City of Gardner, Kansas



ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2023

About the cover

Veterans Park

On October 12, 2023, the City of Gardner celebrated the opening of its first inclusive playground at Veterans Park with a ribbon-cutting ceremony. Hundreds of people attended to commemorate this space that promotes inclusivity. The new playground not only exceeds ADA regulations but also incorporates equipment that allows children of all abilities and developmental stages to play together. This creates a nurturing environment and eliminates barriers of exclusion, both physical and social, providing a sensory-rich experience for every cognitive level. The playground features several freestanding play structures, including a Smart Play Market Café, We-Go-Round, friendship swing, assisted zipline, We-Saw, and more. Additionally, the new space includes accessibility improvements to the walkways, entrances, and benches to accommodate wheelchair users. A perimeter fence was also added to enhance safety.

CITY OF GARDNER, KANSAS

ANNUAL COMPREHENSIVE

FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2023

Prepared by the Finance Department

Fiscal Services Division

Matt Wolff, Finance Director

Nancy Torneden, Fiscal Services Manager

Jackie Schulz, Senior Accountant

Stephanie Diaz, Senior Accountant

Cody Schnurr, Accountant

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CITY OF GARDNER, KANSAS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
Year Ended December 31, 2023

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ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the fiscal year ended

December 31, 2023

INTRODUCTORY SECTION

May 31, 2024

The Honorable Mayor, City Council, Citizens,
Taxpayers, and Other Interested Parties of the
City of Gardner, Kansas:

We are pleased to present the Annual Comprehensive Financial Report of the City of Gardner (City) for the fiscal year ended December 31, 2023. The report was prepared by the City's Finance Department. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the government. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

City management is responsible for establishing and maintaining internal controls designed to ensure that the assets of the City are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. The internal control structure is designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management.

In addition, the City maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal requirements of Kansas Statutes. Activities of the General Fund, special revenue funds (unless exempted by a specific statute), enterprise funds, and the Debt Service Fund are included in the annual appropriated budget, as required by Kansas Statutes. Spending in funds, which are not subject to said Statutes, are controlled by federal regulations, other statutes, or by the use of internal spending limits established by the City.

As demonstrated by the statements and schedules included in the Financial Section of this report, the City continues to meet its responsibility for sound financial management.

Kansas Statutes Annotated 75-1122 requires an annual audit of the accounts, financial records, and transactions of all administrative departments of the City by independent certified public accountants. The accounting firm of Allen, Gibbs & Houlik, L.C. was selected by the City Council. Allen, Gibbs & Houlik, L.C. issued an unmodified ("clean") opinion on the City of Gardner's financial statements for the year ended December 31,

2023. The independent auditor's report on the financial statements is included in the Financial Section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the Government

The City of Gardner was established on March 16, 1858 and came under the jurisdiction of the State of Kansas in 1861. The City was incorporated as a Municipal Corporation of the third class in January 1887 and as a Municipal Corporation of the second class in December 2002. The City is located in Johnson County, Kansas, along Interstate 35, about 25 miles southwest of downtown Kansas City, Missouri. Johnson County, Kansas is considered to be one of the top growth areas in the state, and one of the top growth areas in the country. Johnson County is the largest county in Kansas with a population of approximately 625,383.

Because of Gardner's location on the edge of the Kansas City metropolitan area, the city serves as a suburban living area for individuals employed in the metropolitan area, as well as the surrounding rural agricultural community. Gardner is experiencing development tangentially related to the intermodal/logistics park facility noted below. Currently, Gardner is approximately 14.65 square miles in size. In 2023, Gardner's population was estimated at 27,652.

The City has a Mayor-Council-Administrator form of government. There are five members of the City Council; the Mayor and Council Members are elected on an at-large ballot to serve a four-year term on a staggered basis.

Gardner provides a full range of services including police protection and codes enforcement through its Police Department, fire services provided by Johnson County Fire District No. 1, and ambulance services provided by Johnson County Med-Act. The City provides municipal electric, water, and wastewater services, street maintenance, and engineering. Other services include planning, zoning, municipal court, comprehensive parks and recreational activities and facilities, general administrative services, and a municipal airport.

The Governmental Accounting Standards Board has established the criteria to determine the financial reporting entity for a municipal government's financial report. This criterion is used to examine the relationship of the City to other associated, but legally separate, entities to determine if their inclusion in this report would be necessary to fairly present the financial position of the City. This criterion generally has to do with the financial benefit or burden and levels of influence over the activities of these associated, but legally separate, entities.

Using said criterion, it was determined that the City has a blended component unit. The blended component unit - the Public Building Commission (PBC) - although a legally separate entity, is, in substance, part of the City's operations. In 2023, there was no fund balance or activity to report for the PBC.

Economic Condition and Outlook

2024 projections from the county appraiser also indicate significant growth in assessed valuation, at 8.19% for taxable properties. Based on the 2024 projections, the City's overall market value increased from $2.732 billion to $3.026 billion, an additional 10.76%.

In 2023, Gardner saw the issuance of 875 building and improvement project permits valued at $60.08 million in valuation. This included 184 new single-family homes. Final Development Plan and Final Plat approvals for residential projects during 2023 totaled 110 new single-family lots of future development inventory.

The City's financial capacity and ability to leverage its municipally-owned utilities, combined with ample undeveloped land around Gardner's two interchanges on Interstate 35, position the City as a central point for commerce and additional growth. The city is also in close proximity to a several thousand acre railroad and logistics park - an inland port supporting the global supply chain - on its western border and a premiere multi-modal business park. These adjacent businesses create job opportunities that have contributed to a strong demand for housing throughout the city.

2023 Major Initiatives

Investment in the community's transportation network continued in 2023 with improvements to Moonlight Rd. from I-35 to Buffalo Tr., Center St. sidewalks, and neighborhood streets under the 2023 Pavement Management Program.

The City continued its focus on promoting economic development by starting the design of the Kill Creek Water Resource Recovery Facility, Winwood Park Relief Sewer, and Cedar Niles Lift Station and Forcemain. These designs will guide future sewer system improvements that will increase capacity and extend infrastructure to the southeast growth area.

Future/Planned Initiatives

In 2024, transportation network improvements are expected to continue with the 2024 Neighborhood Pavement Management Program, rehabilitation Center Street from Warren St. to 167th St., preconstruction activites for the Gardner Rd. Bridge Project over I-35, and construction of the turf taxiway on the Gardner Airport.
The City continues to develop infrastructure plans for providing service to recently annexed properties and anticipated new development. Planned infrastructure

improvements include the construction of Phase II Expansion of the Kill Creek Wastewater Resource Recovery Facility, Cedar Niles Lift Station, Winwood Park Relief Sewer, and a new Water Intake Structure at Hillsdale Lake. The City also plans to continue the design of Electric Substation #4 in 2024.

The Capital Improvement Program includes a schedule of planned capital projects for the next 5 years. The City is planning to make significant investments over the next 5 years in sanitary sewer, water, electric, and transportation infrastructure.

Financial Planning

The General Fund balance met and exceeded the City's target fund balance for the General Fund of 30% of expenditures. This level of fund balance exceeded the Government Finance Officers Association's "best practice" recommendation "of no less than two months of regular general fund operating revenues or regular general fund operating expenditures" (or 16.67%).

The City continues to implement planned water rate increases of 3.7% each year until 2030 to assist with paying for the Hillsdale Water Treatment Plant expansion project. The City continues to implement planned wastewater rate increases of 4.2% each year until 2031 to support the expansion of the Kill Creek Water Resource Recovery Facility and sewer system improvements. In 2023, the City implemented a 2% reduction in the residential kWh rate, temporarily eliminated the Power Cost Adjustment (PCA) for all customers, and reduced the Electric Service Charge fee by $4 for all residential customers. These electric rate and fee changes were implemented to intentionally reduce the fund balance over time in the Electric Fund down to the target fund balance of 30% of expenditures and to lower the cost of energy for Gardner residents. The City will update the Electric Master Plan and conduct a new Electric Rate Study in 2024.

Management will continue to monitor reserves and will take necessary action to maintain desired levels, as evidenced by past financial performance and the current Standard & Poor's investment grade credit rating of AA-/Stable.

Awards/Acknowledgements

The City received the GFOA Distinguished Budget Presentation Award for the fiscal year beginning January 1, 2023. This is the ninth consecutive year the City has earned the budget presentation award. The award reflects the commitment of the Governing Body and staff to meeting the highest principles of governmental budgeting. In order to receive the budget award, the City had to satisfy nationally recognized guidelines for effective budget presentation. These guidelines are designed to assess how well an entity's budget serves as: a policy document, a financial plan, an operations guide, and a communications device. Budget documents must be rated "proficient" in all four categories, and the

fourteen mandatory criteria within those categories, to receive the award. We believe the Revised FY 2023-2024 biennial budget document will meet the award criteria for FY 2024. The City's Finance Department, working in conjunction with City administration and the Governing Body, is responsible for developing the budget document.

This is the twentieth year that the City has prepared the Annual Comprehensive Financial Report, and staff will submit this report for a Certificate of Achievement for Excellence in Financial Reporting with the Government Finance Officers Association of the United States and Canada (GFOA). The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report that conforms to program standards. The annual report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements. A Certificate of Achievement is valid for one year only. We believe this report conforms to the Certificate of Achievement program requirements.

The preparation of this Annual Comprehensive Financial Report could not have been accomplished without the cooperation and support of the Governing Body in maintaining the highest standards of professionalism in the management of Gardner's finances. In addition, special thanks are extended to Administration, other City departments, external auditors, and for the efficient, dedicated efforts of the entire staff of the City's accounting division.

Sincerely,

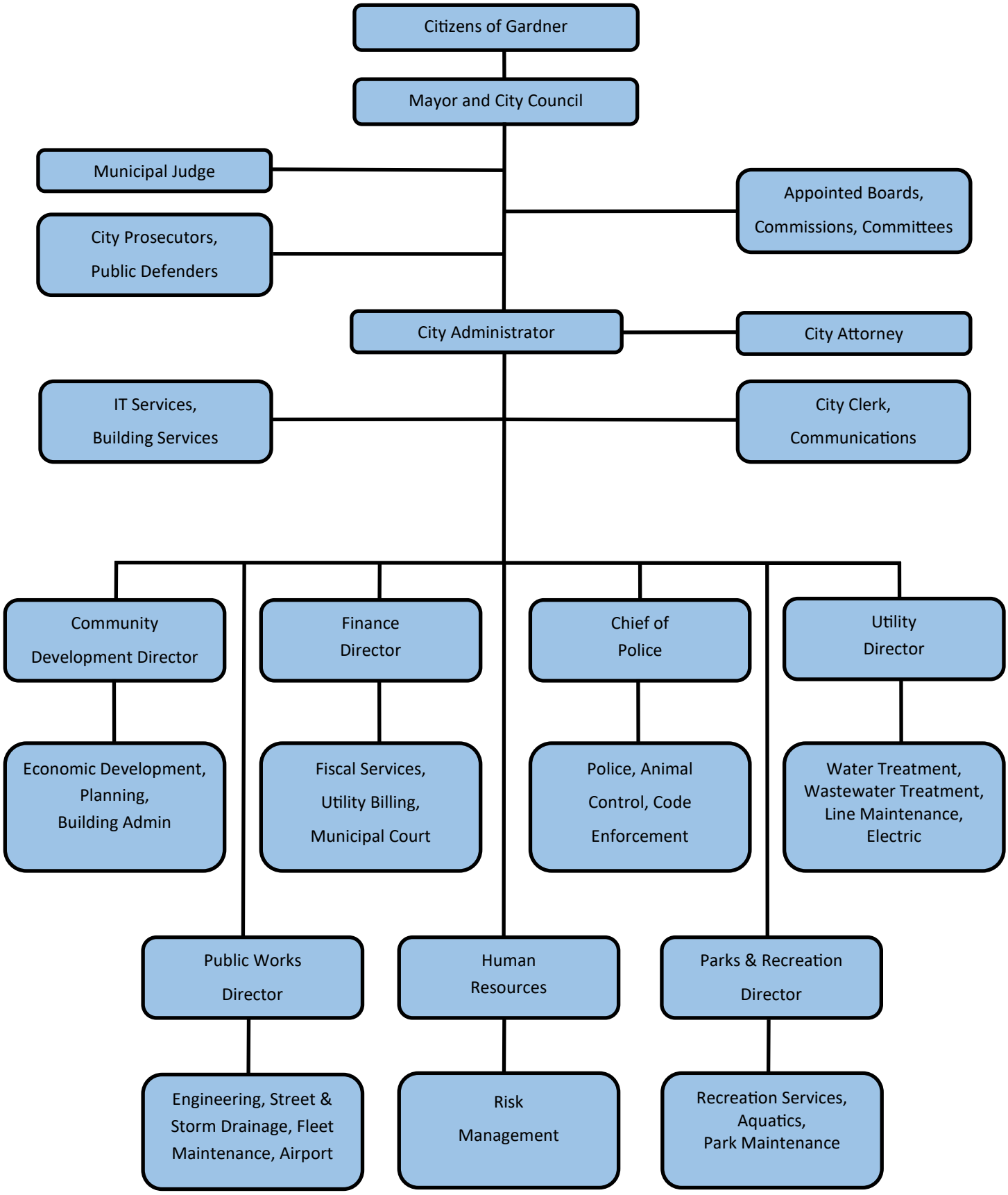




James Pruetting
City Administrator

Matthew Wolff
Finance Director

City of Gardner
Organizational Chart
December 31, 2023



City of Gardner, Kansas

List of Elected and Appointed Officials

December 31, 2023

Elected Officials

		Term Expires
Mayor	Todd Winters	2025
Council President	Mark Baldwin	2025
Council Vice President	Kacy Deaton	2027
Councilmember	Steve Shute	2025
Councilmember	Steve McNeer	2027
Councilmember	Mark Wiehn	2027

Appointed Officials

City Administrator	Jim Pruetting
Interim City Clerk	Renee Rich
Municipal Judge	Robin Lewis
Lead Prosecutor	Nora Cooper
City Prosecutor	Zach Thomas
City Attorney	Ryan Denk
Community Development Director	David Knopick
Finance Director	Matthew Wolff
Public Works Director	Kellen Headlee
Chief of Police	Pam Waldeck
Parks and Recreation Director	Jason Bruce
Utility Director	Gonzalo Garcia

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Gardner
Kansas

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2022



Executive Director/CEO



ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the fiscal year ended

December 31, 2023

FINANCIAL SECTION

AGH CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and City Council Members
City of Gardner, Kansas

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Gardner, Kansas (the City) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Gardner, Kansas, as of December 31, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial double 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.

Allen, Gibbs & Houlik, L.C. ▪ aghlc.com ▪ aghemployersolutions.com ▪ aghuniversity.com ▪ 913.730.8166 ▪ 10801 Mastin, Suite 250 ▪ Overland Park, KS 66210-1776

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are 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 statements.

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 statements, 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 statements.

- 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 statements.

- 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information listed on the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for

consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information consists of the introductory, statistical and annual operating data sections as listed in the table of contents but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 31, 2024 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Allen, Gibbs & Houlik, L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Overland Park, KS
May 31, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Gardner (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2023. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, the City's basic financial statements and the related notes to the basic financial statements.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of 2023 by $166,482,069 *(net position).* Of this amount, $30,348,730 *(unrestricted net position)* may be used to meet the City's ongoing obligations to citizens and creditors.

- The City's total net position increased by $6,682,909 or 4.2% during the fiscal year. Its governmental activities net position increased by $3.05 million or 4.4%, while the net position of its business-type activities saw an increase of $3.63 million or 4.0%.

- As of the close of 2023, the City's governmental funds reported combined ending fund balances of $24,996,933. Approximately 33% of this total amount, $8,204,390, is fund balance available to meet the City's current and future needs.

- At the close of the current fiscal year, fund balance for the City's primary operating fund, the general fund, was $8,847,809 or 50% of the total general fund revenues of $17,735,600.

- The City's total long-term debt decreased $7,234,460 during the current fiscal year. The City issued $1,515,000 of new debt for the purpose of renewing outstanding bond anticipation notes. The new debt issued was offset by the retirement of existing debt.

OVERVIEW OF THE FINANCIAL STATEMENTS

The City's financial report consists of the following parts:

- Management's discussion and analysis;
- The basic financial statements, which include the government-wide and the fund financial statements, along with the notes to the basic financial statements;
- Combining and individual statements and schedules for non-major funds;
- Statistical section, including the Annual Operating Data;

The basic financial statements of the City include the government-wide financial statements and the fund financial statements. The notes to the financial statements follow the basic financial statements and are essential for the reader's understanding of the financial statements. Other supplementary information, including the statistical section and annual operating data, is also included at the end of this report to provide additional information for the reader.

Government-wide Financial Statements

The government-wide financial statements present the results of the City's operations using the accrual basis of accounting, the basis of accounting used by private-sector businesses. These statements focus on the long-term financial picture of the City as a whole.

The *Statement of Net Position* reports all of the City's assets, deferred outflows of resources, liabilities and deferred inflows of resources and net position. Net position, the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources, are important measures of the City's overall financial health. Over time, the increases and decreases in net position can be monitored to determine whether the City's financial position is improving or deteriorating.

The *Statement of Activities* shows how the net position changed during the most recent fiscal year. The unique feature of this statement is how it shows the revenues and expenses related to specific programs and how much of the programs were supported by the general taxes of the City. Since this statement is prepared on the accrual basis of accounting, all revenues and expenses are included, regardless of when cash is actually received or disbursed.

Both statements show the operations of the City broken down by governmental activities and business-type activities. Governmental activities are the operations of the City generally supported by taxes, such as public works, police, parks and recreation, community development and general administration. Business-type activities are operations of the City that are intended to recover all or a significant portion of their costs through user fees and charges. These consist of the four utilities the City operates: electric, water, wastewater, and stormwater along with the airport.

Fund Financial Statements

The City uses two types of funds to manage its resources: Governmental Funds and Proprietary Funds. A fund is a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. These funds are separated for the purpose of carrying on specific activities or attaining certain objectives in accordance with regulations, restrictions, or limitations.

Governmental Fund financial statements are prepared on the modified accrual basis. Under the modified accrual basis, revenues are recognized when they become measurable and available, and expenditures are recognized when the related fund liability is incurred, with the exception of long-term debt and other similar items, which are recorded when due. The focus, therefore, is on the short-term financial picture of the operations reported rather than the City as a whole. Most of the City's basic operations are reported in the governmental fund financial statements. The information reported in these statements can be compared to the governmental activities information in the government-wide statements. The reconciliation at the end of the fund financial statements details the relationship between the two types of financial statements.

The City maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures

and changes in fund balances for the general fund, debt service fund, capital projects fund, infrastructure special sales tax fund and special highway fund, all of which are considered to be major funds. Data from the remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

Proprietary Funds are used by the City to account for activities that operate similar to commercial enterprises found in the private sector. Funds that charge fees for services provided to outside customers including other local governments are called enterprise funds. These funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Funds that charge fees for services provided to departments within the reporting government are known as internal service funds. Proprietary funds use the accrual basis of accounting; thus, the only reconciling items needed between the government-wide financial statements for business-type activities and the proprietary fund financial statements relate to the elimination of internal service fund activity and capital asset ownership transfers.

The City has five enterprise funds: electric fund, water fund, wastewater fund, stormwater fund and the airport fund. The City has five internal service funds: risk services fund, information technology services fund, building services fund, fleet services fund, and the utility billing services fund. The electric fund, water fund, and wastewater fund are the only funds being considered major funds for presentation purposes.

Notes to the Financial Statements

The notes to the financial statements are an integral part of the basic financial statements because they contain valuable additional information necessary for gaining a complete understanding of the City's financial statements.

Other Information

In addition to the financial statements and notes described above, required supplementary information concerning the City's net pension liability and schedule of contributions for KPERS and KP&F and the City's total OPEB liability have been included to give the reader further information. Combining statements for non-major funds and internal service funds are presented following the required supplementary information. Finally, the Statistical Section includes statistical data about the City and the annual operating data.

ANALYSIS OF THE GOVERNMENT-WIDE STATEMENTS

Analysis of Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial condition. For the City, assets plus deferred outflows of resources exceeded liabilities plus deferred inflows of resources by $166,482,069 at the close of the current fiscal year. The City's net position increased by $6,682,909 from the prior year, with governmental activities increasing $3,050,644 and business-type activities increasing $3,632,265.

City of Gardner, Kansas
Net Position

	Governmental Activities		Business-type Activities		Total	
	2023	2022*	2023	2022	2023	2022*
Current and other assets	$48,448,208	$47,710,529	$36,299,616	$33,557,667	$84,747,824	$81,268,196
Capital assets	82,681,954	82,693,801	111,850,069	114,202,427	194,532,023	196,896,228
Total assets	131,130,162	130,404,330	148,149,685	147,760,094	279,279,847	278,164,424
Deferred outflows	3,694,217	3,909,931	938,068	1,018,942	4,632,285	4,928,873
Long-term liabilities	45,741,470	49,416,810	48,924,965	52,618,150	94,666,435	102,034,960
Other liabilities	10,428,579	10,041,827	5,769,186	5,429,463	16,197,765	15,471,290
Total liabilities	56,170,049	59,458,637	54,694,151	58,047,613	110,864,200	117,506,250
Deferred inflows	6,344,271	5,596,209	221,592	191,678	6,565,863	5,787,887
Net position:						
Net investment in Capital Assets	45,679,092	41,395,607	62,708,043	61,586,615	108,387,135	102,982,222
Restricted for:						
Debt service	15,074,737	15,666,085	-	-	15,074,737	15,666,085
Capital projects	4,930,860	4,780,676	-	-	4,930,860	4,780,676
Streets improvements	6,300,539	6,376,774	-	-	6,300,539	6,376,774
Economic development	947,084	428,317	-	-	947,084	428,317
Other purposes	492,984	324,101	-	-	492,984	324,101
Unrestricted	(1,115,237)	287,855	31,463,967	28,953,130	30,348,730	29,240,985
Total net position	$72,310,059	$69,259,415	$94,172,010	$90,539,745	$166,482,069	$159,799,160

*Restated due to the implementation of GASB 96 (no impact to net position)

The largest portion of the City's net position (65%) reflects its net investment of $108,387,135 in capital assets (e.g., land, buildings, intangibles, infrastructure, vehicles, machinery and equipment, and construction in progress); less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these are not available for future spending.

An additional $27,746,204 of the City's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of the City's net position of $30,348,730 is unrestricted and may be used to meet ongoing obligations to citizens and creditors.

Analysis of Changes in Net Position

Governmental activities increased the City's net position by $3,050,644, while business-type activities increased the City's net position by $3,632,265. The following table reflects the revenues and expenses for the City's activities for the year ended December 31, 2023, and illustrates the comparison between 2023 and the prior year:

City of Gardner, Kansas
Changes in Net Position

	Governmental Activities			Business-type Activities		
	2023	2022	Increase (Decrease)	2023	2022	Increase (Decrease)
Revenues:						
Program Revenues:						
Charges for services	$ 3,813,810	$ 5,002,969	$ (1,189,159)	$ 34,020,870	$ 36,859,122	$ (2,838,252)
Operating grants and contributions	5,046,226	4,012,507	1,033,719	150	-	150
Capital grants and contributions	2,736,341	11,230,770	(8,494,429)	1,664,852	2,333,423	(668,571)
General Revenues:						
Property taxes	5,892,875	5,373,238	519,637	-	-	-
Sales and use taxes	6,733,890	6,702,300	31,590	-	-	-
Other taxes	807,986	1,184,322	(376,336)	-	-	-
Unrestricted Investment earnings	1,408,357	240,530	1,167,827	1,428,446	214,318	1,214,128
Lease interest revenue	-	-	-	75	126	(51)
Other	350,219	449,241	(99,022)	-	-	-
Total Revenue	26,789,704	34,195,877	(7,406,173)	37,114,393	39,406,989	(2,292,596)
Expenses:						
General government	4,644,561	4,016,862	627,699	-	-	-
Police	7,769,282	6,843,357	925,925	-	-	-
Public works	6,350,060	6,424,667	(74,607)	-	-	-
Culture and recreation	3,817,507	3,347,444	470,063	-	-	-
Community Development	1,103,220	899,992	203,228	-	-	-
Interest on long-term debt	1,118,930	1,179,226	(60,296)	-	-	-
Electric	-	-	-	18,508,090	21,914,251	(3,406,161)
Water	-	-	-	7,524,306	6,339,583	1,184,723
Wastewater	-	-	-	6,041,531	6,153,081	(111,550)
Stormwater	-	-	-	104,891	95,403	9,488
Airport	-	-	-	238,810	319,877	(81,067)
Total Expenses	24,803,560	22,711,548	2,092,012	32,417,628	34,822,195	(2,404,567)
Increase (decrease) in net position before transfers	1,986,144	11,484,329	(9,498,185)	4,696,765	4,584,794	111,971
Transfers	1,064,500	(4,944)	1,069,444	(1,064,500)	4,944	(1,069,444)
Change in net position	3,050,644	11,479,385	(8,428,741)	3,632,265	4,589,738	(957,473)
Net position, 1/1	69,259,415	57,780,030	11,479,385	90,539,745	85,950,007	4,589,738
Net position, 12/31	$ 72,310,059	$ 69,259,415	$ 3,050,644	$ 94,172,010	$ 90,539,745	$ 3,632,265

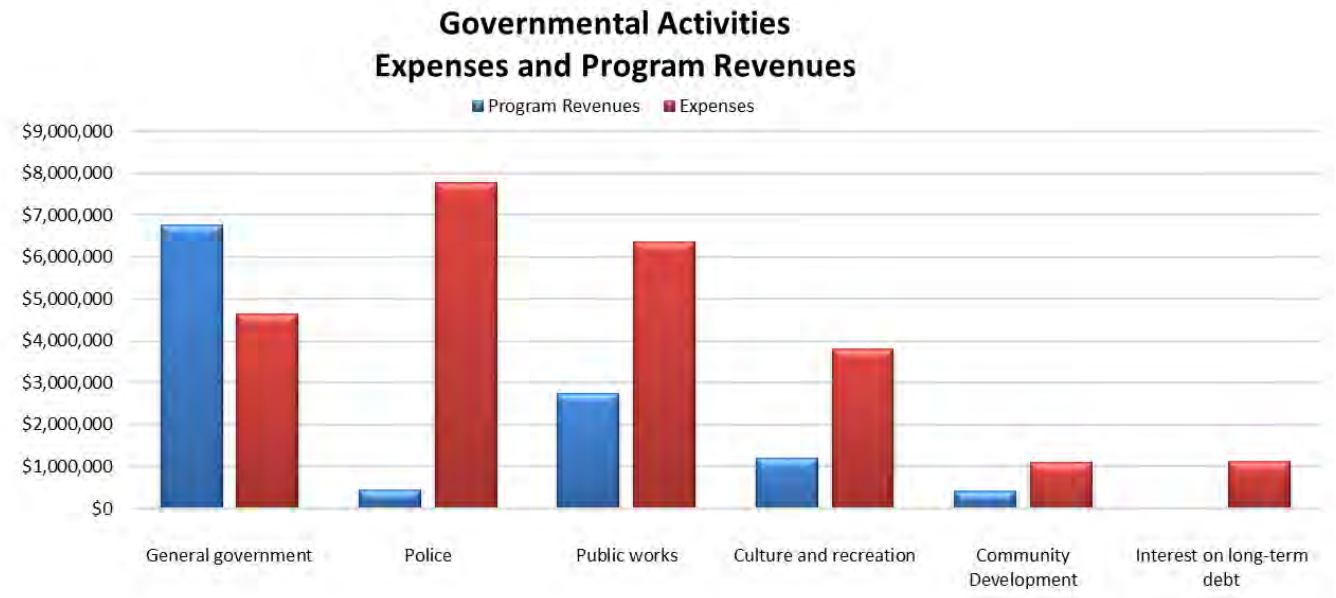
Governmental Activities

The City's net position related to governmental activities increased $3,050,644 during the year, a decrease of $8,428,741 from the prior year.

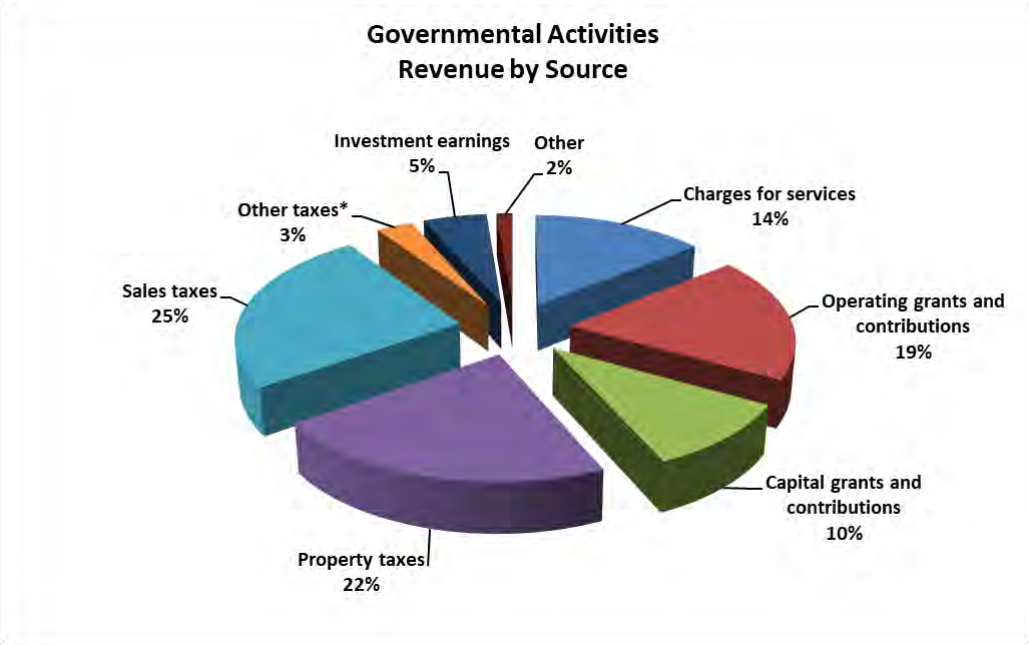
Total governmental revenues decreased $7,406,173 from the prior year. The City saw a decrease in program revenues of $8,649,869, this is primarily due to a decrease in capital contributions from developers and a large special assessment certified in 2022 that did not recur in 2023. The City also saw decreased revenues from park impact, building permit and inspection fees due to a shift in development from multifamily housing in 2022 to single family housing in 2023. These decreases were partially offset by increased property tax revenues due to increases in population and assessed property values. Additionally, investment earnings were strong due to favorable interest rates.

Total governmental expenses increased $2,092,012 from the prior year. The City saw increases in most of the governmental activities in 2023. The increased expenses are primarily related to significant increases in health insurance premiums, a new compensation structure (step system) for sworn officers, and inflation.

The graph below illustrates how the City's various governmental activities program revenues vs. program expenses fared in 2023.



The chart below illustrates the City's overall program and general revenues for governmental activities as presented in the statement of activities:

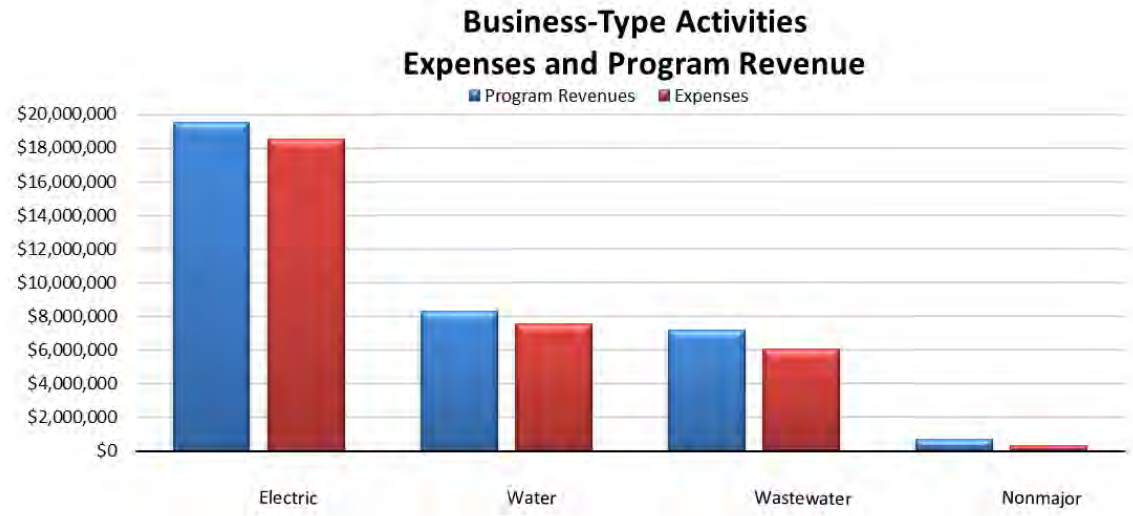


*Includes franchise tax, excise tax and transient guest tax.

Business-Type Activities

The City's net position related to business-type activities increased $3,632,265. The electric, water and wastewater funds experienced positive changes (2.4%, 4.3% and 5.6%, respectively). These positive changes are primarily due to favorable investment earnings and decreased electric wholesale energy costs which were partially offset by reduced charges to customers because of the temporary suspension of the PCA (Power Cost Adjustment).

The City's residential water base rates increased 3.7%, wastewater rates increased 4.2% while electric base rates were unchanged in 2023. The program revenues vs. program expenses for business-type activities chart below illustrates the overall increase in net position for the business-type activities.



The chart below illustrates the City's charges for services from business-type activities as presented in the statement of activities, which account for 91.7% of their revenues:



FINANCIAL ANALYSIS OF THE CITY'S FUNDS:

The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of resources that are available for spending. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the City's net resources available for spending at the end of the fiscal year. Types of governmental funds reported by the City include the general fund, debt service funds, capital projects funds and special revenue funds.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of $24,996,933, an increase of $1,241,366 in comparison with the prior year. Approximately 33% of this total amount or $8,204,390 constitutes fund balance that is available to meet the City's current and future needs. The remainder of the fund balance totaling $16,792,543 is restricted for specific spending or nonspendable in form.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, the total fund balance was $8,847,809. As a measure of the general fund's liquidity, it may be useful to compare the available fund balance to total general fund expenditures. Available fund balance of $8,204,390 represents 47% of total general fund expenditures of $17,486,125.

The fund balance in the City's general fund had an increase of $52,948 during the current fiscal year. Total revenues in the general fund increased $543,472 and total expenditures increased $2,278,207 compared to the previous year. Revenues were higher mainly due to increased property tax collections and investment earnings. The increased expenses are primarily related to merit/market salary increases and significant increases in health insurance premiums and inflation.

The debt service fund had an ending fund balance of $2,556,521, all of which is restricted for the payment of debt service. This is an increase of $626,382 from the prior year. The change in the current year can be attributed to increased property tax collections and investment earnings received during the year.

The capital projects fund had an ending fund balance of $2,210,089. This is an increase of $390,163 from the prior year. This is mostly due to grant revenue received from the State for the Quail Meadows Trail project and increased investment earnings.

The infrastructure special sales tax fund had an ending fund balance of $2,008,389, all of which is restricted for rehabilitation of streets and pedestrian bridges and trails. This is an increase of $307,602 from the previous year due to increased investment earnings and revenues from city sales tax running ahead of street project costs.

The special highway fund had an ending fund balance of $5,479,550, all of which is restricted for construction and maintenance of streets, curbs and sidewalks within the City. This is a decrease of $84,582.

Proprietary funds

The City's proprietary funds financial statements provide the same type of information found in the government-wide financial statements, but in more detail.

At the end of the current fiscal year, total net position for proprietary funds amounted to $94,132,803, which was an increase of $3,632,265 from the prior year. Total unrestricted net position for proprietary funds amounted to $31,424,760 which was an increase of $2,490,347 from the prior year.

The electric fund had total net position of $36,826,780 at the end of the current fiscal year. This is an increase of $864,659 or 2.4% from the previous year. The increase is mostly due to decreased wholesale energy costs which were partially offset by a decrease in charges for services due to the aforementioned suspension of the PCA.

The water fund had total net position of $21,724,051 at the end of the current fiscal year. This is an increase of $896,809 or 4.3% from the previous year. This is due to base rate increases offset by increased operating expenses because of the aforementioned personnel-related expenses. Additionally transfers out decreased due to the elimination of the wastewater subsidy.

The wastewater fund had total net position of $27,847,349 at the end of the current fiscal year. This is an increase of $1,485,326 or 5.6%, from the previous year. The change in net position is due to increased residential rates, investment earnings and developer contributions. These increased revenues were partially offset by higher personnel-related expenses.

The airport fund (a non-major proprietary fund) had total net position of $4,389,428 at the end of the current fiscal year. This is an increase of $116,694 or 2.7% from the previous year due to increased investment earnings and capital grant contributions.

The stormwater fund (a non-major proprietary fund) had total net position of $3,345,195 at the end of the current fiscal year. This is an increase of $268,777 or 8.7% from the previous year due to the receipt of capital contributions from developers.

The City's internal service funds had total net position of $305,956 at the end of the current fiscal year.

GENERAL FUND BUDGETARY HIGHLIGHTS:

The City's general fund budget was not amended during 2023; therefore, the original budget and the final budget are the same. During the year, total revenues were more than budgetary estimates by $1,116,124. Total expenditures were $5,450,062 less than budgeted, which resulted in a positive variance of $6,566,186. General fund project reserves of $5,919,525 remain available at the end of 2023, up 13.4% from the prior year. These large reserves will provide funding to undertake major initiatives planned for the future and any unforeseen expenditures. A summary of differences between budgetary estimates for revenues and expenditures is as follows:

- Intergovernmental revenues were $348,725 more than estimated due to strong sales tax collections within the Johnson County area and additional public safety grants.
- Investment earnings revenues were more than estimated by $562,662 due to favorable interest rates.
- Other revenues were more than estimated by $329,211 mostly due to funding agreement deposits from developers and reimbursements from developers that were not budgeted.
- City sales tax revenues did not meet expectations by $93,878. Revenue assumptions for 2023 were increased based on strong growth trends that did not materialize.
- Culture and Recreation expenditures were unfavorable by $274,128, this was due to increased life guard wages and unforeseen repairs.
- Capital outlay expenditures were unfavorable by $204,222 due to unplanned upgrades to office equipment and network server storage.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of December 31, 2023, amounted to $194,532,023 (net of accumulated depreciation and amortization). This investment in capital assets includes land, construction in progress, buildings, improvements, machinery and equipment, intangibles, vehicles, roads, water lines, sewer collectors and electric lines.

Major capital asset events during the current fiscal year included the following:

- The City received donated infrastructure from new development valued at $2,922,272.
- The City completed construction on the Prairie Trace wastewater infrastructure.
- The City replaced several vehicles, some in an effort to reduce fuel cost and emissions.
- The City completed construction of its first inclusive playground.

City of Gardner's Capital Assets
(Net of Depreciation)

	Governmental Activities		Business-type Activities		Total	
	2023	2022*	2023	2022	2023	2022*
Land	$ 6,538,458	$ 6,538,458	$ 4,480,881	$ 4,480,881	$ 11,019,339	$ 11,019,339
Construction in progress	6,933,390	6,069,189	3,772,836	5,498,984	10,706,226	11,568,173
Buildings	14,662,978	15,124,534	39,582,548	40,740,903	54,245,526	55,865,437
Improvements	3,505,811	3,230,994	5,754,876	6,284,995	9,260,687	9,515,989
Infrastructure	48,065,563	49,321,180	56,480,609	55,208,657	104,546,172	104,529,837
Intangibles	-	-	34,155	54,512	34,155	54,512
Machinery and equipment	582,188	310,374	1,030,812	1,096,347	1,613,000	1,406,721
Vehicles	869,204	352,568	588,529	637,432	1,457,733	990,000
Right to use	1,524,362	1,746,504	124,823	199,716	1,649,185	1,946,220
	$ 82,681,954	$ 82,693,801	$ 111,850,069	$ 114,202,427	$ 194,532,023	$ 196,896,228

*Restated due to the implementation of GASB 96.

More detailed information about the City's capital assets is presented in Note 4 to the Basic Financial Statements.

Long-Term Debt

At the end of the current fiscal year, the City had total long-term debt outstanding of $84,039,603, excluding pension, OPEB, compensated absences and issuance premiums. This amount was comprised of $55,270,000 of general obligation debt and $1,515,000 of bond anticipation notes backed by the full faith and credit of the City. Special assessment debt in the amount $10,305,000 is debt for which the City is liable in the event of default by the property owners subject to the assessment. An additional $6,608,428 of the City's debt is from construction loans with the Kansas Department of Health and Environment for improvements to the wastewater system. Of the remaining debt, $8,955,364 is from capital financing, $1,030,454 is from lease liabilities and $355,357 is from subscription liabilities.

In 2023, the City issued General Obligation Temporary Notes for the purpose of renewing the City's General Obligation Temporary Notes, Series 2022B.

City of Gardner's Long-Term Debt

	Governmental Activities		Business-type Activities		Total	
	2023	2022*	2023	2022	2023	2022*
General obligation bonds	$ 23,575,000	$ 25,930,000	$ 31,695,000	$ 34,045,000	$ 55,270,000	$ 59,975,000
Special assessment debt with government commitment	10,305,000	11,505,000	-	-	10,305,000	11,505,000
Bond anticipation notes payable	1,515,000	1,385,000	-	-	1,515,000	1,385,000
Construction loan payable	-	-	6,608,428	7,264,494	6,608,428	7,264,494
Lease liabilities	905,000	1,129,758	125,454	200,174	1,030,454	1,329,932
Capital financing	9,666	18,987	8,945,698	9,340,883	8,955,364	9,359,870
Subscription liabilities	355,357	454,767	-	-	355,357	454,767
	$ 36,665,023	$ 40,423,512	$ 47,374,580	$ 50,850,551	$ 84,039,603	$ 91,274,063

*Restated due to the implementaion of GASB 96.

The City was assigned an "AA-" rating from Standard & Poor's for its general obligation bonds. State statutes limit the amount of net bonded debt (exclusive of revenue, utility, and refunding bonds) a

government entity may issue to 30% of its total assessed valuation of property. The current debt limitation for the City is $103,499,604, which is significantly in excess of the City's outstanding net bonded debt.

More detailed information about the City's long-term debt is presented in Note 11 and 12 to the basic financial statements.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City's finances for all interested parties. Questions concerning any of the information provided in this report or requests for additional information should be addressed to: Finance Department, 120 East Main, Gardner, Kansas 66030.

CITY OF GARDNER, KANSAS

STATEMENT OF NET POSITION

December 31, 2023

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets:			
Deposits and investments	$ 25,050,899	$ 31,277,417	$ 56,328,316
Receivables, net of allowance for uncollectibles:			
Taxes	6,869,127	-	6,869,127
Accounts receivable	-	3,150,132	3,150,132
Intergovernmental	1,478,018	15,523	1,493,541
Special assessments	12,886,282	-	12,886,282
Other	47,817	-	47,817
Lease receivable	-	17,773	17,773
Prepaid items	-	3,185	3,185
Inventories	127,483	1,455,324	1,582,807
Property held for redevelopment	500,000	-	500,000
Restricted deposits and investments	1,488,582	380,262	1,868,844
Capital assets, net of accumulated depreciation, where applicable:			
Land	6,538,458	4,480,881	11,019,339
Construction in progress	6,933,390	3,772,836	10,706,226
Buildings	14,662,978	39,582,548	54,245,526
Improvements	3,505,811	5,754,876	9,260,687
Infrastructure	48,065,563	56,480,609	104,546,172
Intangible	-	34,155	34,155
Machinery and equipment	582,188	1,030,812	1,613,000
Vehicles	869,204	588,529	1,457,733
Right to use lease and subscription assets, net of accumulated amortization, where applicable:			
Land	355,262	-	355,262
Infrastructure	817,870	-	817,870
Vehicles	-	124,823	124,823
Subscriptions	351,230	-	351,230
Total assets	131,130,162	148,149,685	279,279,847
Deferred outflows of resources:			
Unamortized portion of refunding gain	75,077	-	75,077
Pension deferred outflow	3,535,549	890,606	4,426,155
OPEB deferred outflow	83,591	47,462	131,053
Total deferred outflows of resources	3,694,217	938,068	4,632,285
Liabilities:			
Accounts payable	319,929	1,216,578	1,536,507
Accrued payroll	168,581	63,182	231,763
Deposits	52,460	-	52,460
Accrued interest payable	316,556	297,459	614,015
Unearned revenue	3,406,184	-	3,406,184
Liabilities payable from restricted assets	-	318,349	318,349
Noncurrent liabilities:			
Due within one year	6,164,869	3,873,618	10,038,487
Due in more than one year	45,741,470	48,924,965	94,666,435
Total liabilities	56,170,049	54,694,151	110,864,200
Deferred inflows of resources:			
Property tax receivable	5,967,596	-	5,967,596
Pension deferred inflow	181,757	96,338	278,095
OPEB deferred inflow	194,918	106,729	301,647
Leases deferred inflow	-	18,525	18,525
Total deferred inflows of resources	6,344,271	221,592	6,565,863
Net position:			
Net investment in capital assets	45,679,092	62,708,043	108,387,135
Restricted for:			
Debt service	15,074,737	-	15,074,737
Capital projects	4,930,860	-	4,930,860
Street improvements	6,300,539	-	6,300,539
Economic development	947,084	-	947,084
Other purposes	492,984	-	492,984
Unrestricted	(1,115,237)	31,463,967	30,348,730
Total net position	$ 72,310,059	$ 94,172,010	$ 166,482,069

The accompanying notes are an integral part of these financial statements.

CITY OF GARDNER, KANSAS

STATEMENT OF ACTIVITIES

Year Ended December 31, 2023

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Primary Government: Business-Type Activities	Net (Expense) Revenue and Changes in Net Position: Primary Government: Total
Primary government:								
Governmental activities:								
General government	$ 6,251,457	$ (1,606,896)	$ 2,495,806	$ 4,276,236	$ -	$ 2,127,481	$ -	$ 2,127,481
Police	7,769,282	-	7,656	448,415	-	(7,313,211)	-	(7,313,211)
Public works	6,350,060	-	8,126	-	2,736,341	(3,605,593)	-	(3,605,593)
Culture and recreation	3,817,507	-	885,181	321,575	-	(2,610,751)	-	(2,610,751)
Community development	1,103,220	-	417,041	-	-	(686,179)	-	(686,179)
Interest on long-term debt	1,118,930	-	-	-	-	(1,118,930)	-	(1,118,930)
Total governmental activities	26,410,456	(1,606,896)	3,813,810	5,046,226	2,736,341	(13,207,183)	-	(13,207,183)
Business-type activities:								
Electric	18,046,894	461,196	19,301,065	-	199,479	-	992,454	992,454
Water	6,928,902	595,404	7,729,061	-	570,545	-	775,300	775,300
Wastewater	5,491,235	550,296	6,730,588	-	449,390	-	1,138,447	1,138,447
Stormwater	104,891	-	-	150	373,518	-	268,777	268,777
Airport	238,810	-	260,156	-	71,920	-	93,266	93,266
Total business-type activities	30,810,732	1,606,896	34,020,870	150	1,664,852	-	3,268,244	3,268,244
Total primary government	$ 57,221,188	$ -	$ 37,834,680	$ 5,046,376	$ 4,401,193	(13,207,183)	3,268,244	(9,938,939)
	General revenues:							
	Property taxes					5,892,875	-	5,892,875
	Sales and use taxes					6,733,890	-	6,733,890
	Franchise taxes					327,114	-	327,114
	Excise taxes					171,003	-	171,003
	Transient guest tax					309,869	-	309,869
	Unrestricted investment earnings					1,408,357	1,428,446	2,836,803
	Lease interest revenue					-	75	75
	Other					350,219	-	350,219
	Transfers					1,064,500	(1,064,500)	-
	Total general revenues and transfers					16,257,827	364,021	16,621,848
	Change in net position					3,050,644	3,632,265	6,682,909
	Net position, beginning of year					69,259,415	90,539,745	159,799,160
	Net position, end of year					$ 72,310,059	$ 94,172,010	$ 166,482,069

The accompanying notes are an integral part of these financial statements.

CITY OF GARDNER, KANSAS
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2023

	General	Debt Service	Capital Projects	Infrastructure Special Sales Tax	Special Highway	Non-Major Governmental Funds	Total Governmental Funds
Assets							
Deposits and investments	$ 7,270,079	$ 2,396,363	$ 1,847,707	$ 1,750,394	$ 3,911,025	$ 7,174,423	$ 24,349,991
Receivables (net of allowance for uncollectibles):							
Taxes	4,541,347	1,771,332	-	258,595	-	297,853	6,869,127
Special assessments	-	12,886,282	-	-	-	-	12,886,282
Intergovernmental	850,155	108,648	249,120	-	270,095	-	1,478,018
Other	47,817	-	-	-	-	-	47,817
Inventories	127,483	-	-	-	-	-	127,483
Property held for redevelopment	500,000	-	-	-	-	-	500,000
Restricted deposits and investments	-	51,510	129,340	-	1,307,732	-	1,488,582
Total assets	$ 13,336,881	$ 17,214,135	$ 2,226,167	$ 2,008,989	$ 5,488,852	$ 7,472,276	$ 47,747,300
Liabilities							
Accounts payable	252,513	-	16,078	600	9,302	326	278,819
Accrued payroll	159,026	-	-	-	-	-	159,026
Deposits	52,460	-	-	-	-	-	52,460
Unearned revenue	44,051	-	-	-	-	3,362,133	3,406,184
Total liabilities	508,050	-	16,078	600	9,302	3,362,459	3,896,489
Deferred Inflows of Resources							
Unavailable revenue - special assessments	-	12,886,282	-	-	-	-	12,886,282
Deferred revenue - property taxes	3,981,022	1,771,332	-	-	-	215,242	5,967,596
Total deferred inflows of resources	3,981,022	14,657,614	-	-	-	215,242	18,853,878
Fund Balances							
Nonspendable	127,483	-	-	-	-	-	127,483
Restricted							
Debt service	-	2,556,521	-	-	-	-	2,556,521
Capital projects	-	-	2,210,089	2,008,389	-	841,128	5,059,606
Street improvements	-	-	-	-	5,479,550	2,128,721	7,608,271
Economic development	448,000	-	-	-	-	499,084	947,084
Other	67,936	-	-	-	-	425,642	493,578
Assigned							
General government	880	-	-	-	-	-	880
Police	49,292	-	-	-	-	-	49,292
Public works	122,950	-	-	-	-	-	122,950
Business and economic development	280	-	-	-	-	-	280
Culture and recreation	39,850	-	-	-	-	-	39,850
Unassigned	7,991,138	-	-	-	-	-	7,991,138
Total fund balances	8,847,809	2,556,521	2,210,089	2,008,389	5,479,550	3,894,575	24,996,933
Total liabilities, deferred inflows of resources and fund balances	$ 13,336,881	$ 17,214,135	$ 2,226,167	$ 2,008,989	$ 5,488,852	$ 7,472,276	$ 47,747,300

The accompanying notes are an integral part of these financial statements.

CITY OF GARDNER, KANSAS
RECONCILIATION OF THE BALANCE SHEET OF THE GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET POSITION
December 31, 2023

Total fund balances in Governmental Funds Balance Sheet		$ 24,996,933
Amounts reported for governmental activities in the statement of net position are different		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		81,080,578
Right to use lease assets used in governmental activites are financial resources and therefore are not reported in the funds.		1,173,132
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.		12,886,282
Deferred outflows of resources are not available and payable in the current period and therefore are not reported in the funds:		
Deferred refunding	75,077	
Deferred outflows related to pensions	3,378,010	
Deferred outflows related to OPEB	81,292	
Total		3,534,379
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:		
Accrued interest payable	(316,556)	
Bonds:		
General obligation, bond anticipation notes and special assessments bond payable, net of unamortized premium of $1,901,497	(37,296,497)	
Net pension liability	(11,537,502)	
Right to use lease liability	(905,000)	
Total OPEB liability	(538,900)	
Capital lease obligation	(9,666)	
Compensated absences	(677,529)	
Total		(51,281,650)
Other deferred inflows of resources are not due and payable in the current period and therefore are not reported in the funds:		
Deferred inflows - pensions		(164,717)
Deferred inflows - OPEB		(181,627)
Internal service funds are used by management to charge the costs of risk services, building services and information technology services to individual funds. The assets and liabilities of these internal service funds are included in governmental activities in the statement of net position.		266,749
Net position of governmental activities		$ 72,310,059

The accompanying notes are an integral part of these financial statements.

CITY OF GARDNER, KANSAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended December 31, 2023

	General	Debt Service	Capital Projects	Infrastructure Special Sales Tax	Special Highway	Non-Major Governmental funds	Total Governmental Funds
Revenues							
Taxes:							
Property tax	$ 3,979,519	$ 1,724,977	$ -	$ -	$ -	$ 188,379	$ 5,892,875
Sales and use tax	4,702,122	-	-	1,602,566	-	429,202	6,733,890
Franchise tax	327,114	-	-	-	-	-	327,114
Transient guest tax	-	-	-	-	-	309,869	309,869
Excise Tax	-	-	-	-	-	171,003	171,003
Special assessments	-	1,276,083	-	-	-	-	1,276,083
Intergovernmental	3,550,164	618,682	249,120	-	1,407,001	128,260	5,953,227
Licenses and permits	403,623	-	-	-	-	-	403,623
Charges for services	2,740,394	-	-	-	-	-	2,740,394
Fines and fees	627,122	-	-	-	-	42,671	669,793
Investment earnings	573,641	201,510	125,250	94,976	221,576	191,404	1,408,357
Other	831,901	-	-	-	-	-	831,901
Total revenues	17,735,600	3,821,252	374,370	1,697,542	1,628,577	1,460,788	26,718,129
Expenditures							
Current:							
General government	3,564,026	-	-	-	-	865,268	4,429,294
Police	6,447,144	-	-	-	-	-	6,447,144
Public works	2,794,630	-	425	757,082	285,406	-	3,837,543
Culture and recreation	3,006,512	-	-	-	-	-	3,006,512
Community development	1,062,246	-	-	-	-	-	1,062,246
Capital outlay	566,515	-	1,214,770	4,070	240,402	725,513	2,751,270
Debt service:							
Principal	43,870	4,600,209	-	530,000	-	-	5,174,079
Interest and fiscal charges	1,182	1,269,810	-	98,788	-	-	1,369,780
Other	-	6,439	26,865	-	-	-	33,304
Total expenditures	17,486,125	5,876,458	1,242,060	1,389,940	525,808	1,590,781	28,111,172
Excess of revenues over (under) expenditures	249,475	(2,055,206)	(867,690)	307,602	1,102,769	(129,993)	(1,393,043)
Other financing sources (uses)							
Bond anticipation note issued	-	1,422,938	92,062	-	-	-	1,515,000
Issuance: premium	-	5,333	-	-	-	-	5,333
Proceeds from sale of capital assets	45,976	-	-	-	-	-	45,976
Transfers in	906,297	1,260,876	1,177,559	-	37,157	376,100	3,757,989
Transfers out	(1,148,800)	(7,559)	(11,768)	-	(1,224,508)	(297,254)	(2,689,889)
Total other financing sources (uses)	(196,527)	2,681,588	1,257,853	-	(1,187,351)	78,846	2,634,409
Net change in fund balances	52,948	626,382	390,163	307,602	(84,582)	(51,147)	1,241,366
Fund balances, beginning of year	8,794,861	1,930,139	1,819,926	1,700,787	5,564,132	3,945,722	23,755,567
Fund balances, end of year	$ 8,847,809	$ 2,556,521	$ 2,210,089	$ 2,008,389	$ 5,479,550	$ 3,894,575	$ 24,996,933

The accompanying notes are an integral part of these financial statements.

CITY OF GARDNER, KANSAS

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2023

Net change in fund balances - total governmental funds		$ 1,241,366
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital Outlay	2,751,270	
Depreciation Expense	(3,846,688)	
Lease Amortization Expense	(67,018)	
Net Change		(1,162,436)
Net gain (loss) on disposal of capital assets		(27,658)
Some revenues reported in the statement of activities do not provide current financial resources and therefore are not reported as revenues in the governmental funds.		
Special assessments		(1,276,083)
Donated capital assets		1,329,340
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Compensated absences	(10,956)	
Accrued interest	67,827	
Premium amortization	250,516	
Deferred refunding amortization	(34,188)	
Pension	(956,762)	
OPEB	(24,067)	
Total		(707,630)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.		
Debt issued or incurred:		
Bond anticipation notes	(1,515,000)	
Premiums	(5,333)	
Principal repayments:		
General obligation and special assessment bonds payable	3,555,000	
Lease liability	224,758	
Capital financing	9,321	
Bond anticipation note payable	1,385,000	
Total		3,653,746
Internal service funds are used by management to charge the costs of risk services, building services and information technology services to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities.		(1)
Change in net position of governmental activities		$ 3,050,644

The accompanying notes are an integral part of these financial statements.

CITY OF GARDNER, KANSAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2023

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Taxes:				
Property	$ 4,074,768	$ 4,074,768	$ 3,979,519	$ (95,249)
Sales and use taxes	4,796,000	4,796,000	4,702,122	(93,878)
Franchise	265,000	265,000	327,114	62,114
Intergovernmental	3,139,000	3,139,000	3,487,725	348,725
Licenses and permits	349,000	349,000	403,623	54,623
Charges for services	2,684,600	2,684,600	2,740,394	55,794
Fines and fees	735,000	735,000	627,122	(107,878)
Investment earnings	10,000	10,000	572,662	562,662
Other	6,000	6,000	335,211	329,211
Total revenues	16,059,368	16,059,368	17,175,492	1,116,124
Expenditures				
General government	3,545,400	3,545,400	3,516,534	28,866
Police	6,310,300	6,310,300	6,441,936	(131,636)
Public works	2,878,600	2,878,600	2,795,321	83,279
Culture and recreation	2,726,400	2,726,400	3,000,528	(274,128)
Community development	1,067,200	1,067,200	1,038,822	28,378
Capital outlay	425,000	425,000	629,222	(204,222)
Project reserve	5,919,525	5,919,525	-	5,919,525
Total expenditures	22,872,425	22,872,425	17,422,363	5,450,062
Excess of revenues over (under) expenditures	(6,813,057)	(6,813,057)	(246,871)	6,566,186
Other financing sources and (uses)				
Transfers in	911,200	911,200	906,297	(4,903)
Transfers out	(1,148,800)	(1,148,800)	(1,148,800)	-
Proceeds from sale of capital assets	-	-	45,976	45,976
Total other financing sources and (uses)	(237,600)	(237,600)	(196,527)	41,073
Net change in fund balances	(7,050,657)	(7,050,657)	(443,398)	6,607,259
Fund balances, beginning of year	7,050,657	7,050,657	8,818,092	1,767,435
Fund balances, end of year	$ -	$ -	8,374,694	$ 8,374,694
Cumulative effect of GAAP entries for inventory and cost allocations			(318,322)	
Encumbrances for equipment and supplies ordered but not received are not recorded for GAAP purposes until received			213,252	
GAAP fund balance			$ 8,269,624	
Fund balances for separately budgeted and non-budgeted funds included with the General Fund on GAAP financials:				
Land Bank			505,201	
Municipalities Fight Addiction Fund			67,936	
Special Olympics			5,048	
			$ 8,847,809	

The accompanying notes are an integral part of these financial statements.

CITY OF GARDNER, KANSAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2023

	Major Funds		
	Electric	**Water**	**Wastewater**
Assets			
Current assets:			
Cash and cash equivalents	$ 16,657,591	$ 3,683,639	$ 10,185,374
Accounts receivable, net	1,739,163	736,674	664,245
Intergovernmental receivable	-	-	-
Lease receivable	5,063	-	-
Prepaid items	3,185	-	-
Inventories	1,180,003	207,876	14,405
Restricted deposits and investments	271,304	39,745	61,913
Total current assets	19,856,309	4,667,934	10,925,937
Noncurrent assets:			
Lease receivable	12,710	-	-
Capital assets:			
Land	678,878	1,014,618	710,874
Construction in progress	2,682,485	65,372	611,302
Buildings	11,617,738	32,964,565	26,647
Infrastructure	39,500,509	21,535,216	54,996,755
Intangible	401,622	265,104	-
Improvements	8,549,957	3,107,473	1,646,611
Machinery and equipment	1,096,220	411,615	1,226,312
Vehicles	401,478	583,579	632,532
Right to use lease vehicles	274,610	-	-
Right to use subscriptions	-	-	-
Less accumulated depreciation and amortization	(34,362,928)	(16,188,690)	(30,007,261)
Total capital assets	30,840,569	43,758,852	29,843,772
Total noncurrent assets	30,853,279	43,758,852	29,843,772
Total assets	50,709,588	48,426,786	40,769,709
Deferred outflows of resources			
Pension deferred outflow	402,076	195,724	194,246
OPEB deferred outflow	13,340	20,918	7,353
Total deferred outflows of resources	415,416	216,642	201,599
Liabilities			
Current liabilities:			
Accounts payable	778,719	230,647	131,921
Accrued payroll	24,967	15,872	14,864
Customer and developer deposits	271,304	39,745	-
Accrued interest payable	19,162	182,325	95,775
Compensated absences	101,055	49,782	59,685
Bonds payable	345,000	1,570,000	515,000
Construction loans payable	-	-	671,824
Capital financing	414,541	-	-
Lease liability	75,134	-	-
Subscription liability	-	-	-
Total current liabilities	2,029,882	2,088,371	1,489,069
Noncurrent liabilities:			
Compensated absences	39,299	19,360	23,211
Total OPEB liability	99,454	71,084	54,064
Bonds payable, net	2,094,332	24,037,294	4,926,407
Net Pension liability	1,347,779	656,078	651,120
Capital financing	8,531,157	-	-
Lease liability	50,320	-	-
Subscription liability	-	-	-
Construction loan payable	-	-	5,936,604
Total noncurrent liabilities	12,162,341	24,783,816	11,591,406
Total liabilities	14,192,223	26,872,187	13,080,475
Deferred inflows of resources			
Leases deferred inflow	18,525	-	-
Pension deferred inflow	43,493	21,171	21,012
OPEB deferred inflow	43,983	26,019	22,472
Total deferred inflows of resources	106,001	47,190	43,484
Net position			
Net investment in capital assets	19,330,085	18,151,558	17,855,850
Unrestricted	17,496,695	3,572,493	9,991,499
Total net position	$ 36,826,780	$ 21,724,051	$ 27,847,349

CITY OF GARDNER, KANSAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS (Continued)
December 31, 2023

	Nonmajor Funds Totals	Total	Internal Service Funds
Assets			
Current assets:			
Cash and cash equivalents	$ 356,765	$ 30,883,369	$ 1,094,956
Accounts receivable, net	10,050	3,150,132	-
Intergovernmental receivable	15,523	15,523	-
Lease receivable	-	5,063	-
Prepaid items	-	3,185	-
Inventories	53,040	1,455,324	-
Restricted deposits and investments	7,300	380,262	-
Total current assets	442,678	35,892,858	1,094,956
Noncurrent assets:			
Lease receivable	-	12,710	-
Capital assets:			
Land	2,076,511	4,480,881	-
Construction in progress	413,677	3,772,836	-
Buildings	1,745,363	46,354,313	-
Infrastructure	5,007,694	121,040,174	-
Intangible	-	666,726	-
Improvements	880,033	14,184,074	-
Machinery and equipment	17,410	2,751,557	523,978
Vehicles	-	1,617,589	34,488
Right to use lease vehicles	-	274,610	-
Right to use subscriptions	-	-	454,767
Less accumulated depreciation and amortization	(2,733,812)	(83,292,691)	(584,989)
Total capital assets	7,406,876	111,850,069	428,244
Total noncurrent assets	7,406,876	111,862,779	428,244
Total assets	7,849,554	147,755,637	1,523,200
Deferred outflows of resources			
Pension deferred outflow	-	792,046	256,099
OPEB deferred outflow	-	41,611	8,150
Total deferred outflows of resources	-	833,657	264,249
Liabilities			
Current liabilities:			
Accounts payable	66,122	1,207,409	50,279
Accrued payroll	401	56,104	16,633
Customer and developer deposits	7,300	318,349	-
Accrued interest payable	197	297,459	-
Compensated absences	3,301	213,823	64,647
Bonds payable	35,000	2,465,000	-
Construction loans payable	-	671,824	-
Capital financing	-	414,541	-
Lease liability	-	75,134	-
Subscription liability	-	-	113,278
Total current liabilities	112,321	5,719,643	244,837
Noncurrent liabilities:			
Compensated absences	1,284	83,154	19,829
Total OPEB liability	-	224,602	61,045
Bonds payable, net	1,326	31,059,359	-
Net Pension liability	-	2,654,977	858,455
Capital financing	-	8,531,157	-
Lease liability	-	50,320	-
Subscription liability	-	-	242,079
Construction loan payable	-	5,936,604	-
Total noncurrent liabilities	2,610	48,540,173	1,181,408
Total liabilities	114,931	54,259,816	1,426,245
Deferred inflows of resources			
Leases deferred inflow	-	18,525	-
Pension deferred inflow	-	85,676	27,702
OPEB deferred inflow	-	92,474	27,546
Total deferred inflows of resources	-	196,675	55,248
Net position			
Net investment in capital assets	7,370,550	62,708,043	72,887
Unrestricted	364,073	31,424,760	233,069
Total net position	$ 7,734,623	94,132,803	$ 305,956
Some amounts reported for business-type activities in the statement of net position are different because certain internal service fund assets and liabilities are included with business-type activities.		39,207	
Net position of business-type activities		$ 94,172,010	

CITY OF GARDNER, KANSAS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
Year Ended December 31, 2023

	Major Funds		
	Electric	Water	Wastewater
Operating revenues			
Charges for sales and services	$ 19,273,565	$ 7,722,834	$ 6,725,838
Other	27,500	6,227	4,750
Total operating revenues	19,301,065	7,729,061	6,730,588
Operating expenses			
Administration	1,393,759	1,375,392	1,640,727
Wholesale energy cost	9,969,478	-	-
Generation	1,736,794	-	-
Treatment	-	3,010,965	1,364,779
Distribution and collection	3,145,102	906,004	624,787
Contractual services	-	-	-
Other supplies and expenses	-	-	-
Repairs and maintenance	-	-	-
Depreciation and amortization	1,676,391	1,569,959	2,089,402
Lease amortization	74,893	-	-
Other	-	-	-
Total operating expenses	17,996,417	6,862,320	5,719,695
Operating income (loss)	1,304,648	866,741	1,010,893
Nonoperating revenues (expenses)			
Investment earnings	775,675	163,864	465,479
Interest expense	(513,084)	(661,986)	(304,082)
Lease interest income	75	-	-
Lease interest expense	(916)	-	-
Gain (Loss) sale of assets	(18,163)	-	-
Other	-	-	(17,754)
Total nonoperating revenues (expenses)	243,587	(498,122)	143,643
Income (loss) before transfers and contributions	1,548,235	368,619	1,154,536
Capital grants and contributions	199,479	570,545	449,390
Transfers in	10,245	10,245	-
Transfers out	(893,300)	(52,600)	(118,600)
Change in net position	864,659	896,809	1,485,326
Total net position, beginning of year	35,962,121	20,827,242	26,362,023
Total net position, end of year	$ 36,826,780	$ 21,724,051	$ 27,847,349

The accompanying notes are an integral part of these financial statements.

CITY OF GARDNER, KANSAS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS (Continued)
Year Ended December 31, 2023

	Nonmajor Funds Totals	Total	Internal Service Funds
Operating revenues			
Charges for sales and services	$ 260,156	$ 33,982,393	$ 3,871,081
Other	150	38,627	10,208
Total operating revenues	260,306	34,021,020	3,881,289
Operating expenses			
Administration	131,959	4,541,837	1,178,172
Wholesale energy cost	-	9,969,478	-
Generation	-	1,736,794	-
Treatment	-	4,375,744	-
Distribution and collection	-	4,675,893	-
Contractual services	-	-	1,813,080
Other supplies and expenses	-	-	178,347
Repairs and maintenance	12,455	12,455	95,398
Depreciation and amortization	199,137	5,534,889	151,091
Lease amortization	-	74,893	-
Other	150	150	441,112
Total operating expenses	343,701	30,922,133	3,857,200
Operating income (loss)	(83,395)	3,098,887	24,089
Nonoperating revenues (expenses)			
Investment earnings	23,428	1,428,446	-
Interest expense	-	(1,479,152)	-
Lease interest income	-	75	-
Lease interest expense	-	(916)	-
Gain (Loss) sale of assets	-	(18,163)	-
Other	-	(17,754)	-
Total nonoperating revenues (expenses)	23,428	(87,464)	-
Income (loss) before transfers and contributions	(59,967)	3,011,423	24,089
Capital grants and contributions	445,438	1,664,852	-
Transfers in	-	20,490	-
Transfers out	-	(1,064,500)	(24,090)
Change in net position	385,471	3,632,265	(1)
Total net position, beginning of year	7,349,152	90,500,538	305,957
Total net position, end of year	$ 7,734,623	94,132,803	$ 305,956
	Change in net position	3,632,265	
Some amounts reported for business-type activities in the statements of activities are different because the net revenue of certain internal service funds is reported with business-type activities.		-	
	Change in net position of business-type activities	$ 3,632,265	

The accompanying notes are an integral part of these financial statements.

CITY OF GARDNER, KANSAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended December 31, 2023

	Major Funds	
	Electric	**Water**
Cash flows from operating activities:		
Receipts from customers	$ 19,552,666	$ 7,695,553
Other receipts	-	-
Payments to suppliers	(14,360,839)	(3,801,909)
Payments to employees	(1,776,551)	(1,170,908)
Other payments	-	-
Net cash provided by operating activities	3,415,276	2,722,736
Cash flows from noncapital financing activities:		
Transfers to other funds	(893,300)	(52,600)
Net cash provided by (used in) noncapital financing activities	(893,300)	(52,600)
Cash flows from capital and related financing activities:		
Capital grants and contributions	-	-
Acquisition and construction of capital assets	(954,665)	(65,372)
Principal paid on general obligation bonds	(330,000)	(1,505,000)
Principal paid on construction loan	-	-
Principal paid on capital financing	(395,185)	-
Principal paid on lease liability	(74,720)	-
Principal paid on subscription liability	-	-
Interest paid on general obligation bonds, construction loan, and capital financing	(545,853)	(788,951)
Net cash used in capital and related financing activities	(2,300,423)	(2,359,323)
Cash flows from investing activities:		
Maturity of U.S. Treasury bill	7,748,267	1,580,011
Interest received	775,750	163,864
	8,524,017	1,743,875
Net increase (decrease) in cash and cash equivalents	8,745,570	2,054,688
Cash and cash equivalents, beginning of year	8,183,325	1,668,696
Cash and cash equivalents, end of year	$ 16,928,895	$ 3,723,384

CITY OF GARDNER, KANSAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended December 31, 2023

Wastewater	Nonmajor Funds Totals	Total	Internal Service Funds
$ 6,692,501	$ 334,979	$ 34,275,699	$ 3,871,081
-	150	150	10,208
(2,320,117)	(93,561)	(20,576,426)	(2,522,850)
(1,039,372)	(18,109)	(4,004,940)	(1,158,031)
-	(150)	(150)	-
3,333,012	223,309	9,694,333	200,408
(118,600)	-	(1,064,500)	(3,600)
(118,600)	-	(1,064,500)	(3,600)
-	71,920	71,920	-
(356,080)	(306,538)	(1,682,655)	-
(480,000)	(35,000)	(2,350,000)	-
(656,066)	-	(656,066)	-
-	-	(395,185)	-
-	-	(74,720)	-
-	-	-	(99,410)
(377,067)	(1,500)	(1,713,371)	-
(1,869,213)	(271,118)	(6,800,077)	(99,410)
3,993,452	188,921	13,510,651	484,798
465,479	23,428	1,428,521	-
4,458,931	212,349	14,939,172	484,798
5,804,130	164,540	16,768,928	582,196
4,443,157	199,525	14,494,703	512,760
$ 10,247,287	$ 364,065	$ 31,263,631	$ 1,094,956

The accompanying notes are an integral part of the financial statements

CITY OF GARDNER, KANSAS
STATEMENT OF CASH FLOWS
(Continued)
PROPRIETARY FUNDS
Year Ended December 31, 2023

	Electric	Water
Cash consists of:		
Cash	$ 16,657,591	$ 3,683,639
Restricted deposits and investments	271,304	39,745
	16,928,895	3,723,384
Reconciliation of operating income (loss) to net cash provided by operating activities:		
Operating income (loss)	1,304,648	866,741
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Items not requiring cash:		
Depreciation and amortization expense	1,751,284	1,569,959
OPEB expense	3,550	23,644
Pension expense	83,266	76,166
Changes in:		
Receivables	187,823	(39,621)
Inventories	199,930	53,120
Leases deferred inflow	(16,638)	-
Prepaid expenses	(3,185)	-
Accounts payable	(177,695)	148,783
Accrued liabilities	1,877	17,831
Customer deposits	80,416	6,113
Net cash provided by operating activities	$ 3,415,276	$ 2,722,736
Noncash investing capital and financing activities:		
Contributed capital assets	$ 199,479	$ 570,545

CITY OF GARDNER, KANSAS
STATEMENT OF CASH FLOWS
(Continued)
PROPRIETARY FUNDS
Year Ended December 31, 2023

Wastewater	Nonmajor Funds Totals	Total	Internal Service Funds
$ 10,185,374	$ 356,765	$ 30,883,369	$ 1,094,956
61,913	7,300	380,262	-
10,247,287	364,065	31,263,631	1,094,956
1,010,893	(83,395)	3,098,887	24,089
2,089,402	199,137	5,609,782	151,091
621	(272)	27,543	(6,811)
129,276	(317)	288,391	11,923
(38,087)	74,523	184,638	-
17,684	(21,870)	248,864	-
-	-	(16,638)	-
-	-	(3,185)	2,848
108,518	54,440	134,046	6,643
14,705	763	35,176	10,625
-	300	86,829	-
$ 3,333,012	$ 223,309	$ 9,694,333	$ 200,408
$ 449,390	$ 373,518	$ 1,592,932	-

The accompanying notes are an integral part of the financial statements

1 - Summary of Significant Accounting Policies

The City of Gardner, Kansas (the City) is located in Johnson County, Kansas and was first incorporated in 1887 under the provisions of the constitution and general statutes of the State of Kansas. The City operates under a Mayor-Council-Administrator form of government and provides a full range of services including police; public works; community services; recreation and leisure; planning and codes enforcement; general management; and electric, water, wastewater, and stormwater utilities, as well as a municipal airport.

Reporting Entity

The accompanying financial statements present the City and its component unit, an entity for which the City is considered to be financially accountable. The blended component unit, although a legally separate entity, is, in substance, part of the City's operations.

Blended Component Unit. The Public Building Corporation (PBC) is a not-for-profit corporation governed by the Mayor, certain City Council members and members of the City's management. The PBC's sole purpose is to acquire assets and construct facilities and infrastructure for the benefit of the City through the issuance of revenue bonds pursuant to Kansas Statute 12-1757. In prior years, the financial statements of the PBC have been included within the City's reporting entity as a capital projects fund (City Hall); however, in 2017 - 2023, there was no fund balance or activity to report. Separately issued financial statements of the PBC are not available.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

1 - Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. A 90-day availability period is used for revenue recognition for all governmental funds revenues except property taxes for which a 60-day availability period is used. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended for the specific purpose or project before any amounts will be paid to the City; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed requirements. These resources are reflected as revenues at the time of receipt, or earlier if the susceptible to accrual criteria are met.

Property taxes, sales taxes, franchise taxes, interest associated with the current fiscal period, and certain state and federal grants and entitlements are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City. While property taxes are shown on the balance sheet as current assets of the City, they are not recognized as revenue at year-end because statutory provisions prohibit their use until the year for which they were raised and budgeted. Instead, they are offset by deferred inflows of resources accounts.

A double-step down allocation methodology is used to allocate the allowable costs of the central service divisions and departments. This methodology recognizes the cross support provided between central service divisions and departments. It requires an initial sequencing of allocating divisions and departments. In the first step of the double-step methodology, allowable costs from

1 - Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

central service divisions and departments are allocated in the sequence selected to all City divisions, departments and funds; including to other central service divisions and departments. The second step in the double-step down methodology is made to fully account for the cross support provided between central service divisions and departments. Central service divisions and departments are closed after the second step in the double-step down allocation methodology.

The City reports the following major governmental funds:

The general fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. This fund accounts for the general operating transactions of the City including police, public works, parks and recreation, community development and administration.

The debt service fund accounts for the resources accumulated and payments made for principal and interest on long-term debt of governmental funds.

The capital projects fund accounts for the acquisition and construction of major capital facilities and the construction of infrastructure for special benefit districts other than those financed by enterprise funds.

The infrastructure special sales tax fund accounts for the sales tax revenues that are restricted to expenditures relating to the rehabilitation of streets and pedestrian trails and bridges.

The special highway fund accounts for the State's motor fuel tax and special county sales and use tax revenues that are restricted to expenditures related to the construction and maintenance of streets, curbs and sidewalks.

The City reports the following major proprietary funds:

The electric fund accounts for the planning, development, production, purchase, transmission and distribution of all electricity for the City.

The water fund accounts for the operation and maintenance activities of the City's water treatment and distribution system.

The wastewater fund accounts for the operation and maintenance activities of the City's wastewater collection and treatment system.

1 - Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Additionally, the City reports the following fund type:

Internal service funds account for risk services, information technology services, building services, fleet services, and utility billing services provided to other departments on a cost reimbursement basis.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. An exception to this rule is charges between the City's enterprise funds and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the electric, water, wastewater, and stormwater funds are charges to customers for sales and services. Operating revenues in the electric fund also include lease revenues. The principal operating revenues for the municipal airport are hangar rental and fuel sales. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

Pooled Cash and Investments

Cash and investments of the individual funds are combined to form a pool that is managed by the Finance Director. Each fund's equity in the pool is included in "deposits and investments" in the financial statements. These pooled deposits and investments consist of operating accounts and pooled municipal investment pool. The municipal investment pool is not an SEC registered pool. The Pooled Money Investment Board (PMIB) provides the regulatory oversight for this pool. The reported value of the pool is the same as the fair value of the pool shares. Investment earnings, including interest income, are allocated to the funds required to accumulate interest; other investment earnings are allocated based on management discretion and upon their average daily

1 - Summary of Significant Accounting Policies (Continued)

Pooled Cash and Investments (Continued)

equity balances. If a fund is not required to account for its own earnings by law or regulation, the earnings are allocated to the General Fund.

Investments are measured at fair value. Fair value is defined as the exchange price that would be received to sell an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction. There is a fair value hierarchy which requires an entity to maximize the use of observable inputs when measuring fair value.

Statement of Cash Flows

For purposes of the statement of cash flows, the City considers deposits and highly liquid investments with an original maturity of three months or less to be cash equivalents. See Note 3, Deposits and Investments for a detailed breakdown of the City's investments.

Allowances for Uncollectibles

All trade and property tax receivables are shown net of an allowance for uncollectibles. Trade accounts receivable in excess of 238 days comprise the trade accounts receivable allowance for uncollectibles. The allowance for trade uncollectibles is as follows at December 31, 2023:

Electric Fund	$ 982,016
Water Fund	374,126
Wastewater Fund	336,457

The property tax receivable allowance is equal to 3.3% of outstanding property taxes at December 31, 2023.

Restricted Assets

The State of Kansas requires the City to maintain customer utility and developer deposits separate from City assets in the enterprise funds. Interest earned on deposits is credited back to customers as required by State statutes. Restricted deposits and investments are also set aside for capital projects and debt service.

1 - Summary of Significant Accounting Policies (Continued)

Property Taxes

The City's property tax is levied each year on the assessed value of all real estate listed as of the prior January 1, the lien date. Assessed values are established by Johnson County.

Property taxes are legally restricted for use in financing operations of the ensuing year. Accordingly, the City defers revenue recognition until the year for which they are to be used. Property taxes are levied on November 1 of each year. Property owners have the option of paying one-half of the full amount of the taxes levied on or before December 20 during the year levied with the balance to be paid on or before May 10 of the following year. Property taxes become delinquent on December 20 of each fiscal year if the taxpayer has not remitted at least one-half of the amount due. The Johnson County Treasurer is the tax collection agent for all taxing entities within the County. Property taxes levied in prior years that remain uncollected are recorded as receivables, net of estimated uncollectibles.

Inventories

Inventories consist of expendable supplies and merchandise held for consumption. All inventories are valued at cost.

Prepaid Items

Prepaid items are those paid out in the current year but which benefit future accounting periods. The City uses the consumption method and records these items as an asset.

Capital Assets

Capital assets, which include property, plant, equipment, infrastructure (e.g., roads, bridges, sidewalks and similar items), intangibles, vehicles and construction in progress are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as follows:

Major Asset Class	Minimum Cost Threshold	Useful-life Threshold
Land	$25,000	Not Applicable
Buildings and Improvements	$250,000	10 years
Machinery and Equipment	$25,000	3 years
Vehicles	$25,000	3 years
Infrastructure	$250,000	10 years
Intangible Assets	$100,000	3 years

1 - Summary of Significant Accounting Policies (Continued)

Capital Assets (Continued)

Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at acquisition value.

Lease assets and subscriptions are amortized in a systematic and rational manner over the shorter of the lease or subscription term or the useful life of the underlying asset.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, and equipment of the primary government, as well as the component unit, are depreciated using the straight-line method. Additionally, a full year of depreciation expense is recognized in the year of acquisition and none in the year of disposal. Depreciation is recognized over the following estimated useful lives.

Buildings and improvements	10 - 40 years
Machinery and equipment	3 - 10 years
Vehicles	3 - 10 years
Infrastructure	10 - 50 years

The City will, from time to time, acquire electric utility customers and water utility customers. These transactions will be reported in the electric fund and the water fund, respectively and will also be reported in the business-type activities column in the government-wide financial statements as an intangible capital asset. The city is amortizing these assets based on the revenue generated from the acquired customers.

Lease Arrangements

For arrangements where the City is a lessee, a lease liability and a right to use (RTU) intangible asset are recognized at the commencement of the lease term. RTU assets represent the City's right to use underlying assets for the lease term and lease liabilities represent the City's obligation to make lease payments arising from the lease. RTU assets and lease liabilities are recognized at the lease commencement date based on the estimated present value of lease payments over the lease term.

1 - Summary of Significant Accounting Policies (Continued)

Lease Arrangements (Continued)

For governmental fund statements, an expenditure and other financing source are reported in the period the lease is initially recognized. The expenditure and other financing source are measured as noted in the previous paragraph. Subsequent governmental fund lease payments are accounted for consistent with principles of debt service payments on long-term debt.

For government-wide and proprietary fund statements, for arrangements in which the City is the lessor, a lease receivable and a deferred inflow of resources is recognized at the commencement of the lease term. The lease receivable is measured at the present value of the lease payments expected to be received during the lease term. The deferred inflows of resources should be measured at the value of the lease receivable plus any payments received at or before the commencement of the lease term that relates to future periods. The City is only a lessor for business-type activities.

The City uses an incremental borrowing rate to calculate the present value of lease payments when the rate implicit in the lease is not known. This incremental borrowing rate is a combination of an applicable market rate and a credit spread based on market data points as of the most recent quarter end corresponding to the lease commencement date. The City includes lease extension and termination options in the lease term, if after considering relevant economic factors, it is reasonably certain the City will exercise the option. The City has elected to not recognize RTU assets and lease liabilities for lease terms for 12 months or less. Additionally the City has applied a lease recognition threshold similar to the threshold applied to capital assets. See the Capital Asset section above.

Subscription-Based Information Technology Arrangements

During 2023, the City implemented GASB Statement No. 96, Subscription-Based Information Technology Arrangements. The implementation of this Statement had no effect on the City's governmental or business-type activities beginning of year net position.

A subscription liability and a right to use (RTU) intangible asset are recognized at the commencement of the subscription-based information technology arrangement (SBITA). RTU assets represent the City's right to use underlying assets for the SBITA term and subscription liabilities represent the City's obligation to make subscription payments arising from the arrangement. RTU assets and subscription liabilities are recognized at the SBITA commencement date based on the estimated present value of subscription payments over the term.

For governmental fund statements, an expenditure and other financing source are reported in the period the SBITA is initially recognized. The expenditure and other financing source are measured as noted in the previous paragraph. Subsequent governmental fund subscription payments are accounted for consistent with principles of debt service payments on long-term debt.

1 - Summary of Significant Accounting Policies (Continued)

Subscription-Based Information Technology Arrangements (Continued)

The City uses an incremental borrowing rate to calculate the present value of subscription payments when the rate implicit in the SBITA is not known. This incremental borrowing rate is calculated as described above for lease arrangements. The City includes SBITA extension and termination options in the SBITA term, if after considering relevant economic factors, it is reasonably certain the City will exercise the option. The City has elected to not recognize RTU assets and subscription liabilities for SBITA terms for 12 months or less. Additionally, the City applies the RTU intangible asset threshold for recognition as defined in the capital asset section above.

Compensated Absences

The City's policies allow employees to accumulate up to one and one half times their annual vacation accrual at any time and can carry over to subsequent years. This carryover, payable upon separation from service, can range from 156 to 300 hours depending upon the employee's length of service.

All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. In the governmental fund financial statements, a liability for these amounts is reported only when they have matured, for example, as a result of employee resignations and retirements.

Sick leave for full-time employees accrues at the rate of 3.692 hours per bi-weekly pay period with a maximum accumulation of 1,040 hours. Hours accumulated at the end of the year over the 1,040 hours are paid out the following January at a specified rate. Regular part-time employees accrue sick leave at a proportional rate to full-time employees. Twenty percent of accumulated sick pay under the 1,040 hours is payable upon separation from service and has been included in the compensated absences calculation.

Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

1 - Summary of Significant Accounting Policies (Continued)

Long-Term Obligations (Continued)

The net pension liability is calculated as the difference between the actuarially calculated value of the projected benefit payments attributed to past periods of employee service and the plan's fiduciary net position. The total pension expense is comprised of the service cost or actuarial present value of projected benefit payments attributed to the valuation year, interest on the total pension liability, plan administrative expenses, current year benefit changes, and other changes in plan fiduciary net position less employee contributions and projected earnings on plan investments. Additionally, the total pension expense includes the annual recognition of outflows and inflows of resources due to pension assets and liability.

For purposes of measuring the collective net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Kansas Public Employees Retirement System (KPERS) and additions to/deductions from KPERS' fiduciary net position have been determined on the same basis as they are reported by KPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Fund Balances

As prescribed by GASB Statement No. 54, governmental funds report fund balance classifications based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. These potential classifications are defined as follows:

Nonspendable fund balance – includes amounts that are (a) not spendable in form, or (b) legally or contractually required to remain intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example: inventories, prepaid amounts, and long-term notes receivable.

Restricted fund balance – includes amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.

1 - Summary of Significant Accounting Policies (Continued)

Fund Balances (Continued)

Committed fund balance – includes amounts that can only be used for specific purposes determined by a formal action of the City's highest level of decision-making authority, the City Council. Commitments are created by, and can only be changed or removed by, a resolution adopted by the City Council.

Assigned fund balance – includes amounts intended to be used by the City for specific purposes that are neither restricted nor committed. For this type of fund balance, it is the City's policy that spending authority is delegated to management by the City Council.

Unassigned fund balance – is the residual classification for the General Fund and includes all amounts not contained in other classifications. Unassigned amounts are technically available for any purpose. A positive unassigned fund balance is only possible in the general fund.

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned, and unassigned.

Deferred outflows/inflows of resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has three items that qualify for reporting in this category. First is the deferred charge on refunding reported in the government-wide statement of net position and proprietary funds statement of net position. A deferred charge on the refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second is the deferred outflow for pension related items. See Note 6 for more information on this deferred outflow. Lastly, the government reports a deferred outflow for OPEB related items. See Note 8 for more information.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The City has five types of items, unavailable revenue, deferred revenue, deferred inflow for leases, deferred inflow for pension related items, and deferred inflow for OPEB related items that qualify for reporting in this category. Unavailable revenue, which arises only under a modified accrual basis of accounting, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from special assessments. These amounts are deferred and recognized as an inflow of

1 - Summary of Significant Accounting Policies (Continued)

Deferred outflows/inflows of resources (Continued)

resources in the period that the amounts become available. Deferred revenues are reported in both the government-wide statement of net position and the governmental funds balance sheet for property tax receivable. Property taxes are not recognized as revenue until the period for which they are levied. Deferred inflow for leases are deferred and recognized as revenue in a systematic and rational manner over the term of the lease. See Note 11 for more details. The last two items, deferred inflows for pension related items and deferred inflows for OPEB related items, are reported in the statements of net position. See Notes 6 and 8 for more information on these deferred inflows.

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Deferred inflows of resources are reported as follows:

General fund property taxes receivable	$	3,981,022
Debt service fund property taxes receivable		1,771,332
Debt service fund special assessments receivable		12,886,282
Non-major governmental fund property taxes receivable		215,242
	$	18,853,878

Concentrations of Credit Risk

Loans are extended, on a fully secured basis, to local businesses under an economic development loan program. Credit is extended to citizens for special assessments levied by the City for capital improvements. These special assessments are secured by liens on the related properties. Unsecured credit is extended to customers for electric, water and sewer fees and charges for services. Intergovernmental receivables include unsecured amounts due from federal, state and county agencies for various grant programs.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

1 - Summary of Significant Accounting Policies (Continued)

Pending Governmental Accounting Standards Board Statements

At December 31, 2023, the Governmental Accounting Standards Board (GASB) had issued statements not yet implemented by the City. The statements that might impact the City are as follows:

GASB statement No. 100, Accounting Changes and Error Corrections, enhances accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent and comparable information for making decisions or assessing accountability. This statement defines accounting changes as changes in accounting principles, changes in accounting estimates and changes to or within the financial reporting entity. This statement also addresses corrections of errors in previously issued financial statements. This statement prescribes the accounting and financial reporting for each type of accounting change and error corrections. This statement requires that changes in accounting principles and error corrections be reported retroactively by restating prior periods, changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and changes in accounting estimates be reported prospectively by recognizing the change in the current period. This statement also requires disclosure in the notes to the financial statements of descriptive information about accounting changes and error corrections. Furthermore, this statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information and supplementary information. The provisions of this statement are effective for financial statements for the City's fiscal year ending December 31, 2024.

GASB Statement No. 101, Compensated Absences, better meets the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. This is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The provisions of this statement are effective for financial statements for the City's fiscal year ending December 31, 2024.

GASB Statement No. 102, Certain Risk Disclosures, will improve financial reporting by providing users of financial statements with essential information that currently is not often provided. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. As a result, users will have better information with which to understand and anticipate certain risks to a government's financial condition. The provisions of this statement are effective for financial statements for the City's fiscal year ending December 31, 2025.

2 - Stewardship, Compliance and Accountability

Budgetary Information

Applicable Kansas statutes require that budgets be legally adopted for the general fund, special revenue funds (unless exempted by a specific statute), enterprise funds and the debt service fund. A legal operating budget is not required for the Capital Project Fund, the Vehicle and Equipment Replacement Fund, the American Rescue Plan Act Grant Fund, the Special Olympics Fund, and the Law Enforcement Trust Fund. Legal operating budgets are, however, required for the Infrastructure Special Sales Tax, Park Improvement, Special Highway, and Street Improvement capital project funds. All budgets are prepared utilizing the modified accrual basis further modified by the encumbrance method of accounting – that is, commitments such as purchase orders and contracts, in addition to disbursements and accounts payable, are recorded as expenditures.

In March 2021, the Kansas Legislature passed Senate Bill (SB) 13 to establish limitations on ad valorem property tax levies by taxing subdivisions without an additional notice and hearing prior to budget adoption. This change in policy applied to the 2022 budget cycle. The bill repeals the tax lid law and computed tax limits imposed by KSA 79-2925b and KSA 79-2925c. Alternatively the bill introduces the use of a "revenue neutral rate" (RNR), defined as the amount of ad valorem tax revenue levied in the prior year over the current year assessed valuation estimates, expressed as a mill. County clerks are responsible for computing and providing the rate to taxing subdivisions with the budget information estimates. Timeline if maintaining or exceeding the RNR:

a) **June 15th** Assessed property valuation estimates distributed from County Clerks (will include Revenue Neutral Rate)
b) **July 20th** Last day to notify County Clerk of intent to levy at or above RNR
c) **August 10th** County Clerk notifies taxpayers via mail/email of all taxing subdivisions exceeding RNR
d) **August 10th – September 10th** Publication of hearing 10 days prior to hearing for both the RNR hearing and the budget hearing. The RNR hearing must be done prior to or in conjunction with the budget hearing.
e) **August 20th – September 20th** Hold RNR hearing and budget hearing
f) **August 20th – October 1st** Governing body passes resolution to exceed RNR and formally adopts budget. Governing body certifies budget to County Clerk.

2 - Stewardship, Compliance and Accountability

Budgetary Information (Continued)

Timeline if not exceeding the RNR:

a) **June 15th** Assessed property valuation estimates distributed from County Clerks (will include Revenue Neutral Rate)
b) **August 4th** Deadline to publish notice of budget hearing in newspaper
c) **August 15th** Deadline to hold budget hearing
d) **August 15th – 25th** Governing body formally adopts budget
e) **August 25th** Governing body certifies budget to County Clerk

Kansas statutes permit transferring budgeted amounts from one object or purpose to another within the same fund; however, such statutes prohibit creating expenditures in excess of the total amount of the adopted budget of expenditures in an individual fund. The City Administrator is authorized to approve over-expenditures at the departmental level or transfers of budgeted appropriations between departments. However, management may not amend a fund's total budgeted expenditures without Council approval. The legal level of budgetary control is the fund level. 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. All unencumbered appropriations lapse at the end of the year. Encumbered appropriations are not appropriated in the ensuing year's budget but are carried forward until liquidated or cancelled.

Kansas statutes permit original budgets to be increased for previously unbudgeted increases in revenue other than ad valorem property taxes. The City must first publish a notice of public hearing to amend the budget. Ten days after publication, a public hearing is held and the governing body may amend the budget at that time.

3 - Deposits and Investments

Deposits

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. Kansas statutes require that deposits be collateralized, and that collateral pledged must have a fair market value equal to 100% of the deposits and investments, less insured amounts, and must be assigned for the benefit of the City. The carrying amount of deposits for the City was not exposed to custodial credit risk.

3 - Deposits and Investments (Continued)

Deposits (Continued)

Fair Value Measurements
The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the investment.

Level 1 inputs are quoted prices in active markets for identical assets;

Level 2 inputs are significant other observable inputs, either directly or indirectly observable, and fair value can be determined through the use of models or other valuation methodologies;

Level 3 inputs are significant unobservable inputs in situations where there is little or no market activity for the asset or liability and the entity makes estimates and assumptions related to the pricing of the asset or liability including assumptions regarding risk.

At December 31, 2023, the City had the following investments:

Schedule of Investments at December 31, 2023

	Interest Rates	Maturities	Par Value	Fair Value	Fair Value Hierarchy
City Investments:					
KMIP - Overnight	3.000%-4.020%	On Demand	$ 1,550,495	$ 1,550,495	N/A
			$ 1,550,495	$ 1,550,495	

Investments

Interest Rate Risk
Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City's formal investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates, but requires that to the extent possible, the City will attempt to match its investments with anticipated cash flow requirements. The City is not exposed to significant interest rate risk.

Credit risk
Kansas statutes authorize the City, with certain restrictions, to deposit or invest in temporary notes, no-fund warrants, open accounts, time deposits, certificates of deposit, repurchase agreements, U.S. Treasury Bills and Notes, the State of Kansas Municipal Investment Pool, or to

3 - Deposits and Investments (Continued)

Investments (Continued)

make direct investments. The City has an investment policy which does not impose limitations beyond those of the State of Kansas.

Custodial Credit Risk – Investments
For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments that are in the possession of an outside party. As of December 31, 2023, the City was not exposed to custodial credit risk.

The following is a breakdown of the City's cash by fund type:

Reconciliation of Cash

	Deposits Including Investments	Restricted Cash and Investments	Total
Government-type activities	$ 25,050,899	$ 1,488,582	$ 26,539,481
Business-type activities	31,277,417	380,262	31,657,679
Total	$ 56,328,316	$ 1,868,844	$ 58,197,160

At year-end, a reconciliation of deposits and investments is as follows:

Reconciliation of Deposits and Investments

	Primary Government
Cash on hand	$ 18,931
Carrying amount of deposits	56,627,734
Carrying amount of investments	1,550,495
Total deposits and investments	$ 58,197,160
Deposits including investments	$ 56,328,316
Restricted cash and investments	1,868,844
Total deposits and investments	$ 58,197,160

4 - Capital Assets

Capital asset activity for the primary government for the year ended December 31, 2023 was as follows:

	December 31, 2022*	Increases	Decreases	Transfers	December 31, 2023
Governmental activities:					
Capital assets, not being depreciated					
Land	$ 6,538,458	$ -	$ -	$ -	$ 6,538,458
Construction in progress	6,069,189	1,459,241	(595,040)	-	6,933,390
Right to use lease asset, not being amortized					
Land	355,262	-	-	-	355,262
Total capital assets, not being depreciated/amortized	12,962,909	1,459,241	(595,040)	-	13,827,110
Capital assets, being depreciated					
Buildings	18,640,846	-	-	-	18,640,846
Improvements other than buildings	6,418,028	595,040	(70,000)	-	6,943,068
Infrastructure	84,146,552	1,329,340	-	-	85,475,892
Machinery and Equipment	2,376,629	505,299	(70,908)	(17,410)	2,793,610
Vehicles	1,890,522	857,512	(246,035)	-	2,501,999
Right to use lease and subscription assets, being amortized					
Infrastructure	934,709	-	-	-	934,709
Vehicles	68,783	-	(68,783)	-	-
Subscriptions	454,767	-	-	-	454,767
Total	114,930,836	3,287,191	(455,726)	(17,410)	117,744,891
Less accumulated depreciation/amortization for:					
Buildings	(3,516,312)	(461,556)	-	-	(3,977,868)
Improvements other than buildings	(3,187,034)	(320,223)	70,000	-	(3,437,257)
Infrastructure	(34,825,372)	(2,584,957)	-	-	(37,410,329)
Machinery and Equipment	(2,066,255)	(233,485)	70,908	17,410	(2,211,422)
Vehicles	(1,537,954)	(294,021)	199,180	-	(1,632,795)
Right to use lease infrastructure	(58,419)	(58,420)	-	-	(116,839)
Right to use lease vehicles	(8,598)	(8,598)	17,196	-	-
Subscriptions	-	(103,537)	-	-	(103,537)
Total	(45,199,944)	(4,064,797)	357,284	17,410	(48,890,047)
Total capital assets, being depreciated/amortized, net	69,730,892	(777,606)	(98,442)	-	68,854,844
Governmental activities capital assets, net	$ 82,693,801	$ 681,635	$ (693,482)	$ -	$ 82,681,954

*Restated due to the implementation of GASB 96

4 - Capital Assets (Continued)

	December 31, 2022	Increases	Decreases	Transfers	December 31, 2023
Business-type activities:					
Capital assets, not being depreciated					
Land	$ 4,480,881	$ -	$ -	$ -	$ 4,480,881
Construction in progress	5,498,984	1,491,127	(3,217,275)	-	3,772,836
Total capital assets, not being depreciated	9,979,865	1,491,127	(3,217,275)	-	8,253,717
Capital assets, being depreciated/amortized					
Buildings	46,354,313	-	-	-	46,354,313
Intangibles	666,726	-	-	-	666,726
Improvements other than buildings	15,053,324	-	(869,250)	-	14,184,074
Infrastructure	116,276,001	4,810,204	(46,031)	-	121,040,174
Machinery and equipment	2,641,235	118,921	(15,500)	17,410	2,762,066
Vehicles	1,559,141	73,435	(14,987)	-	1,617,589
Right to use lease assets being amortized					
Vehicles	274,610	-	-	-	274,610
Total	182,825,350	5,002,560	(945,768)	17,410	186,899,552
Less accumulated depreciation/amortization for:					
Buildings	(5,613,410)	(1,158,355)	-	-	(6,771,765)
Intangibles	(612,214)	(20,357)	-	-	(632,571)
Improvements other than buildings	(8,768,329)	(530,119)	869,250	-	(8,429,198)
Infrastructure	(61,067,344)	(3,519,264)	27,043	-	(64,559,565)
Machinery and equipment	(1,544,888)	(184,456)	15,500	(17,410)	(1,731,254)
Vehicles	(921,709)	(122,338)	14,987	-	(1,029,060)
Right to use lease vehicles	(74,894)	(74,893)	-	-	(149,787)
Total	(78,602,788)	(5,609,782)	926,780	(17,410)	(83,303,200)
Total capital assets, being depreciated/amortized, net	104,222,562	(607,222)	(18,988)	-	103,596,352
Business-type activities capital assets, net	$ 114,202,427	$ 883,905	$ (3,236,263)	$ -	$ 111,850,069

4 - Capital Assets (Continued)

Capital Asset Transfers During the Year				
	Governmental activities		Business-type activities	
	Book Value	Accumulated Depreciation	Book Value	Accumulated Depreciation
Transfers In:				
Machinery and Equipment	$ -	$ -	$ 17,410	$ (17,410)
Transfers Out:				
Machinery and Equipment	(17,410)	17,410	-	-
Net Change:				
Machinery and Equipment, net	(17,410)	17,410	17,410	(17,410)
Capital assets transfers, net		$ -		$ -

Depreciation and amortization expense on capital assets was charged to functions/programs of the government as follows:

Governmental activities	
Depreciation Expense	
General Government	$ 130,872
Police	574,297
Public Works	2,430,810
Culture and Recreation	701,639
Community Development	9,070
Internal Service Funds	47,554
Total depreciation expense	3,894,242
Lease and Subscription Amortization Expense	
Public Works	8,598
Culture and Recreation	58,420
Internal Service Funds	103,537
Total lease and subscription amortization expense	170,555
Total depreciation and amortization expense for governmental activities	$ 4,064,797

4 - Capital Assets (Continued)

Business-type activities	
Depreciation Expense	
Electric	$ 1,676,391
Water	1,569,959
Wastewater	2,089,402
Stormwater	104,741
Airport	94,396
Total depreciation expense	5,534,889
Lease Amortization Expense	
Electric	74,893
Total lease amortization expense	74,893
Total depreciation and lease amortization expense for business-type activities	$ 5,609,782

5 - Capital Financed Assets

The City has entered into capital financing arrangements for equipment and an asset purchase agreement for a 32.26% interest in KMEA's (Kansas Municipal Energy Agency) 10.1% undivided interest in the Dogwood Energy Facility which have been classified in the financial statements as capital assets.

In March 2018, the City entered into an asset purchase agreement with KMEA to assume the costs of a 32.26% participation in KMEA's 10.1% undivided interest in the Dogwood Energy Facility. Payments began in April 2019 and will continue on a semi-annual basis until maturity in 2038.

In May 2019, the City entered into a $45,000 Purchase Agreement to finance the purchase of equipment for the public works department. Payments began in April of 2020 and will continue on an annual basis until maturity in 2024.

The following table details capital financed assets by major classification at December 31, 2023.

Capital Financed Assets		
	Governmental Activities	**Business-Type Activities**
Machinery and equipment	$ 45,000	$ -
Buildings	-	10,750,645
Less accumulated depreciation	(45,000)	(1,545,405)
Total	$ -	$ 9,205,240

6 - Defined Benefit Pension Plans

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 Annual Comprehensive Financial Report, which can be found on the KPERS website at http://www.kpers.org or by writing to KPERS (611 S. Kansas Avenue, Suite 100, Topeka, Kansas 66603-3803) or by calling 1-888-275-5737.

Benefits Provided

KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Benefits are established by statute and may only be changed by the Legislature. Member employees (except Police and Firemen) with ten or more years of credited service, may retire as early as age 55 (Police and Firemen may be age 50 with 20 years of credited service), with an actuarially reduced monthly benefit. Normal retirement is at age 65, age 62 with ten years of credited service, or whenever an employee's combined age and years of credited service equal 85 "points" (Police and Firemen's normal retirement ages are age 60 with 15 years of credited service, age 55 with 20 years, age 50 with 25 years, or any age with 36 years of service).

Monthly retirement benefits are based on a statutory formula that includes final average salary and years of service. When ending employment, member employees may withdraw their contributions from their individual accounts, including interest. Member employees who withdraw their accumulated contributions lose all rights and privileges of membership. The accumulated contributions and interest are deposited into and disbursed from the membership accumulated reserve fund as established by K.S.A. 74-4922.

Member employees choose one of seven payment options for their monthly retirement benefits. At retirement, a member employee may receive a lump-sum payment of up to 50% of the actuarial present value of the member employee's lifetime benefit. His or her monthly retirement benefit is then permanently reduced based on the amount of the lump-sum. Benefit increases, including ad hoc post-retirement benefit increases, must be passed into law by the Kansas Legislature. Benefit increases are under the authority of the Legislature and the Governor of the State of Kansas.

The 2012 Legislature made changes affecting new hires, current member employees and employers. A new KPERS 3 cash balance retirement plan for new hires starting January 1, 2015, was created. Normal retirement age for KPERS 3 is 65 with five years of service or 60 years with 30 years of service. Early retirement is available at age 55 with ten years of service, with a reduced benefit. Monthly benefit options are an annuity benefit based on the account balance at retirement.

6 - Defined Benefit Pension Plans (Continued)

Benefits Provided (Continued)

For all pension coverage groups, the retirement benefits are disbursed from the retirement benefit payment reserve fund as established by K.S.A. 74-4922.

Contributions

K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. K.S.A. 74-4975 establishes the Police and Firemen (KP&F) member-employee contribution rate at 7.15% of covered salary. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1, KPERS 2, KPERS 3 and KP&F be determined based on the results of each annual actuarial valuation. KPERS is funded on an actuarial reserve basis. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1.0% contribution rate for the Death and Disability Program) and the statutory contribution rate were 8.43% for KPERS and 22.86% for KP&F for the fiscal year ended December 31, 2023.

House Substitute for SB21 included changes to the working after retirement rules for members who retire on or after January 1, 2018. The key provisions of the bill were to lengthen the waiting period for KPERS members to return to work from 60 days to 180 days for members who retire before attaining age 62, removing the earnings limitation for all retirees and establish a single employer contribution schedule for all retirees. For employees working after retirement, KPERS employers will pay the same statutorily required rate as the other KPERS plans (for the City that rate is 8.43% for 2023) on earnings up to $25,000 and 30% on earnings over $25,000.

Contributions to the pension plan from the City were $749,443 for KPERS and $698,050 for KP&F for the year ended December 31, 2023.

6 - Defined Benefit Pension Plans (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Although KPERS administers one cost sharing multiple-employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense are determined separately for each group of the plan. The City participates in the local (KPERS) group and the Police and Firemen (KP&F) group.

At December 31, 2023, the City reported a liability of $7,600,858 for KPERS and $7,450,076 for KP&F for its proportionate share of the KPERS' collective net pension liability. The collective net pension liability was measured by KPERS as of June 30, 2023, and the total pension liability used to calculate the collective net pension liability was determined by an actuarial valuation as of December 31, 2022, which was rolled forward to June 30, 2023. The City's proportion of the collective net pension liability was based on the ratio of the City's actual contributions to KPERS and KP&F, relative to the total employer and nonemployer contributions to KPERS and KP&F for the fiscal year ended June 30, 2023. The contributions used exclude contributions made for prior service, excess benefits and irregular payments. At June 30, 2023, the City's proportion and change from its proportion measured as of June 30, 2022 were as follows:

	Governmental Activities	Business-Type Activities	Total net pension liability as of December 31, 2023	Proportion as of June 30, 2023	Change in proportion from June 30, 2022
KPERS (local)	$ 4,615,503	$ 2,985,355	$ 7,600,858	0.362307%	-0.014920%
KP&F	7,450,076	-	7,450,076	0.466430%	-0.003735%
Total	$ 12,065,579	$ 2,985,355	$ 15,050,934		

For the year ended December 31, 2023, the City recognized pension expense of $1,200,773 for KPERS and $1,505,048 for KP&F. At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

6 - Defined Benefit Pension Plans (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

	Governmental Activities		Business-Type Activities		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 1,073,399	$ 649	$ 248,169	$ 421	$ 1,321,568	$ 1,070
Net difference between projected and actual earnings on pension plan investments	605,188	-	174,362	-	779,550	-
Changes in proportionate share	174,708	181,108	12,373	95,917	187,081	277,025
Changes in assumptions	1,092,387	-	316,407	-	1,408,794	-
City contributions subsequent to measurement date	589,867	-	139,295	-	729,162	-
Total	$ 3,535,549	$ 181,757	$ 890,606	$ 96,338	$ 4,426,155	$ 278,095

The $729,162 (KPERS and KP&F) reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as increases (decreases) to pension expense as follows:

	Deferred Outflows (Inflows) of Resources	
	Governmental Activities	Business-Type Activities
Year ended December 31:		
2024	$ 944,997	$ 220,645
2025	566,141	117,756
2026	1,061,567	281,459
2027	186,452	34,319
2028	4,768	794
	$ 2,763,925	$ 654,973

6 - Defined Benefit Pension Plans (Continued)

Actuarial assumptions

The total pension liability was determined by an actuarial valuation as of December 31, 2022, which was rolled forward to June 30, 2023, using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Assumptions	Entry age normal
Inflation	2.75 percent
Salary increases	3.50 to 12.00 percent, including price inflation
Investment rate of return	7.00 percent compounded annually, net of investment expense, including price inflation

Mortality rates were based on the RP 2014 Mortality Tables, with age setbacks and age set forwards as well as other adjustments based on different membership groups. Future mortality improvements are anticipated using Scale MP-2016.

The actuarial assumptions used in the December 31, 2022 valuation were based on the results of an actuarial experience study conducted for the three-year period beginning January 1, 2016. The experience study is dated January 7, 2020.

The actuarial assumptions changes adopted by the Pension Plan for all groups based on the actuarial valuation were as follows:

- The investment return assumption remained at 7.00%.
- The general wage growth assumption remained at 3.50%.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage. Best estimates of arithmetic real rates of return for each major asset class as of the most recent experience study, dated January 7, 2020, as provided by KPERS' investment consultant, are summarized in the following table:

6 - Defined Benefit Pension Plans (Continued)

Actuarial assumptions (Continued)

Asset class	Long-term target allocation	Long-term expected real rate of return
U.S. Equities	23.50 %	5.20 %
Non-U.S. Equities	23.50	6.40
Private Equity	8.00	9.50
Private Real Estate	11.00	4.45
Yield Driven	8.00	4.70
Real Return	11.00	3.25
Fixed Income	11.00	1.55
Short-term investment	4.00	0.25
Total	100.00 %	

Discount rate

The discount rate used by KPERS to measure the total pension liability was 7.00 percent. The same 7.00 percent discount rate was used to measure total pension liability at the prior measurement date of June 30, 2022. The actuarial assumptions used in the calculation of the total pension liability were based on the results of the most recent actuarial experience study. It covered the three-year period of January 1, 2016 through December 31, 2018 and was dated January 7, 2020.

The projection of cash flows used to determine the discount rate was based on member and employer contributions as outlined below:

In KPERS, Local groups do not necessarily contribute the full actuarial determined rate. Based on legislation passed in 1993 and subsequent legislation, the employer contribution rates certified by the KPERS' Board of Trustees for this group may not increase by more than the statutory cap. The statutory cap for Fiscal Year 2023 was 1.2 percent. The Local employers are currently contributing the full actuarial contribution rate. Employers contribute the full actuarial determined rate for KP&F.

Sensitivity of the City's proportionate share of the collective net pension liability to changes in the discount rate

The following presents the City's proportionate share of the collective net pension liability calculated using the discount rate of 7.00 percent, as well as what the City's proportionate share of the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

6 - Defined Benefit Pension Plans (Continued)

Sensitivity of the City's proportionate share of the collective net pension liability to changes in the discount rate (Continued)

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
City's KPERS proportionate share of the net pension liability	$ 10,898,817	$ 7,600,858	$ 4,853,312
City's KP&F proportionate share of the net pension liability	10,046,483	7,450,076	5,282,301
	$ 20,945,300	$ 15,050,934	$ 10,135,613

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Kansas Public Employees Retirement System financial report, which can be found here: https://www.kpers.org/about/reports.html

7 - Deferred Compensation Plan

The City offers employees a deferred compensation plan in accordance with Internal Revenue Code Section 457. The plan, available to all full-time and regular part-time employees, permits them to defer a portion of their salary until future years. The City of Gardner is the plan sponsor and has delegated fiduciary duties to MissionSquare, formerly known as International City/County Management Association (ICMA) Retirement Corporation, as our engaged provider. Accordingly, the plan assets and related liabilities to plan participants are not included in the basic financial statements. For 2023, the City's contributions were $62,182.

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8 - Other Postemployment Healthcare Benefits

Description. The City offers postemployment health and dental insurance to retired employees through HSA Bank-COBRA. HSA Bank-COBRA functions as an agent multiple-employer plan. Administrative costs of the plan are paid by the City. It was determined the Fund did not qualify as an "OPEB Plan" and thus cannot be treated as holding assets in order to offset OPEB liabilities. Though retiree benefits were not directly paid by the City, they were implicitly paid over time through employer subsidization of active premiums that would be lower if retirees were not part of the experience group. Kansas statutes provide that postemployment healthcare benefits be extended to retired employees who have met age and/or service eligibility requirements until the individuals become eligible for Medicare coverage at age 65. Retirees of the City (and their dependents) were able to elect to continue coverage in the medical and dental plans offered by the City by paying required premium rates. Upon retiree death or attainment of age 65, spouses may continue COBRA coverage for up to three years. The required premium rates are based on combined active and retiree experience so retirees may not be charged the full age-based projected cost. The Plan does not issue separate financial statements.

Active employees eligible for coverage	145
Inactive employees or beneficiaries currently receiving benefit payments	4
	149

Funding Policy. Through HSA Bank-COBRA, the City provides health and dental insurance benefits to retirees and their dependents in accordance with Kansas law (K.S.A. 12-5040). Kansas statutes, which may be amended by the state legislature, establish that participating retirees may be required to contribute to the employee group health benefits plan, including administrative costs at an amount not to exceed 125% of the premium cost for other similarly situated employees. Retirees contributed 100% of the cost of premiums, which vary depending on the coverage selected.

The City appropriated funds annually for the costs associated with this retirement benefit and provided funding for the expenditures on a pay-as-you-go basis through the General Fund, Proprietary Funds, and Internal Service Funds. In 2023, the City contributed $21,000 to the plan.

OPEB Liability

The City's total OPEB liability of $704,663 related to the City's plan was measured as of December 31, 2022; the total OPEB liability was determined by an actuarial valuation as of July 1, 2022. The results of the July 1, 2022 valuation were projected to the beginning and end of year measurement dates using standard actuarial techniques.

Actuarial assumptions. The total OPEB liability in the July 1, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs:

8 - Other Postemployment Healthcare Benefits (Continued)

OPEB Liability (Continued)

Valuation Date	July 1, 2022
Measurement Date	December 31, 2022
Payroll Growth	3.00%
Discount rate	4.18%
Actuarial Cost Method	Entry Age Normal- Level Percent-of-Pay
Healthcare cost trend rates	7.50% for 2022-23, decreasing by .25% per year through 2033 and later years.
Retirees' share of benefit-related costs	Retirees contribute 100% of the active funding rate

Discount rate. GASB 75 standards require a single discount rate to be determined. To the extent Plan (i.e. Trust) assets are projected to be sufficient to make projected benefit payments, the discount rate will equal the expected return on such assets. To the extent a Plan is not projected to be sufficient to make future benefit payments the yield or index for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher should be factored in. Plan assets do not apply to the City's program.

In order to determine the municipal bond rate, the average of the published yields from the S&P Municipal Bond 20 year High Grade and the Fidelity GO AA-20 Years indices were used. The selected average rates are 2.04% and 4.18% as of the beginning and end of year, respectively. These were used as the discount rates to determine present value costs.

Changes in Total OPEB Liability	
Balance at 12/31/2022	$ 578,314
Service cost	49,209
Interest cost	12,587
Changes of benefit terms	-
Changes in assumptions	50,304
Differences between expected and actual experience	35,249
Benefit payments	(21,000)
Net change	126,349
Balance at 12/31/2023	$ 704,663

8 - Other Postemployment Healthcare Benefits (Continued)

OPEB Liability (Continued)

Sensitivity of Total OPEB Liability to changes in the Discount rate. The following presents the Total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current discount rate:

	1% Decrease (3.18%)	Current Discount Rate (4.18%)	1% Increase (5.18%)
Total OPEB liability	$ 778,148	$ 704,663	$ 638,814

Sensitivity of Total OPEB Liability to changes in Healthcare Cost Trend Analysis. The following presents the Total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rates:

	1% Decrease (6.50%)	Current Trend Assumption (7.50%)	1% Increase (8.50%)
Total OPEB liability	$ 618,321	$ 704,663	$ 807,915

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2023, the City recognized OPEB expense of $57,067. At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Governmental Activities		Business-Type Activities		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in actuarial experiences	$ 24,874	$ 33,036	$ 11,216	$ 14,895	$ 36,090	$ 47,931
Changes in assumptions	48,476	65,704	21,857	29,624	70,333	95,328
Contributions subsequent to measurement date	5,000	-	11,000	-	16,000	-
	$ 78,350	$ 98,740	$ 44,073	$ 44,519	$ 122,423	$ 143,259

8 - Other Postemployment Healthcare Benefits (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

The $16,000 reported as deferred outflows of resources related to OPEB resulting from the City's benefits subsequent to the measurement date will be recognized as a reduction of the total OPEB liability for the year ended December 31, 2024.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	Deferred Outflows (Inflows) of Resources	
Year ended December 31:	Governmental Activities	Business-Type Activities
2024	$ (3,260)	$ (1,469)
2025	(3,260)	(1,469)
2026	(3,260)	(1,469)
2027	(3,260)	(1,469)
2028	(3,260)	(1,469)
2029 & Thereafter	(9,090)	(4,101)
	$ (25,390)	$ (11,446)

KPERS Death and Disability OPEB Plan

Plan Description. The City of Gardner participates in an agent multiple-employer defined benefit other postemployment benefit (OPEB) plan (the Plan) which is administered by the Kansas Public Employees Retirement System (KPERS). The Plan provides long-term disability benefits and a life insurance benefit for disabled KPERS members, as provided by K.S.A. 74-04927. The Plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. However because the trust's assets are used to pay employee benefits other than OPEB, the trust does not meet the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Accordingly, the Plan is considered to be administered on a pay-as-you-go basis. There is no stand-alone financial report for the plan.

Benefits

Benefits are established by statute and may be amended by the KPERS Board of Trustees. The Plan provides long-term disability benefits equal to 60 percent (prior to January 1, 2006, 66 2/3 percent) of annual compensation, offset by other benefits. Members receiving long-term disability benefits also receive credit towards their KPERS retirement benefits and have their group life insurance coverage continued under the waiver of premium provision.

8 - KPERS Death and Disability OPEB Plan (Continued)

Benefits (Continued)

The monthly long-term disability benefit is 60 percent of the member's monthly compensation, with a minimum of $100 and a maximum of $5,000. The monthly benefit is subject to reduction by deductible sources of income, which include Social Security primary disability or retirement benefits, workers compensation benefits, other disability benefits from any other sources by reason of employment, and earnings from any form of employment. If the disability begins before age 60, benefits are payable while the disability continues until the member's 65th birthday or retirement date, whichever occurs first. If the disability begins at or after age 60, benefits are payable while the disability continues, for a period of five years or until the member retires, whichever occurs first.

Benefit payments for disabilities caused or contributed to by substance abuse or non-biologically-based mental illnesses are limited to the shorter of the term of the disability or 24 months per lifetime, whichever is less.

The death benefit paid to beneficiaries of disabled members is 150% of the greater of 1) the member's annual rate of compensation at the time of disability, or 2) the member's previous 12 months of compensation at the time of the last date on payroll. If the member has been disabled for five or more years, the annual compensation or salary rate at the time of death will be indexed using the consumer price index, less one percentage point, to compute the death benefit. If a member is diagnosed as terminally ill with a life expectancy of 12 months or less, the member may be eligible to receive up to 100% of the death benefit rather than having the benefit paid to the beneficiary. If a member retires or disability benefits end, the member may convert the group life insurance coverage to an individual insurance policy.

Covered Employees

The City of Gardner has the following employees covered by the Plan as of December 31, 2022:

Active members	106
Disabled members	-
	106

8 - KPERS Death and Disability OPEB Plan (Continued)

OPEB Liability

The City of Gardner's total OPEB liability of $119,884 related to KPERS reported as of December 31, 2023, was measured as of June 30, 2023 (the measurement date), and was determined by an actuarial valuation as of December 31, 2022, which was rolled forward to June 30, 2023, using the following actuarial assumptions:

Valuation Date	December 31, 2022
Measurement Date	June 30, 2023
Inflation	2.75%
Payroll Growth	3.00%
Discount rate	3.65%
Salary increases including inflation	3.5% to 10.0%, including price inflation
Healthcare cost trend rates	Not applicable for the coverage in this plan
Retirees' share of benefit-related costs	Not applicable for the coverage in this plan

The discount rate was based on the Bond Buyer General Obligation 20-Year Municipal Bond Index. Mortality rates were based on the RP-2014 Mortality Table, as appropriate, with adjustment for mortality improvements based on Scale MP-2021.

The actuarial assumptions used in the December 31, 2022 valuation were based on the results of an actuarial experience study conducted during 2016-2018. Other demographic assumptions are set to be consistent with the actuarial assumptions reflected in the December 31, 2022 pension valuation.

Changes in Total OPEB Liability

Changes in Total OPEB Liability	
Balance at December 31, 2022	$ 119,736
Service cost	20,435
Interest cost	4,962
Effect of economic/demographic gains or losses	(24,714)
Effect of assumption changes or inputs	(535)
Benefit payments	-
Net change	148
Balance at December 31, 2023	$ 119,884

8 - KPERS Death and Disability OPEB Plan (Continued)

Changes in Total OPEB Liability (Continued)

Changes of assumptions. Changes of assumptions and other inputs reflect the changes in the discount rate each period. The discount rate increased from 3.54% to 3.65%.

Sensitivity Analysis. The following presents the City of Gardner's total OPEB liability calculated using the discount rate of 3.65%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.65%) or 1-percentage point higher (4.65%) than the current rate:

	1% Decrease (2.65%)	Current Discount Rate (3.65%)	1% Increase (4.65%)
Total OPEB liability	$124,559	$119,884	$ 114,811

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The healthcare trend rates do not affect the liabilities related to the long-term disability benefits sponsored by KPERS. Therefore, there is no sensitivity to a change in healthcare trend rates.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2023, the City of Gardner recognized OPEB expense of $3,732. At December 31, 2023, the City of Gardner reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Governmental Activities		Business-Type Activities		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 71,570	$ -	$ 46,294	$ -	$ 117,864
Changes in assumptions	5,241	24,608	3,389	15,916	8,630	40,524
	$ 5,241	$ 96,178	$ 3,389	$ 62,210	$ 8,630	$ 158,388

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

8 - KPERS Death and Disability OPEB Plan (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

	Deferred Outflows (Inflows) of Resources	
Year ended December 31:	Governmental Activities	Business-Type Activities
2024	$ (13,156)	$ (8,509)
2025	(13,156)	(8,509)
2026	(13,072)	(8,455)
2027	(12,316)	(7,967)
2028	(10,743)	(6,949)
2029 & Thereafter	(28,494)	(18,432)
	$ (90,937)	$ (58,821)

Summary of OPEB Plans

As of December 31, 2023 the City's total OPEB liability, deferred outflows of resources, deferred inflows of resources and OPEB expense associated with the two OPEB plans are summarized as follows:

	2023
Total OPEB liability	$ 824,547
Deferred outflows of resources	131,053
Deferred inflows of resources	301,647
OPEB expense	60,799

9 - Risk Services

The City is exposed to various risks of loss related to torts; that is, damage to and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; and employee health, dental and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters other than those related to employee health benefits and workers' compensation. Settled claims have not exceeded this commercial coverage in any of the three preceding years. There have not been significant reductions in claims from prior years.

The City obtains workers' compensation insurance through its membership in the Kansas Eastern Region Insurance Trust (KERIT), whose members consist of local cities and counties. KERIT is a risk-sharing pool organized under the insurance laws of the State of Kansas which self-insures workers' compensation and other related expenses up to certain limits and reinsures additional excess amounts up to certain limits. The City pays annual premiums to KERIT based upon historical experience and legal requirements mandated by the State of Kansas. The trust agreement allows

9 - Risk Services (Continued)

for member assessments in the event claims and expenses exceed KERIT's self-insured retention limit. The City does not anticipate any additional assessments in excess of premiums paid as a result of its participation in this trust.

10 - Capital Projects

The City is currently improving its water, wastewater and electrical systems, working on street and stormwater projects and performing various new developments. These projects are being funded primarily by the issuance of bonds, both general obligation and special assessment.

Following is a summary of project-to-date costs to December 31, 2023 on the capital projects compared to the amount authorized:

Primary Government
Project Authorizations and Expenditures Since Inception

Project Category	Authorization	Expenditures Since Inception
Primary Government		
Governmental Improvements	$ 45,671,943	$ 7,528,432
Electric Improvements	9,498,446	2,682,485
Water Improvements	850,000	65,372
Wastewater Improvements	48,325,900	3,828,577
Airport Improvements	1,862,100	413,677
Total	$ 106,208,389	$ 14,518,543

11 - Lease and Subscription-Based Information Technology Arrangement Liabilities

A. Leases

1. Governmental Activities - Lessee

The City has entered into lease agreements for vehicles, land, and infrastructure. The lease contracts expire at various dates through 2028. The right to use assets are intangible assets and are recorded in capital assets as vehicles, land and infrastructure as shown in Note 4. Details of the lease arrangements are as follows:

11 - Lease and Subscription-Based Information Technology Arrangement Liabilities (Continued)

1. Governmental Activities – Lessee (Continued)

Governmental Activities					
Description/Purpose	Date of lease agreement	Amount of original agreement	Lease term	Interest rates	Amount outstanding December 31, 2023
Golf Course Improvements	6/1/2018	$ 1,218,000	120 months	4.69%	$ 689,000
Justice Center Land	12/29/2016	678,000	120 months	2.40%	216,000
		$ 1,896,000			$ 905,000

The following represents the future minimum lease payments for governmental activities required under the lease arrangements as of December 31:

Governmental Activities			
	Principal	Interest	Total
2024	$ 195,000	$ 36,319	$ 231,319
2025	203,000	28,703	231,703
2026	212,000	20,434	232,434
2027	144,000	12,171	156,171
2028	151,000	5,323	156,323
Total	$ 905,000	$ 102,950	$ 1,007,950

2. Business-Type Activities - Lessee

The City has entered into lease agreements for vehicles for the Electric Fund. The lease contracts expire in 2025. The right to use assets are intangible assets and are recorded in capital assets as vehicles as shown in Note 4. Details of the lease arrangements are as follows:

Business-Type Activities					
Description/Purpose	Date of lease agreement	Amount of original agreement	Lease term	Interest rates	Amount outstanding December 31, 2023
2021 Freightliner	8/17/2020	$ 230,345	60 months	0.5517%	$ 62,558
2021 Freightliner Digger Derrick	8/31/2020	235,422	60 months	0.5517%	62,896
		$ 465,767			$ 125,454

11 - Lease and Subscription-Based Information Technology Arrangement Liabilities (Continued)

2. Business-Type Activities – Lessee (Continued)

The following represents the future minimum lease payments for business-type activities required under the lease arrangements as of December 31:

Business-Type Activities			
	Principal	Interest	Total
2024	$ 75,134	$ 502	$ 75,636
2025	50,320	104	50,424
Total	$ 125,454	$ 606	$ 126,060

3. Business-Type Activities – Lessor

The City has entered into two arrangements to lease pole attachments to others. The lease contracts expire at various dates through 2027. During 2023, the City recognized $16,638 in lease revenue which represents the total amount of inflows of resources recognized in the reporting period from leases.

The following represents the future minimum lease revenue due for business-type activities under the lease arrangements as of December 31:

Business-Type Activities			
	Principal	Interest	Total
2024	$ 5,063	$ 38	$ 5,101
2025	5,075	26	5,101
2026	5,087	14	5,101
2027	2,548	2	2,550
Total	$ 17,773	$ 80	$ 17,853

B. Governmental Activities – Subscription-Based Information Technology Arrangement

The City has entered into a subscription-based information technology arrangement (SBITA) for software. The term of the arrangement ends in 2026. The right to use asset is an intangible asset and is recorded in capital assets as a subscription as shown in Note 4. The beginning balance in Note 4 was restated for the governmental activities for the right to use asset amount for subscriptions in the amount of $454,767. Details of the arrangement are as follows:

11 - Lease and Subscription-Based Information Technology Arrangement Liabilities (Continued)

B. Governmental Activities – Subscription-Based Information Technology Arrangement (Continued)

Governmental Activities					
Description/Purpose	Date of agreement	Amount of original agreement	SBITA term	Interest rates	Amount outstanding December 31, 2023
Software	12/20/2021	$ 454,767	60 months	2.68%	$ 355,357
		$ 454,767			$ 355,357

The following represents the future minimum subscription payments due for governmental activities as of December 31:

Governmental Activities			
	Principal	Interest	Total
2024	$ 113,278	$ 8,142	$ 121,420
2025	122,492	4,999	127,491
2026	119,587	1,606	121,193
Total	$ 355,357	$ 14,747	$ 370,104

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12 - Debt

A. Governmental Activities Long-Term Debt

1. Changes in Governmental Activities Debt

The following table summarizes the changes in governmental activities long-term debt of the City for the year ended December 31, 2023.

Summary of Governmental Activities Debt for the year ended December 31, 2023

	January 1*	Additions	Reductions	Outstanding December 31	Due Within One Year
Governmental activities:					
Bonds:					
General obligation	$ 25,930,000	$ -	$ 2,355,000	$ 23,575,000	$ 2,475,000
Plus: issuance premium	2,146,680	5,333	250,516	1,901,497	-
Special assessment debt with government commitment	11,505,000	-	1,200,000	10,305,000	1,270,000
Bond anticipation notes payable	1,385,000	1,515,000	1,385,000	1,515,000	1,515,000
Lease liabilities	1,129,758	-	224,758	905,000	195,000
Capital financing	18,987	-	9,321	9,666	9,666
Subscription liability	454,767	-	99,410	355,357	113,278
Net Pension liability	11,341,064	2,840,642	2,116,127	12,065,579	-
Compensated absences	688,979	590,225	563,443	715,761	586,925
Total OPEB liability	478,105	80,374	-	558,479	-
Total	$ 55,078,340	$ 5,031,574	$ 8,203,575	$ 51,906,339	$ 6,164,869

*Restated due to the implementation of GASB 96

For the governmental activities, compensated absences, total other postemployment benefit liability and the net pension liability are generally liquidated by the general and internal service funds.

12 - Debt (Continued)

2. Governmental Activities General Obligation Bonds

General obligation bonds payable at December 31, 2023 are comprised of the following issues:

Outstanding Governmental Activities
General Obligation Bonds as of December 31, 2023

	Original Issue Amount	Current Bonds Outstanding	Interest Rates	Original Term in Years
2014A	$ 1,975,000	$ 895,000	2.000%-3.125%	15
2014B	4,140,000	1,610,000	2.000%-3.000%	15
2016A	1,380,000	450,000	3.000%	10
2017A	1,350,000	585,000	2.250%-3.000%	10
2018A	14,985,000	11,230,000	3.000%-5.000%	19
2019E	2,465,000	1,545,000	2.000%-3.000%	10
2020B	4,825,000	3,515,000	2.000%-3.000%	10
2022A	4,040,000	3,745,000	5.000%	10
Total	$ 35,160,000	$ 23,575,000		

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities and projects.

The City did not issue any new General Obligation Bonds in 2023.

The future annual requirements for general obligation bonds outstanding as of December 31, 2023 are as follows:

Debt Service Requirements Governmental Activities
for General Obligation Bonds

	Principal	Interest	Total
2024	$ 2,475,000	$ 831,922	$ 3,306,922
2025	2,577,500	737,972	3,315,472
2026	2,677,500	640,747	3,318,247
2027	2,605,000	537,900	3,142,900
2028	2,315,000	442,700	2,757,700
2029-2033	7,440,000	1,229,775	8,669,775
2034-2038	3,485,000	295,682	3,780,682
Total	$ 23,575,000	$ 4,716,698	$ 28,291,698

12 - Debt (Continued)

3. Bond Anticipation Notes Payable

The City issues bond anticipation notes to provide temporary financing for capital improvement projects.

In September 2023, the City issued Series 2023A General Obligation Temporary Notes in the amount of $1,515,000 for the purpose of renewing the City's General Obligation Temporary Notes, Series 2022B.

Bond anticipation notes payable as of December 31, 2023 were as follows:

Outstanding Governmental Activities
Bond Anticipation Notes Payable as of December 31, 2023

	Original Issue Amount	Current Notes Outstanding	Interest Rates	Original Term in Years
2023A Hilltop Special BD	$ 1,515,000	$ 1,515,000	6.00%	1

Annual debt service requirements to maturity for bond anticipation notes payable are as follows:

Debt Service Requirements Governmental Activities for Bond Anticipation Notes Payable

	Principal	Interest	Total
2024	$ 1,515,000	$ 96,960	$ 1,611,960

4. Governmental Activities Special Assessment Bonds

The City's special assessment debt was issued to provide funds for the construction of infrastructure in new commercial and residential developments. These bonds will be repaid from amounts levied against the property owners benefited by this construction. In the event that a deficiency exists because of unpaid or delinquent special assessments at the time a debt service payment is due, the government must provide resources to cover the deficiency until other resources, for example, foreclosure proceeds, are received. Special assessment bonds at December 31, 2023 are comprised of the following issues:

12 - Debt (Continued)

4. Governmental Activities Special Assessment Bonds (Continued)

Outstanding Governmental Activities
Special Assessment Bonds as of December 31, 2023

	Original Issue Amount	Current Bonds Outstanding	Interest Rates	Original Term in Years
2014A	$ 1,975,000	$ 895,000	2.000%-3.125%	15
2016A	1,490,000	780,000	3.000%	12
2017A	2,155,000	445,000	3.000%	7
2021A	1,550,000	1,280,000	1.00%-3.00%	10
2021A	2,385,000	2,020,000	1.00%-3.00%	11
2021B	2,185,000	2,010,000	2.00-2.25%	20
2022A	2,950,000	2,875,000	3.000%-5.000%	20
	$ 14,690,000	$ 10,305,000		

Annual debt service requirements to maturity for special assessment bonds are as follows:

Debt Service Requirements Governmental Activities
for Special Assessment Bonds

	Principal	Interest	Total
2024	$ 1,270,000	$ 292,070	$ 1,562,070
2025	842,500	253,968	1,096,468
2026	882,500	228,257	1,110,757
2027	900,000	201,234	1,101,234
2028	925,000	172,936	1,097,936
2029-2033	2,875,000	570,029	3,445,029
2034-2038	1,440,000	322,737	1,762,737
2039-2043	1,170,000	95,613	1,265,613
Total	$ 10,305,000	$ 2,136,844	$ 12,441,844

5. Capital Financing

As explained in Note 5, the City has entered into a capital financing arrangement for equipment which has been classified in the financial statements as a capital asset. The future minimum payment obligations and the net present value of these payments as of December 31, 2023 were as follows:

12 - Debt (Continued)

5. Capital Financing (Continued)

Future Minimum Payments	
Year Ending December 31:	Governmental Activities
2024	$ 10,024
Total minimum payments	10,024
Less amounts representing interest	(358)
Present value of minimum payments	$ 9,666

The capital financed obligations are included in noncurrent liabilities for Governmental Activities on the Statement of Net Position.

B. Business-Type Activities Debt

1. Changes in Business-Type Activities Debt

The following table summarizes the changes in business-type activities long-term debt of the City for the year ended December 31, 2023.

Summary of Business-Type Activities Debt for the year ended December 31, 2023

	January 1	Additions	Reductions	Outstanding December 31	Due Within One Year
Business-type activities:					
General obligation bonds	$ 34,045,000	$ -	$ 2,350,000	$ 31,695,000	$ 2,465,000
Issuance premiums	1,991,274	-	161,915	1,829,359	-
Construction loans payable	7,264,494	-	656,066	6,608,428	671,824
Compensated absences	321,093	251,885	229,757	343,221	247,119
Capital financing	9,340,883	-	395,185	8,945,698	414,541
Lease liabilities	200,174	-	74,720	125,454	75,134
Net Pension Liability	2,939,234	474,569	428,448	2,985,355	-
Total OPEB Liability	219,945	46,123	-	266,068	-
Total	$ 56,322,097	$ 772,577	$ 4,296,091	$ 52,798,583	$ 3,873,618

12 - Debt (Continued)

2. Business-Type Activities General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities and projects.

No new General Obligation Bonds were issued in 2023.

General obligation bonds payable at December 31, 2023 are comprised of the following issues:

Outstanding Business-Type Activities General Obligation Bonds as of December 31, 2023

	Original Issue Amount	Current Bonds Outstanding	Interest Rates	Original Term in Years
2013A	$ 4,246,816	$ 35,000	2.00%-2.25%	11
2014A	945,000	425,000	2.00%-3.125%	15
2015A	3,945,000	890,000	3.0%	11
2016B	855,000	280,000	2.00%-3.25%	10
2019B	1,970,000	1,140,000	1.85%-2.50%	9
2020A	23,905,000	21,400,000	2.0%-3.5%	20
2020A	3,545,000	2,635,000	3.0%-3.5%	10
2021A	775,000	640,000	1.0%-3.0%	10
2022A	4,435,000	4,250,000	3.0%-5.0%	15
Total	$ 44,621,816	$ 31,695,000		

The future annual requirements for general obligation bonds outstanding as of December 31, 2023 are as follows:

Debt Service Requirements for Business-Type Activities General Obligation Bonds

	Principal	Interest	Total
2024	$ 2,465,000	$ 983,909	$ 3,448,909
2025	2,510,000	901,684	3,411,684
2026	2,125,000	817,322	2,942,322
2027	2,095,000	744,291	2,839,291
2028	2,160,000	670,191	2,830,191
2029-2033	8,855,000	2,364,823	11,219,823
2034-2038	8,420,000	1,205,225	9,625,225
2039-2040	3,065,000	138,600	3,203,600
Total	$ 31,695,000	$ 7,826,045	$ 39,521,045

12 - Debt (Continued)

3. Construction Loans Payable

Construction loans payable at December 31, 2023 are comprised of the following:

Outstanding Business-Type Activities Loans as of December 31, 2023

	Original Issue Amount	Current Bonds Outstanding	Interest Rate	Original Term in Years
Kansas Water Pollution Control Loan # C20 1721 01	$ 3,483,009	$ 700,554	2.40%	20
Kansas Water Pollution Control Loan # C20 1956 01	10,167,808	5,907,874	2.05%	20
Total	$ 13,650,817	$ 6,608,428		

The future annual debt service requirements for the amortizable loans payable are as follows:

Debt Service Requirements for Business-Type Activities Loans

	Principal	Interest	Total
2024	$ 671,824	$ 134,357	$ 806,181
2025	687,959	119,907	807,866
2026	704,487	105,113	809,600
2027	721,410	89,959	811,369
2028	551,772	75,555	627,327
2029-2033	2,956,324	201,773	3,158,097
2034-2038	314,652	3,225	317,877
Total	$ 6,608,428	$ 729,889	$ 7,338,317

4. Capital Financing

In 2018, the City of Gardner entered into an Asset Purchase Agreement, with a term of 20 years, with KMEA (Kansas Municipal Energy Agency) to assume the costs of a 32.26% participation in KMEA's 10.1% undivided interest in the Dogwood Energy Facility. The future minimum payment obligations and the net present value of these payments as of December 31, 2023 were as follows:

12 - Debt (Continued)

4. Capital Financing (Continued)

Future Minimum Payments	
Year Ending December 31:	Business-Type Activities
2024	$ 851,462
2025	851,180
2026	849,849
2027	849,043
2028	848,680
2029-2033	4,237,392
2034-2038	4,217,188
Total minimum payments	12,704,794
Less amounts representing interest	(3,759,096)
Present value of minimum payments	$ 8,945,698

13 - Special Assessments

Kansas statutes require special benefit district projects financed in part by special assessments to be financed through the issuance of general obligation bonds that are secured by the full faith and credit of the City. Further, state statutes permit levying additional general ad valorem taxes in the City's Debt Service Fund to finance delinquent special assessments receivable. Accordingly, the special assessments receivable is accounted for within the City's debt service fund. Special assessments are levied over the repayment period of the bonds and the annual installments are due and payable with annual ad valorem taxes. At December 31, 2023, the special assessment taxes levied are a lien on the property and are recorded as a special assessment receivable in the debt service fund with a corresponding amount recorded as deferred inflows of resources. Special assessments receivable at December 31, 2023 was $12,886,282.

14 - Interfund Transactions

Interfund transfers for the year ended December 31, 2023 consisted of the following:

Interfund Transfers:		
	Transfers In	Transfers Out
Major funds:		
General Fund	$ 906,297	$ 1,148,800
Debt Service Fund	1,260,876	7,559
Capital Projects Fund	1,177,559	11,768
Special Highway Fund	37,157	1,224,508
Electric Fund	10,245	893,300
Water Fund	10,245	52,600
Wastewater Fund	-	118,600
Non-Major Governmental Funds	376,100	297,254
Internal Service Funds	-	24,090
Total Transfers In	$ 3,778,479	$ 3,778,479

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

15 - Commitments and Contingencies

Litigation

The City is involved in various lawsuits incurred through normal operations. It is the opinion of the City's management that the outcome of this litigation will not result in a material loss to the City in excess of applicable insurance coverage.

Industrial Revenue Bonds

The City has issued industrial revenue bonds to provide financial assistance to private businesses for economic development purposes. The lease agreements provide for rentals sufficient to service the related bonds. The debt service on these issues is paid solely from payments from the private businesses involved. Neither the City nor any political subdivision thereof is obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities

15 - Commitments and Contingencies (Continued)

Industrial Revenue Bonds (Continued)

in the accompanying basic financial statements. As of December 31, 2023, there were four industrial revenue bonds outstanding for a total of $93,316,475.

Project	Issue Date	Amount Authorized	Amount Outstanding	Interest Rate	Interest Payment Dates	Maturity Date
Midwest Commerce/Excelligence (Proj 2)	4/6/2018	$ 38,000,000	$ 32,159,762	2.00%	Feb. 1	2/1/2029
Hampton Inn	12/31/2018	14,000,000	13,056,713	2.00%	Dec. 1	12/1/2028
New Trails Multifamily Phase 1	11/28/2022	48,000,000	48,000,000	3.00%	Dec. 1	2/1/2033
Main Street Market Place	5/4/2023	4,000,000	100,000	3.00%	May 1	12/31/2027
		$ 104,000,000	$ 93,316,475			

Encumbrances

The City uses encumbrances to control expenditure commitments for the year and to enhance cash management. Encumbrances represent commitments related to executory contracts not yet performed and purchase orders not yet filled. Commitments for such expenditure of monies are encumbered to reserve a portion of applicable appropriations. Encumbrances still open at year-end are not accounted for as expenditures and liabilities, but, rather, as restricted, committed, or assigned fund balance. At December 31, 2023, the City's recorded encumbrances in governmental funds were as follows:

General	$ 213,252
Capital Projects	367,675
Infrastructure Special Sales Tax	83,397
Special Highway	71,753
Non-major funds	403,788
	$ 1,139,865

16 - Tax Abatements

The City enters into property tax abatement agreements with local businesses pursuant to the provisions of Section 13 of Article 11 of the Kansas Constitution and K.S.A. 12-1740 et seq and 79-201a. Under this section of the Kansas Constitution, the governing body of any city may by resolution or ordinance, as the case requires, exempt from all ad valorem taxation all or any portion of the appraised valuation of buildings, land and tangible personal property, for economic development purposes. Such exemption shall be in effect not more than 10 years.

16 - Tax Abatements (Continued)

Resolution No. 1737 was passed by the City on November 19, 2007 and took effect January 1, 2008. The resolution established a policy relating to property tax abatements for new and existing businesses. The resolution recognized that it was essential to stimulate the economic growth and development of existing and new industry and businesses for the benefit of Gardner. Resolution No. 2052 took effect April 2020 and is the current guiding resolution for all abatements.

For the fiscal year ended December 31, 2023, the City abated property taxes totaling $1,943,991 (for all taxing jurisdictions) under this program. The City received PILOT (Payments in Lieu of Taxes) payments on these properties totaling $247,629 in 2023. The active tax abatement projects are described below:

- A 100-percent property tax abatement to a commercial warehouse, manufacturing facility and call center for ten years beginning in 2019. The abatement was granted by the Kansas Board of Tax Appeals pursuant to K.S.A. 79-201a *Second* (Industrial Revenue Bond-Funded Property). In connection with the issuance of the industrial revenue bonds, the City and the Tenant also entered into a Payment in Lieu of Tax Agreement that provided for a payment in lieu of taxes (PILOT) starting in year 6 equal to 20% of the value of the abated tax amount and increasing each succeeding year by 20% through 2028 when the abatement ends. The PILOT payments will be distributed as and/or as a part of the general ad valorem tax collections for all taxing subdivisions in which the Facility is located.

- A 100-percent property tax abatement to a five-story, 84-room hotel, and 200-seat conference center for ten years beginning in 2019. The abatement was granted by the Kansas Board of Tax Appeals pursuant to K.S.A. 79-201a *Second* (Industrial Revenue Bond-Funded Property). In connection with the issuance of the industrial revenue bonds, the City and the Tenant also entered into a Payment in Lieu of Tax Agreement that provided for a fixed annual PILOT. The PILOT payments will approximate 20% of the abated taxes in 2019 and 2020, 30% in 2021 and 2022, and then 40% for the remaining 6 years of the abatement. The PILOT payments will be distributed as and/or as a part of the general ad valorem tax collections for all taxing subdivisions in which the Facility is located.

- A 100-percent property tax abatement to an approximately 288-unit multifamily housing project for ten years beginning in 2023. The abatement was granted by the Kansas Board of Tax Appeals pursuant to K.S.A. 79-201a *Second* (Industrial Revenue Bond-Funded Property). In connection with the issuance of the industrial revenue bonds, the City and the Tenant also entered into a Payment in Lieu of Tax Agreement. The Agreement provided for PILOT payments that will approximate 25% of the abated taxes for the 10-year term. The PILOT payments will be distributed as and/or as a part of the general ad valorem tax collections for all taxing subdivisions in which the Facility is located.

REQUIRED SUPPLEMENTARY INFORMATION

KPERS and KPF Defined Benefit Pension Plan
Schedule of City's Proportionate Share of the Net Pension Liability

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
City's proportion of the net pension liability (asset):										
KPERS (local group)	0.362307%	0.377227%	0.373918%	0.384769%	0.387588%	0.371954%	0.355167%	0.345680%	0.296578%	0.301717%
KP&F (police & firemen)	0.466430%	0.470165%	0.467063%	0.438285%	0.430911%	0.420059%	0.413915%	0.387631%	0.334365%	0.332422%
City's proportionate share of the net pension liability (asset)	$15,050,934	$14,280,298	$ 8,943,757	$12,075,200	$9,777,371	$9,226,055	$9,026,076	$8,947,934	$6,322,077	$5,893,730
City's covered payroll ^	$11,023,546	$10,361,689	$ 9,727,641	$ 9,406,648	$9,209,371	$8,714,608	$8,582,884	$7,675,340	$6,430,700	$6,144,004
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	136.53%	137.82%	91.94%	128.37%	106.17%	105.87%	105.16%	116.58%	98.31%	95.93%
Plan fiduciary net position as a percentage of the total pension liability	70.70%	69.75%	76.40%	66.30%	69.88%	68.88%	67.12%	65.10%	64.95%	66.60%

^ Covered payroll is measured as of the measurement date ending June 30.

KPERS and KPF Defined Benefit Pension Plan
Schedule of City's Contributions

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	$ 1,447,493	$ 1,313,403	$1,250,305	$1,212,750	$1,170,761	$1,037,515	$ 940,924	$ 981,506	$ 871,712	$ 738,362
Contributions in relation to the contractually required contribution	(1,447,493)	(1,313,403)	(1,250,305)	(1,212,750)	(1,170,761)	(1,037,515)	(940,924)	(981,506)	(871,712)	(738,362)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
City's covered payroll ^	$ 11,558,955	$ 10,335,824	$9,884,554	$9,854,085	$9,413,571	$8,962,317	$8,474,557	$8,424,022	$7,000,963	$6,412,857
Contributions as a percentage of covered payroll	12.522697%	12.707290%	12.649078%	12.307080%	12.436952%	11.576418%	11.102923%	11.651275%	12.451316%	11.513776%

^Information presented above is as of the City's fiscal year end 12/31

Changes in benefit terms for KPERS. In the state fiscal year 2014, the KP&F group had a change in benefit terms. The Legislature increased this group's employee contributions to 7.15 percent and eliminated the reduction of employee contributions to 2.0 percent after 32 years of service. In addition, the maximum retirement benefit increased to 90 percent of final average salary (reached at 36 years of service). Before this change the maximum retirement benefit was limited to 80 percent of final average salary (reached at 32 years of service).

Effective January 1, 2014, KPERS 1 member's employee contribution rate increased to 5.0 percent and then on January 1, 2015, increased to 6.0 percent, with an increase in benefit multiplier to 1.85 percent for future years of service. For KPERS 2 members retired after July 1, 2012, the cost of living adjustment (COLA) is eliminated, but members will receive a 1.85 percent multiplier for all years of service.

On January 1, 2015, the KPERS 3 cash balance plan became effective. Members enrolled in this plan are ones first employed in a KPERS covered position on or after January 1, 2015, or KPERS 1 or KPERS 2 members who left employment before vesting and returned to employment on or after January 1, 2015. The retirement benefit is an annuity based on the account balance at retirement.

For the state fiscal year 2017, the KP&F group had a change in benefit terms. The Legislature changed the duty-related death benefit for KP&F members to the greater of 50% of final average salary and member's accrued retirement benefit under the 100% joint and survivor option, payable to the member's spouse. Including any benefits that may be due to child beneficiaries, the total monthly benefits may not exceed 90% of the member's final average salary. Prior to this bill, the duty-related spousal death benefit for KP&F members was 50% of the final average salary, and the maximum available to the family was 75% of the member's final average salary.

For the state fiscal year 2017, the Legislature changed the working after retirement rules for members who retire on or after January 1, 2018. The key changes to the working after retirement rules were to lengthen the waiting period for KPERS members to return to work from 60 days to 180 days for members who retire before attaining age 62, remove the earnings limitation for all retirees and establish a single-employer contribution schedule for all retirees.

Changes from the November 2016 experience study that impacted individual groups are listed below:

KPERS:

- The post-retirement healthy mortality assumption was changed to the RP-2014 Mortality Table, with adjustments to better fit the observed experience for the various KPERS groups. The most recent mortality improvement scale, MP-2016, is used to anticipate future mortality improvements in the valuation process through the next experience study.
- The active member mortality assumption was modified to also be based on the RP-2014 Employee Mortality Table with adjustments.
- The retirement rates for the select period (when first eligible for unreduced benefits under Rule of 85) were increased, but all other retirement rates were decreased.
- Disability rates were decreased for all three groups.
- The termination of employment assumption was increased for all three groups.
- The interest crediting rate assumption for KPERS 3 members was lowered from 6.50% to 6.25%.

KP&F:

- The post-retirement health mortality assumption was changed to the RP-2014 Mortality Table with 1-year age set forward and the MP-2016, is used to anticipate future mortality improvements.
- The mortality assumption for disabled members was changed to the RP-2014 Disabled Lives Table (generational using MP-2016) with a 1-year age set forward.
- The active member mortality assumption was modified to the RP-2014 Employee Mortality Table with a 1-year age set forward with a 90% scaling factor.
- The retirement rates for Tier 1 were lowered and the ultimate assumed retirement age was changed from 63 to 65 for Tier 2.
- The termination of employment rates for Tier 2 were increased to better match the observed experience.

As a result of the experience study completed in January 2020, there were several changes made to the actuarial assumptions and methods since the prior valuation. The changes that impact all groups were effective December 31, 2019 and include:

- The investment return assumption was lowered from 7.75% to 7.50%.
- The general wage growth assumption was lowered from 3.50% to 3.25%.
- The payroll growth assumption was lowered from 3.00% to 2.75%.

Changes from the January 2020 experience study that impacted individual groups are listed below:

KPERS:

- Retirement rates were adjusted to partially reflect observed experience.
- Termination rates were increased for most KPERS groups.
- Disability rates were reduced.
- Factors for the State group that are used to anticipate higher liabilities due to higher final average salary at retirement for pre-1993 hires were modified to better reflect actual experience.
- The administrative expense load for contributions rates was increased from 0.16% to 0.18%.

KP&F:

- Retirement rates were adjusted to partially reflect observed experience.
- Factors for the KP&F group that are used to anticipate higher liabilities due to higher final average salary at retirement for pre-1993 hires were modified to better reflect actual experience.
- The administrative expense load for contributions rates was increased from 0.16% to 0.18%.

Assumption changes effective December 31, 2020 were as follows:

- The investment return assumption was lowered from 7.50% to 7.25%.
- The general wage growth assumption was increased from 3.25% to 3.50%.

Assumption changes effective December 31, 2021 were as follows:

- The investment return assumption was lowered from 7.25% to 7.00%.

Schedule of Changes in the
City's Total OPEB Liability and Related Ratios
Last Six Fiscal Years [a]

Postemployment Healthcare Plan [b]

Schedule of Changes in Total OPEB Liability and Related Ratios						
	2023	**2022**	**2021**	**2020**	**2019**	**2018**
Service cost	$ 49,209	$ 51,470	$ 37,764	$ 26,118	$ 31,515	$ 30,994
Interest cost	12,587	12,357	14,279	12,507	12,167	12,501
Changes of benefit terms	-	-	188,282	-	(62,674)	-
Changes in assumptions	50,304	(2,327)	(108,924)	107,183	(15,296)	5,693
Differences between expected and actual experience	35,249	(41,580)	(10,823)	(5,741)	5,375	-
Benefit payments	(21,000)	(16,000)	-	-	(5,000)	(6,000)
Net change in Total OPEB liability	$ 126,349	$ 3,920	$ 120,578	$ 140,067	$ (33,913)	$ 43,188
Total OPEB liability - beginning of year	578,314	574,394	453,816	313,749	347,662	304,474
Total OPEB liability - end of year	$ 704,663	$ 578,314	$ 574,394	$ 453,816	$ 313,749	$ 347,662
Covered-employee payroll [c]	10,360,551	8,748,684	8,748,684	8,499,327	7,231,735	7,231,735
Total OPEB liability as a % of covered payroll	6.80%	6.61%	6.57%	5.34%	4.34%	4.81%

[a]GASB 75 requires presentation of ten years. As of December 31, 2023, only six years of information are available.
[b]No assets are accumulated in a trust to pay related benefits for this plan.
[c]Covered payroll is measured as of the measurement date ending June 30.

Changes in assumptions and other inputs reflect the effects of changes in the discount rate each period:
- The discount rate decreased from 3.76% on December 31, 2016 to 3.23% on December 31, 2017.
- The discount rate remained 3.23% through December 31, 2018.
- The discount rate increased from 3.23% on December 31, 2018 to 3.68% on December 31, 2019.
- The discount rate decreased from 3.68% on December 31, 2019 to 3.00% on December 31, 2020.
- The discount rate decreased from 3.00% on December 31, 2020 to 2.00% on December 31, 2021.
- The discount rate increased from 2.00% on December 31, 2021 to 2.04% on December 31, 2022.
- The discount rate increased from 2.04% on December 31, 2022 to 4.18% on December 31, 2023.

Schedule of Changes in the
City's Total KPERS OPEB Liability and Related Ratios
Last Seven Fiscal Years [a]

Death and Disability OPEB Plan [b]

Schedule of Changes in Total KPERS OPEB Liability and Related Ratios							
	2023	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**
Service Cost	$ 20,435	$ 33,528	$ 32,198	$ 27,673	$ 26,028	$ 25,739	$ 26,816
Interest cost	4,962	4,498	4,541	6,265	6,253	5,718	3,828
Changes of benefit terms	-	-	-	-	-	-	-
Effect of economic/demographic gains or (losses)	(24,714)	(45,280)	(35,586)	(24,283)	(18,777)	(28,208)	-
Effect of assumption changes or inputs	(535)	(47,734)	300	12,292	2,265	(1,699)	(4,152)
Benefit payments	-	-	-	-	-	-	-
Net change in total OPEB liability	$ 148	$ (54,988)	$ 1,453	$ 21,947	$ 15,769	$ 1,550	$ 26,492
Total OPEB liability, beginning	$ 119,736	$ 174,724	$ 173,271	$ 151,324	$ 135,555	$ 134,005	$ 107,513
Total OPEB liability, ending	$ 119,884	$ 119,736	$ 174,724	$ 173,271	$ 151,324	$ 135,555	$ 134,005
Covered-employee payroll	$ 7,164,256	$ 6,920,028	$ 6,910,902	$ 6,658,129	$ 6,390,365	$ 6,057,898	$ 5,821,363
Total OPEB liability as a % of covered payroll	1.67%	1.73%	2.53%	2.60%	2.37%	2.24%	2.30%

[a] GASB 75 requires presentation of ten years. As of December 31, 2023, only seven years are available.
[b] No assets are accumulated in a trust to pay related benefits for this plan.

Changes in assumptions and other inputs reflect the effects of changes in the discount rate each period:

- The discount rate increased from 2.85% on June 30, 2016 to 3.58% on June 30, 2017.
- The discount rate increased from 3.58% on June 30, 2017 to 3.87% on June 30, 2018.
- The discount rate decreased from 3.87% on June 30, 2018 to 3.50% on June 30, 2019.
- The discount rate decreased from 3.50% on June 30, 2019 to 2.21% on June 30, 2020.
- The discount rate decreased from 2.21% on June 30, 2020 to 2.16% on June 30, 2021.
- The discount rate increased from 2.16% on June 30, 2021 to 3.54% on June 30, 2022.
- The discount rate increased from 3.54% on June 30, 2022 to 3.65% on June 30, 2023.

OTHER SUPPLEMENTARY INFORMATION

Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Economic Development Reserve Fund – This fund is used to account for transient guest tax revenues that are restricted for the purpose of convention and tourism promotion.

Law Enforcement Trust Fund – This fund is used to account for monies forfeited to the City of Gardner Police Department relating to controlled substance investigations. Expenditures from this fund shall be made only for authorized law enforcement purposes of the Gardner Police Department.

Main Street Marketplace TIF Fund – This fund is used to account for the captured incremental real property taxes from the properties within the Main Street Marketplace Redevelopment District. The captured increments are to be used to reimburse the developer for TIF eligible expenses.

Main Street Marketplace CID Fund – This fund is used to account for the captured CID sales tax from the properties within the Main Street Marketplace Community Improvement District. The captured CID sales tax is to be used to reimburse the developer for CID eligible expenses.

Plaza South CID – This fund is used to account for the receipt of a CID sales tax of 1% collected within the Plaza South Community Improvement District. The captured CID sales tax is to be used to reimburse administrative fees and the developer for CID eligible expenses.

American Rescue Plan Act (ARPA) Fund – This fund is used to account for the receipt of coronavirus grant funds that may be used for responding to a public health emergency, employee premium pay, providing government services to the extent of reduction in revenue, and to make necessary investments in water, sewer, or broadband infrastructure.

Special Alcohol/Drug Program Fund – This fund is used to account for special alcohol liquor tax revenues that are restricted for the purpose of funding programs for the education, treatment, and intervention of alcohol and drug abuse.

Special Parks and Recreation Fund – This fund is used to account for special alcohol liquor tax revenues that are restricted to expenditures for the purchase, establishment, maintenance, or expansion of park and recreational services, programs, and facilities.

Capital Projects Fund

Park Improvement Fund – This fund is used to account for the receipt of park impact fees which are restricted for park and playground purposes.

Street Improvement Fund – This fund is used to account for receipt of the City's excise fee on platted land. The expenditures in this fund are specifically restricted for the purpose of improvement of existing streets and the construction of new streets necessitated by the City's new development growth.

Vehicle and Equipment Replacement Fund – This fund is used to account for resources assigned to the City's vehicle and equipment replacement program for all departments except for the Police Department and the Electric Utility.

CITY OF GARDNER, KANSAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

December 31, 2023

	Special Revenue Funds						
	Economic Development Reserve	Law Enforcement Trust	Main Street Marketplace TIF	Main Street Marketplace CID	Plaza South CID	American Rescue Plan Act	Special Alcohol/ Drug Program
Assets							
Deposits and investments	$ 351,670	$ 35,863	$ 18,890	$ 32,127	$ 13,786	$ 3,362,727	$ 202,503
Receivables:							
Taxes	82,611	-	215,242	-	-	-	-
Total assets	$ 434,281	$ 35,863	$ 234,132	$ 32,127	$ 13,786	$ 3,362,727	$ 202,503
Liabilities							
Accounts payable	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	3,362,133	-
Total liabilities	-	-	-	-	-	3,362,133	-
Deferred Inflows of Resources							
Deferred revenue - property taxes	-	-	215,242	-	-	-	-
Total deferred inflows of resources	-	-	215,242	-	-	-	-
Fund Balances (Deficits)							
Restricted							
Capital projects	-	-	-	-	-	-	-
Street improvements	-	-	-	-	-	-	-
Economic development	434,281	-	18,890	32,127	13,786	-	-
Other	-	35,863	-	-	-	594	202,503
Total fund balances	434,281	35,863	18,890	32,127	13,786	594	202,503
Total liabilities and fund balances	$ 434,281	$ 35,863	$ 234,132	$ 32,127	$ 13,786	$ 3,362,727	$ 202,503

(Continued)

CITY OF GARDNER, KANSAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
(Continued)
December 31, 2023

	Special Revenue Funds		Capital Projects				Total Nonmajor Governmental Funds
	Special Parks and Recreation	Total Special Revenue	Park Improvement	Street Improvement	Vehicle Equipment Replacement	Total Capital Projects	
Assets							
Deposits and investments	$ 186,682	$ 4,204,248	$ 366,729	$ 2,128,721	$ 474,725	$ 2,970,175	$ 7,174,423
Receivables:							
Taxes	-	297,853	-	-	-	-	297,853
Total assets	$ 186,682	$ 4,502,101	$ 366,729	$ 2,128,721	$ 474,725	$ 2,970,175	$ 7,472,276
Liabilities							
Accounts payable	-	-	-	-	326	326	326
Unearned revenue	-	3,362,133	-	-	-	-	3,362,133
Total liabilities	-	3,362,133	-	-	326	326	3,362,459
Deferred Inflows of Resources							
Deferred revenue - property taxes	-	215,242	-	-	-	-	215,242
Total deferred inflows of resources	-	215,242	-	-	-	-	215,242
Fund Balances (Deficits)							
Restricted							
Capital projects	-	-	366,729	-	474,399	841,128	841,128
Street improvements	-	-	-	2,128,721	-	2,128,721	2,128,721
Economic development	-	499,084	-	-	-	-	499,084
Other	186,682	425,642	-	-	-	-	425,642
Total fund balances	186,682	924,726	366,729	2,128,721	474,399	2,969,849	3,894,575
Total liabilities and fund balances	$ 186,682	$ 4,502,101	$ 366,729	$ 2,128,721	$ 474,725	$ 2,970,175	$ 7,472,276

CITY OF GARDNER, KANSAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended December 31, 2023

	Special Revenue Funds						
	Economic Development Reserve	Law Enforcement Trust	Main Street Marketplace TIF	Main Street Marketplace CID	Plaza South CID	American Rescue Plan Act	Special Alcohol/ Drug Program
Revenues							
Property tax	$ -	$ -	$ 188,379	$ -	$ -	$ -	$ -
Sales and use taxes	-	-	-	412,102	17,100	-	-
Transient guest tax	309,869	-	-	-	-	-	-
Excise Tax	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	64,130
Fines and Fees	-	-	-	-	-	-	-
Investment earnings	16,175	1,713	-	-	-	-	8,174
Total revenues	326,044	1,713	188,379	412,102	17,100	-	72,304
Expenditures							
Current:							
General government	279,939	-	141,744	398,584	337	-	30,264
Capital outlay	-	-	-	-	-	-	-
Total expenditures	279,939	-	141,744	398,584	337	-	30,264
Excess of revenues over (under) expenditures	46,105	1,713	46,635	13,518	16,763	-	42,040
Other financing sources (uses)							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	(37,157)	(12,120)	(2,977)	-	-
Total other financing sources (uses)	-	-	(37,157)	(12,120)	(2,977)	-	-
Net change in fund balances	46,105	1,713	9,478	1,398	13,786	-	42,040
Fund balances, beginning of year	388,176	34,150	9,412	30,729	-	594	160,463
Fund balances, end of year	$ 434,281	$ 35,863	$ 18,890	$ 32,127	$ 13,786	$ 594	$ 202,503

(Continued)

CITY OF GARDNER, KANSAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (Continued)
NONMAJOR GOVERNMENTAL FUNDS
Year Ended December 31, 2023

	Special Revenue Funds		Capital Projects				Total Nonmajor Governmental Funds
	Special Parks and Recreation	Total Special Revenue	Park Improvement	Street Improvement	Vehicle Equipment Replacement	Total Capital Projects	
Revenues							
Property tax	$ -	$ 188,379	$ -	$ -	$ -	$ -	$ 188,379
Sales and use taxes	-	429,202	-	-	-	-	429,202
Transient guest tax	-	309,869	-	-	-	-	309,869
Excise tax	-	-	-	171,003	-	171,003	171,003
Intergovernmental	64,130	128,260	-	-	-	-	128,260
Fines and fees	-	-	42,671	-	-	42,671	42,671
Investment earnings	7,464	33,526	25,646	94,267	37,965	157,878	191,404
Total revenues	71,594	1,089,236	68,317	265,270	37,965	371,552	1,460,788
Expenditures							
Current:							
General government	14,400	865,268	-	-	-	-	865,268
Capital outlay	-	-	-	-	725,513	725,513	725,513
Total expenditures	14,400	865,268	-	-	725,513	725,513	1,590,781
Excess of revenues over (under) expenditures	57,194	223,968	68,317	265,270	(687,548)	(353,961)	(129,993)
Other financing sources (uses)							
Transfers in	-	-	-	-	376,100	376,100	376,100
Transfers out	-	(52,254)	(245,000)	-	-	(245,000)	(297,254)
Total other financing sources (uses)	-	(52,254)	(245,000)	-	376,100	131,100	78,846
Net change in fund balances	57,194	171,714	(176,683)	265,270	(311,448)	(222,861)	(51,147)
Fund balances, beginning of year	129,488	753,012	543,412	1,863,451	785,847	3,192,710	3,945,722
Fund balances, end of year	$ 186,682	$ 924,726	$ 366,729	$ 2,128,721	$ 474,399	$ 2,969,849	$ 3,894,575

CITY OF GARDNER, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

ECONOMIC DEVELOPMENT RESERVE FUND

Year Ended December 31, 2023

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Transient guest tax	$ 233,000	$ 233,000	$ 309,869	$ 76,869
Investment earnings	-	-	16,175	16,175
Total revenues	233,000	233,000	326,044	93,044
Expenditures				
Project reserve	215,315	215,315	-	215,315
Contractual services	242,500	242,500	249,939	(7,439)
Total expenditures	457,815	457,815	249,939	207,876
Revenues over (under) expenditures	(224,815)	(224,815)	76,105	300,920
Net change in fund balance	(224,815)	(224,815)	76,105	300,920
Fund balances, beginning of year	224,815	224,815	333,176	108,361
Fund balances, end of year	$ -	$ -	$ 409,281	$ 409,281
Explanation of difference between budgetary and GAAP fund balances:				
Encumbrances for equipment and supplies ordered but not received are not recorded for GAAP purposes until received			25,000	
GAAP fund balance, end of year			$ 434,281	

CITY OF GARDNER, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

MAIN STREET MARKETPLACE TIF FUND

Year Ended December 31, 2023

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Property tax	$ 486,000	$ 486,000	$ 188,379	$ (297,621)
Total revenues	486,000	486,000	188,379	(297,621)
Expenditures				
Project reserve	6,626	6,626	-	6,626
General government	458,400	458,400	141,744	316,656
Total expenditures	465,026	465,026	141,744	323,282
Revenues over (under) expenditures	20,974	20,974	46,635	25,661
Other financing sources (uses)				
Transfers out	(27,600)	(27,600)	(37,157)	(9,557)
Total other financing sources (uses)	(27,600)	(27,600)	(37,157)	(9,557)
Net change in fund balance	(6,626)	(6,626)	9,478	16,104
Fund balances, beginning of year	6,626	6,626	9,412	2,786
Fund balances, end of year	$ -	$ -	$ 18,890	$ 18,890

CITY OF GARDNER, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

MAIN STREET MARKETPLACE CID FUND

Year Ended December 31, 2023

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Sales and use taxes	$ 501,600	$ 501,600	$ 412,102	$ (89,498)
Total revenues	501,600	501,600	412,102	(89,498)
Expenditures				
Project reserve	25,364	25,364	-	25,364
General Government	486,900	486,900	398,584	88,316
Total expenditures	512,264	512,264	398,584	113,680
Revenues over (under) expenditures	(10,664)	(10,664)	13,518	24,182
Other financing sources (uses)				
Transfers out	(14,700)	(14,700)	(12,120)	2,580
Total other financing sources (uses)	(14,700)	(14,700)	(12,120)	2,580
Net change in fund balance	(25,364)	(25,364)	1,398	26,762
Fund balances, beginning of year	25,364	25,364	30,729	5,365
Fund balances, end of year	$ -	$ -	$ 32,127	$ 32,127

CITY OF GARDNER, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

PLAZA SOUTH CID FUND

Year Ended December 31, 2023

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Sales and use taxes	$ 60,000	$ 60,000	$ 17,100	$ (42,900)
Total revenues	60,000	60,000	17,100	(42,900)
Expenditures				
Project reserve	4,000	4,000	-	4,000
General Government	56,200	56,200	337	55,863
Total expenditures	60,200	60,200	337	59,863
Revenues over (under) expenditures	(200)	(200)	16,763	16,963
Other financing sources (uses)				
Transfers out	(1,800)	(1,800)	(2,977)	(1,177)
Total other financing sources (uses)	(1,800)	(1,800)	(2,977)	(1,177)
Net change in fund balance	(2,000)	(2,000)	13,786	15,786
Fund balances, beginning of year	2,000	2,000	-	(2,000)
Fund balances, end of year	$ -	$ -	$ 13,786	$ 13,786

CITY OF GARDNER, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

MUNICIPALITIES FIGHT ADDICTION FUND

Year Ended December 31, 2023

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Operating Contributions	$ 51,800	$ 51,800	$ 62,439	$ 10,639
Total revenues	51,800	51,800	62,439	10,639
Expenditures				
Operating Supplies	-	-	-	-
Project reserve	51,800	51,800	-	51,800
Total expenditures	51,800	51,800	-	51,800
Revenues over (under) expenditures	-	-	62,439	62,439
Net change in fund balance	-	-	62,439	62,439
Fund balances, beginning of year	-	-	5,497	5,497
Fund balances, end of year	$ -	$ -	$ 67,936	$ 67,936

CITY OF GARDNER, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

SPECIAL ALCOHOL/DRUG PROGRAM FUND

Year Ended December 31, 2023

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Special alcohol tax	$ 55,000	$ 55,000	$ 64,130	$ 9,130
Investment earnings	200	200	8,174	7,974
Total revenues	55,200	55,200	72,304	17,104
Expenditures				
Project reserve	184,248	184,248	-	184,248
Contractual services	30,000	30,000	30,264	(264)
Total expenditures	214,248	214,248	30,264	183,984
Revenues over (under) expenditures	(159,048)	(159,048)	42,040	201,088
Net change in fund balance	(159,048)	(159,048)	42,040	201,088
Fund balances, beginning of year	159,048	159,048	160,463	1,415
Fund balances, end of year	$ -	$ -	$ 202,503	$ 202,503

CITY OF GARDNER, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

SPECIAL PARKS AND RECREATION FUND

Year Ended December 31, 2023

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Special alcohol tax	$ 55,000	$ 55,000	$ 64,130	$ 9,130
Investment earnings	200	200	7,464	7,264
Total revenues	55,200	55,200	71,594	16,394
Expenditures				
Project reserve	178,454	178,454	-	178,454
General Government	-	-	14,400	(14,400)
Total expenditures	178,454	178,454	14,400	164,054
Revenues over (under) expenditures	(123,254)	(123,254)	57,194	180,448
Net change in fund balance	(123,254)	(123,254)	57,194	180,448
Fund balances, beginning of year	123,254	123,254	129,488	6,234
Fund balances, end of year	$ -	$ -	$ 186,682	$ 186,682

CITY OF GARDNER, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

PARK IMPROVEMENT RESERVE FUND

Year Ended December 31, 2023

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Park impact fees	$ 313,900	$ 313,900	$ 42,671	$ (271,229)
Investment earnings	400	400	25,646	25,246
Total revenues	314,300	314,300	68,317	(245,983)
Expenditures				
Project reserve	792,244	792,244	-	792,244
Total expenditures	792,244	792,244	-	792,244
Revenues over (under) expenditures	(477,944)	(477,944)	68,317	546,261
Other financing sources (uses)				
Transfers out	-	-	(245,000)	(245,000)
Total other financing sources (uses)	-	-	(245,000)	(245,000)
Net change in fund balance	(477,944)	(477,944)	(176,683)	301,261
Fund balances, beginning of year	477,944	411,431	543,412	131,981
Fund balances, end of year	$ -	$ (66,513)	$ 366,729	$ 433,242

CITY OF GARDNER, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

STREET IMPROVEMENT FUND

Year Ended December 31, 2023

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Excise tax	$ 200,000	$ 200,000	$ 171,003	$ (28,997)
Investment earnings	2,000	2,000	94,267	92,267
Total revenues	202,000	202,000	265,270	63,270
Expenditures				
Project reserve	1,611,235	1,611,235	-	1,611,235
Total expenditures	1,611,235	1,611,235	-	1,611,235
Revenues over (under) expenditures	(1,409,235)	(1,409,235)	265,270	1,674,505
Net change in fund balance	(1,409,235)	(1,409,235)	265,270	1,674,505
Fund balances, beginning of year	1,409,235	1,409,235	1,863,451	454,216
Fund balances, end of year	$ -	$ -	$ 2,128,721	$ 2,128,721

CITY OF GARDNER, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

INFRASTRUCTURE SPECIAL SALES TAX FUND

Year Ended December 31, 2023

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Taxes	$ 1,539,000	$ 1,539,000	$ 1,602,566	$ 63,566
Investment earnings	2,000	2,000	94,976	92,976
Total revenues	1,541,000	1,541,000	1,697,542	156,542
Expenditures				
Principal & Interest	628,800	628,800	628,788	12
Public Works	-	-	757,082	(757,082)
Capital Outlay	800,000	800,000	40,980	759,020
Project Reserve	1,134,347	1,134,347	-	1,134,347
Total expenditures	2,563,147	2,563,147	1,426,850	1,136,297
Revenues over (under) expenditures	(1,022,147)	(1,022,147)	270,692	1,292,839
Net change in fund balance	(1,022,147)	(1,022,147)	270,692	1,292,839
Fund balances, beginning of year	1,022,147	1,022,147	1,654,300	632,153
Fund balances, end of year	$ -	$ -	$ 1,924,992	$ 1,924,992
Explanation of difference between budgetary and GAAP fund balances:				
Encumbrances for equipment and supplies ordered but not received are not recorded for GAAP purposes until received			83,397	
GAAP fund balance, end of year			$ 2,008,389	

CITY OF GARDNER, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

SPECIAL HIGHWAY FUND

Year Ended December 31, 2023

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental	$ 2,217,900	$ 2,217,900	$ 1,407,001	$ (810,899)
Investment earnings	12,300	12,300	221,576	209,276
Total revenues	2,230,200	2,230,200	1,628,577	(601,623)
Expenditures				
Project reserve	574,653	574,653	-	574,653
Public works	-	-	285,406	(285,406)
Capital outlay	4,657,100	4,657,100	134,813	4,522,287
Principal & Interest	1,164,600	1,164,600	-	1,164,600
Total expenditures	6,396,353	6,396,353	420,219	5,976,134
Revenues over (under) expenditures	(4,166,153)	(4,166,153)	1,208,358	5,374,511
Other financing sources (uses)				
Transfers In	27,600	27,600	37,157	9,557
Transfers out	-	-	(1,224,508)	(1,224,508)
Total other financing sources (uses)	27,600	27,600	(1,187,351)	(1,214,951)
Net change in fund balance	(4,138,553)	(4,138,553)	21,007	4,159,560
Fund balances, beginning of year	4,138,553	4,138,553	5,386,790	1,248,237
Fund balances, end of year	$ -	$ -	5,407,797	$ 5,407,797
Explanation of difference between budgetary and GAAP fund balances:				
Encumbrances for equipment and supplies ordered but not received are not recorded for GAAP purposes until received			71,753	
GAAP fund balance, end of year			$ 5,479,550	

CITY OF GARDNER, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

DEBT SERVICE FUND

Year Ended December 31, 2023

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Taxes	$ 1,798,518	$ 1,798,518	$ 1,724,977	$ (73,541)
Special assessments	1,230,800	1,230,800	1,276,083	45,283
Intergovernmental	573,000	573,000	618,682	45,682
Investment earnings	5,000	5,000	201,510	196,510
Total revenues	3,607,318	3,607,318	3,821,252	213,934
Expenditures				
Principal & Interest	5,911,200	5,911,200	5,870,019	41,181
Other	-	-	6,439	(6,439)
Project Reserve	1,938,376	1,938,376	-	1,938,376
Total expenditures	7,849,576	7,849,576	5,876,458	1,973,118
Revenues over (under) expenditures	(4,242,258)	(4,242,258)	(2,055,206)	2,187,052
Other financing sources				
General obligation bonds issued	1,430,000	1,430,000	-	(1,430,000)
Bond anticipation note issued	-	-	1,422,938	1,422,938
Issuance: Premium	-	-	5,333	5,333
Transfers in	1,244,100	1,244,100	1,260,876	16,776
Transfer out	-	-	(7,559)	(7,559)
Total other financing sources	2,674,100	2,674,100	2,681,588	7,488
Net change in fund balance subject to legal budget	(1,568,158)	(1,568,158)	626,382	2,194,540
Net change in fund balance	(1,568,158)	(1,568,158)	626,382	2,194,540
Fund balances, beginning of year	1,568,158	1,568,158	1,930,139	361,981
Fund balances, end of year	$ -	$ -	$ 2,556,521	$ 2,556,521

CITY OF GARDNER, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

LAND BANK FUND

Year Ended December 31, 2023

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Contributions	$ -	$ -	$ 500,000	$ 500,000
Investment earnings	-	-	252	252
Total revenues	-	-	500,252	500,252
Expenditures				
Project reserve	2,552	2,552	-	2,552
Contractual services	2,500	2,500	148	2,352
Total expenditures	5,052	5,052	148	4,904
Revenues over (under) expenditures	(5,052)	(5,052)	500,104	505,156
Net change in fund balance	(5,052)	(5,052)	500,104	505,156
Fund balances, beginning of year	5,052	5,052	5,097	45
Fund balances, end of year	$ -	$ -	$ 505,201	$ 505,201

Nonmajor Proprietary Funds

Enterprise Funds

Airport – The Airport Fund accounts for all revenues and expenses of the Airport Operations, as directed by the City of Gardner. Revenues are derived from the hangar and building space rental, the sale of fuel and land rental to bale hay on airport property. Expenses are for the construction, renovation and operation of the airport.

Stormwater - The Stormwater Fund accounts for all revenues and expenses of the Stormwater Utility. The principal operating revenues of the stormwater fund are charges to customers for sales and services and grants. Expenses are for the maintenance, construction and renovation of Stormwater projects.

Internal Service Funds

Internal service funds are used to account for the financing of goods or services provided by one department to other departments of the City on a cost reimbursement basis.

Risk Services Fund – This fund is used to account for the accumulation and allocation of costs associated with the City's risk-financing activities.

Information Technology Services Fund – This fund is used to account for the accumulation and allocation of costs associated with electronic data processing.

Building Services Fund – This fund is used to account for the accumulation and allocation of costs associated with maintenance and miscellaneous repairs on city-owned property.

Utility Billing Services Fund – This fund is used to account for the accumulation and allocation of costs associated with calculating and billing amounts owed for services provided by the City's utilities and municipal airport.

CITY OF GARDNER, KANSAS
COMBINING STATEMENT OF NET POSITION
NON-MAJOR ENTERPRISE FUNDS
December 31, 2023

	Stormwater	Airport	Total
Assets			
Current assets:			
Cash and cash equivalents	$ -	$ 356,765	$ 356,765
Accounts receivable, net	-	10,050	10,050
Intergovernmental receivable	-	15,523	15,523
Inventories	-	53,040	53,040
Restricted deposits and investments	-	7,300	7,300
Total current assets	-	442,678	442,678
Noncurrent assets:			
Capital assets:			
Land	-	2,076,511	2,076,511
Construction in progress	-	413,677	413,677
Buildings	-	1,745,363	1,745,363
Infrastructure	3,206,034	1,801,660	5,007,694
Improvements	737,691	142,342	880,033
Machinery and equipment	-	17,410	17,410
Less accumulated depreciation and amortization	(598,530)	(2,135,282)	(2,733,812)
Total capital assets	3,345,195	4,061,681	7,406,876
Total noncurrent assets	3,345,195	4,061,681	7,406,876
Total assets	3,345,195	4,504,359	7,849,554
Liabilities			
Current liabilities:			
Accounts payable	-	66,122	66,122
Accrued payroll	-	401	401
Customer and developer deposits	-	7,300	7,300
Accrued interest payable	-	197	197
Compensated absences	-	3,301	3,301
Current portion of bonds payable	-	35,000	35,000
Total current liabilities	-	112,321	112,321
Noncurrent liabilities:			
Compensated absences	-	1,284	1,284
Bonds payable, net	-	1,326	1,326
Total noncurrent liabilities	-	2,610	2,610
Total liabilities	-	114,931	114,931
Net position			
Net investment in capital assets	3,345,195	4,025,355	7,370,550
Unrestricted	-	364,073	364,073
Total net position	$ 3,345,195	$ 4,389,428	$ 7,734,623

CITY OF GARDNER, KANSAS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
NON-MAJOR ENTERPRISE FUNDS
Year Ended December 31, 2023

	Stormwater	Airport	Total
Operating revenues			
Charges for sales and services	$ -	$ 260,156	$ 260,156
Other	150	-	150
Total operating revenues	150	260,156	260,306
Operating expenses			
Administration	-	131,959	131,959
Repairs and maintenance	-	12,455	12,455
Depreciation and amortization	104,741	94,396	199,137
Other	150	-	150
Total operating expenses	104,891	238,810	343,701
Operating income (loss)	(104,741)	21,346	(83,395)
Nonoperating revenues (expenses)			
Investment earnings	-	23,428	23,428
Total nonoperating revenues (expenses)	-	23,428	23,428
Income (loss) before transfers and contributions	(104,741)	44,774	(59,967)
Capital grants and contributions	373,518	71,920	445,438
Change in net position	268,777	116,694	385,471
Total net position, beginning of year	3,076,418	4,272,734	7,349,152
Total net position, end of year	$ 3,345,195	$ 4,389,428	$ 7,734,623

CITY OF GARDNER, KANSAS
COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR ENTERPRISE FUNDS
Year Ended December 31, 2023

	Stormwater	Airport	Total
Cash flows from operating activities:			
Receipts from customers	$ -	$ 334,979	$ 334,979
Other receipts	150	-	150
Payments to suppliers	-	(93,561)	(93,561)
Payments to employees	-	(18,109)	(18,109)
Other payments	(150)	-	(150)
Net cash provided by operating activities	-	223,309	223,309
Cash flows from capital and related financing activities:			
Capital grants and contributions	-	71,920	71,920
Acquisition and construction of capital assets	-	(306,538)	(306,538)
Principal paid on general obligation bonds	-	(35,000)	(35,000)
Interest paid on general obligation bonds, construction loan, and capital lease	-	(1,500)	(1,500)
Net cash used in capital and related financing activities	-	(271,118)	(271,118)
Cash flows from investing activities:			
Purchase of U.S. Treasury bill	-	188,921	188,921
Interest received	-	23,428	23,428
Net cash provided from investing activities	-	212,349	212,349
Net increase (decrease) in cash and cash equivalents	-	164,540	164,540
Cash and cash equivalents, beginning of year	-	199,525	199,525
Cash and cash equivalents, end of year	$ -	$ 364,065	$ 364,065
Cash consists of:			
Cash	$ -	$ 356,765	$ 356,765
Restricted deposits and investments	-	7,300	7,300
	-	364,065	364,065
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income (loss)	(104,741)	21,346	(83,395)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Items not requiring cash:			
Depreciation and amortization expense	104,741	94,396	199,137
Total OPEB liability	-	(272)	(272)
Pension expense	-	(317)	(317)
Changes in:			
Receivables	-	74,523	74,523
Inventories	-	(21,870)	(21,870)
Accounts payable	-	54,440	54,440
Accrued liabilities	-	763	763
Customer deposits	-	300	300
Net cash provided by operating activities	$ -	$ 223,309	$ 223,309
Noncash investing capital and financing activities:			
Contributed capital assets	$ 373,518	$ -	$ 373,518

CITY OF GARDNER, KANSAS

COMBINING STATEMENT OF NET POSITION

INTERNAL SERVICE FUNDS

December 31, 2023

	Governmental Activities				Business-type Activities	
	Risk Services	Information Technology Services	Building Services	Fleet Services	Utility Billing Services	Total
Assets						
Current assets:						
Deposits and investments	$ 55,394	$ 471,003	$ 127,097	$ 47,414	$ 394,048	$ 1,094,956
Noncurrent assets:						
Capital assets:						
Machinery and equipment	-	498,675	14,794	-	10,509	523,978
Vehicles	-	-	34,488	-	-	34,488
Right to use subscriptions	-	454,767	-	-	-	454,767
Less accumulated depreciation/amortization	-	(535,544)	(38,936)	-	(10,509)	(584,989)
Total capital assets	-	417,898	10,346	-	-	428,244
Total assets	55,394	888,901	137,443	47,414	394,048	1,523,200
Deferred outflows of resources						
Pension deferred outflow	16,913	95,649	30,092	14,885	98,560	256,099
OPEB deferred outflow	64	1,408	770	57	5,851	8,150
Total deferred outflows of resources	16,977	97,057	30,862	14,942	104,411	264,249
Liabilities						
Current liabilities:						
Accounts payable	3,110	32,398	2,714	2,888	9,169	50,279
Accrued payroll	1,169	5,279	2,084	1,023	7,078	16,633
Compensated absences	2,318	19,389	5,451	4,193	33,296	64,647
Subscription liability	-	113,278	-	-	-	113,278
Noncurrent liabilities:						
Compensated absences	509	4,256	1,196	920	12,948	19,829
Total OPEB liability	894	11,969	5,929	787	41,466	61,045
Subscription liability	-	242,079	-	-	-	242,079
Net Pension liability	56,693	320,620	100,869	49,895	330,378	858,455
Total liabilities	64,693	749,268	118,243	59,706	434,335	1,426,245
Deferred inflows of resources						
Pension deferred inflow	1,829	10,346	3,255	1,610	10,662	27,702
OPEB deferred inflow	1,181	8,086	2,984	1,040	14,255	27,546
Total deferred inflows of resources	3,010	18,432	6,239	2,650	24,917	55,248
Net position						
Net investment in capital assets	-	62,541	10,346	-	-	72,887
Unrestricted	4,668	155,717	33,477	-	39,207	233,069
Total net position	$ 4,668	$ 218,258	$ 43,823	$ -	$ 39,207	$ 305,956

CITY OF GARDNER, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION

INTERNAL SERVICE FUNDS

Year Ended December 31, 2023

	Governmental Activities				Business-type Activities	
	Risk Services	Information Technology Services	Building Services	Fleet Services	Utility Billing Services	Total
Operating revenues						
Charges for services	$ 1,037,592	$ 1,029,593	$ 514,578	$ 342,681	$ 946,637	$ 3,871,081
Other	10,208	-	-	-	-	10,208
Total operating revenues	1,047,800	1,029,593	514,578	342,681	946,637	3,881,289
Operating expenses						
Administration	75,302	475,494	113,961	129,103	384,312	1,178,172
Contractual services	913,970	252,067	266,455	9,543	371,045	1,813,080
Other supplies and expenses	26,695	72,471	15,544	41,889	21,748	178,347
Repairs and maintenance	-	16,153	54,364	24,881	-	95,398
Depreciation and amortization	-	147,642	3,449	-	-	151,091
Other	31,834	65,767	57,204	137,265	149,042	441,112
Total operating expenses	1,047,801	1,029,594	510,977	342,681	926,147	3,857,200
Operating income	(1)	(1)	3,601	-	20,490	24,089
Income (loss) before transfers and contributions	(1)	(1)	3,601	-	20,490	24,089
Transfers out	-	-	(3,600)	-	(20,490)	(24,090)
Change in net position	(1)	(1)	1	-	-	(1)
Total net position, beginning of year	4,669	218,259	43,822	-	39,207	305,957
Total net position, end of year	$ 4,668	$ 218,258	$ 43,823	$ -	$ 39,207	$ 305,956

CITY OF GARDNER, KANSAS
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS

Year Ended December 31, 2023

	Governmental Activities				Business-type Activities	
	Risk Management	Information Technology Services	Building Services	Fleet Services	Utility Billing Services	Total
Cash flows from operating activities:						
Receipts from customers	$ 1,037,592	$ 1,029,593	$ 514,578	$ 342,681	$ 946,637	$ 3,871,081
Other receipts	10,208	-	-	-	-	10,208
Payments to suppliers	(980,799)	(399,530)	(394,324)	(204,527)	(543,670)	(2,522,850)
Payments to employees	(81,992)	(401,459)	(94,862)	(90,740)	(488,978)	(1,158,031)
Net cash provided by operating activities	(14,991)	228,604	25,392	47,414	(86,011)	200,408
Cash flows from noncapital financing activities:						
Transfers to other funds	-	-	(3,600)	-	-	(3,600)
Net cash provided by (used in) noncapital financing activities	-	-	(3,600)	-	-	(3,600)
Cash flows from capital and related financing activities:						
Principal paid on subscription liability	-	(99,410)	-	-	-	(99,410)
Net cash provided by capital and related financing activities	-	(99,410)	-	-	-	(99,410)
Cash flows from investing activities:						
Maturity of U.S. Treasury bill	34,232	166,239	51,215	-	233,112	484,798
Net cash provided from investing activities	34,232	166,239	51,215	-	233,112	484,798
Net increase (decrease) in cash and cash equivalents	19,241	295,433	73,007	47,414	147,101	582,196
Cash and cash equivalents, beginning of year	36,153	175,570	54,090	-	246,947	512,760
Cash and cash equivalents, end of year	$ 55,394	$ 471,003	$ 127,097	$ 47,414	$ 394,048	$ 1,094,956
Reconciliation of operating income to net cash provided by operating activities:						
Operating income	$ (1)	$ (1)	$ 3,601	$ -	$ 20,490	$ 24,089
Adjustments to reconcile operating income to net cash provided by operating activities:						
Items not requiring cash:						
Depreciation expense	-	147,642	3,449	-	-	151,091
Total OPEB expense	(3,773)	17	1,000	1,770	(5,825)	(6,811)
Pension expense	(4,390)	54,817	15,315	36,620	(90,439)	11,923
Changes in:						
Prepaid expenses	-	2,848	-	-	-	2,848
Accounts payable	(7,698)	14,045	(757)	2,888	(1,835)	6,643
Accrued liabilites	871	9,236	2,784	6,136	(8,402)	10,625
Net cash provided by operating activities	$ (14,991)	$ 228,604	$ 25,392	$ 47,414	$ (86,011)	$ 200,408



ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the fiscal year ended

December 31, 2023

STATISTICAL SECTION

Statistical Section

This part of the City of Gardner's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents **Page**

Financial Trends **134 - 137**

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity **138 - 146**

These schedules contain information to help the reader assess the factors affecting the City's ability to generate its most significant local revenue source, which is the electric, water and wastewater revenues, as well as its property taxes.

Debt Capacity **147 - 150**

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information **151 - 153**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time with other governments.

Operating Information **154 - 156**

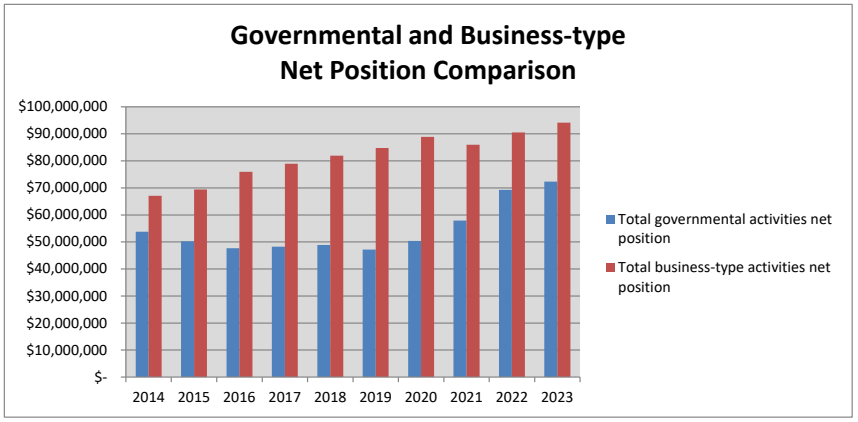
These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.

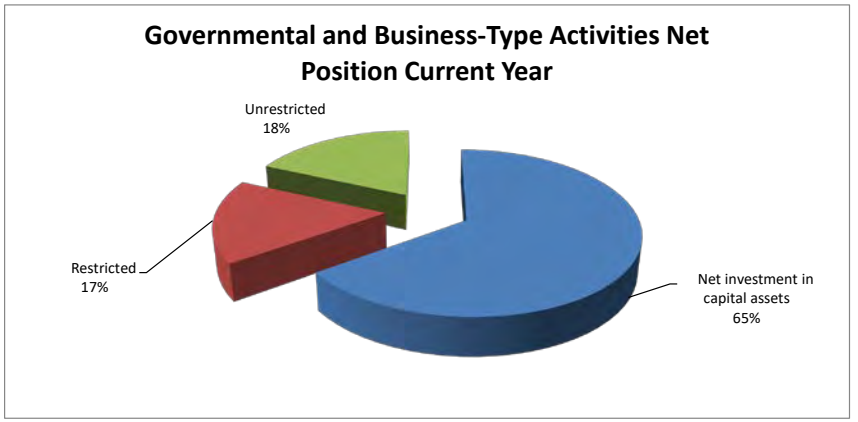
Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

City of Gardner, Kansas
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities										
Net investment in capital assets	$ 28,346,555	$ 30,941,934	$ 29,574,314	$ 31,189,584	$ 34,541,491	$ 32,182,882	$ 36,297,226	$ 40,365,621	$ 41,395,607	$ 45,679,092
Restricted	20,245,654	18,457,790	17,920,702	17,866,534	16,120,122	17,533,282	16,392,206	18,150,536	27,575,953	27,746,204
Unrestricted	5,208,773	806,326	161,452	(837,444)	(1,788,810)	(2,541,211)	(2,326,241)	(611,267)	287,855	(1,115,237)
Total governmental activities net position	$ 53,800,982	$ 50,206,050	$ 47,656,468	$ 48,218,674	$ 48,872,803	$ 47,174,953	$ 50,363,191	$ 57,904,890	$ 69,259,415	$ 72,310,059
Business-type activities										
Net investment in capital assets	$ 55,182,468	$ 57,021,062	$ 61,598,308	$ 62,611,603	$ 63,039,388	$ 66,658,777	$ 67,028,494	$ 67,367,298	$ 61,586,615	$ 62,708,043
Unrestricted	11,921,883	12,364,866	14,341,092	16,313,315	18,916,385	18,087,690	21,845,455	18,582,709	28,953,130	31,463,967
Total business-type activities net position	$ 67,104,351	$ 69,385,928	$ 75,939,400	$ 78,924,918	$ 81,955,773	$ 84,746,467	$ 88,873,949	$ 85,950,007	$ 90,539,745	$ 94,172,010
Primary government										
Net investment in capital assets	$ 83,529,023	$ 87,962,996	$ 91,172,622	$ 93,801,187	$ 97,580,879	$ 98,841,659	$ 103,325,720	$ 107,732,919	$ 102,982,222	$ 108,387,135
Restricted	20,245,654	18,457,790	17,920,702	17,866,534	16,120,122	17,533,282	16,392,206	18,150,536	27,575,953	27,746,204
Unrestricted	17,130,656	13,171,192	14,502,544	15,475,871	17,127,575	15,546,479	19,519,214	17,971,442	29,240,985	30,348,730
Total primary government net position	$ 120,905,333	$ 119,591,978	$ 123,595,868	$ 127,143,592	$ 130,828,576	$ 131,921,420	$ 139,237,140	$ 143,854,897	$ 159,799,160	$ 166,482,069

Source: *City of Gardner Finance Department*

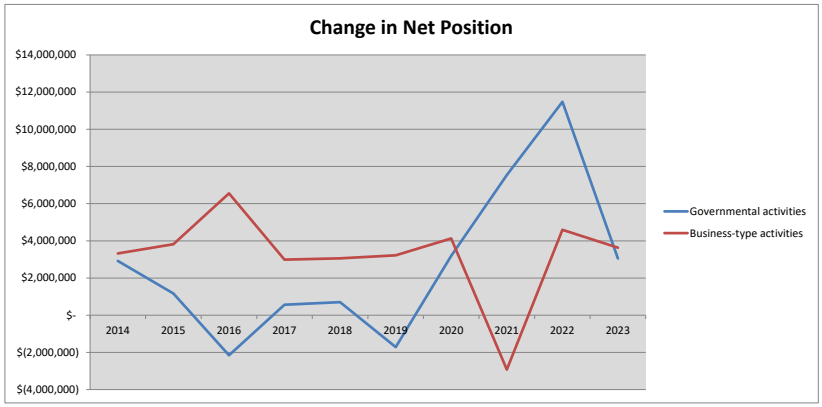




City of Gardner, Kansas
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental activities:										
General government	$ 3,558,824	$ 3,896,677	$ 4,598,982	$ 3,068,153	$ 3,332,171	$ 3,091,437	$ 3,504,843	$ 3,760,357	$ 4,016,862	$ 4,644,561
Police	4,688,596	4,383,506	5,315,430	4,395,424	5,040,277	5,600,299	5,992,914	6,128,179	6,843,357	7,769,282
Public Works	3,354,014	3,940,033	3,744,547	4,247,297	4,653,338	5,353,865	4,745,816	4,780,947	6,424,667	6,350,060
Culture and recreation	2,368,847	2,433,317	2,604,472	3,219,356	3,363,570	3,531,547	2,591,111	3,082,003	3,347,444	3,817,507
Community Development	-	-	-	893,753	947,501	1,061,554	967,771	861,708	899,992	1,103,220
Interest on long-term debt	1,100,397	808,488	609,604	696,847	1,453,025	1,404,127	1,319,387	1,208,794	1,179,226	1,118,930
Total governmental activities expenses	15,070,678	15,462,021	16,873,035	16,520,830	18,789,882	20,042,829	19,121,842	19,821,988	22,711,548	24,803,560
Business-type activities:										
Electric	12,536,784	11,919,565	12,006,709	12,699,174	16,829,253	14,817,684	14,644,403	28,977,189	21,914,251	18,508,090
Water	3,549,784	3,692,470	4,032,587	4,228,110	3,901,601	4,772,701	5,685,051	8,267,952	6,339,583	7,524,306
Wastewater	4,317,776	4,675,174	4,591,624	4,503,508	4,706,539	5,086,690	5,469,660	5,601,851	6,153,081	6,041,531
Stormwater	25,167	28,298	28,298	28,298	28,443	33,155	49,186	66,470	95,403	104,891
Airport	-	-	204,879	251,234	268,698	292,205	246,693	269,781	319,877	238,810
Total business-type activities expenses	20,429,511	20,315,507	20,864,097	21,710,324	25,734,534	25,002,435	26,094,993	43,183,243	34,822,195	32,417,628
Total primary government expenses	$ 35,500,189	$ 35,777,528	$ 37,737,132	$ 38,231,154	$ 44,524,416	$ 45,045,264	$ 45,216,835	$ 63,005,231	$ 57,533,743	$ 57,221,188
Program Revenues										
Governmental activities:										
Charges for services:										
General government	$ 1,607,129	$ 1,907,297	$ 2,171,668	$ 2,085,061	$ 961,333	$ 417,849	$ 2,597,085	$ 2,818,108	$ 2,956,854	$ 2,495,806
Police	9,253	7,439	8,228	6,525	8,616	8,427	8,687	7,745	9,576	7,656
Public Works	-	-	-	-	-	-	5,165	7,853	7,585	8,126
Culture and recreation	910,947	910,041	963,169	1,002,553	1,074,914	923,514	413,567	807,255	1,141,611	885,181
Community Development	-	-	-	323,431	435,976	378,933	393,650	542,225	887,343	417,041
Operating grants and contributions	3,251,406	3,328,990	3,397,426	3,672,663	3,734,419	3,835,400	3,530,893	3,590,921	4,012,507	5,046,226
Capital grants and contributions	2,902,279	805,138	206,879	493,301	2,253,302	1,673,007	3,642,976	8,379,221	11,230,770	2,736,341
Total governmental activities program revenues	8,681,014	6,958,905	6,747,370	7,583,534	8,468,560	7,237,130	10,592,023	16,153,328	20,246,246	11,596,377
Business-type activities:										
Charges for services:										
Electric	14,393,780	14,539,925	14,440,663	14,414,445	17,534,000	16,545,548	16,749,055	25,221,237	23,213,696	19,301,065
Water	4,948,652	5,145,232	5,440,947	5,612,380	6,248,707	5,927,668	6,225,920	6,379,148	7,225,638	7,729,061
Wastewater	4,808,675	5,023,691	5,073,706	5,168,047	5,452,335	5,428,736	5,434,314	5,480,160	6,156,537	6,730,588
Stormwater	-	-	-	-	144	-	-	-	-	-
Airport	-	-	648,050	252,380	258,295	249,908	229,035	250,068	263,251	260,156
Operating grants and contributions	-	-	-	-	-	-	98	1,098	-	150
Capital grants and contributions	-	246,112	358,459	57,574	32,121	700,141	2,403,147	1,405,534	2,333,423	1,664,852
Total business-type program revenues	24,151,107	24,954,960	25,961,825	25,504,826	29,525,602	28,852,001	31,041,569	38,737,245	39,192,545	35,685,872
Total primary government program revenues	$ 32,832,121	$ 31,913,865	$ 32,709,195	$ 33,088,360	$ 37,994,162	$ 36,089,131	$ 41,633,592	$ 54,890,573	$ 59,438,791	$ 47,282,249
Net (Expense)/Revenue										
Governmental activities	$ (6,389,664)	$ (8,503,116)	$ (10,125,665)	$ (8,937,296)	$ (10,321,322)	$ (12,805,699)	$ (8,529,819)	$ (3,668,660)	$ (2,465,302)	$ (13,207,183)
Business-type activities	3,721,596	4,639,453	5,097,728	3,794,502	3,791,068	3,849,566	4,946,576	(4,445,998)	4,370,350	3,268,244
Total primary government net expense	$ (2,668,068)	$ (3,863,663)	$ (5,027,937)	$ (5,142,794)	$ (6,530,254)	$ (8,956,133)	$ (3,583,243)	$ (8,114,658)	$ 1,905,048	$ (9,938,939)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	$ 4,947,132	$ 4,893,957	$ 5,246,198	$ 4,037,863	$ 4,206,575	$ 4,476,355	$ 4,810,228	$ 5,394,940	$ 5,373,238	$ 5,892,875
Sales taxes	3,467,735	3,535,132	3,827,653	4,041,798	4,171,850	4,333,660	5,079,085	5,931,142	6,702,300	6,733,890
Franchise taxes	352,792	312,625	269,736	360,268	282,893	257,002	245,477	264,835	325,352	327,114
Excise taxes	-	-	-	-	686,718	451,991	28,227	359,835	559,109	171,003
Transient guest taxes	42,976	62,892	74,272	71,383	66,361	153,661	217,553	244,697	299,861	309,869
Other	75,467	30,737	70,505	28,852	328,963	78,002	235,353	496,004	449,241	350,219
Unrestricted investment earnings	11,456	9,867	9,533	65,538	311,797	335,633	137,134	17,313	240,530	1,408,357
Gain on disposal of asset	-	-	(82,063)	-	-	-	-	-	-	-
Transfers	413,163	829,600	(1,445,460)	893,800	969,500	1,008,200	965,000	(1,498,407)	(4,944)	1,064,500
Total governmental activities	9,310,721	9,674,810	7,970,374	9,499,502	11,024,657	11,094,504	11,718,057	11,210,359	13,944,687	16,257,827
Business-type activities:										
Unrestricted investment earnings	10,744	10,442	10,284	84,816	240,469	376,630	145,906	23,649	214,318	1,428,446
Lease interest revenue	-	-	-	-	-	-	-	-	126	75
Transfers	(413,163)	(829,600)	1,445,460	(893,800)	(969,500)	(1,008,200)	(965,000)	1,498,407	4,944	(1,064,500)
Total business-type activities	(402,419)	(819,158)	1,455,744	(808,984)	(729,031)	(631,570)	(819,094)	1,522,056	219,388	364,021
Total primary government	$ 8,908,302	$ 8,855,652	$ 9,426,118	$ 8,690,518	$ 10,295,626	$ 10,462,934	$ 10,898,963	$ 12,732,415	$ 14,164,075	$ 16,621,848
Change in Net Position										
Governmental activities	$ 2,921,057	$ 1,171,694	$ (2,155,291)	$ 562,206	$ 703,335	$ (1,711,195)	$ 3,188,238	$ 7,541,699	$ 11,479,385	$ 3,050,644
Business-type activities	3,319,177	3,820,295	6,553,472	2,985,518	3,062,037	3,217,996	4,127,482	(2,923,942)	4,589,738	3,632,265
Total primary government	$ 6,240,234	$ 4,991,989	$ 4,398,181	$ 3,547,724	$ 3,765,372	$ 1,506,801	$ 7,315,720	$ 4,617,757	$ 16,069,123	$ 6,682,909

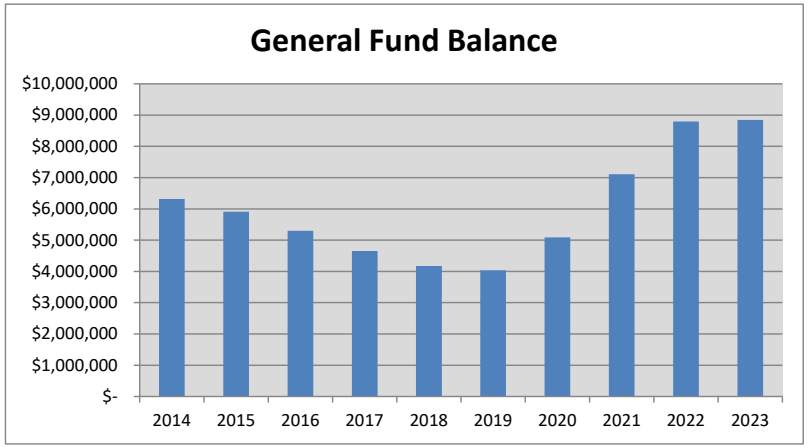
Source: *City of Gardner Finance Department*

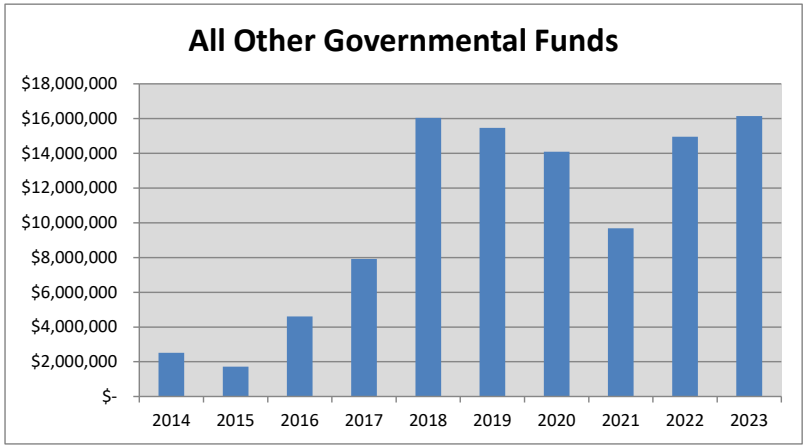


City of Gardner, Kansas
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Nonspendable	$ -	$ -	$ -	$ -	$ 29,694	$ 23,758	$ 28,584	$ 75,719	$ 122,108	$ 127,483
Restricted	-	-	-	-	-	-	-	-	-	515,936
Assigned	9,640	115,541	22,221	184,992	166,052	306,996	45,957	155,886	163,278	213,252
Unassigned	6,305,486	5,792,880	5,280,652	4,471,284	3,980,094	3,701,788	5,012,435	6,879,876	8,509,475	7,991,138
Total General Fund	$ 6,315,126	$ 5,908,421	$ 5,302,873	$ 4,656,276	$ 4,175,840	$ 4,032,542	$ 5,086,976	$ 7,111,481	$ 8,794,861	$ 8,847,809
All Other Governmental Funds										
Restricted	$ 2,520,366	$ 1,715,705	$ 4,611,811	$ 7,911,908	$ 16,046,623	$ 15,464,558	$ 14,096,969	$ 9,685,387	$ 14,960,706	$ 16,149,124
Total all other governmental funds	$ 2,520,366	$ 1,715,705	$ 4,611,811	$ 7,911,908	$ 16,046,623	$ 15,464,558	$ 14,096,969	$ 9,685,387	$ 14,960,706	$ 16,149,124

Source: *City of Gardner Finance Department*





City of Gardner, Kansas
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Taxes	$ 8,810,635	$ 8,804,606	$ 9,417,859	$ 8,511,312	$ 9,414,397	$ 9,672,669	$ 10,380,570	$ 12,195,449	$ 13,259,860	$ 13,434,751
Licenses and permits	204,236	189,784	293,055	337,987	452,521	306,785	337,714	307,314	664,523	403,623
Fines and fees	451,700	524,540	591,913	632,258	634,207	651,540	704,130	795,294	1,195,077	669,793
Charges for services	1,867,940	2,103,849	2,253,903	2,444,420	2,593,495	2,882,631	2,371,488	3,080,578	3,143,369	2,740,394
Special assessments	977,266	1,129,613	1,869,075	1,235,823	1,220,611	1,119,494	1,216,401	1,124,026	1,280,106	1,276,083
Intergovernmental	4,306,908	3,769,237	3,604,305	4,165,964	4,780,797	4,008,417	5,963,090	6,507,828	5,965,238	5,953,227
Investment earnings	11,456	9,867	9,533	65,538	311,797	335,633	137,134	17,313	240,530	1,408,357
Other revenues	53,362	22,154	68,397	25,221	311,488	54,283	204,041	476,285	414,546	831,901
Total revenues	16,683,503	16,553,650	18,108,040	17,418,523	19,719,313	19,031,452	21,314,568	24,504,087	26,163,249	26,718,129
Expenditures										
General government	3,429,383	3,825,458	4,408,175	2,980,122	3,202,406	2,919,687	3,191,213	3,478,577	3,786,701	4,429,294
Police	4,188,261	4,466,208	5,087,946	3,994,544	4,315,082	4,774,678	4,977,084	5,434,698	5,754,066	6,447,144
Public works	1,600,153	1,918,905	1,944,363	2,725,561	2,892,920	3,503,786	2,869,204	2,731,221	4,033,710	3,837,543
Culture and recreation	1,970,858	2,124,243	2,272,346	2,600,834	2,646,171	2,771,474	1,809,340	2,386,493	2,584,267	3,006,512
Community Development	-	-	-	883,428	925,371	1,030,985	946,782	865,692	863,715	1,062,246
Capital outlay	1,720,480	1,239,165	2,445,875	3,058,193	10,614,356	9,404,314	9,224,447	7,902,394	2,516,812	2,751,270
Debt service:										
Interest	906,684	908,330	690,690	684,294	900,201	1,309,268	1,294,205	1,198,963	1,101,929	1,369,780
Principal	13,008,131	4,062,511	2,971,806	2,227,937	4,231,683	5,025,987	8,516,593	10,511,966	8,577,984	5,174,079
Other	245,493	58,379	155,738	192,427	434,986	184,671	154,146	138,470	159,715	33,304
Total expenditures	27,069,443	18,603,199	19,976,939	19,347,340	30,163,176	30,924,850	32,983,014	34,648,474	29,378,899	28,111,172
Excess of revenues over (under) expenditures	(10,385,940)	(2,049,549)	(1,868,899)	(1,928,817)	(10,443,863)	(11,893,398)	(11,668,446)	(10,144,387)	(3,215,650)	(1,393,043)
Other Financing Sources (Uses)										
Bonds issued	8,090,000	-	3,548,000	3,505,000	14,985,000	2,465,000	4,825,000	6,120,000	6,990,000	-
Proceeds from capital lease	-	-	-	-	1,218,000	180,000	-	-	-	-
Premium on G.O. Bonds	224,484	-	124,700	179,886	908,167	112,771	343,479	312,362	698,761	5,333
Bond Anticipation notes issued	-	-	-	-	-	7,365,000	5,205,000	-	1,385,000	1,515,000
Sale of capital assets	22,105	8,583	2,108	3,631	17,475	23,719	16,812	17,542	43,688	45,976
Transfers in	1,866,968	1,416,567	1,714,113	1,159,400	1,178,702	1,221,412	1,168,680	2,959,498	4,011,706	3,757,989
Transfers out	(1,032,587)	(586,967)	(835,173)	(265,600)	(209,202)	(213,212)	(203,680)	(1,652,092)	(2,954,806)	(2,689,889)
Total other financing sources (uses)	9,170,970	838,183	4,553,748	4,582,317	18,098,142	11,154,690	11,355,291	7,757,310	10,174,349	2,634,409
Net change in fund balances	$ (1,214,970)	$ (1,211,366)	$ 2,684,849	$ 2,653,500	$ 7,654,279	$ (738,708)	$ (313,155)	$ (2,387,077)	$ 6,958,699	$ 1,241,366
Debt service as a percentage of noncapital expenditures	53.6%	28.8%	20.9%	17.9%	26.3%	29.4%	41.3%	43.8%	36.0%	25.8%

Source: *City of Gardner Finance Department*

City of Gardner, Kansas
Utilities Produced, Consumed, and Treated
Last Ten Fiscal Years

Fiscal Year	Electricity Generated & Purchased	Electricity Sold To Customers	[a]Electricity Consumed & Unbilled	[a]Average Percent Unbilled	Gallons of Water Produced & Purchased	Gallons of Water Sold	[a]Gallons of Water Unbilled	[a]Average Percent Unbilled	Gallons of Wastewater Treated	Total Direct Rate					
										Electric		Water		Wastewater	
										Base [b]Rate	Usage [c]Rate	Base [b]Rate	Usage [c]Rate	Base [b]Rate	Usage [c]Rate
2014	143,884	134,608	9,276	6.45%	753	664	70	9.30%	395	$ 6.72	$ 0.1082	$ 12.45	$ 5.55	$ 13.20	$ 8.44
2015	143,731	135,754	7,977	5.55%	673	577	28	4.16%	466	$ 6.72	$ 0.1082	$ 13.45	$ 5.99	$ 13.73	$ 8.78
2016	150,351	136,060	14,291	9.51%	794	633	74	9.32%	668	$ 6.72	$ 0.1082	$ 13.45	$ 5.99	$ 13.73	$ 8.78
2017	144,632	136,157	8,723	6.03%	841	699	142	16.88%	591	$ 6.72	$ 0.1082	$ 13.45	$ 5.99	$ 13.73	$ 8.78
2018	155,841	148,934	6,907	4.43%	999	761	138	13.81%	593	$ 6.72	$ 0.1082	$ 13.45	$ 5.99	$ 13.73	$ 8.78
2019	154,281	147,686	6,595	4.27%	969	684	285	29.41%	833	$ 6.72	$ 0.1082	$ 13.45	$ 5.99	$ 13.73	$ 8.78
2020	149,688	142,404	7,284	4.87%	952	708	244	25.63%	760	$ 6.72	$ 0.1038	$ 13.95	$ 6.21	$ 13.73	$ 8.78
2021	154,373	149,224	5,149	3.34%	977	754	223	22.82%	763	$ 6.72	$ 0.1038	$ 14.47	$ 6.44	$ 13.73	$ 8.78
2022	161,712	152,339	9,373	5.80%	1022	764	258	25.24%	827	$ 6.72	$ 0.1038	$ 15.01	$ 6.68	$ 13.73	$ 8.78
2023	162,134	160,627	1,507	0.93%	1086	798	288	26.52%	953	$ 2.72	$ 0.1017	$ 15.57	$ 6.93	$ 14.31	$ 9.15

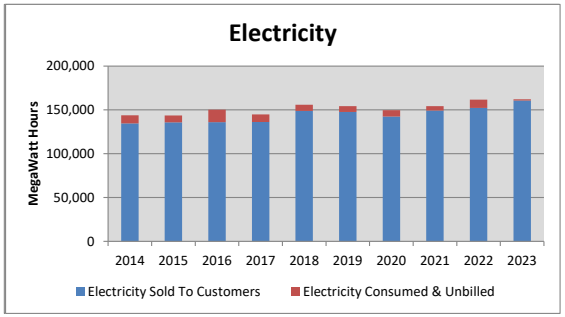
Notes: *Electricity is presented in MegaWatt Hours and gallons are presented in millions.*

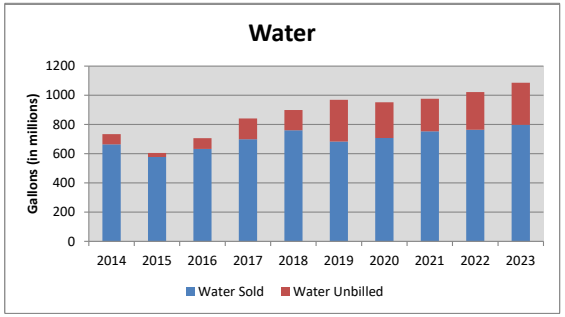
[a] *Unbilled amounts include electric and water used by the City of Gardner for government operations.*

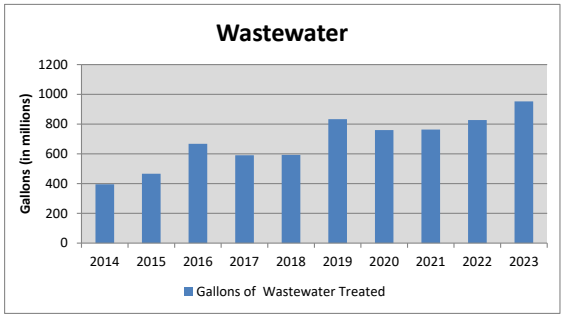
[b] *Rates shown are for residential customers. For more detail on utility rates see the Electric, Water, and Sewer Rate schedule in this section.*

[c] *Per 1,000 gallons.*

Source: *City of Gardner Public Works Department & Utility Department*



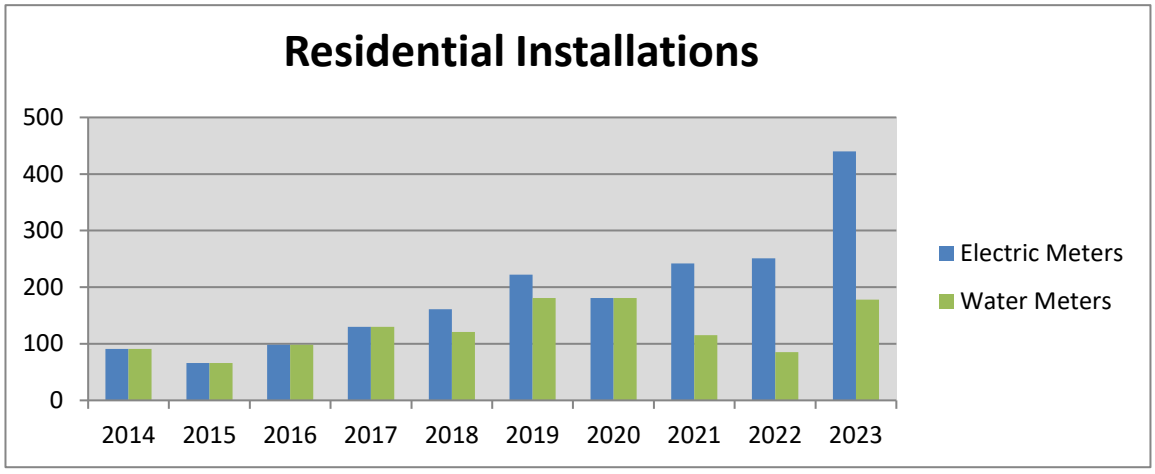


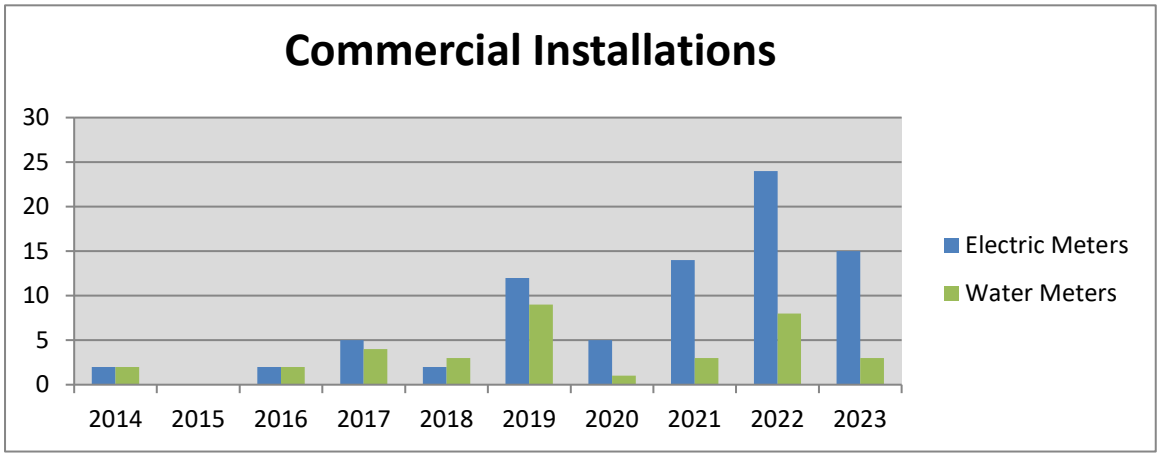


City of Gardner, Kansas
Annual Electric and Water Meter Installations
Last Ten Fiscal Years

Fiscal Year	Electric Meter Installations		Water Meter Installations		Total Installations
	Residential	Commercial	Residential	Commercial	
2014	91	2	91	2	186
2015	66	-	66	-	132
2016	98	2	98	2	200
2017	130	5	130	4	269
2018	161	2	121	3	287
2019	222	12	181	9	424
2020	181	5	181	1	368
2021	242	14	115	3	374
2022	251	24	85	8	368
2023	440	15	178	3	636

Source: *City of Gardner Utility Department*

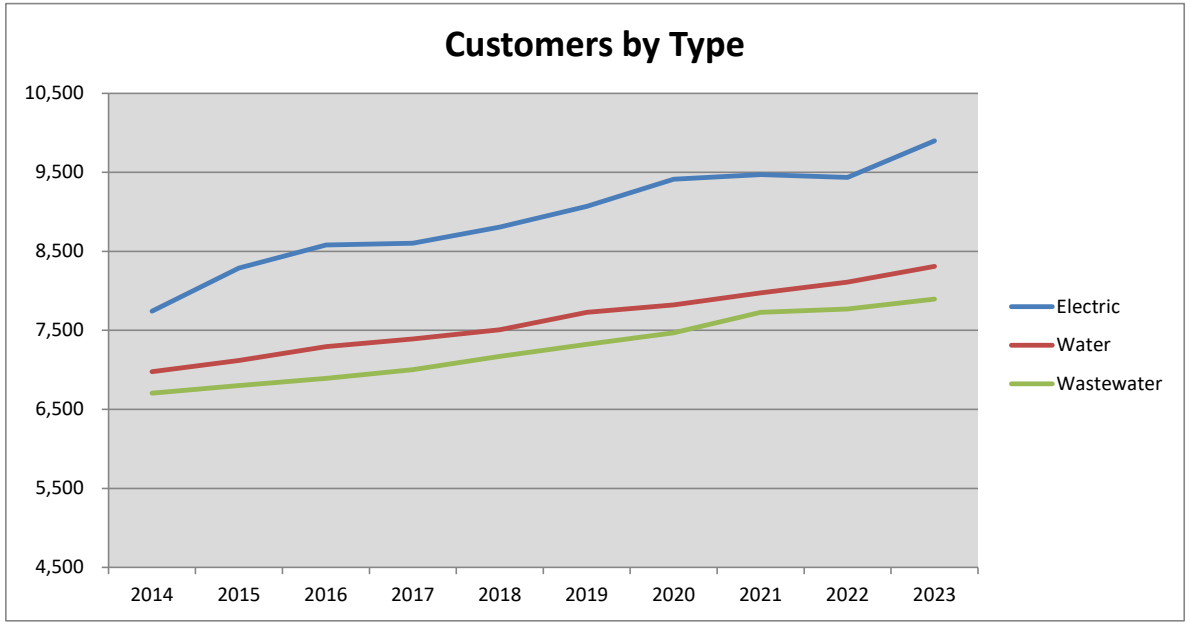




City of Gardner, Kansas
Number of Electric, Water, and Wastewater Customers by Type
Last Ten Fiscal Years

Fiscal	Electric			Water			Wastewater			Total		
Year	Residential	Commercial	Industrial	Residential	Commercial	Industrial	Residential	Commercial	Industrial	Electric	Water	Wastewater
2014	7,274	465	4	6,709	261	7	6,480	219	6	7,743	6,977	6,705
2015	7,806	479	4	6,821	290	7	6,577	219	6	8,289	7,118	6,802
2016	8,089	488	4	6,977	309	7	6,664	221	6	8,581	7,293	6,891
2017	8,081	517	4	7,069	316	7	6,766	229	6	8,602	7,392	7,001
2018	8,288	515	5	7,189	313	7	6,937	228	7	8,808	7,509	7,172
2019	8,541	522	7	7,402	319	7	7,081	235	7	9,070	7,728	7,323
2020	8,869	536	9	7,490	326	7	7,224	239	7	9,414	7,823	7,470
2021	8,917	545	9	7,509	455	9	7,475	245	9	9,471	7,973	7,729
2022	8,866	562	8	7,679	423	9	7,521	241	9	9,436	8,111	7,771
2023	9,321	570	8	7,996	310	4	7,644	249	3	9,899	8,310	7,896

Source: *City of Gardner Utility Department*



City of Gardner, Kansas
Electric, Water, and Wastewater Rates
Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020[b]	2021	2022	2023
Water Rates[a]										
(All Meter Sizes)										
Base Rate	$ 12.45	$ 13.45	$ 13.45	$ 13.45	$ 13.45	$ 13.45	$ 13.95	$ 14.47	$ 15.01	$ 15.57
Usage Rate (per 1,000 gallons) First 40,000 gallons	-	-	-	-	-	-	-	-	-	-
Usage Rate per 1,000 gallons) Over 40,000 gallons	-	-	-	-	-	-	-	-	-	-
Usage Rate (per 1,000 gallons) First 6,000 gallons	5.55	5.99	5.99	5.99	5.99	5.99	6.21	6.44	6.68	6.93
Usage Rate per 1,000 gallons) 6,001-10,000 gallons	6.11	6.60	6.60	6.60	6.60	6.60	6.84	7.09	7.35	7.62
Usage Rate (per 1,000 gallons) 10,001-14,000 gallons	6.38	6.89	6.89	6.89	6.89	6.89	7.14	7.40	7.67	7.95
Usage Rate (per 1,000 gallons) 14,001-18,000 gallons	6.67	7.20	7.20	7.20	7.20	7.20	7.47	7.75	8.04	8.34
Usage Rate (per 1,000 gallons)18,001 or more gallons	6.97	7.53	7.53	7.53	7.53	7.53	7.81	8.10	8.40	8.71
Wastewater Rates										
Base Rate	$ 13.20	$ 13.73	$ 13.73	$ 13.73	$ 13.73	$ 13.73	$ 13.73	$ 13.73	$ 13.73	$ 14.31
Usage Rate (per 1,000 gallons)	8.44	8.78	8.78	8.78	8.78	8.78	8.78	8.78	8.78	9.15
Electric Rates										
Residential										
Base Rate	$ 6.72	$ 6.72	$ 6.72	$ 6.72	$ 6.72	$ 6.72	$ 6.72	$ 6.72	$ 6.72	$ 6.72
Usage Rate (per kWh)	0.10819	0.10819	0.10819	0.10819	0.10819	0.10819	0.10380	0.10380	0.10380	0.10170
Commercial [c]										
Base Rate	$ 7.35	$ 7.35	$ 7.35	$ 7.35	$ 7.35	$ 7.35	$ -	$ -	$ -	$ -
Usage Rate (per kWh)	0.11152	0.11152	0.11152	0.11152	0.11152	0.11152	-	-	-	-
Commercial Small With Demand										
Base Rate for Demand	$ 16.70	$ 16.70	$ 16.70	$ 16.70	$ 16.70	$ 16.70	$ 10.00	$ 10.00	$ 10.00	$ 10.00
Usage Rate (per KW)	14.06	14.06	14.06	14.06	14.06	14.06	5.00	5.00	5.00	5.00
Usage Rate (per kWh)	0.05708	0.05708	0.05708	0.05708	0.05708	0.05708	0.07860	0.07860	0.07860	0.07860
Usage Rate (per kWh) Over 5,000 kWh [c]	0.05053	0.05053	0.05053	0.05053	0.05053	0.05053	-	-	-	-
Commercial Medium With Demand										
Base Rate for Demand	-	-	-	-	-	-	$ 20.00	$ 20.00	$ 20.00	$ 20.00
Usage Rate (per KW)	-	-	-	-	-	-	9.75	9.75	9.75	9.75
Usage Rate (per kWh)	-	-	-	-	-	-	0.07860	0.07860	0.07860	0.07860
Commercial Large With Demand										
Base Rate for Demand	$ 22.26	$ 22.26	$ 2.26	$ 2.26	$ 2.26	$ 2.26	$ 35.00	$ 35.00	$ 35.00	$ 35.00
Usage Rate (per KW)	14.06	14.06	14.06	14.06	14.06	14.06	14.50	14.50	14.50	14.50
Usage Rate (per kWh)	0.05080	0.05080	0.05080	0.05080	0.05080	0.05080	0.05400	0.05400	0.05400	0.05400
Usage Rate (per kWh) Over 5,000 kWh [c]	0.05053	0.05053	0.05053	0.05053	0.05053	0.05053	-	-	-	-
All Electric Rates [c]										
Residential										
Base Rate	$ 6.20	$ 6.20	$ 6.20	$ 6.20	$ 6.20	$ 6.20	$ -	$ -	$ -	$ -
Summer Usage Rate (per kWh)	0.11088	0.11088	0.11088	0.11088	0.11088	0.11088	-	-	-	-
Winter Usage Rate (per kWh) First 800 kWh	0.11088	0.11088	0.11088	0.11088	0.11088	0.11088	-	-	-	-
Winter Usage Rate (per kWh) Over 800 kWh	0.04853	0.04853	0.04853	0.04853	0.04853	0.04853	-	-	-	-
Commercial										
Base Rate	$ 7.35	$ 7.35	$ 7.35	$ 7.35	$ 7.35	$ 7.35	$ -	$ -	$ -	$ -
Usage Rate (per KW)	5.30	5.30	5.30	5.30	5.30	5.30	-	-	-	-
Summer Usage Rate (per kWh)	0.04198	0.04198	0.04198	0.04198	0.04198	0.04198	-	-	-	-
Winter Usage Rate (per kWh)	0.03894	0.03894	0.03894	0.03894	0.03894	0.03894	-	-	-	-

Source: *City of Gardner Utility Department*

Note: *(a) The City of Gardner implemented a new step rate structure for water in 2014*
(b) The City of Gardner implemented new rate structures for water and electric in 2020
(c) Some rates and rate classes were eliminated as part of the implementation of new rate structures in 2020

City of Gardner, Kansas
Ten Largest Electric, Water, and Wastewater Customers
Current Year and Nine Years Ago

Fiscal Year 2023

	Electric Revenue			Water Revenue			Wastewater Revenue	
Customer	**Amount**	**%**	**Customer**	**Amount**	**%**	**Customer**	**Amount**	**%**
Walmart	$ 367,538.92	2.33%	New Century	$ 809,903.81	11.78%	Go Car Wash	$ 35,744.71	0.66%
U.S.D. 231 High School	281,851.58	1.79%	Nottingham Village 1	37,441.42	0.54%	Nottingham Village 1	33,819.99	0.62%
Price Chopper	210,876.49	1.34%	Go Car Wash	34,425.48	0.50%	U.S.D. 231 Grand Street	32,446.51	0.60%
COG - Wastewater Plant	181,086.95	1.15%	U.S.D. 231 Grand Street	32,559.49	0.47%	U.S.D. 231 High School	23,283.09	0.43%
Excelligence	171,457.13	1.09%	U.S.D. 231 High School	23,036.19	0.34%	Trailswest Car Wash	20,452.46	0.38%
U.S.D. 231 Pioneer Ridge MS	134,445.38	0.85%	Recover Care	22,771.35	0.33%	Hampton Inn	19,930.90	0.37%
Omni Systems, Inc.	132,761.17	0.84%	Trailswest Car Wash	19,814.94	0.29%	Nottingham Village 2	19,732.69	0.36%
U.S.D. 231 Grand Street	124,819.29	0.79%	Hampton Inn	19,762.13	0.29%	Moonlight Plaza	18,863.89	0.35%
Coleman Company, Inc.	108,924.07	0.69%	Nottingham Village 2	19,209.41	0.28%	Bristol Partners	18,513.23	0.34%
Tradenet Publishing	100,835.39	0.64%	Moonlight Plaza	18,294.07	0.27%	S7 Realty LLC	14,785.44	0.27%
Subtotal (10 largest)	$ 1,814,596.37	11.51%	Subtotal (10 largest)	$ 1,037,218.29	15.09%	Subtotal (10 largest)	$ 237,572.91	4.38%
Balance from other customers	$ 13,944,325.65	88.49%	Balance from other customers	$ 5,837,452.88	84.91%	Balance from other customers	$ 5,190,438.02	95.62%
Grand Totals	$ 15,758,922.02	100.00%	Grand Totals	$ 6,874,671.17	100.00%	Grand Totals	$ 5,428,010.93	100.00%

Fiscal Year 2014

	Electric Revenue			Water Revenue			Wastewater Revenue	
Customer	**Amount**	**%**	**Customer**	**Amount**	**%**	**Customer**	**Amount**	**%**
Walmart	$ 331,872.60	2.39%	New Century Aircenter	$ 256,470.50	5.93%	U.S.D. 231 Wheatridge Middle School	$ 27,883.70	0.68%
Price Chopper	273,326.32	1.97%	U.S.D. 231 High School Irrigation	58,312.90	1.35%	Walmart	21,163.74	0.52%
U.S.D. 231 High School	254,980.24	1.84%	U.S.D. 231 Trail Ridge Middle School	38,283.90	0.89%	R&B Autowash	19,925.86	0.49%
Coleman	216,867.19	1.56%	U.S.D. 231 Grand Star Elementary	33,748.18	0.78%	Jacobs Properties	19,445.14	0.48%
ITW Labels	152,530.70	1.10%	U.S.D. 231 Wheatridge Middle School	26,751.64	0.62%	USD 231- High School Main	13,239.42	0.32%
U.S.D. 231 Grand Street	140,512.98	1.01%	Walmart	16,799.73	0.39%	Pinnacle Healthcare	12,564.46	0.31%
U.S.D. 231 Pioneer Ridge MS	139,141.93	1.00%	R&B Autowash	16,071.44	0.37%	Trailswest Car Wash	12,125.66	0.30%
Century Link	126,239.17	0.91%	U.S.D. 231 High School	15,958.12	0.37%	Bristol Partners	11,964.34	0.29%
Tradenet Publishing	107,276.40	0.77%	Jacobs Properties	15,873.87	0.37%	Vintage Park	11,690.60	0.29%
USD 231 - Sunflower Elementary	93,101.28	0.67%	USD 231- High School Irrigation 2	15,777.74	0.37%	Sonic	8,244.86	0.20%
Subtotal (10 largest)	$ 1,835,848.81	13.22%	Subtotal (10 largest)	$ 494,048.02	11.43%	Subtotal (10 largest)	$ 158,247.78	3.87%
Balance from other customers	$ 12,047,605.25	86.78%	Balance from other customers	$ 3,827,343.22	88.57%	Balance from other customers	$ 3,927,268.84	96.13%
Grand Totals	$ 13,883,454.06	100.00%	Grand Totals	$ 4,321,391.24	100.00%	Grand Totals	$ 4,085,516.62	100.00%

Notes: *Dollar values reflected include base rate charges, as well as multiple meters on various accounts.*

Source: *City of Gardner Utility Department*

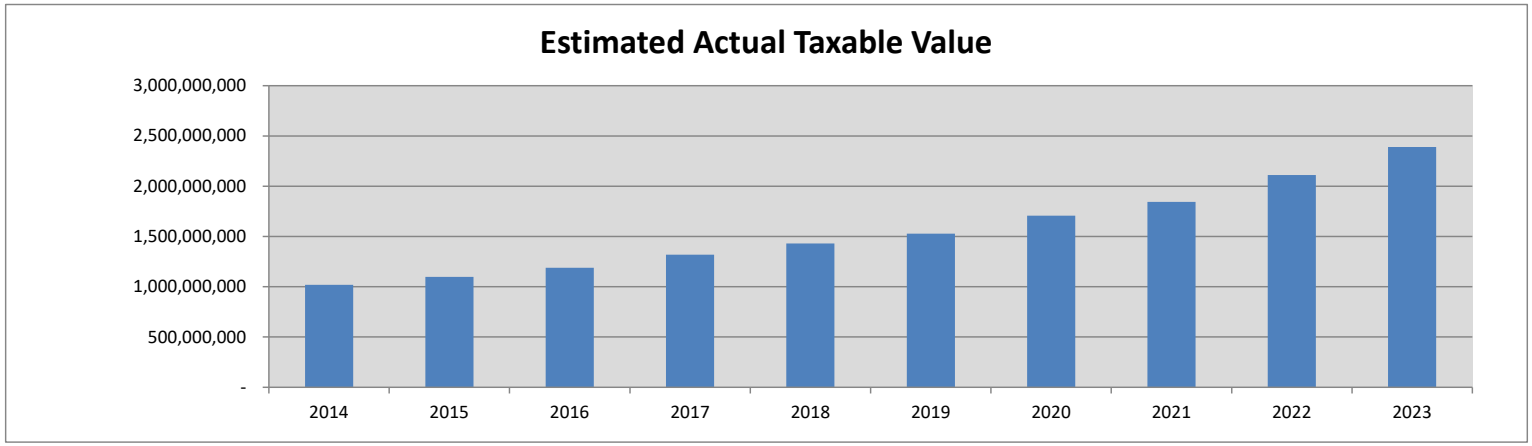
City of Gardner, Kansas
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Residential Property	Commercial Property	Vacant Lots/Not-for-Profit Property	Agricultural and Other Property	Personal Property	State Assessed Utility	Not Otherwise Subclassified	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
2014	104,947,182	23,509,159	1,445,888	121,944	2,132,218	3,823,250	-	135,979,641	29.434	1,019,076,374	13.34%
2015	113,212,121	25,623,792	1,319,507	135,798	1,803,988	3,836,836	-	145,932,042	29.455	1,098,396,946	13.29%
2016	121,390,107	28,593,736	2,212,724	140,268	1,614,159	4,113,956	-	158,064,950	20.544 [(a)]	1,188,848,018	13.30%
2017	134,815,031	30,564,675	2,827,897	226,029	1,551,718	4,117,515	-	174,102,865	20.540	1,318,882,556	13.20%
2018	147,751,168	31,962,125	2,188,661	162,813	1,551,694	4,756,452	239,102	188,612,015	20.720	1,431,422,817	13.18%
2019	158,457,041	33,314,049	2,073,812	223,801	1,491,583	4,923,303	-	200,483,589	20.710	1,529,171,279	13.11%
2020	170,300,580	50,169,157	2,956,301	296,698	1,874,266	4,957,080	-	230,554,082	20.665	1,707,176,072	13.50%
2021	184,623,605	50,527,253	4,279,461	285,009	1,893,113	4,947,052	-	246,555,493	19.854	1,844,143,869	13.37%
2022	210,995,374	56,254,055	6,162,614	287,430	1,486,496	5,146,883	-	280,332,852	18.699	2,112,071,819	13.27%
2023	240,814,612	61,861,264	5,719,323	428,235	1,661,344	5,283,968	-	315,768,746	18.319	2,390,573,635	13.21%

Note: *Property in Johnson County is reassessed every year. The county assesses property at approximately 25 percent of actual value for commercial, 30 percent for agricultural, 12 percent for not-for-profit, and 11.5 percent for residential. Estimated actual taxable value is calculated by dividing taxable assessed value by those percentages. Tax rates are per $1,000 of assessed value.*

[(a)] The significant change in the mill levy is due to a $1.4 miillion reduction in property tax revenue for the termination of the fire services contract, which is equivalent to a reduction of approximately 9 mills.

Sources: *City of Gardner Finance Department and Johnson County Treasury, Taxation and Vehicles*



City of Gardner, Kansas
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

	Direct Rates			Overlapping Rates							
Fiscal Year	Gardner General Operating	Bond and Interest	Total Direct Rate - Gardner City	State of Kansas	Johnson County	Johnson County Library	Johnson County Parks and Recreation	Johnson County Community College	Fire District #1	U.S.D. 231 (School District)	Total Direct & Overlapping Rates
2014	21.401	8.033	29.434	1.500	17.764	3.157	2.349	9.461	-	69.711	133.376
2015	19.415	10.040	29.455	1.500	19.582	3.912	3.101	9.469	-	69.185	136.204
2016	13.504	7.040	20.544	1.500	19.590	3.915	3.102	9.473	12.443	67.787	138.354
2017	11.977	8.563	20.540	1.500	19.318	3.921	3.112	9.503	12.440	66.981	137.315
2018	14.116	6.604	20.720	1.500	19.024	3.901	3.088	9.266	12.383	65.969	135.851
2019	14.109	6.601	20.710	1.500	19.036	3.904	3.090	9.121	12.454	65.775	135.590
2020	14.622	6.043	20.665	1.500	18.799	3.905	3.093	9.191	15.715 [a]	64.682	137.550
2021	14.048	5.806	19.854	1.500	18.564	3.908	3.096	9.110	15.278 [b]	62.995	134.305
2022	12.941	5.758	18.699	1.500	17.772	3.815	3.021	8.617	14.795 [b]	61.901	130.120
2023	12.678	5.641	18.319	1.500	17.526	3.812	3.022	8.131	14.637 [b]	61.722	128.669

Note: *One mill is $1 of property tax for each $1,000 of assessed valuation.*

[a] *Fire District #1 added 1.953 mills in 2020 for the first year of debt service on the "B" bonds.*

[b] *The stated mill rate does not include 1.816 mills in 2021, 1.838 mills in 2022 and 1.645 mills in 2023 for Fire District Bond "A" that apply only to recently annexed properties.*

Source: *Johnson County Treasury, Taxation and Vehicles*

City of Gardner, Kansas
Principal Tax Payers
Current Year and Nine Years Ago

		2023			2014		
Taxpayer	**Type of Business**	**Taxable Assessed Value**	**Rank**	**Percentage of Total Taxable Assessed Value**	**Taxable Assessed Value**	**Rank**	**Percentage of Total Taxable Assessed Value**
NNN AGP OPP II Owner IV, LLC/Midwest Commerce Center	Warehousing	$ 15,920,140	1	5.04%	$ -		0.00%
Tallgrass Apartments LLC	Real Estate	3,901,876	2	1.24%	-		0.00%
Moonlight Apartments L.L.C.	Real Estate	3,870,900	3	1.23%	1,737,535	2	1.34%
Walmart	Retail	3,623,550	4	1.15%	1,883,500	1	1.45%
Conestoga Titleholder	Real Estate	3,060,876	5	0.97%	-		0.00%
Horizon Trails, LLC	Real Estate	2,363,710	6	0.75%	1,625,985	3	1.25%
KDR AP LLC	Real Estate	2,332,430	7	0.74%	-		0.00%
Hudson SFR Property Holdings II, LLC/Plum Creek Manor	Real Estate	2,131,927	8	0.68%	-		0.00%
NEXPOINT SFR SPE 3 LLC	Real Estate	2,076,730	9	0.66%	-		0.00%
RH Partners Owner Co, LLC/Genesis Farms	Real Estate	1,978,959	10	0.63%	-		0.00%
C.L.S. Investment Company	Real Estate				1,307,390	4	1.01%
Martens Rentals, L.L.C.	Real Estate				1,261,039	5	0.97%
Kansas Gas Service	Utility				1,076,326	6	0.83%
DJC Properties, L.L.C.	Real Estate				1,047,512	7	0.81%
Bristol Partner XVI, LLC	Real Estate				961,250	8	0.74%
Energy Center Industrial, LLC	Real Estate				927,001	9	0.71%
Woodstone Apartments, L.P.	Real Estate				884,235	10	0.68%
Totals		$ 41,261,098		13.07%	$ 12,711,773		9.78%

Source: *Johnson County Treasury, Taxation and Vehicles*

Note: *This schedule excludes agreements that the City has with certain entities to make payments in lieu of taxes on property that is currently statutorily exempt from ad valorem property taxes and therefore has no assessed valuation*

City of Gardner, Kansas

PROPERTY TAX LEVIES AND COLLECTIONS
GENERAL AND DEBT SERVICE FUNDS
For years ended December 31, 2014 through December 31, 2023

Year Ended December 31[1]	Adjusted Tax Levy	Current Year Collections		Collections in Subsequent Years	Total Tax Collections	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2014	4,070,856	4,013,682	98.60%	56,406	4,070,089	99.98%
2015	4,063,209	3,997,901	98.39%	64,805	4,062,706	99.99%
2016	4,406,651	4,370,729	99.18%	33,247	4,403,976	99.94%
2017	3,350,248	3,319,439	99.08%	29,380	3,348,818	99.96%
2018	3,658,443	3,656,109	99.94%	390	3,656,499	99.95%
2019	4,002,520	3,970,824	99.21%	27,134	3,997,959	99.89%
2020	4,261,312	4,223,131	99.10%	31,831	4,254,961	99.85%
2021	4,701,388	4,680,118	99.55%	4,636	4,684,754	99.65%
2022	4,833,541	4,795,368	99.21%	(5,856)	4,789,512	99.09%
2023	5,163,013	5,102,239	98.82%	14,324	5,116,563	99.10%

PROPERTY TAX LEVIES AND COLLECTIONS
TAX INCREMENT FINANCING DISTRICTS
For years ended December 31, 2014 through December 31, 2023

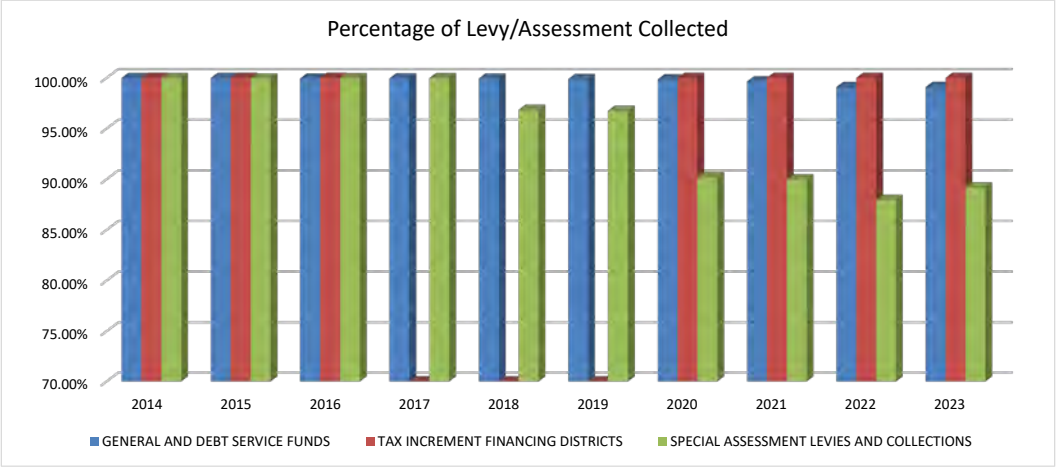
Year Ended December 31[1]	Adjusted Tax Levy	Current Year Collections		Collections in Subsequent Years	Total Tax Collections	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2014	252,950	252,950	100.00%	-	252,950	100.00%
2015	238,635	238,635	100.00%	-	238,635	100.00%
2016	136,471	136,471	100.00%	-	136,471	100.00%
2017	-	-	-	-	-	-
2018	-	-	-	-	-	-
2019	-	-	-	-	-	-
2020	622	622	100.00%	-	622	100.00%
2021	13,457	13,457	100.00%	-	13,457	100.00%
2022	170,063	170,063	100.00%	-	170,063	100.00%
2023	213,241	213,241	100.00%	-	213,241	100.00%

SPECIAL ASSESSMENT LEVIES AND COLLECTIONS
For years ended December 31, 2014 through December 31, 2023

Year Ended December 31[1]	Assessments Certified to County	Current Year Collections		Collections in Subsequent Years	Total Assessment Collections	
		Amount	Percentage of Assessment		Amount	Percentage of Assessment
2014	1,225,206	857,846	70.02%	367,093	1,224,939	99.98%
2015	1,309,313	1,028,131	78.52%	280,515	1,308,646	99.95%
2016	1,305,642	1,288,438	98.68%	16,780	1,305,218	99.97%
2017	1,263,310	1,225,138	96.98%	37,843	1,262,981	99.97%
2018	1,272,825	1,186,403	93.21%	46,314	1,232,717	96.85%
2019	1,178,720	1,093,669	92.78%	46,792	1,140,461	96.75%
2020	1,172,880	1,041,270	88.78%	16,638	1,057,908	90.20%
2021	1,188,355	1,055,291	88.80%	14,121	1,069,412	89.99%
2022	1,380,633	1,214,412	87.96%	-	1,214,412	87.96%
2023	1,581,954	1,276,346	80.68%	134,678	1,411,025	89.20%

(1) The year shown is the year in which the collections were received. The levy or assessment is certified to the County the previous year.

Source: *Johnson County Treasury, Taxation and Vehicles*

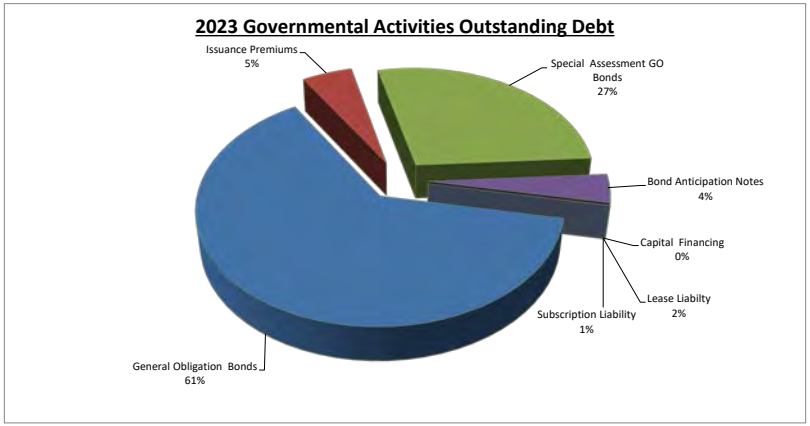


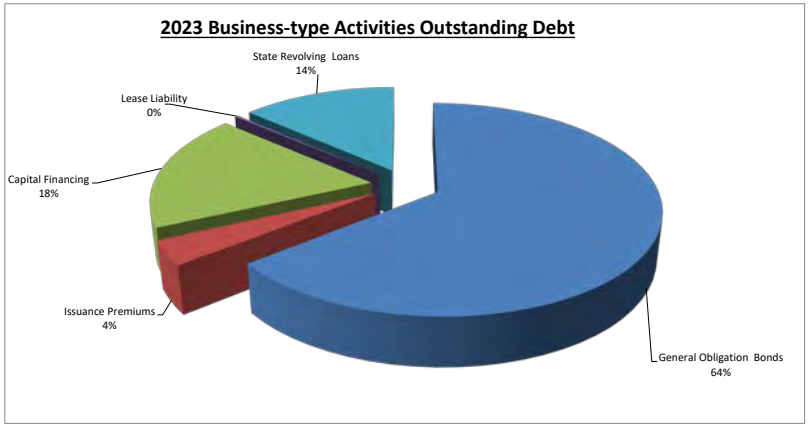
City of Gardner, Kansas
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

	Governmental Activities										Business-type Activities								
Fiscal Year	General Obligation Bonds	Issuance Premiums	Special Assessment GO Bonds	Certificates of Participation	Bond Anticipation Notes	Capital Financing	Lease Liability	Subscription Liability	State Revolving Loans	Lease Revenue Bonds	General Obligation Bonds	Issuance Premiums	Bond Anticipation Notes	Capital Financing	Lease Liability	State Revolving Loans	Total Primary Government	Percentage of Personal Income [a]	Per Capita [a]
2014	8,816,334	359,318	15,035,000	1,670,000	-	59,064	-	-	477,884	2,620,000	18,113,666	1,032,792	-	-	-	16,679,528	64,863,586	11.89%	3,139
2015	9,310,684	332,742	12,215,000	475,000	-	226,113	-	-	244,290	2,330,000	18,049,316	1,108,699	-	-	-	11,590,158	55,882,002	9.68%	2,678
2016	9,216,264	345,252	12,805,000	-	-	792,116	-	-	67,609	2,015,000	15,398,736	859,776	-	-	-	10,890,162	52,389,915	8.12%	2,482
2017	9,786,170	492,721	14,012,500	-	-	611,000	-	-	-	1,670,000	12,231,330	699,751	-	-	-	10,321,146	49,824,618	6.30%	2,309
2018	23,398,487	1,314,814	11,592,500	-	-	1,765,000	-	-	-	1,295,000	9,039,013	545,189	-	10,750,645	-	9,738,473	69,439,121	8.31%	3,175
2019	24,400,000	1,310,866	8,570,000	-	7,365,000	1,800,000	-	-	-	900,000	8,845,000	428,989	-	10,418,367	-	9,141,842	73,180,064	9.36%	3,317
2020	25,965,000	1,515,045	7,680,000	-	8,845,000	1,588,407	-	-	-	470,000	34,115,000	1,993,552	-	10,074,798	-	8,530,826	100,777,628	11.66%	4,444
2021	23,942,500	1,660,260	9,637,500	-	5,205,000	1,371,441	-	-	-	-	31,720,000	1,794,375	-	9,716,712	-	7,905,171	92,952,959	10.42%	3,992
2022	25,930,000	2,146,680	11,505,000	-	1,385,000	18,987	1,129,758	-	-	-	34,045,000	1,991,274	-	9,340,883	200,174	7,264,494	94,957,250	10.66%	3,709
2023	23,575,000	1,901,497	10,305,000	-	1,515,000	9,666	905,000	355,357	-	-	31,695,000	1,829,359	-	8,945,698	125,454	6,608,428	87,770,459	8.85%	3,174

Notes: *[a] See the Demographic and Economic Statistics schedule in this section for personal income and population data.*

Source: *City of Gardner Finance Department*





City of Gardner, Kansas
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

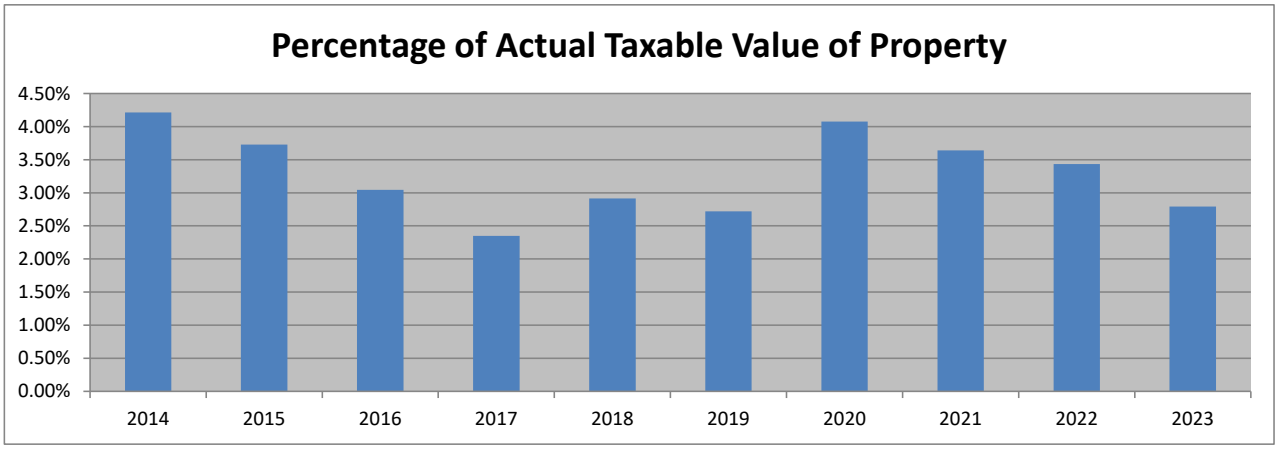
Fiscal Year	General Obligation Bonds	Issuance Premiums	Special Assessment GO Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Actual Taxable Value[(a)] of Property	Per Capita [(b)]
2014	26,930,000	1,392,110	15,035,000	425,504	42,931,606	4.21%	2,077
2015	27,360,000	1,441,441	12,215,000	55,734	40,960,707	3.73%	1,963
2016	24,615,000	1,205,028	12,805,000	2,427,189	36,197,839	3.04%	1,715
2017	22,017,500	1,192,472	14,012,500	5,117,019	32,105,453	2.35%	1,488
2018	32,437,500	1,860,003	11,592,500	4,154,425	41,735,578	2.92%	1,908
2019	33,245,000	1,739,855	8,570,000	1,940,213	41,614,642	2.72%	1,886
2020	60,080,000	3,508,597	7,680,000	1,713,707	69,554,890	4.07%	3,067
2021	55,662,500	3,454,635	9,637,500	1,612,653	67,141,982	3.64%	2,883
2022	59,975,000	4,137,954	11,505,000	1,930,139	73,687,815	3.43%	2,878
2023	55,270,000	3,730,856	10,305,000	2,556,521	66,749,335	2.79%	2,414

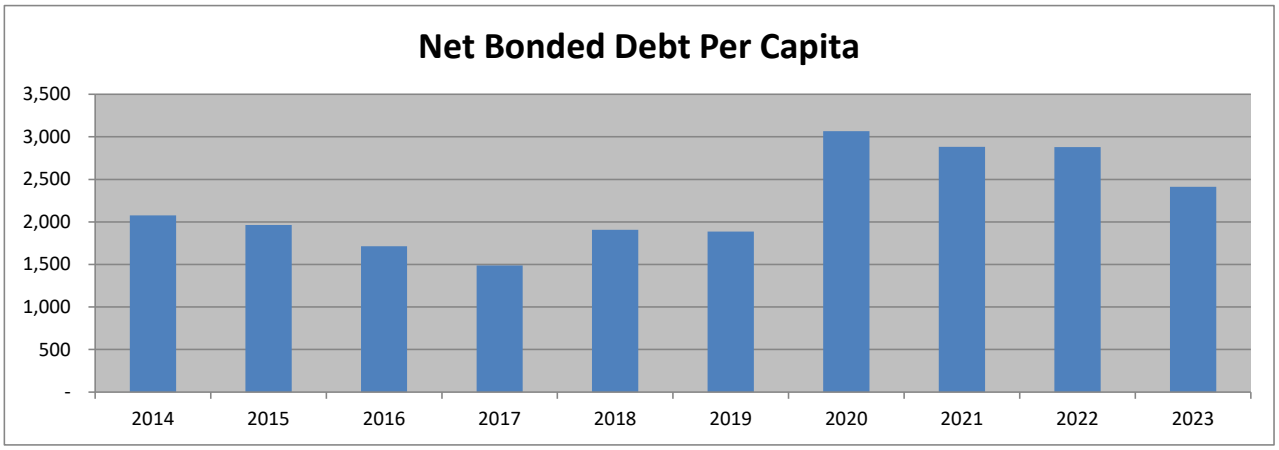
Notes: *Details regarding the City's outstanding debt can be found in the notes to the financial statements.*

[(a)] Property value data can be found in the Assessed Value and Estimated Actual Value of Taxable Property schedule in this section.

[(b)] Population data can be found in the Demographic and Economic Statistics schedule in this section.

Sources: *City of Gardner Finance Department and Johnson County Treasury, Taxation and Vehicles*





City of Gardner, Kansas
Direct and Overlapping Governmental Activities Debt
As of December 31, 2023

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable [(a)]	Estimated Share of Direct and Overlapping Debt
GO Debt repaid with property taxes			
Unified School District No. 231	$ 94,030,000	63.59%	$ 59,796,941
Johnson County	13,660,399	2.11%	287,918
Johnson County Community College	41,685,000	2.11%	878,589
Johnson County Park and Recreation	44,750,000	2.11%	943,189
Johnson County Fire District #1	8,700,000	65.37%	5,686,929
Other			
Johnson County: Public Building Commission	234,045,000	2.11%	4,932,932
Subtotal, overlapping debt			72,526,499
City Direct Debt			38,566,520
Total direct and overlapping debt			$ 111,093,019

Notes: *Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City.*
[(a)] For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the governmental unit's taxable assessed value that is within the City's boundaries and dividing it by each unit's total taxable assessed value.

Sources: *Johnson County Treasury, Taxation and Vehicles and the City of Gardner Finance Department*

City of Gardner, Kansas
Legal Debt Margin Information
Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt Limit	$ 47,105,324	$ 50,654,924	$ 54,443,006	$ 59,663,274	$ 64,350,457	$ 68,190,386	$ 77,576,243	$ 82,542,551	$ 93,225,575	$ 103,499,604
Total net debt applicable to limit	15,085,450	14,197,925	15,602,174	13,783,024	26,568,798	33,054,021	33,830,413	30,302,055	32,468,701	29,870,429
Legal debt margin	$ 32,019,874	$ 36,456,999	$ 38,840,832	$ 45,880,250	$ 37,781,659	$ 35,136,365	$ 43,745,830	$ 52,240,496	$ 60,756,874	$ 73,629,175
Total net debt applicable to the limit as a percentage of debt limit	32.02%	28.03%	28.66%	23.10%	41.29%	48.47%	43.61%	36.71%	34.83%	28.86%

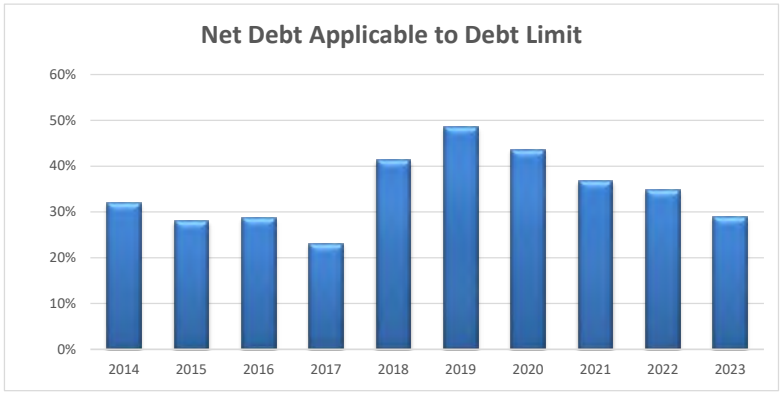
Legal Debt Margin Calculation for Fiscal Year 2023

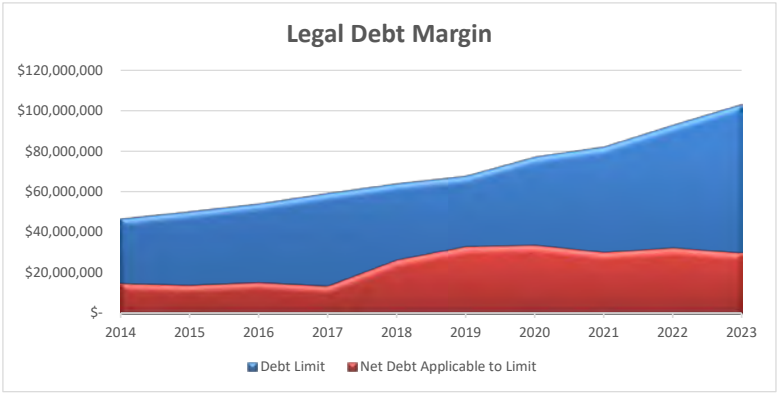
Assessed value [a]	$ 344,998,680
Debt limit (30% of assessed value) [b]	103,499,604
Debt applicable to limit:	
G.O. Bonds and Temporary Notes Outstanding	67,090,000
Less: Amount set aside for utilities, refunding, and revenue-supported bonds	(37,219,571)
Total net debt applicable to limit	29,870,429
Legal debt margin	$ 73,629,175

Notes: [a] *Assessed value includes property tax collected for motor vehicles.*

[b] *The City is subject to Kansas statutes which limit the amount of net bonded debt (exclusive of revenue, utility, and refunding bonds) the City may have outstanding to 30% of the current assessed valuation of property.*

Source: *City of Gardner Finance Department*





City of Gardner, Kansas
Demographics and Economic Statistics
Last Ten Calendar Years

Calendar Year	Population [a]	Personal Income	Per Capita Personal Income [d]	Median Age [d]	School Enrollment [c]	Unemployment Rate [b]
2014	20,667	545,629,467	26,401	31.8	5,647	3.1%
2015	20,868	577,104,540	27,655	31.9	5,858	2.9%
2016	21,110	639,907,430	30,313	31.9	6,041	3.1%
2017	21,583	790,952,201	36,647	32.3	6,116	2.9%
2018	21,871	835,865,878	38,218	32.3	6,121	3.0%
2019	22,065	781,498,170	35,418	31.9	6,174	2.5%
2020	22,677	864,333,855	38,115	32.0	5,837	3.3%
2021	23,287	891,822,239	38,297	32.0	5,977	2.0%
2022	25,602	890,719,182	34,791	33.1	6,082	2.9%
2023	27,652	991,656,024	35,862	33.1	6,188	1.8%

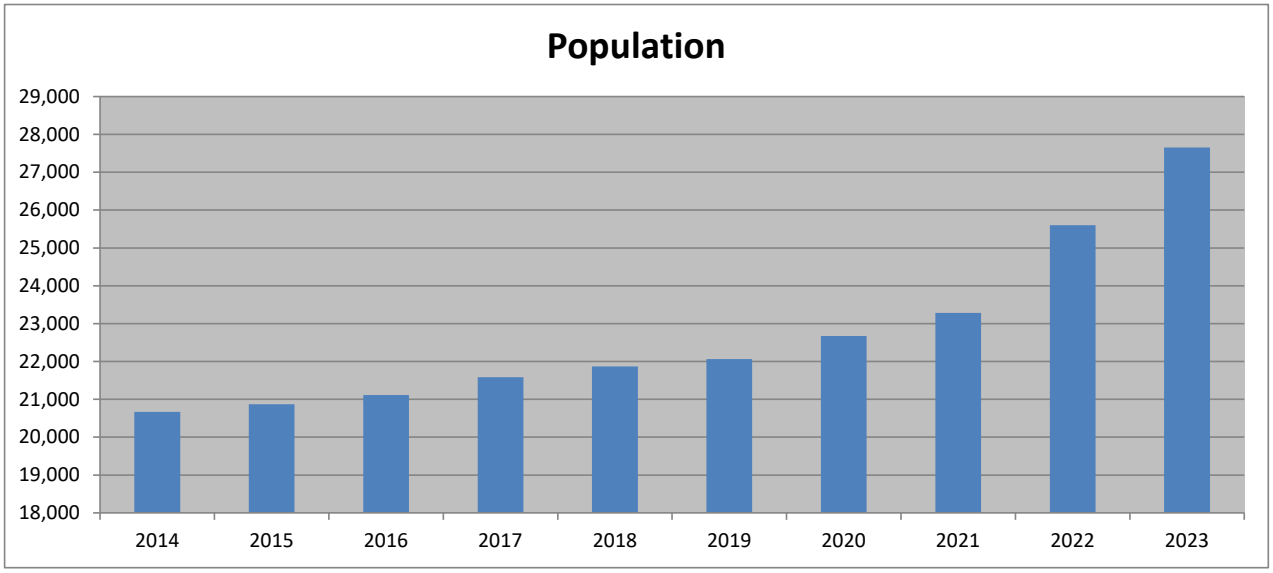
Sources: *City of Gardner Finance Department and*

[a] US Census Bureau estimate 2011-2018; worldpopulationreview.com 2019; Gardner Trade Area Profile 2020; 2020 US Census Results 2021, Trade Area Profile 2023

[b] Unemployment Rate is for Johnson County, Kansas. The City rate is not available. Provided by Kansas Department of Labor

[c] Unified School District No. 231

[d] Gardner Trade Area Profile. Provided by County Economic Research Institute Inc.



City of Gardner, Kansas
Principal Employers
Current Year and Nine Years Ago

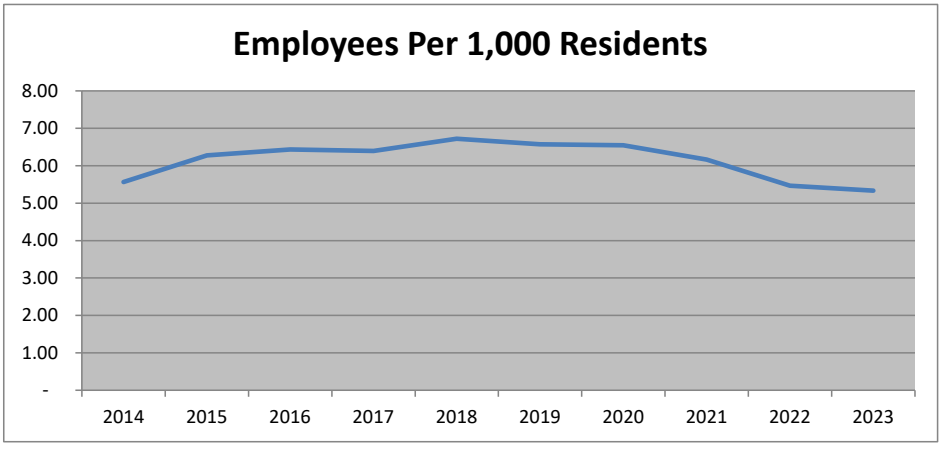
	2023			2014		
Employer	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Unified School District No. 231	950	1	23.90%	800	1	22.55%
Walmart	300	2	7.55%	250	2	7.05%
Excelligence Learning Corp	274	3	6.89%			
Meadowbrook Rehabilitation Hospital	196	4	4.93%	174	3	4.91%
City of Gardner	148	5	3.72%	128	7	3.61%
OMNI Systems/D.O.T. Label, Inc. (ITW)	142	6	3.57%	86	9	2.43%
Olathe Ford Sales, Inc.	87	7	2.19%			
Evergy Metro, Inc.	82	8	2.06%			
Price Chopper	61	9	1.54%	130	5	3.67%
TradeNet Publishing	56	10	1.41%	130	5	3.67%
Medical Lodge of Gardner				111	8	3.13%
Coleman				167	4	4.71%
Cramer Products, Inc.				50	10	1.41%
Total	2,296		57.76%	2,026		57.12%

Source: *Gardner Chamber of Commerce and Baker Tilly Municipal Advisors, LLC*

City of Gardner, Kansas
Full-time Equivalent City Government Employees by Function
Last Ten Fiscal Years

Function	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General government										
Administration/City Clerk	5	5	5	5	5	5	5	5	7	6
Human Resources/Risk	2	4	4	4	4	4	4	4	4	4
Information Systems	1	3	3	3	3	3	3	3	3	4
Finance										
Finance Admin/Fiscal Services	5	7	7	7	7	7	7	7	7	7
Court	2	2	2	2	2	2	2.5	2.5	3	1
Utilities	8	9	9	9	9	9	8	6	6	6
Planning	3	5	5	5	5	5	5	4	6	5
Codes	3	3	2	2	3	3	3	3	2	2
Building Services	1	1	1	1	1	1	1	1	1	2
Airport	-	-	-	-	-	-	0.5	0.5	0.5	0.5
Police										
Administration	3	5	6	7	7	7	7	8	6	10
Operations	24	28	28	27	30	30	33	31	29	27
Animal Control	1	1	1	1	1	1	1	1	0	1
Public Works										
Administration	2	2	2	2	2	2	1	2	2	2
Fleet	1	1	1	1	1	1	1	1	1	1
Engineering	4	5	5	5	5	5	5	6	6	7
Streets & Line Maintenance	17	12	15	15	18	18	17	17	16	17
Electric	10	14	16	18	18	17	20.5	18.5	16.5	18
Water	6	6	6	6	6	6	5	7	7	7
Wastewater	6	6	6	6	6	6	6	5	5	7
Culture and Recreation										
Parks Admin/Recreation Services	5	6	7	6	6	7	7	5	6	6
Park Maintenance	6	6	6	6	8	6	6	6	6	7
Total	115	131	137	138	147	145	148.5	143.5	140.0	147.5

Source: *City of Gardner Human Resources Department*



City of Gardner, Kansas
Operating Indicators by Function
Last Ten Fiscal Years

Function	2014	2015	2016	2017 [a]	2018	2019	2020 [b]	2021	2022	2023
General government [1]										
Building permits issued	607	594	744	852	889	1,155	2,067	1,172	1,163	875
Building inspections conducted	2,760	2,723	3,046	4,118	5,553	6,093	6,586	5,647	6,786	6,220
Police Department [2]										
Violations	3,056	3,426	4,252	4,389	4,008	5,054	4,417	6,124	4,969	3,692
Fire responses	235	186	188	227	234	242	240	277	430	322
Medical responses	904	1,048	1,001	1,064	1,112	1,056	1,238	1,352	1,549	1,572
Public Works [3]										
Street resurfacing (shown in linear feet)	2,420	-	29,276	100,320	100,320	72,225	15,356	7,715	3,545	-
Curb replacement (shown in linear feet)	1,945	648	16,310	10,441	28,140	13,868	15,816	7,035	408	18,805
Electric [4]										
Average daily consumption (in kWh)	370,924	371,929	386,687	373,025	372,086	404,619	408,982	422,940	443,047	444,203
Electric meters installed	93	66	112	80	161	234	157	256	275	455
Water [4]										
Average daily consumption (in thousands)	1,896	1,746	1,696	1,765	1,857	1,874	2,380	2,469	2,800	2,975
Water meters installed	93	66	178	107	253	190	181	118	93	181
Wastewater [4]										
Average daily sewage treatment (in thousands)	1,083	1,277	1,295	1,619	1,627	2,282	2,078	2,092	2,266	2,612
Culture and Recreation [5]										
Athletic Program Participants	4,894	5,085	4,758	4,691	3,820	3,556	1,743	3,008	2,966	3,283
Aquatic Admissions	66,179	65,301	71,627	64,403	71,111	58,971	-	43,011	57,974	55,711
Airport [6]										
Hangars	-	-	-	94	94	94	94	94	94	94
Aviation Fuel 100LL purchased (gallons)	-	-	-	18,500	14,000	19,626	7,980	13,489	12,705	7,973

Sources: *City of Gardner Finance Department and*

[1] City of Gardner Community Development Department

[2] City of Gardner Police Department

[3] City of Gardner Street Department

[4] City of Gardner Utility Department

[5] City of Gardner Parks and Recreation Department

[6] City of Gardner Public Works

Note: *[a] In 2017, the City of Gardner acquired the Airport as a Department of the City.*

[b] In 2020, the City of Gardner did not open the Aquatic Center and athletic program participation was down due to the COVID-19 pandemic.

City of Gardner, Kansas
Capital Asset Statistics by Function
Last Ten Fiscal Years

Function	2014	2015	2016	2017[b]	2018	2019	2020	2021	2022	2023
Police [1]										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol/AC Units	16	16	19	20	20	20	20	20	22	22
Public Works [2]										
Streets (lane miles) [a]	109.61	191.00	192.00	192.60	194.35	203.00	212.00	219.20	235.00	224.00
Streetlights	1,264	1,750	1,750	1,750	1,759	1,423	1,402	1,434	1,534	1,593
Electric [3]										
Generators	2	2	2	2	2	2	2	2	2	2
Substations	3	3	3	3	3	3	3	3	3	3
Overhead lines (miles)	58.8	58.4	45.0	44.5	44.4	47.0	47.0	48.5	48.9	49
Underground lines (miles)	56.3	56.8	97.0	97.8	99.7	91.0	93.1	96.0	101.9	105.0
Water [3]										
Water mains (miles)	107.61	134.00	135.00	136.00	137.20	138.00	139.00	141.00	142.20	143.00
Treatment Plants	1	1	1	1	1	1	1	1	1	1
Wastewater [3]										
Sanitary sewers (miles) [c]	125.97	109.00	109.00	130.50	132.00	111.00	116.00	120.00	124.00	126.00
Storm sewers (miles) [d]	43.92	45.00	45.00	45.00	46.00	65.00	69.00	71.00	75.00	76.00
Treatment Plants	1	1	1	1	1	1	1	1	1	1
Culture and Recreation [4]										
Acreage	341.95	341.95	341.95	341.95	341.95	341.95	341.95	344.35	344.35	344.35
Parks	13	13	13	13	13	13	13	13	13	13
Baseball/softball/soccer fields	14	14	14	14	14	14	14	14	14	14
Community Centers	1	1	1	1	1	1	1	1	1	1
Golf Course	1	1	1	1	1	1	1	1	1	1
Airport [5]										
Asphalt Runway (feet)	-	-	-	2,960	2,960	2,960	2,960	2,960	2,960	2,960
Turf Runways (feet)	-	-	-	5,394	5,394	5,394	5,394	5,394	5,394	5,394

Sources: *City of Gardner Finance Department and*

[1] City of Gardner Police Department

[2] City of Gardner Street Department

[3] City of Gardner Utility Department

[4] City of Gardner Parks and Recreation Department

[5] City of Gardner Public Works

Note: *(a) In 2015, street miles reported was changed to street lane miles*

(b) In 2017, the City of Gardner acquired the Airport as a Department of the City.

(c) In 2019, the City began reporting only active sanitary sewer lines

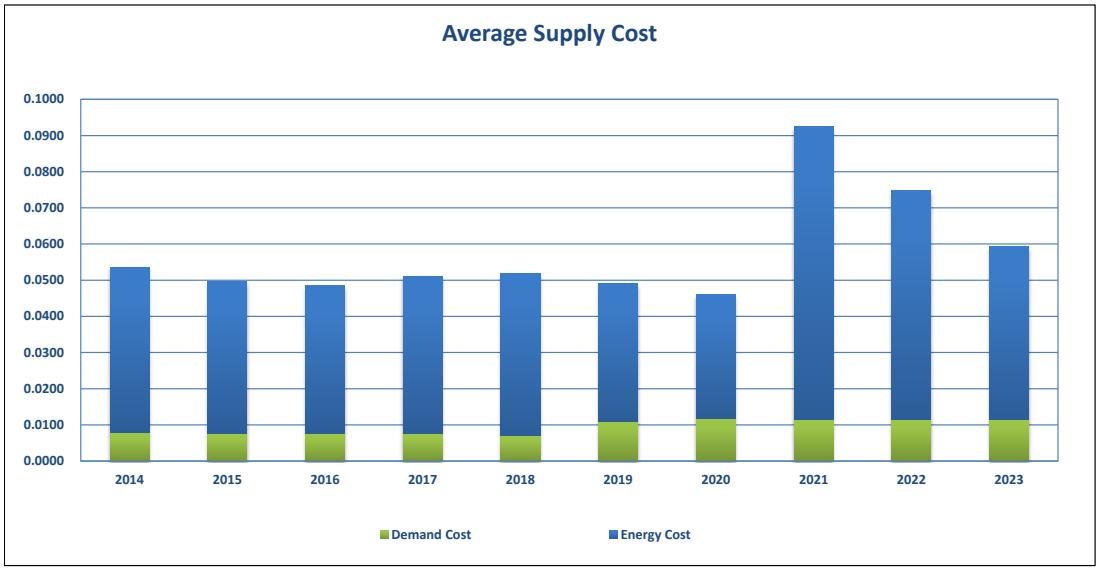
(d) In 2019, the City began including open concrete channels/ditches in the storm sewer miles

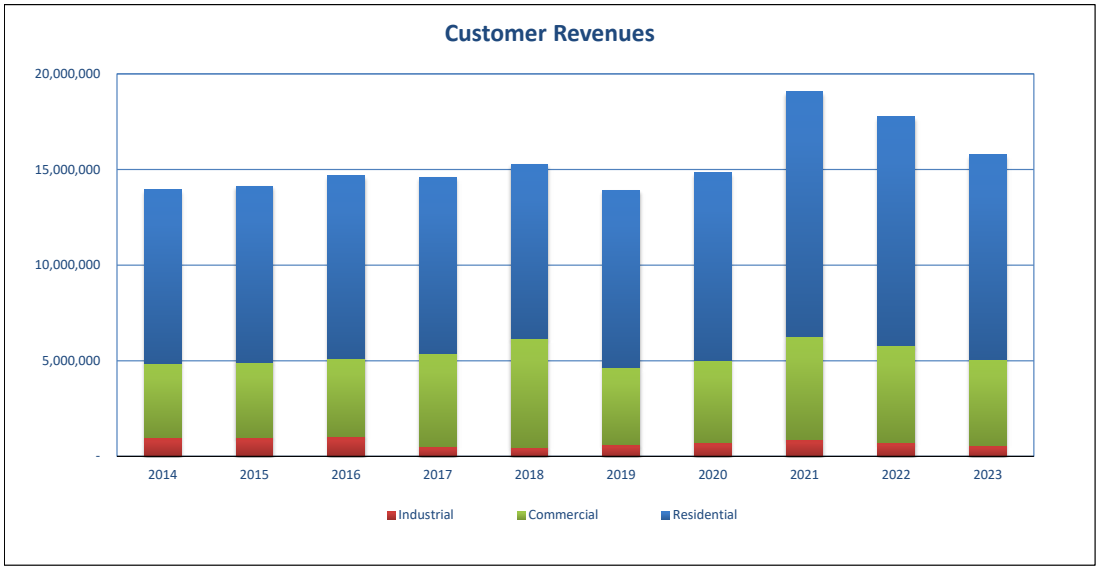
City of Gardner, Kansas
Electric Average Power Supply Cost Analysis per KWh and Customer Revenues
Last Ten Fiscal Years

	Average Supply Cost				Customer Revenues [a]		
Fiscal Year	Demand Cost	Energy Cost	Total Cost	Peak Load MW	**Residential**	**Commercial**	**Industrial**
2014	0.0078	0.0457	0.0535	36.8	9,065,500	3,916,000	962,500
2015	0.0076	0.0420	0.0496	37.4	9,199,000	3,921,000	1,010,000
2016	0.0076	0.0408	0.0484	39.0	9,560,000	4,078,000	1,050,000
2017	0.0076	0.0434	0.0510	38.1	9,187,000	4,899,000	503,000
2018	0.0070	0.0449	0.0519	39.4	9,100,000	5,699,000	476,000
2019	0.0110	0.0380	0.0490	40.4	9,280,623	4,040,983	601,046
2020	0.0117	0.0343	0.0460	37.8	9,823,888	4,286,562	720,281
2021	0.0116	0.0808	0.0924	42.2	12,795,269	5,376,787	891,466
2022	0.0114	0.0634	0.0748	42.1	11,974,458	5,037,222	745,001
2023	0.0114	0.0479	0.0593	46.8	10,686,670	4,508,827	563,425

Source: *City of Gardner Utility Department*

Note: *(a) Customers Revenues may differ from the Operating Revenues as shown in the City's Financial statements due to certain Operating Revenues not being classified as Customer Revenues.*







ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the fiscal year ended

December 31, 2023

ANNUAL OPERATING DATA SECTION

ANNUAL FINANCIAL AND OPERATING DATA FILING

FOR

GARDNER, KANSAS

CITY PROPERTY VALUES

The determination of assessed valuation and the collection of property taxes for all political subdivisions in the State of Kansas is conducted by Kansas counties. The Johnson County Appraiser's office determines annually the assessed valuation that is used as a basis for the mill levy on property located in the City. The County Appraiser's determination is based on criteria established by Kansas statutes.

The market valuation of every property must be updated every year, with physical inspection required once every six years. Valuations as of January 1 are made available in September of each year for taxes payable during the next calendar year. The State Constitution provides that, for ad valorem taxation purposes, real and personal property are divided into classes and assessed at percentages of market value.

2023 Market Value of Taxable Property: $2,973,683,080*

* *Market value is calculated by dividing the City's 2023 appraised value of $2,426,525,393 by the 2022 final median sales ratio of 81.6% for Johnson County as determined by the State Department of Revenue. (The 2022 sales ratio is the most current ratio available.)*

2023 Taxable Assessed Value: $315,768,746

2023 Equalized Assessed Tangible Valuation: $344,998,680

		Percent of Total
Real Estate	$308,823,434	97.8%
Personal Property	1,661,344	0.5
State Assessed Utilities	5,283,968	1.7
Taxable Assessed Value	$315,768,746	100.0%
Motor and Recreational Vehicles	29,229,934	
Equalized Assessed Tangible Valuation	$344,998,680	

Trend of Values

Year	Market Value [(a)]	Sales Ratio [(b)]	Appraised Value	Taxable Assessed Value	Motor and Recreational Vehicles	Equalized Assessed Tangible Valuation
2023	2,973,683,080	81.6%	$ 2,426,525,393	$ 315,768,746	$ 29,229,934	$ 344,998,680
2022	2,629,802,249	81.6%	2,145,918,635	280,332,852	30,419,064	310,751,916
2021	2,495,357,827	75.3%	1,879,004,444	246,555,493	28,586,342	275,141,835
2020	2,275,183,084	76.6%	1,742,790,242	230,554,082	28,033,395	258,587,477
2019	1,988,616,298	78.5%	1,561,063,793	200,483,589	26,817,699	227,301,288

(a) Market values are calculated by dividing the City's appraised value by the annual sales ratios for Johnson County as provided by the Kansas Sales Ratio Study, Kansas Department of Revenue.

(b) The 2022 median sales ratio is the most current ratio available.

Sources: City of Gardner, Johnson County Treasury, Taxation and Vehicles, and the Kansas Department of Revenue

Trend of Assessed Valuations

Year	Real Estate	Personal Property	State Assessed Utilities	Motor Vehicles	Recreational Vehicles	Total Equilized Assessed Tangible Valuation	Percent +/- in Total Equalized Assessed Tangible Valuation
2023	$ 308,823,434	$ 1,661,344	$ 5,283,968	$ 28,938,414	$ 291,520	$ 344,998,680	+ 11.02%
2022	273,699,473	1,486,496	5,146,883	30,114,920	304,144	310,751,916	+ 12.94%
2021	239,715,328	1,893,113	4,947,052	28,296,551	289,791	275,141,835	+ 6.40%
2020	223,722,736	1,874,266	4,957,080	27,775,713	257,682	258,587,477	+ 13.76%
2019	194,068,703	1,491,583	4,923,303	26,575,115	242,584	227,301,288	+ 5.97%

Source: Johnson County Abstract of Taxes

Ten of the Largest Taxpayers

Taxpayer	Type of Property	2023 Taxable Assessed Value
Midwest Commerce Center	Warehousing	$15,920,140
Tallgrass Apartments, LLC	Real Estate	3,901,876
Moonlight Apartments, LLC	Real Estate	3,870,900
Walmart	Retail	3,623,550
Conestoga Titleholder, LLC	Real Estate	3,060,876
Horizon Trails, LLC	Real Estate	2,363,710
KDR AP LLC	Real Estate	2,332,430
Plum Creek Manor	Real Estate	2,131,927
Nexpoint SFR SPE 3, LLC	Real Estate	2,076,730
Genesis Farms	Real Estate	1,978,959
Total		$41,261,098

Source: Johnson County Treasury, Taxation and Vehicles

CITY INDEBTEDNESS

2023 Total Equalized Assessed Tangible Valuation	$344,998,680
Debt Limit Ratio	30%
Debt Limit	$ 103,499,604
Debt Applicable to Limit:	
G.O. Bonds and Temporary Notes Outstanding as of December 31, 2023	*$67,090,000*
Less: Bonds or Notes for Utility Improvements, Refunding, and Revenue Debt	*(37,219,571)*
Total Net Debt Applicable to Limit	29,870,429
Debt Authority Remaining December 31, 2023	$73,629,175

NOTE: G.O. bonds and temporary notes issued to finance utility improvements, revenue bonds, and refunding bonds are not subject to the debt limit.

Direct Debt*

General Obligation Debt		
Total G.O. debt being paid from taxes and other City revenues	**$**	**64,685,000**
Total G.O. debt being paid from water & wastewater revenues		**890,000**
Total General Obligation Debt**	**$**	**65,575,000**
Temporary General Obligation Debt		
General Obligation Temporary Notes	**$**	**1,515,000**
Non-General Obligation Debt***		
Total Non-G.O. debt being paid from water & wastewater revenues	**$**	**6,608,428**
Leases***		
Total lease liabilities	**$**	**1,030,454**
Subscriptions***		
Total subscription liabilities	**$**	**355,357**
Capital Financing***		
Capital financed obligations[a]	**$**	**8,955,364**

* *Outstanding debt is as of December 31, 2023.*

** *Total General Obligation Debt does not include General Obligation Temporary Note debt*

*** *Non-general obligation debt has not been included in the Debt Ratios section below.*

[a] *Capital financed obligations include $8,945,698 representing the financing for the City's interest in the Dogwood Energy Facility which are being paid from electric revenues.*

General Obligation Debt

Date of Issue	Original Amount	Purpose	Final Maturity	Amount Outstanding as of 12-31-23	% Subject to the Debt Limit
03/27/13	$ 7,015,000	Refunding	10/1/2024	$ 35,000	0.00%
04/10/14	4,895,000	Improvements	10/1/2029	2,215,000	80.70%
12/23/14	4,140,000	Refunding & Improvements	10/1/2029	1,610,000	100.00%
07/15/15	3,945,000	Refunding	10/1/2025	890,000	0.00%
12/29/16	2,870,000	Refunding & Improvements	10/1/2028	1,230,000	48.10%
12/26/16	855,000	Improvements	10/1/2026	280,000	0.00%
12/20/17	3,505,000	Refunding & Improvements	10/1/2027	1,030,000	38.52%
06/28/18	14,985,000	Improvements	10/1/2037	11,230,000	100.00%
06/12/19	1,970,000	Improvements	10/1/2028	1,140,000	0.00%
12/12/19	2,465,000	Improvements	10/1/2029	1,545,000	100.00%
05/28/20	27,450,000	Improvements	10/1/2040	24,035,000	0.00%
12/10/20	4,825,000	Refunding & Improvements	10/1/2030	3,515,000	68.50%
08/26/21	4,710,000	Refunding & Improvements	10/1/2032	3,940,000	17.63%
08/26/21	2,185,000	Improvements	10/1/2041	2,010,000	100.00%
08/10/22	11,425,000	Improvements	10/1/2042	10,870,000	61.18%
			Total	**$ 65,575,000**	

Temporary Notes

Date of Issue	Original Amount	Purpose	Final Maturity	Amount Outstanding as of 12-31-23	% Subject to the Debt Limit
09/07/23	$ 1,515,000	Improvements	10/1/2024	**$ 1,515,000**	63.00%

Leases

Date of Issue	Original Amount	Purpose	Final Maturity	Amount Outstanding as of 12-31-23
2016	$ 678,000	Land Purchase	10/1/2026	$ 216,000
2018	1,218,000	Improvements	10/1/2028	689,000
2020	230,345	Equipment	8/17/2025	62,558
2020	235,422	Equipment	8/31/2025	62,896
			Total	**1,030,454**

Subscriptions

Date of Issue	Original Amount	Purpose	Final Maturity	Amount Outstanding as of 12-31-23
2021	$ 454,767	Software	12/20/2025	**$ 355,357**

Capital Financing

Date of Issue	Original Amount	Purpose	Final Maturity	Amount Outstanding as of 12-31-23
2018	$ 10,750,645	Improvements	12/31/2038	$ 8,945,698
2019	45,000	Equipment	4/25/2024	9,666
			Total	**$ 8,955,364**

State Revolving Loans

During 2006, the City entered into a loan agreement with the Kansas Department of Health and Environment's Kansas Water Pollution Control Revolving Fund. The agreement enabled the City to borrow $3,483,009 to finance improvements to the wastewater system. The loan will be repaid over twenty years at an interest rate of 2.40%. The total outstanding balance at 12/31/23 is $700,554.

During 2012, the City entered into a loan agreement with the Kansas Department of Health and Environment's Kansas Water Pollution Control Revolving Fund. The agreement enabled the City to borrow $10,167,808 to finance improvements to the wastewater system. The loan will be repaid over twenty years at an interest rate of 2.05%. The total outstanding balance at 12/31/23 is $5,907,874.

Total Obligations Outstanding Excluding the State Revolving Loans

	Direct Debt
General Obligation Debt	$67,090,000
Leases	1,030,454
Subscriptions	355,357
Capital Financing	8,955,364
Total Obligations Outstanding	**$77,431,175**

Annual Debt Service Payments Excluding All Temporary Notes

	GENERAL OBLIGATION DEBT		CAPITAL FINANCING	
YEAR	PRINCIPAL	PRINCIPAL & INTEREST	PRINCIPAL	PRINCIPAL & INTEREST
2024	6,210,000	8,317,901	424,207	861,486
2025	5,930,000	7,823,625	435,510	851,180
2026	5,685,000	7,371,326	456,479	849,849
2027	5,600,000	7,083,425	479,061	849,043
2028	5,400,000	6,685,827	503,256	848,680
2029	5,190,000	6,293,425	529,064	848,680
2030	4,370,000	5,311,332	554,872	847,390
2031	3,530,000	4,338,932	583,906	847,954
2032	3,380,000	4,087,281	612,940	847,067
2033	2,700,000	3,303,657	643,587	846,301
2034	2,775,000	3,308,031	675,847	845,575
2035	2,845,000	3,299,144	709,720	844,809
2036	2,930,000	3,302,588	743,593	842,349
2037	3,025,000	3,304,843	782,305	842,913
2038	1,770,000	1,954,038	821,017	841,542
2039	1,825,000	1,956,062	-	-
2040	1,875,000	1,950,826	-	-
2041	330,000	349,125	-	-
2042	205,000	213,200	-	-
TOTAL	$ 65,575,000	$ 80,254,587	$ 8,955,364	$ 12,714,818

Annual Debt Service Payments Excluding All Temporary Notes (Continued)

	LEASES		SUBSCRIPTIONS		STATE REVOLVING LOANS	
YEAR	PRINCIPAL	PRINCIPAL & INTEREST	PRINCIPAL	PRINCIPAL & INTEREST	PRINCIPAL	PRINCIPAL & INTEREST
2024	270,134	306,955	113,278	121,420	671,824	806,181
2025	253,320	282,127	122,492	127,491	687,959	807,866
2026	212,000	232,434	119,587	121,194	704,487	809,600
2027	144,000	156,171	-	-	721,410	811,369
2028	151,000	156,323	-	-	551,772	627,327
2029	-	-	-	-	564,536	628,715
2030	-	-	-	-	577,594	630,133
2031	-	-	-	-	590,956	631,586
2032	-	-	-	-	604,626	633,071
2033	-	-	-	-	618,612	634,592
2034	-	-	-	-	314,652	317,877
2035	-	-	-	-	-	-
TOTAL	$ 1,030,454	$ 1,134,010	$ 355,357	$ 370,105	$ 6,608,428	$ 7,338,317

Indirect Debt

Taxing Unit[(a)]	G.O. Debt As of 12/31/23 [(b)]	Debt Applicable to Value in City: Percent	Debt Applicable to Value in City: Amount
Johnson County	$267,280,399	2.11%	$5,633,430
Johnson County Fire District #1	8,700,000	65.37%	5,686,929
U.S.D. No. 231 (Gardner)	94,030,000	63.59%	59,796,941
Total			$71,117,300

(a) Only those taxing units which have general obligation debt outstanding are shown here.

(b) Excludes general obligation debt supported by revenues and revenue debt. Includes airport debt and $234,045,000 of lease purchase revenue bonds issued by the Public Building Commission of Johnson County (PBC) which are payable solely from lease payments received by the PBC from the County and the Library Board, respectively.

Debt Ratios*

	G.O. Direct Debt	G.O. Indirect & Direct Debt
To 2023 Appraised Valuation ($2,426,525,393)	1.2%	4.2%
To 2023 Equalized Assessed Tangible Valuation ($344,998,680)	8.7%	29.3%
Per Capita (27,652 – 2023 Trade Area Profile Estimate)	$1,081	$3,652

**Excludes bonds and notes supported by revenues, refunding bonds, state loans, and the aforementioned financing of the Dogwood Energy Facility being paid from electric revenues. Includes other temporary notes and bonds.*

CITY TAX RATES, LEVIES AND COLLECTIONS

Property taxes are certified by the City to the County Clerk by August 25 of each year for the following fiscal year, unless the City has notified the County Clerk of their intent to levy above the revenue neutral rate (RNR). If the City intends to exceed the RNR, the deadline to certify property taxes is October 1. Taxes are levied by the County Clerk and payable to the County Treasurer. Property taxes may be paid in two installments, the first due December 20 in the year the taxes are levied and the second due May 10 of the following year. Taxes become delinquent after May 10 and interest accrues at a rate set by state statute until paid or until the property is sold for taxes. Special assessments are levied and collected in the same manner as property taxes.

Tax Rates of the City (Expressed in Mills)

Levy Year	Budget Year	General	Bond Indebtedness	Total
2023	2024	12.678	5.641	18.319
2022	2023	12.941	5.758	18.699
2021	2022	14.048	5.806	19.854
2020	2021	14.622	6.043	20.665
2019	2020	14.109	6.601	20.710

Source: Johnson County Abstract of Taxes.

Tax Mill Levies*

Levy Year	Budget Year	State	County	City	County Library	Community College	County Park & Rec.	Fire District #1	USD No. 231	Total
2023	2024	1.500	17.526	18.319	3.812	8.131	3.022	14.637	61.722	128.669
2022	2023	1.500	17.772	18.699	3.815	8.617	3.021	13.426	61.901	128.751
2021	2022	1.500	18.564	19.854	3.908	9.110	3.096	13.582	62.995	132.609
2020	2021	1.500	18.799	20.665	3.905	9.191	3.093	13.762	64.682	135.597
2019	2020	1.500	19.036	20.710	3.904	9.121	3.090	12.454	65.775	135.590

**Tax Levy Rates for a resident of the City (per $1,000 assessed valuation)*

Source: Johnson County Abstract of Taxes

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Tax Levies and Collections

The City may levy taxes in accordance with the requirements of its adopted budget and within the restrictions of Kansas statute. The County Clerk determines property tax levies based on the assessed valuation provided by the County Appraiser and spreads the levies on the tax rolls.

City of Gardner, Kansas

PROPERTY TAX LEVIES AND COLLECTIONS
GENERAL AND DEBT SERVICE FUNDS
For years ended December 31, 2014 through December 31, 2023

		Current Year Collections			Total Tax Collections	
Year Ended December 31[1]	Adjusted Tax Levy	Amount	Percentage of Levy	Collections in Subsequent Years	Amount	Percentage of Levy
2014	4,070,856	4,013,682	98.60%	56,406	4,070,089	99.98%
2015	4,063,209	3,997,901	98.39%	64,805	4,062,706	99.99%
2016	4,406,651	4,370,729	99.18%	33,247	4,403,976	99.94%
2017	3,350,248	3,319,439	99.08%	29,380	3,348,818	99.96%
2018	3,658,443	3,656,109	99.94%	390	3,656,499	99.95%
2019	4,002,520	3,970,824	99.21%	27,134	3,997,959	99.89%
2020	4,261,312	4,223,131	99.10%	31,831	4,254,961	99.85%
2021	4,701,388	4,680,118	99.55%	4,636	4,684,754	99.65%
2022	4,833,541	4,795,368	99.21%	(5,856)	4,789,512	99.09%
2023	5,163,013	5,102,239	98.82%	14,324	5,116,563	99.10%

PROPERTY TAX LEVIES AND COLLECTIONS
TAX INCREMENT FINANCING DISTRICTS
For years ended December 31, 2014 through December 31, 2023

		Current Year Collections			Total Tax Collections	
Year Ended December 31[1]	Adjusted Tax Levy	Amount	Percentage of Levy	Collections in Subsequent Years	Amount	Percentage of Levy
2014	252,950	252,950	100.00%	-	252,950	100.00%
2015	238,635	238,635	100.00%	-	238,635	100.00%
2016	136,471	136,471	100.00%	-	136,471	100.00%
2017	-	-	-	-	-	-
2018	-	-	-	-	-	-
2019	-	-	-	-	-	-
2020	622	622	100.00%	-	622	100.00%
2021	13,457	13,457	100.00%	-	13,457	100.00%
2022	170,063	170,063	100.00%	-	170,063	100.00%
2023	213,241	213,241	100.00%	-	213,241	100.00%

(1) The year shown is the year in which the collections were received. The levy or assessment is certified to the County the previous year.

Source: *Johnson County Treasury, Taxation and Vehicles*

Special Assessment Collections

Special assessments are spread on benefited real estate with the property tax levy in August of each year. Interest on special assessments is computed relative to the rate of the obligations which financed the public improvements. The following table presents special assessments levied and collected.

SPECIAL ASSESSMENT LEVIES AND COLLECTIONS
For years ended December 31, 2014 through December 31, 2023

		Current Year Collections			Total Assessment Collections	
Year Ended December 31[(1)]	Assessments Certified to County	Amount	Percentage of Assessment	Collections in Subsequent Years	Amount	Percentage of Assessment
2014	1,225,206	857,846	70.02%	367,093	1,224,939	99.98%
2015	1,309,313	1,028,131	78.52%	280,515	1,308,646	99.95%
2016	1,305,642	1,288,438	98.68%	16,780	1,305,218	99.97%
2017	1,263,310	1,225,138	96.98%	37,843	1,262,981	99.97%
2018	1,272,825	1,186,403	93.21%	46,314	1,232,717	96.85%
2019	1,178,720	1,093,669	92.78%	46,792	1,140,461	96.75%
2020	1,172,880	1,041,270	88.78%	16,638	1,057,908	90.20%
2021	1,188,355	1,055,291	88.80%	14,121	1,069,412	89.99%
2022	1,380,633	1,214,412	87.96%	-	1,214,412	87.96%
2023	1,581,954	1,276,346	80.68%	134,678	1,411,025	89.20%

(1) The year shown is the year in which the collections were received. The levy or assessment is certified to the County the previous year.

Source: *Johnson County Treasury, Taxation and Vehicles*

Sales Tax Collections

The current total sales tax rate of the City is 9.475%, of which the City's portion is 1.50%, the County's portion is 1.475%, and the State's portion is 6.5% (food and food ingredients reduced to 4.0% in 2023).

The following table sets forth the City's portion of sales tax collections within the City in the years indicated:

Year	Amount Received
2023	4,807,697
2022	4,884,620
2021	4,389,698
2020	4,065,662
2019	3,689,312
2018	3,594,603
2017	3,510,641

Note: The figures above do not include collections from community improvement district sales taxes. At the request of developers and all of the property owners within each proposed community improvement district, the City has established three community improvement districts (CIDs). The CIDs typically impose a 1.0% CID sales tax within each district, which amount is in excess of the City's 9.475% sales tax rate. The CID sales tax collections are typically made available to developers to reimburse certain eligible costs of development and are not generally available to support governmental functions of the City.