Alcohol Liquor Tax	38,126	40,961	35,000	5,961
Special Highway Tax	245,702	228,372	280,000	[51,628]
Highway Connecting Links	93,236	93,300	60,000	33,300
County Highway Aid	34,313	40,536	-	40,536
Grants	256,775	137,892	182,000	[44,108]
Licenses and Permits	113,651	62,732	66,500	[3,768]
Fines, Forfeitures and Penalties	93,424	99,153	98,500	653
Charges for Services				
Ambulance Fees	919,624	794,197	762,000	32,197
Fire Fees	35	10,744	6,000	4,744
Cemetery Fees	74,060	66,880	55,500	11,380
Park Fees	55,822	48,088	45,250	2,838
Charge Offs and Recoveries	53,421	[40,159]	50,000	[90,159]
Use of Money and Property				
Interest Income	23,356	130,711	20,000	110,711
Rents	49,106	49,212	43,338	5,874
Sale of Assets	8,300	-	-	-
Memorial Hall Fees	28,208	31,599	25,000	6,599
Other Receipts				
Reimbursed Expense	32,966	15,500	1,297,941	[1,282,441]
Insurance Proceeds	-	-	30,000	[30,000]
Miscellaneous	11,130	89,306	1,094,729	[1,005,423]
Operating Transfers In	1,460,826	3,007,978	512,500	2,495,478
Total Receipts	8,096,973	9,752,370	$ 9,193,381	$ 558,989

CITY OF INDEPENDENCE, KANSAS
General Fund - Continued
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2022
(With Comparative Actual Amounts For the Year Ended December 31, 2021)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance-Over [Under]
Expenditures				
Administration				
Personal Services	$ 302,515	$ 351,507	$ 354,845	$ [3,338]
Contractual Services	115,463	119,026	83,270	35,756
Commodities	3,345	6,815	9,000	[2,185]
Capital Outlay	-	1,713	-	1,713
	421,323	479,061	447,115	31,946
Municipal Court Department				
Personal Services	46,972	52,473	42,645	9,828
Contractual Services	67,413	81,821	71,250	10,571
Commodities	404	122	1,500	[1,378]
	114,789	134,416	115,395	19,021
City Hall Department				
Contractual Services	1,606	4,546	4,000	546
Commodities	-	32	-	32
	1,606	4,578	4,000	578
General Government				
Personal Services	37,726	14,596	5,000	9,596
Contractual Services	656,059	625,613	693,450	[67,837]
Commodities	10,357	9,822	-	9,822
Capital Outlay	15,242	19,616	-	19,616
	719,384	669,647	698,450	[28,803]
Finance and Records Department				
Personal Services	291,444	297,598	310,047	[12,449]
Contractual Services	37,764	36,836	58,500	[21,664]
Commodities	6,584	5,689	12,000	[6,311]
	335,792	340,123	380,547	[40,424]
Fire Department				
Personal Services	1,336,794	1,304,802	1,396,732	[91,930]
Contractual Services	135,127	154,077	156,000	[1,923]
Commodities	164,972	169,511	176,000	[6,489]
Capital Outlay	245	-	-	-
	1,637,138	1,628,390	1,728,732	[100,342]
EMS Department				
Contractual Services	1,170	1,158	1,250	[92]

CITY OF INDEPENDENCE, KANSAS
General Fund - Continued
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2022
(With Comparative Actual Amounts For the Year Ended December 31, 2021)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance-Over [Under]
Expenditures - Continued				
Police Department				
Personal Services	$ 1,396,551	$ 1,481,983	$ 1,541,182	$ [59,199]
Contractual Services	96,164	115,474	95,000	20,474
Commodities	58,070	70,247	61,000	9,247
Capital Outlay	43,849	12,100	-	12,100
	1,594,634	1,679,804	1,697,182	[17,378]
Animal Control Department				
Personal Services	53,217	56,611	55,985	626
Contractual Services	9,613	13,480	5,250	8,230
Commodities	1,327	6,559	1,500	5,059
	64,157	76,650	62,735	13,915
Emergency Preparedness				
Contractual Services	8,780	5,274	16,000	[10,726]
Commodities	6,910	6,946	-	6,946
	15,690	12,220	16,000	[3,780]
Building Inspection Department				
Personal Services	71,489	47,239	80,027	[32,788]
Contractual Services	24,373	28,053	16,000	12,053
	95,862	75,292	96,027	[20,735]
Street Department				
Personal Services	280,182	304,336	324,739	[20,403]
Contractual Services	74,776	226,290	106,500	119,790
Commodities	213,308	269,593	183,000	86,593
Capital Outlay	46,000	-	16,200	[16,200]
	614,266	800,219	630,439	169,780
Street Lighting Department				
Contractual Services	145,024	177,430	165,000	12,430
Park Department				
Personal Services	233,959	276,597	258,274	18,323
Contractual Services	83,270	119,758	98,500	21,258
Commodities	24,516	26,279	27,750	[1,471]
Capital Outlay	225	1,288	-	1,288
	341,970	423,922	384,524	39,398
Zoo Department				
Personal Services	201,217	246,956	250,112	[3,156]
Contractual Services	44,077	46,222	34,750	11,472
Commodities	79,299	84,508	78,500	6,008
	324,593	377,686	363,362	14,324

CITY OF INDEPENDENCE, KANSAS
General Fund - Continued
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2022
(With Comparative Actual Amounts For the Year Ended December 31, 2021)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance-Over [Under]
Expenditures - Continued				
Cemetery Department				
Personal Services	$ 154,744	$ 166,330	$ 200,334	$ [34,004]
Contractual Services	15,956	10,163	8,750	1,413
Commodities	15,795	14,702	12,000	2,702
Capital Outlay	9,319	7,000	8,000	[1,000]
Finance Lease Payment	5,056	-	-	-
	200,870	198,195	229,084	[30,889]
Memorial Hall Department				
Personal Services	109,596	109,702	110,392	[690]
Contractual Services	129,978	205,497	154,700	50,797
Commodities	8,652	14,800	11,000	3,800
Capital Outlay	21,137	5,498	-	5,498
	269,363	335,497	276,092	59,405
Building D Department				
Personal Services	48,278	49,435	54,208	[4,773]
Contractual Services	353,696	454,093	346,500	107,593
Commodities	17,152	8,273	8,000	273
Capital Outlay	-	10,406	-	10,406
	419,126	522,207	408,708	113,499
Special Improvements				
Capital Outlay	3,891	22,799	16,000	6,799
	3,891	22,799	16,000	6,799
Operating Transfers Out	329,252	1,086,252	1,586,252	[500,000]
Total Expenditures	7,649,900	9,045,546	$ 9,306,894	$ [261,348]
Receipts Over [Under] Expenditures	447,073	706,824		
Unencumbered Cash, Beginning	573,712	1,020,785		
Prior Year Cancelled Encumbrance	-	258		
Unencumbered Cash, Ending	$ 1,020,785	$ 1,727,867		

CITY OF INDEPENDENCE, KANSAS
General Fund Employee Benefits Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2022
(With Comparative Actual Amounts For the Year Ended December 31, 2021)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over [Under]
Receipts				
Taxes and Shared Receipts				
Ad Valorem Property Tax	$ 603,016	$ 600,453	$ 644,409	$ [43,956]
Delinquent Tax	56,049	29,668	30,000	[332]
Motor Vehicle Tax	96,222	85,666	99,542	[13,876]
Recreational Vehicle Tax	879	420	-	420
16/20 M Vehicle Tax	371	795	-	795
Vehicle Rental Excise Tax	1,234	2,916	-	2,916
Commercial Vehicle Tax	2,798	2,704	-	2,704
Watercraft Tax	578	519	-	519
Neighborhood Revitalization	-	[6,542]	-	[6,542]
Mineral Tax	22	15	-	15
In Lieu of Tax	543	534	-	534
Use of Money and Property				
Interest Income	1,342	2,185	1,000	1,185
Other Receipts				
Reimbursed Expense	13,687	449	-	449
Miscellaneous	642	-	-	-
Total Receipts	777,383	719,782	$ 774,951	$ [55,169]
Expenditures				
General Government				
Personal Services	654,247	749,738	$ 725,080	$ 24,658
Contractual Services	158,964	141,951	166,912	[24,961]
Total Expenditures	813,211	891,689	$ 891,992	$ [303]
Receipts Over [Under] Expenditures	[35,828]	[171,907]		
Unencumbered Cash, Beginning	307,622	240,795		
Prior Period Adjustment	[30,999]	-		
Unencumbered Cash, Beginning, Restated	276,623	240,795		
Unencumbered Cash, Ending	$ 240,795	$ 68,888		

See independent auditor's report on the financial statements.

CITY OF INDEPENDENCE, KANSAS
Library Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2022
(With Comparative Actual Amounts For the Year Ended December 31, 2021)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over [Under]
Receipts				
Taxes and Shared Receipts				
Ad Valorem Property Tax	$ 213,416	$ 177,629	$ 190,649	$ [13,020]
Delinquent Tax	18,659	10,101	8,000	2,101
Motor Vehicle Tax	31,284	29,462	35,210	[5,748]
Recreational Vehicle Tax	282	137	-	137
16/20 M Vehicle Tax	147	276	-	276
Vehicle Rental Excise Tax	387	975	-	975
Commercial Vehicle Tax	874	956	-	956
Watercraft Tax	182	184	-	184
Neighborhood Revitalization	-	[1,936]	-	[1,936]
Mineral Tax	8	4	-	4
In Lieu of Tax	192	158	-	158
Total Receipts	265,431	217,946	$ 233,859	$ [15,913]
Expenditures				
Culture and Recreation				
Appropriation to Library Board	265,431	217,946	$ 227,149	$ [9,203]
Total Expenditures	265,431	217,946	$ 227,149	$ [9,203]
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ -		

CITY OF INDEPENDENCE, KANSAS
Special Alcohol Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2022
(With Comparative Actual Amounts For the Year Ended December 31, 2021)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over [Under]
Receipts				
Intergovernmental				
Local Alcohol Liquor Tax	$ 38,126	$ 40,961	$ 35,000	$ 5,961
Total Receipts	38,126	40,961	$ 35,000	$ 5,961
Expenditures				
Culture and Recreation				
Contractual Services	30,000	30,000	$ 30,000	$ -
Total Expenditures	30,000	30,000	$ 30,000	$ -
Receipts Over [Under] Expenditures	8,126	10,961		
Unencumbered Cash, Beginning	47,138	55,264		
Unencumbered Cash, Ending	$ 55,264	$ 66,225		

CITY OF INDEPENDENCE, KANSAS
Special Parks and Recreation Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2022
(With Comparative Actual Amounts For the Year Ended December 31, 2021)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over [Under]
Receipts				
Intergovernmental				
Local Alcohol Liquor Tax	$ 38,126	$ 40,962	$ 35,000	$ 5,962
Other Receipts				
Miscellaneous	10,302	-	4,000	[4,000]
Total Receipts	48,428	40,962	$ 39,000	$ 1,962
Expenditures				
Culture and Recreation				
Contractual Services	26,000	22,000	$ 39,000	$ [17,000]
Total Expenditures	26,000	22,000	$ 39,000	$ [17,000]
Receipts Over [Under] Expenditures	22,428	18,962		
Unencumbered Cash, Beginning	43,761	66,189		
Unencumbered Cash, Ending	$ 66,189	$ 85,151		

CITY OF INDEPENDENCE, KANSAS
Industrial Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2022
(With Comparative Actual Amounts For the Year Ended December 31, 2021)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over [Under]
Receipts				
Taxes and Shared Receipts				
Ad Valorem Property Tax	$ 21,313	$ 24,444	$ 26,223	$ [1,779]
Delinquent Tax	830	708	500	208
Motor Vehicle Tax	1,381	2,588	3,497	[909]
Recreational Vehicle Tax	13	6	-	6
16/20 M Vehicle Tax	6	25	-	25
Vehicle Rental Excise Tax	17	74	-	74
Commercial Vehicle Tax	39	95	-	95
Watercraft Tax	8	18	-	18
Neighborhood Revitalization	-	[266]	-	[266]
Mineral Tax	1	1	-	1
In Lieu of Tax	19	22	-	22
Use of Money and Property				
Interest Income	9	32	-	32
Total Receipts	23,636	27,747	$ 30,220	$ [2,473]
Expenditures				
General Government				
Capital Outlay	27,500	27,500	$ 27,500	$ -
Total Expenditures	27,500	27,500	$ 27,500	$ -
Receipts Over [Under] Expenditures	[3,864]	247		
Unencumbered Cash, Beginning	4,376	512		
Unencumbered Cash, Ending	$ 512	$ 759		

See independent auditor's report on the financial statements.

CITY OF INDEPENDENCE, KANSAS
Liability Insurance Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2022
(With Comparative Actual Amounts For the Year Ended December 31, 2021)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over [Under]
Receipts				
Taxes and Shared Receipts				
Ad Valorem Property Tax	$ 72,910	$ 68,822	$ 73,856	$ [5,034]
Delinquent Tax	6,904	3,667	3,700	[33]
Motor Vehicle Tax	11,179	10,074	12,043	[1,969]
Recreational Vehicle Tax	99	45	-	45
16/20 M Vehicle Tax	62	94	-	94
Vehicle Rental Excise Tax	133	333	-	333
Commercial Vehicle Tax	300	327	-	327
Watercraft Tax	63	63	-	63
Neighborhood Revitalization	-	[750]	-	[750]
Mineral Tax	3	2	-	2
In Lieu of Tax	66	61	-	61
Use of Money and Property				
Interest Income	281	1,575	-	1,575
Other Receipts				
Reimbursed Expense	52,753	52,070	-	52,070
Total Receipts	144,753	136,383	$ 89,599	$ 46,784
Expenditures				
General Government				
Contractual Services	67,432	78,985	$ 88,500	$ [9,515]
Total Expenditures	67,432	78,985	$ 88,500	$ [9,515]
Receipts Over [Under] Expenditures	77,321	57,398		
Unencumbered Cash, Beginning	43,136	120,457		
Unencumbered Cash, Ending	$ 120,457	$ 177,855		

See independent auditor's report on the financial statements.

CITY OF INDEPENDENCE, KANSAS
Economic Development and Transportation Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2022
(With Comparative Actual Amounts For the Year Ended December 31, 2021)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over [Under]
Receipts				
Taxes and Shared Receipts				
Franchise Tax	$ 286,755	$ 322,127	$ 288,000	$ 34,127
Use of Money and Property				
Interest Income	2,142	5,320	2,000	3,320
Other Receipts				
Reimbursed Expense	193,307	-	-	-
Operating Transfers In	-	797,941	-	797,941
Total Receipts	482,204	1,125,388	$ 290,000	$ 835,388
Expenditures				
General Government				
Capital Outlay	101,266	52,025	$ 425,000	$ [372,975]
Finance Lease Payments	100,001	-	-	-
Operating Transfers Out	231,768	347,974	-	347,974
Total Expenditures	433,035	399,999	$ 425,000	$ [25,001]
Receipts Over [Under] Expenditures	49,169	725,389		
Unencumbered Cash, Beginning	617,033	666,202		
Unencumbered Cash, Ending	$ 666,202	$ 1,391,591		

See independent auditor's report on the financial statements.

CITY OF INDEPENDENCE, KANSAS
Tourism Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2022
(With Comparative Actual Amounts For the Year Ended December 31, 2021)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over [Under]
Receipts				
Taxes and Shared Revenue				
Transient Guest Tax	$ 99,855	$ -	$ -	$ -
Total Receipts	99,855	-	$ -	$ -
Expenditures				
General Government				
Capital Outlay	99,855	-	$ 150,000	$ [150,000]
Total Expenditures	99,855	-	$ 150,000	$ [150,000]
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ -		

CITY OF INDEPENDENCE, KANSAS
Educational Sales Tax Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2022
(With Comparative Actual Amounts For the Year Ended December 31, 2021)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over [Under]
Receipts				
Taxes and Shared Revenue				
Sales Tax	$ 2,243,303	$ 2,507,232	$ 2,551,632	$ [44,400]
Total Receipts	2,243,303	2,507,232	$ 2,551,632	$ [44,400]
Expenditures				
Culture and Recreation				
Contractual Services	2,145,521	2,473,788	$ 2,518,188	$ [44,400]
Operating Transfers Out	239,100	245,000	245,000	-
Total Expenditures	2,384,621	2,718,788	$ 2,763,188	$ [44,400]
Receipts Over [Under] Expenditures	[141,318]	[211,556]		
Unencumbered Cash, Beginning	169,275	211,556		
Prior Period Adjustment	183,599	-		
Unencumbered Cash, Beginning, Restated	352,874	211,556		
Unencumbered Cash, Ending	$ 211,556	$ -		

CITY OF INDEPENDENCE, KANSAS
Quality of Life Sales Tax Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2022
(With Comparative Actual Amounts For the Year Ended December 31, 2021)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over [Under]
Receipts				
Use of Money and Property				
Interest Income	$ -	$ -	$ -	$ -
Total Receipts	-	-	$ -	$ -
Expenditures				
Culture and Recreation				
Capital Outlay	34,879	60,144	$ 60,144	$ -
Total Expenditures	34,879	60,144	$ 60,144	$ -
Receipts Over [Under] Expenditures	[34,879]	[60,144]		
Unencumbered Cash, Beginning	109,144	74,265		
Unencumbered Cash, Ending	$ 74,265	$ 14,121		

CITY OF INDEPENDENCE, KANSAS
Special Use Sales Tax Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2022
(With Comparative Actual Amounts For the Year Ended December 31, 2021)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over [Under]
Receipts				
Taxes and Shared Revenue				
Sales Tax	$ 2,243,303	$ 2,507,232	$ 2,551,632	$ [44,400]
Total Receipts	2,243,303	2,507,232	$ 2,551,632	$ [44,400]
Expenditures				
General Government				
Capital Outlay	258,791	549,909	$ 2,331,322	$ [1,781,413]
Operating Transfers Out	2,152,901	2,655,793	1,363,636	1,292,157
Total Expenditures	2,411,692	3,205,702	$ 3,694,958	$ [489,256]
Receipts Over [Under] Expenditures	[168,389]	[698,470]		
Unencumbered Cash, Beginning	1,311,714	1,143,325		
Prior Year Cancelled Encumbrance	-	93,834		
Unencumbered Cash, Ending	$ 1,143,325	$ 538,689		

See independent auditor's report on the financial statements.

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CITY OF INDEPENDENCE, KANSAS
Non-Budgeted Special Purpose Funds
Schedule of Receipts and Expenditures - Actual*
Regulatory Basis
For the Year Ended December 31, 2022

	Special Park Fund	Crime Prevention Fund	Law Enforcement Trust Fund	Downtown Tree Replacement Fund	Demolition Fund
Receipts					
Use of Money and Property					
Interest Income	$ 319	$ -	$ 227	$ 141	$ -
Rents	-	-	-	-	-
Other Receipts					
Charge Offs and Recoveries	-	-	-	-	[5,000]
Reimbursed Expense	5,977	-	-	-	-
Donations	14,202	-	2,500	-	-
Miscellaneous	299	200	20	-	12,112
Received from Housing Authority	-	-	-	-	-
Operating Transfers In	-	-	-	-	50,000
Total Receipts	20,797	200	2,747	141	57,112
Expenditures					
General Government					
Contractual Services	-	-	-	-	-
Commodities	-	1,016	-	-	-
Capital Outlay	17,228	-	17,950	-	166,630
Total Expenditures	17,228	1,016	17,950	-	166,630
Receipts Over [Under] Expenditures	3,569	[816]	[15,203]	141	[109,518]
Unencumbered Cash, Beginning	27,443	1,405	26,256	15,349	119,282
Unencumbered Cash, Ending	$ 31,012	$ 589	$ 11,053	$ 15,490	$ 9,764

* - These funds are not required to be budgeted.

See independent auditor's report on the financial statements.

CITY OF INDEPENDENCE, KANSAS
Non-Budgeted Special Purpose Funds-Continued
Schedule of Receipts and Expenditures - Actual*
Regulatory Basis
For the Year Ended December 31, 2022

Memorial Hall Fund	E-911 (Old) Fund	E-911 (New) Fund	K9 Fund	Incubator Building Fund	Logan Fountain Fund	City Grants Fund	Land Bank Fund	Opioid Abatement Fund	Employee Wellness Fund
$ -	$ -	$ 2,175	$ 264	$ -	$ -	$ -	$ 491	$ -	$ 156
-	-	-	-	46,425	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	1,550	-	-	-	-	-	-
-	-	138,190	-	-	-	-	-	2,070	30,423
-	-	-	-	-	-	247,974	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	140,365	1,814	46,425	-	247,974	491	2,070	30,579
-	-	-	1,291	-	-	-	-	-	-
-	-	-	1,508	-	-	-	-	-	-
55,236	-	98,692	-	-	270	130,738	-	-	3,977
55,236	-	98,692	2,799	-	270	130,738	-	-	3,977
[55,236]	-	41,673	[985]	46,425	[270]	117,236	491	2,070	26,602
74,357	4,697	214,029	29,692	66,280	394	99,294	53,302	-	-
$ 19,121	$ 4,697	$ 255,702	$ 28,707	$ 112,705	$ 124	$ 216,530	$ 53,793	$ 2,070	$ 26,602

* - These funds are not required to be budgeted.

CITY OF INDEPENDENCE, KANSAS
Grant Funds
Schedule of Receipts and Expenditures - Actual*
Regulatory Basis
For the Year Ended December 31, 2022

	Fire/EMS Grant Fund	Walmart Grant Fund	Federal Grants Fund
Receipts			
Intergovernmental			
Grants	$ 2,000	$ -	$ 658,941
Other Receipts			
Donations	4,000	-	-
Total Receipts	6,000	-	658,941
Expenditures			
General Government			
Capital outlay	2,135	-	4,626
Operating Transfers Out	-	-	1,297,941
Total Expenditures	2,135	-	1,302,567
Receipts Over [Under] Expenditures	3,865	-	[643,626]
Unencumbered Cash, Beginning	7,958	3,046	643,976
Unencumbered Cash, Ending	$ 11,823	$ 3,046	$ 350

* - These funds are not required to be budgeted.

CITY OF INDEPENDENCE, KANSAS
Bond and Interest Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2022
(With Comparative Actual Amounts For the Year Ended December 31, 2021)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over [Under]
Receipts				
Taxes and Shared Receipts				
Ad Valorem Property Tax	$ [461]	$ [20]	$ 19	$ [39]
Delinquent Tax	2,416	725	725	-
Special Assessments	8,412	8,411	8,411	-
Bond Proceeds	-	14,367,325	14,102,582	264,743
Operating Transfers In	792,326	1,447,940	1,047,940	400,000
Total Receipts	802,693	15,824,381	$ 15,159,677	$ 664,704
Expenditures				
Debt Service				
Principal	910,000	1,210,000	$ 1,210,000	$ -
Interest	142,425	258,102	258,102	-
Cost of Issuance	-	357,543	92,800	264,743
Operating Transfers Out	-	14,000,000	14,000,000	-
Adjustment for Qualifying Budget Credits	-	-	367,325	[367,325]
Total Expenditures	1,052,425	15,825,645	$ 15,928,227	$ [102,582]
Receipts Over [Under] Expenditures	[249,732]	[1,264]		
Unencumbered Cash, Beginning	895,049	645,317		
Unencumbered Cash, Ending	$ 645,317	$ 644,053		

See independent auditor's report on the financial statements.

CITY OF INDEPENDENCE, KANSAS
Capital Reserve Funds
Schedule of Receipts and Expenditures - Actual*
Regulatory Basis
For the Year Ended December 31, 2022

	General Capital Reserve Fund	Streets Capital Reserve Fund	Airport Capital Reserve Fund	Water/Sewer Capital Reserve Fund
Receipts				
Intergovernmental				
Special Highway Tax	$ -	$ 108,613	$ -	$ -
Grants	-	-	-	-
Use of Money and Property				
Interest Income	-	-	-	33,743
Other Receipts				
Reimbursed Expense	-	-	335,885	-
Miscellaneous	-	2,117,345	615,495	-
Operating Transfers In	238,311	4,672,749	50,000	1,000,000
Total Receipts	238,311	6,898,707	1,001,380	1,033,743
Expenditures				
General Government				
Capital Outlay	12,225	4,484,694	643,321	19,121
Operating Transfers Out	-	-	-	755,119
Finance Lease Payment	119,505	-	-	-
Total Expenditures	131,730	4,484,694	643,321	774,240
Receipts Over [Under] Expenditures	106,581	2,414,013	358,059	259,503
Unencumbered Cash, Beginning	138,821	282,692	[96,204]	3,458,848
Unencumbered Cash, Ending	$ 245,402	$ 2,696,705	$ 261,855	$ 3,718,351

* - These funds are not required to be budgeted.

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CITY OF INDEPENDENCE, KANSAS
Capital Project Funds
Schedule of Receipts and Expenditures - Actual*
Regulatory Basis
For the Year Ended December 31, 2022

	Skate Park Fund	Water Treatment Facility Upgrade Fund
Receipts		
Other Receipts		
Donations	$ -	$ -
Miscellaneous	-	-
Operating Transfers In	-	-
Total Receipts	-	-
Expenditures		
General Government		
Capital Outlay	-	58,768
Total Expenditures	-	58,768
Receipts Over [Under] Expenditures	-	[58,768]
Unencumbered Cash, Beginning	1,695	[152,856]
Unencumbered Cash, Ending	$ 1,695	$ [211,624]

* - These funds are not required to be budgeted.

CITY OF INDEPENDENCE, KANSAS
Capital Project Funds - Continued
Schedule of Receipts and Expenditures - Actual*
Regulatory Basis
For the Year Ended December 31, 2022

City Projects Fund	Penn/Chestnut - Oak Project Fund	2015-2016 KLINK Project Fund	Curb Ramps Project Fund	WPC Loan C20 2043 Project Fund
$ 143,458	$ -	$ -	$ -	$ -
24,750	-	-	-	-
10,500,000	-	-	585,627	-
10,668,208	-	-	585,627	-
4,436,897	-	-	11,107	130,219
4,436,897	-	-	11,107	130,219
6,231,311	-	-	574,520	[130,219]
7,254	34,943	318,879	174,362	[97,942]
$ 6,238,565	$ 34,943	$ 318,879	$ 748,882	$ [228,161]

* - These funds are not required to be budgeted.

CITY OF INDEPENDENCE, KANSAS
Airport Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2022
(With Comparative Actual Amounts For the Year Ended December 31, 2021)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over [Under]
Receipts				
Charges for Service				
Fuel Sales	$ 574,182	$ 790,998	$ 700,000	$ 90,998
Rents	153,352	58,904	121,000	[62,096]
Use of Money and Property				
Interest Income	1,282	1,773	1,200	573
Other Receipts				
Reimbursed Expense	11,495	728	-	728
Miscellaneous	11,970	35,037	4,035	31,002
Total Receipts	752,281	887,440	$ 826,235	$ 61,205
Expenditures				
Finance and Records Department				
Personal Services	105,224	103,106	$ 110,637	$ [7,531]
Contractual Services	121,666	200,370	168,841	31,529
Commodities	498,524	735,725	657,473	78,252
Capital Outlay	[1,166]	8,665	119,300	[110,635]
Finance Lease Payments	19,297	19,297	-	19,297
Operating Transfers Out	-	-	50,000	[50,000]
Total Expenditures	743,545	1,067,163	$ 1,106,251	$ [39,088]
Receipts Over [Under] Expenditures	8,736	[179,723]		
Unencumbered Cash, Beginning	280,932	289,135		
Prior Period Adjustment	[533]	-		
Unencumbered Cash, Beginning, Restated	280,399	289,135		
Unencumbered Cash, Ending	$ 289,135	$ 109,412		

CITY OF INDEPENDENCE, KANSAS
Water and Sewer Utility Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2022
(With Comparative Actual Amounts For the Year Ended December 31, 2021)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over [Under]
Receipts				
Charges for Service				
Water Sales	$ 2,945,079	$ 3,071,223	$ 2,975,493	$ 95,730
Sewer Charges	2,410,289	2,490,016	2,524,870	[34,854]
Late Fees	129,000	121,856	100,000	21,856
Turn on & Turn off	46,429	40,693	35,000	5,693
Charge Offs and Recoveries	[164,494]	[67,446]	20,000	[87,446]
Other Charges	2,250	-	1,000	[1,000]
Use of Money and Property				
Interest Income	12,875	26,395	10,000	16,395
Other Receipts				
Reimbursed Expense	724	-	-	-
Miscellaneous	13,542	17,646	19,000	[1,354]
Total Receipts	5,395,694	5,700,383	$ 5,685,363	$ 15,020
Expenditures				
Water Production				
Personal Services	490,433	513,053	$ 515,039	$ [1,986]
Contractual Services	163,397	305,743	288,500	17,243
Commodities	313,164	459,731	395,000	64,731
Capital Outlay	85,915	-	-	-
	1,052,909	1,278,527	1,198,539	79,988
Water Distribution				
Personal Services	434,960	462,929	516,916	[53,987]
Contractual Services	36,827	106,406	30,500	75,906
Commodities	238,800	238,104	157,000	81,104
Capital Outlay	34,000	-	655,000	[655,000]
	744,587	807,439	1,359,416	[551,977]
Sewer Treatment				
Personal Services	220,602	229,675	235,504	[5,829]
Contractual Services	160,695	193,506	209,000	[15,494]
Commodities	44,319	72,104	61,500	10,604
	425,616	495,285	506,004	[10,719]

CITY OF INDEPENDENCE, KANSAS
Water and Sewer Utility Fund - Continued
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2022
(With Comparative Actual Amounts For the Year Ended December 31, 2021)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over [Under]
Expenditures (Continued)				
Sewer Collections				
Personal Services	$ 64,110	$ 70,112	$ 59,439	$ 10,673
Contractual Services	62,229	15,775	23,000	[7,225]
Commodities	59,454	147,378	105,000	42,378
Capital Outlay	36,091	-	50,000	[50,000]
	221,884	233,265	237,439	[4,174]
Water/Sewer Administration				
Personal Services	151,742	133,141	199,798	[66,657]
Contractual Services	308,834	390,942	305,127	85,815
Commodities	3,960	4,812	3,000	1,812
Capital Outlay	32,051	83,461	195,284	[111,823]
	496,587	612,356	703,209	[90,853]
Debt Service				
Principal	140,977	144,523	195,933	[51,410]
Interest	54,956	-	-	-
	195,933	144,523	195,933	[51,410]
Mg Co Sewer District KDHE	8,028	8,028	8,028	-
Operating Transfers Out	2,028,413	2,056,002	1,506,002	550,000
Total Expenditures	5,173,957	5,635,425	$ 5,714,570	$ [79,145]
Receipts Over [Under] Expenditures	221,737	64,958		
Unencumbered Cash, Beginning	3,155,691	3,617,022		
Prior Period Adjustment	[6,631]	-		
Unencumbered Cash, Beginning, Restated	3,149,060	3,617,022		
Prior Year Cancelled Encumbrance	246,225	10,000		
Unencumbered Cash, Ending	$ 3,617,022	$ 3,691,980		

See independent auditor's report on the financial statements.

CITY OF INDEPENDENCE, KANSAS
Sanitation Utility Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2022
(With Comparative Actual Amounts For the Year Ended December 31, 2021)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over [Under]
Receipts				
Charges for Service				
Trash Collections	$ 1,177,258	$ 1,188,482	$ 1,165,000	$ 23,482
Charge Offs and Recoveries	[10,638]	[9,517]	6,000	[15,517]
Other Charges	10,203	8,478	5,000	3,478
Use of Money and Property				
Interest Income	2,978	6,324	2,500	3,824
Other Receipts				
Reimbursed Expense	123,521	-	175,000	[175,000]
Miscellaneous	7,651	11,727	5,000	6,727
Finance Lease Proceeds	-	199,838	-	199,838
Total Receipts	1,310,973	1,405,332	$ 1,358,500	$ 46,832
Expenditures				
Collections				
Personal Services	462,168	520,275	$ 520,722	$ [447]
Contractual Services	452,666	583,432	506,545	76,887
Commodities	100,934	100,215	77,500	22,715
Capital Outlay	193,807	199,838	175,000	24,838
Finance Lease Payment	12,786	-	37,750	[37,750]
Operating Transfers In	100,000	154,440	154,440	-
Adjustment for Qualifying Budget Credits	-	-	199,838	[199,838]
Total Expenditures	1,322,361	1,558,200	$ 1,671,795	$ [113,595]
Receipts Over [Under] Expenditures	[11,388]	[152,868]		
Unencumbered Cash, Beginning	695,841	683,224		
Prior Period Adjustment	[1,229]	-		
Unencumbered Cash, Beginning, Restated	694,612	683,224		
Unencumbered Cash, Ending	$ 683,224	$ 530,356		

CITY OF INDEPENDENCE, KANSAS
Grinder Pump Replacement Fund
Schedule of Receipts and Expenditures - Actual*
Regulatory Basis
For the Year Ended December 31, 2022

	Actual
Receipts	
Charges for Service	
Sewer Charges	$ 8,374
Use of Money and Property	
Interest Income	1,681
Total Receipts	10,055
Expenditures	
Public Works	
Contractual Services	-
Total Expenditures	-
Receipts Over [Under] Expenditures	10,055
Unencumbered Cash, Beginning	265,546
Unencumbered Cash, Ending	$ 275,601

* - This fund is not required to be budgeted.

CITY OF INDEPENDENCE, KANSAS
Agency Funds
Summary of Receipts and Disbursements
Regulatory Basis
For the Year Ended December 31, 2022

FUNDS	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Fire Insurance Proceeds	$ 20,235	$ 16,880	$ 20,750	$ 16,365
Alcohol Assessment	3,820	-	-	3,820
First Aid Training	2,469	784	-	3,253
Total Agency Funds	$ 26,524	$ 17,664	$ 20,750	$ 23,438

Schedule 4

CITY OF INDEPENDENCE, KANSAS
Related Municipal Entity - Housing Authority of The City of Independence, Kansas
Schedule of Receipts and Expenditures - Actual*
Regulatory Basis
For the Year Ended December 31, 2022

	Actual
Receipts	
Charges for Services	
Rents	$ 572,627
Cable	14,006
Use of Money and Property	
Interest Income	43,563
Intergovernmental	
HAP Payments	437,586
Federal Grants	82,607
Operations	
Security Deposits	18,205
Other Receipts	
Miscellaneous	78,446
Management Fees	26,332
Rental Fee	375
Total Receipts	1,273,747
Expenditures	
Personal Services	445,497
Contractual Services	605,516
Commodities	81,038
Capital Outlay	36,759
Total Expenditures	1,168,810
Receipts Over [Under] Expenditures	104,937
Unencumbered Cash, Beginning	4,793,362
Unencumbered Cash, Ending	$ 4,898,299

* - This fund is not required to be budgeted.

CITY OF INDEPENDENCE, KANSAS
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2022

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Expenditures
U.S. Department of the Treasury		
Passed Through Kansas Governor's Office:		
Coronavirus State and Local Fiscal Recovery Funds	21.027	1,297,941
Passed Through Montgomery County, Kansas:		
Coronavirus State and Local Fiscal Recovery Funds	21.027	225,000
Total U.S. Department of the Treasury		1,522,941
U.S. Department of Transportation		
Airport Improvement Program	20.106	673,508
Total U.S. Department of Transportation		673,508
Total Expenditures of Federal Awards		$ 2,196,449

The accompanying notes are an integral part of this schedule.

CITY OF INDEPENDENCE, KANSAS
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2022

1. Organization

The City of Independence, Kansas, (the City), is the recipient of several federal awards. All federal awards received directly from federal agencies as well as those awards that are passed through other government agencies, are included on the Schedule of Expenditures of Federal Awards.

2. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City and is presented on the Kansas regulatory basis of accounting which includes cash disbursements, accounts payable and encumbrances. The information presented in this schedule is in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements. The City elected not to use the 10% de minimis indirect cost rate.

3. Local Government Contributions

Local cost sharing is required by certain federal grants. The amount of cost sharing varies with each program. Only the federal share of expenditures is presented in the Schedule of Expenditures of Federal Awards.

4. Additional Audits

Grantor agencies reserve the right to conduct additional audits of the City's grant programs for economy and efficiency and program results that may result in disallowed costs to the City. However, management does not believe such audits would result in any disallowed costs that would be material to the City's financial position as of December 31, 2022.

5. Outstanding Loans

The City did not have any outstanding loans under any federal grants as of December 31, 2022.

6. Pass Through Numbers

Pass through numbers have not been assigned to pass through grants on the Schedule of Expenditures of Federal Awards.

CITY OF INDEPENDENCE, KANSAS
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2022

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified (Regulatory Basis) Adverse (GAAP)
Internal control over financial reporting:	
Material weakness(es) identified?	____ Yes __X__ No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	____ Yes __X__ None reported
Noncompliance material to financial statements noted?	____ Yes __X__ No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	____ Yes __X__ No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	____ Yes __X__ None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Uniform Guidance?	____ Yes __X__ No
Identification of major programs:	

CFDA Number(s)	Name of Federal Program or Cluster
21.027	Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between type A and type B programs:	$750,000
Auditee qualified as low-risk auditee?	____ Yes __X__ No

CITY OF INDEPENDENCE, KANSAS
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended December 31, 2022

Section II - Financial Statement Findings

Current Year Findings

None Noted.

Prior Year Findings

None Noted.

Section III - Federal Award Findings and Questioned Costs

Current Year Findings

None Noted.

Prior Year Findings

None Noted.

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH "GOVERNMENT AUDITING STANDARDS"

Mayor and City Commission
City of Independence, Kansas

We have audited, 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 *Kansas Municipal Audit and Accounting Guide*, the financial statements of the City of Independence, Kansas (the City), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 19, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's 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 opinions on the financial statements, 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 controls 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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the financial statements 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 charge with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting 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 have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are 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 statements. 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 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.

Gordon CPA LLC

Certified Public Accountant
Lawrence, Kansas

June 19, 2023

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

Mayor and City Commission
City of Independence, Kansas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the compliance of the City of Independence, Kansas (the City), 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's major federal programs for the year ended December 31, 2022. The City's 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 complied, in all material respects, with the 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, 2022.

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 (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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 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's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirement 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 grants agreements applicable to the City's 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 of the City's 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 GAAS, *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 judgement made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgement 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 Example Entity's 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's 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's 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.

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

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 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 the 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 the internal control over compliance that might be material weaknesses or significant deficiencies. Given these limitations, 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 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.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the City as of and for the year ended December 31, 2022, and have issued our report thereon dated June 19, 2023, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Gordon CPA LLC

Certified Public Accountant
Lawrence, Kansas

June 19, 2023