CITY OF HARPER, KANSAS

DECEMBER 31, 2022

LINDBURG
VOGEL PIERCE FARIS
Chartered

CITY OF HARPER, KANSAS

TABLE OF CONTENTS
December 31, 2022

INDEPENDENT AUDITORS' REPORT 1-3

FINANCIAL STATEMENT
Summary Statement of Receipts, Expenditures, and Unencumbered Cash - Regulatory Basis 4-6

NOTES TO THE FINANCIAL STATEMENT 7-16

SUPPLEMENTARY INFORMATION
SCHEDULE 1
Summary of Expenditures - Regulatory Basis (Actual and Budget) 17

SCHEDULE 2
Schedule of Receipts and Expenditures - Regulatory Basis (Actual and Budget)
2-1 General Fund 18-20

Special Purpose Funds
2-2 Airport 21
2-3 Employee Benefits 22
2-4 Library 23
2-5 Special Parks and Recreation 24
2-6 Recreation 25
2-7 Transient Guest Tax 26
2-8 Police and Fire Equipment 27
2-9 Special Street and Highway 28
2-10 Equipment Reserve 29
2-11 Fire Equipment Reserve 30
2-12 Capital Improvement Program 31
2-13 Street Reserve 32
2-14 Street Improvement Sales Tax 33
2-15 Infrastructure Sales Tax 34
2-16 Economic Development Incentive 35
2-17 Cobblestone CID 36

Schedule of Receipts and Expenditures - Regulatory Basis (Actual)
2-18 Nonbudgeted Special Purpose Funds 37-38
Parks and Culture
Firemen's Activity
Police Activity
VIN Inspection
Diversion
ARPA Grant
Community Development
Donations and Gifts
Future Community Center
Police Drug Seizure Trust
Cemetery Veteran's Memorial

Schedule of Receipts and Expenditures - Regulatory Basis (Actual and Budget)
Bond and Interest Fund
2-19 Bond and Interest 39

Business Funds
2-20 Water Utility 40
2-21 Water Reserve 41
2-22 Sewer Utility 42
2-23 Sewer Reserve 43

SCHEDULE 2 (continued)
Schedule of Receipts and Expenditures - Regulatory Basis (Actual)
2-24 Capital Project Funds..... 44
Harper Sports Complex Improvements
Public Facilities Improvement

2-25 Trust Funds..... 45
Health Insurance Savings
Cemetery Trust
Cemetery Endowment

SCHEDULE 3
Schedule of Receipts and Expenditures - Regulatory Basis (Actual)
Related Municipal Entities
3-1 Harper Public Library..... 46
3-2 Harper Recreation Commission..... 47

SCHEDULE 4
Schedule of Receipts and Disbursements - Regulatory Basis (Actual)
Agency Funds..... 48
Security Deposit

REPORT REQUIRED BY GAO

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENT PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS..... 49-50

SCHEDULE OF FINDINGS AND RESPONSES..... 51

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INDEPENDENT AUDITORS' REPORT

The Mayor and City Council
City of Harper, Kansas

Adverse and Unmodified Opinions

We have audited the accompanying regulatory basis summary statement of receipts, expenditures, and unencumbered cash balances of City of Harper, Kansas (the City), as of and for the year ended December 31, 2022, and the related notes to the financial statement.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matters discussed in the "Basis for Adverse and Unmodified Opinions on U.S. Generally Accepted Accounting Principles" section of our report, the accompanying financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City as of December 31, 2022, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on the Regulatory Basis of Accounting

In our opinion, the accompanying financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City as of December 31, 2022, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1—Summary of Significant Accounting Policies.

Basis for Adverse and Unmodified Opinions

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

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

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

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Responsibilities of Management for the Financial Statement

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

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

Auditors' Responsibilities for the Audit of the Financial Statement

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statement.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report, dated May 5, 2023, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Certified Public Accountants

Hutchinson, Kansas
May 5, 2023

CITY OF HARPER, KANSAS

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH - REGULATORY BASIS
For Year Ended December 31, 2022

Funds	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
GENERAL FUND	$ 245,400	$ 899,316	$ 963,913	$ 180,803	$ 23,629	$ 204,432
SPECIAL PURPOSE FUNDS						
Airport	68,605	15,469	4,050	80,024	-	80,024
Employee Benefits	12,516	190,886	171,906	31,496	264	31,760
Library	1,277	59,718	59,950	1,045	-	1,045
Special Parks and Recreation	41,351	-	-	41,351	-	41,351
Recreation	1,580	46,150	47,000	730	-	730
Transient Guest Tax	23,212	32,167	29,633	25,746	-	25,746
Police and Fire Equipment	17,841	17,837	21,000	14,678	-	14,678
Special Street and Highway	98,881	42,113	33,800	107,194	-	107,194
Equipment Reserve	378,848	59,706	50,154	388,400	-	388,400
Fire Equipment Reserve	88,010	56,367	16,791	127,586	-	127,586
Capital Improvement Program	64,901	20,000	27,340	57,561	897	58,458
Street Reserve	96,509	32,500	39,400	89,609	-	89,609
Street	126,963	168,443	94,231	201,175	2,185	203,360
Infrastructure Sales Tax	269,026	184,684	118,570	335,140	22,940	358,080
Economic Development Incentives	99,503	52,500	32,105	119,898	507	120,405
Cobblestone CID	13,366	17,883	-	31,249	-	31,249
Parks and Culture	-	5,000	-	5,000	-	5,000
Firemen's Activity	5,278	5,737	50	10,965	-	10,965
Police Activity	3,859	1,767	367	5,259	-	5,259
VIN Inspection	1,238	1,100	200	2,138	-	2,138
Diversion	3,900	1,050	-	4,950	-	4,950
ARPA Grant	100,493	133,493	58,100	175,886	58,100	233,986
Community Development	48,842	8,040	1,876	55,006	-	55,006
Donations and Gifts	1,046	3,750	2,844	1,952	5	1,957
Future Community Center	16,387	16,083	-	32,470	-	32,470
Police Drug Seizure Trust	885	-	-	885	-	885
Cemetery Veteran's Memorial	2,241	125	-	2,366	-	2,366
TOTAL SPECIAL PURPOSE FUNDS	1,586,558	1,172,568	809,367	1,949,759	84,898	2,034,657
BOND AND INTEREST FUND						
Bond and Interest	71,337	60,558	46,220	85,675	-	85,675

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

CITY OF HARPER, KANSAS

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH - REGULATORY BASIS
For Year Ended December 31, 2022

Funds	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
BUSINESS FUNDS						
Water Utility						
Operating	$ 45,520	$ 553,419	$ 562,287	$ 36,652	$ 12,699	$ 49,351
Reserve	196,957	80,000	71,402	205,555	-	205,555
Sewer Utility						
Operating	44,199	250,615	248,523	46,291	2,935	49,226
Reserve	279,118	55,000	17,394	316,724	-	316,724
TOTAL BUSINESS FUNDS	565,794	939,034	899,606	605,222	15,634	620,856
CAPITAL PROJECT FUNDS						
Harper Sports Complex Improvements	(23,445)	29,445	-	6,000	-	6,000
Public Facilities Improvement	300,101	-	-	300,101	-	300,101
TOTAL CAPITAL PROJECT FUNDS	276,656	29,445	-	306,101	-	306,101
TRUST FUNDS						
Health Insurance Savings	11,318	49,064	46,818	13,564	942	14,506
Cemetery Trust	27,390	3,426	1,900	28,916	-	28,916
Cemetery Endowment	63,119	400	-	63,519	-	63,519
TOTAL TRUST FUNDS	101,827	52,890	48,718	105,999	942	106,941
TOTAL CITY	2,847,572	3,153,811	2,767,824	3,233,559	125,103	3,358,662
RELATED MUNICIPAL ENTITIES						
Harper Public Library	71,745	80,403	80,166	71,982	1,235	73,217
Harper Recreation Commission	89,833	110,306	133,020	67,119	1,730	68,849
TOTAL RELATED MUNICIPAL ENTITIES	161,578	190,709	213,186	139,101	2,965	142,066
TOTAL FINANCIAL REPORTING ENTITY	$ 3,009,150	$ 3,344,520	$ 2,981,010	$ 3,372,660	$ 128,068	$ 3,500,728

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

CITY OF HARPER, KANSAS

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH - REGULATORY BASIS
For Year Ended December 31, 2022

COMPOSITION OF CASH AND INVESTMENTS	
Cash and cash items	$ 300
Checking accounts	2,722,030
Money Market accounts	383,558
Certificates of deposit	261,303
State Municipal Investment Pool	14,984
TOTAL PRIMARY GOVERNMENT	3,382,175
RELATED MUNICIPAL ENTITIES	
Harper Public Library	73,217
Harper Recreation Commission	68,849
TOTAL RELATED MUNICIPAL ENTITIES	142,066
TOTAL CASH	3,524,241
AGENCY FUNDS (Schedule 4)	(23,513)
TOTAL REPORTING ENTITY	$ 3,500,728

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

CITY OF HARPER, KANSAS

NOTES TO THE FINANCIAL STATEMENT
December 31, 2022

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

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

Library Board

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

Recreation Commission

The Harper Recreation Commission operates the City's recreation activities. The Recreation Commission is a related municipal entity of the City because of their fiscal dependency. The City budgets an appropriation for the Recreation Commission. The Recreation Commission has only the powers granted by statute, K.S.A. 12-1928.

Fund Accounting

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

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

The following types of funds comprise the financial activities of the City for the year of 2022:

General Fund

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

Special Purpose Funds

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

Bond and Interest Fund

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

Capital Project Funds

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

Business Funds

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

Trust Funds

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

Agency Funds

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

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

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

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

Budgetary Information

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

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

If the municipality is holding a revenue neutral rate hearing, the budget timeline for adoption of the final budget has been adjusted to on or before September 20th. The City held a revenue neutral rate hearing as a part of the process for adoption of the 2023 budget.

The statutes allow for the governing body to increase the original adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. There were no such amended budgets for the year ended December 31, 2022.

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

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

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

Tax Cycle

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

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

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

Estimates

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

Deposits and Investments

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

Cemetery Endowment Fund

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

NOTE 2—STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Compliance with Kansas Statutes

Management was not aware of any material statutory violations.

NOTE 3—DEPOSITS AND INVESTMENTS

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

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

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

Interest Rate Risk

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

Custodial Credit Risk – Deposits

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

At December 31, 2022, the City's carrying amount of deposits (including related municipal entities) was $3,508,957 and the bank balance was $3,552,950. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, $654,568 was covered by FDIC insurance and $2,898,382 was collateralized with securities held by the pledging financial institutions' agents in the City's name.

Custodial Credit Risk – Investments

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

As of December 31, 2022, the City had the following investments:

Investment Type	Carrying Value	Fair Value	Rating
Kansas Municipal Investment Pool	$ 14,984	$ 14,984	N/A

At December 31, 2022, the City had invested $14,984 in the State's Municipal Investment Pool. The Kansas Municipal Investment Pool (KMIP) is under the oversight of the Pooled Money Investment Board (the board). The board is comprised of the State Treasurer and four additional members appointed by the State Governor. The board reports annually to the Kansas legislature. State pooled monies may be invested in direct obligations of, or obligations that are insured as to principal and interest, by the U.S. government or any agency thereof, with maturities up to four years. No more than 10% of those funds may be invested in mortgage-backed securities. In addition, the State pool may invest in repurchase agreements with Kansas banks or with primary government securities dealers.

Concentration of Credit Risk

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

NOTE 4—LONG-TERM DEBT

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

Issue	Date of Issue	Interest Rate	Amount of Issue	Year of Final Maturity
General Obligation Bonds				
Fire truck, Series 2010	10/20/10	3.75%	$ 183,600	2025
Street improvement, Series 2016A	11/15/16	1.25% - 2.50%	730,000	2032
Public facilities and street improvements, Series 2020	02/04/20	2.00% - 2.40%	1,300,000	2039
Refunding, Series 2021	07/06/21	0.20% - 1.30%	1,500,000	2034
Firemen's Relief Association Loan Warrants				
Loan dated March 1, 2018	03/01/18	1.00%	50,000	2025
Finance Leases				
Street sweeper	04/15/22	4.15%	197,000	2027

Changes in long-term liabilities of the City for the year ended December 31, 2022, were as follows:

Issue	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
General Obligation Bonds					
Fire truck	$ 59,200	$ -	$ 14,000	$ 45,200	$ 2,220
Street improvement	565,000	-	45,000	520,000	12,500
Public facilities and street improvements	1,130,000	-	85,000	1,045,000	23,580
Refunding	1,500,000	-	185,000	1,315,000	11,744
	3,254,200	-	329,000	2,925,200	50,044
Firemen's Relief Association Loan Warrants					
Loan dated February 1, 2013	9,039	-	9,039	-	271
Loan dated March 1, 2018	29,190	-	7,189	22,001	292
	38,229	-	16,228	22,001	563
Finance Leases					
Street sweeper	-	197,000	-	197,000	-
	$ 3,292,429	$ 197,000	$ 345,228	$ 3,144,201	$ 50,607

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

General Obligation Bonds	Principal	Interest
2023	$ 329,500	$ 45,128
2024	340,100	41,569
2025	300,600	37,555
2026	255,000	33,445
2027	265,000	29,730
2028-2032	1,090,000	87,640
2033-2037	265,000	24,780
2038-2039	80,000	2,880
	$ 2,925,200	$ 302,727

Firemen's Relief Association Loan Warrants	Principal	Interest
2023	$ 7,261	$ 220
2024	7,333	148
2025	7,407	74
2026	-	-
2027	-	-
	$ 22,001	$ 442

Finance Leases	Principal	Interest
2023	$ 25,525	$ 8,175
2024	26,564	7,136
2025	27,686	6,014
2026	28,835	4,865
2027	88,390	3,668
	$ 197,000	$ 29,858

NOTE 5—INTERFUND TRANSFERS

Operating transfers were made as follows:

From Fund	To Fund	Statutory Authority	Amount
General	Equipment Reserve	K.S.A. 12-1,117	$ 42,500
General	Fire Equipment Reserve	K.S.A. 12-1,117	26,367
General	Capital Improvement	K.S.A. 12-1,118	20,000
General	Street Reserve	K.S.A. 12-1,119	32,500
General	Economic Development Incentives	Ordinance	49,000
General	Cemetery Trust	Accounting	3,000
General	Community Development	Accounting	4,000
Police and Fire Equipment	Equipment Reserve	K.S.A. 12-1,117	16,000
Police and Fire Equipment	Fire Equipment Reserve	K.S.A. 12-1,117	5,000
Water Utility	Water Reserve	K.S.A. 12-825d	80,000
Sewer Utility	Sewer Reserve	K.S.A. 12-825d	55,000

NOTE 6—DEFINED BENEFIT PENSION PLAN

Plan Description

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

Contributions

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

Kansas law provides that employer contribution rates for KPERS 1, KPERS 2, and KPERS 3 be determined annually based on the results of annual actuarial valuation. The actuarially determined employer contribution rate (excluding the contribution rate for the Death and Disability program) and the statutory contribution rate for KPERS was 8.90% for the year ended December 31, 2022. Contributions to the pension plan from the City for KPERS was $53,575 for the year ended December 31, 2022.

Net Pension Liability

At December 31, 2022, the City's proportionate share of the collective net pension liability reported by KPERS was $576,274. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021, which was rolled forward to June 30, 2022. The City's share of the allocated net pension liability is based on the ratio of the City's employer contributions to KPERS, relative to the total employer contributions and nonemployer contributions of local subgroup within KPERS.

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

NOTE 7—OTHER LONG-TERM OBLIGATIONS

Other Post-Employment Benefits – Group Health Insurance

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

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

Other Post-Employment Benefits – Death and Disability Benefits

As provided by K.S.A. 74-4927, disabled members in the Kansas Public Employees Retirement System (KPERS) receive long-term disability and life insurance benefits. The plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. The employer contribution rate was set at 1% for the year ended December 31, 2022.

Compensated Absences

Under City personnel policies in effect at year end, the City is liable for payments to employees for vacation and sick pay when taken in agreement with the policy. Under certain conditions employees may carry over limited credits and may be paid for unused time at termination. The City's estimated liability for compensated absences at December 31, 2022, was $40,891.

NOTE 8—RISK MANAGEMENT

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

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

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

NOTE 9—CONCENTRATIONS

A substantial portion of the City's water and sewer sales are to one customer. During 2022, water and sewer sales to the customer were 11.8%.

NOTE 10—CAPITAL PROJECTS

On February 4, 2020, the City issued $1,300,000 general obligation bonds for Street and Drainage Improvements, Harper Sports Complex Improvements, and Public Building Improvements.

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

	Harper Sports Complex Improvement	Public Facilities Improvement
Project authorization	$ 775,000	$ 315,000
Approved change orders	141,881	8,371
Less: expenditures to date	(916,881)	(8,270)
Remaining project authorization	$ -	$ 315,101

NOTE 11—OTHER COMMITMENTS AND CONTINGENCIES

Grant Program Involvement

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

BASE Grant commitment

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

Litigation

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

Neighborhood Revitalization Program

The City participates in a neighborhood revitalization program as allowed by K.S.A. 12-17,114, et seq. Under the program, participants are provided a rebate of ad valorem taxes paid based on the increase in assessed valuation attributable to improvements made by the taxpayer after being approved for participation in the neighborhood revitalization program. For the year ended December 31, 2022, the City's neighborhood revitalization tax rebates totaled $31,287.

In 2020, the City Council approved, by ordinance, an ad valorem tax rebate program. For the year ended December 31, 2022, the City had no rebates from the ad valorem tax rebate program.

CITY OF HARPER, KANSAS

SUMMARY OF EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2022

Schedule 1

Funds	Certified Budget	Adjustment for Qualifying Budget Credit	Total for Comparison	Expenditures Chargeable to Current Year Budget	Over (Under) Budget
GENERAL FUND	$ 986,017	$ -	$ 986,017	$ 963,913	$ (22,104)
SPECIAL PURPOSE FUNDS					
Airport	148,000	-	148,000	4,050	(143,950)
Employee Benefits	200,100	-	200,100	171,906	(28,194)
Library	59,950	-	59,950	59,950	-
Special Parks and Recreation	41,351	-	41,351	-	(41,351)
Recreation	47,000	-	47,000	47,000	-
Transient Guest Tax	38,524	-	38,524	29,633	(8,891)
Police and Fire Equipment	27,500	-	27,500	21,000	(6,500)
Special Street and Highway	132,747	-	132,747	33,800	(98,947)
Equipment Reserve	396,368	-	396,368	50,154	(346,214)
Fire Equipment Reserve	118,777	-	118,777	16,791	(101,986)
Capital Improvement Program	58,196	-	58,196	27,340	(30,856)
Street Reserve	83,940	-	83,940	39,400	(44,540)
Street Improvement Sales Tax	208,519	-	208,519	94,231	(114,288)
Infrastructure Sales Tax Revenue	311,377	-	311,377	118,570	(192,807)
Economic Development Incentives	56,183	-	56,183	32,105	(24,078)
Cobblestone CID	22,400	-	22,400	-	(22,400)
BOND AND INTEREST FUND					
Bond and Interest	128,300	-	128,300	46,220	(82,080)
BUSINESS FUNDS					
Water Utility					
Operating	567,679	-	567,679	562,287	(5,392)
Reserve	245,976	-	245,976	71,402	(174,574)
Sewer Utility					
Operating	262,365	-	262,365	248,523	(13,842)
Reserve	290,400	-	290,400	17,394	(273,006)

CITY OF HARPER, KANSAS

GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2022

	Actual	Budget	Over (Under) Budget
RECEIPTS			
Taxes and shared revenue			
Ad valorem property tax	$ 390,976	$ 415,892	$ (24,916)
Delinquent tax	46,628	7,501	39,127
Motor vehicle tax	40,739	46,418	(5,679)
Recreational vehicle tax	853	862	(9)
16/20M truck tax	488	407	81
Commercial vehicle registration fee	1,142	1,936	(794)
Watercraft tax	-	51	(51)
Local retail sales tax	168,494	130,000	38,494
Connecting links	21,803	17,500	4,303
Neighborhood revitalization	(17,340)	(15,768)	(1,572)
Licenses, fees, and permits			
Franchise fees	137,958	105,000	32,958
Liquor and CMB licenses	1,105	855	250
Zoning fees	1,700	1,000	700
Animal impound fees	205	50	155
Miscellaneous licenses, fees, and permits	3,610	1,200	2,410
Fines and forfeitures			
Municipal Court	29,468	12,500	16,968
Uses of money and property			
Interest earned	8,864	8,000	864
Cemetery farm rent	6,766	6,260	506
Charges for services			
Swimming pool receipts	14,635	10,000	4,635
Rural fire contracts	24,000	26,100	(2,100)
Cemetery lots and fees	10,625	8,000	2,625
Other			
Grants and reimbursements	3,953	500	3,453
Sale of surplus equipment and material	1,122	250	872
Miscellaneous	1,522	1,000	522
TOTAL RECEIPTS	899,316	785,514	113,802

CITY OF HARPER, KANSAS

GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2022

	Actual	Budget	Over (Under) Budget
EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET			
Administration			
Personal services	$ 66,029	$ 72,000	$ (5,971)
Contractual services	57,466	60,000	(2,534)
Commodities	10,974	12,000	(1,026)
Department total	134,469	144,000	(9,531)
Police department			
Personal services	170,206	165,000	5,206
Contractual services	7,580	5,000	2,580
Commodities	23,795	21,000	2,795
Emergency management	130	1,000	(870)
Training	2,450	3,000	(550)
Code abatement	4,324	3,000	1,324
Department total	208,485	198,000	10,485
Municipal Court			
Personal services	1,800	1,800	-
Contractual services	2,502	10,000	(7,498)
Commodities	126	500	(374)
Department total	4,428	12,300	(7,872)
Street department			
Personal services	161,024	160,000	1,024
Contractual services	8,952	16,000	(7,048)
Commodities	43,311	50,000	(6,689)
Storm drainage system	-	25,000	(25,000)
Code abatement	-	1,000	(1,000)
Department total	213,287	252,000	(38,713)
Fire department			
Personal services	3,565	4,200	(635)
Contractual services	1,264	7,000	(5,736)
Commodities	13,191	13,650	(459)
Transfer to:			
Equipment Reserve Fund	12,500	26,367	(13,867)
Fire Equipment Reserve Fund	26,367	12,500	13,867
Department total	56,887	63,717	(6,830)
Park department			
Contractual services	1,316	3,000	(1,684)
Commodities	7,485	7,000	485
Tree care	3,079	5,000	(1,921)
Department total	11,880	15,000	(3,120)

CITY OF HARPER, KANSAS

GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2022

	Actual	Budget	Over (Under) Budget
EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET (Continued)			
Cemetery department			
Personal services	$ 48,988	$ 60,000	$ (11,012)
Contractual services	4,232	5,000	(768)
Commodities	10,727	10,000	727
Road materials	-	3,000	(3,000)
Department total	63,947	78,000	(14,053)
Mechanic			
Personal services	-	25,000	(25,000)
Contractual services	-	-	-
Commodities	-	-	-
Department total	-	25,000	(25,000)
Swimming pool			
Personal services	27,443	30,500	(3,057)
Contractual services	6,667	6,500	167
Commodities	11,504	5,000	6,504
Capital outlay	1,952	5,000	(3,048)
Department total	47,566	47,000	566
Utility services			
Electric	47,497	53,000	(5,503)
Gas	8,201	6,000	2,201
Telephone	5,226	5,500	(274)
Department total	60,924	64,500	(3,576)
Planning and Zoning			
Contractual services	6,832	2,500	4,332
Comprehensive Development Plan	5,896	2,500	3,396
Department total	12,728	5,000	7,728
Other			
Condemnation	705	30,000	(29,295)
Community development	10,107	11,500	(1,393)
Transfer to:			
Equipment Reserve Fund	30,000	15,000	15,000
Community Development Fund	4,000	-	4,000
Capital Improvement Fund	20,000	7,500	12,500
Street Reserve Fund	32,500	7,500	25,000
Economic Development Incentives Fund	49,000	10,000	39,000
Cemetery Trust Fund	3,000	-	3,000
Other total	149,312	81,500	67,812
TOTAL EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET	963,913	986,017	(22,104)
RECEIPTS OVER (UNDER) EXPENDITURES	(64,597)	(200,503)	135,906
UNENCUMBERED CASH, JANUARY 1	245,400	200,503	44,897
UNENCUMBERED CASH, DECEMBER 31	$ 180,803	$ -	$ 180,803

CITY OF HARPER, KANSAS

SPECIAL PURPOSE FUNDS

AIRPORT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2022

Schedule 2-2

	Actual	Budget	Over (Under) Budget
RECEIPTS			
Taxes			
Ad valorem property tax	$ 4,160	$ 4,422	$ (262)
Delinquent tax	818	150	668
Motor vehicle tax	803	915	(112)
Recreational vehicle tax	17	17	-
16/20M truck tax	11	8	3
Commercial vehicle registration fee	23	38	(15)
Watercraft tax	-	1	(1)
Neighborhood revitalization	(185)	(168)	(17)
Aviation fuel reimbursements	8,665	7,000	1,665
Rentals	359	360	(1)
Grants and reimbursements	-	90,000	(90,000)
Sale of crops	-	1,000	(1,000)
Miscellaneous	798	-	798
TOTAL RECEIPTS	15,469	103,743	(88,274)
EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET			
Contractual services	2,279	8,000	(5,721)
Commodities	1,771	20,000	(18,229)
Capital outlay	-	15,000	(15,000)
Airport improvements			
City match	-	15,000	(15,000)
Grant	-	90,000	(90,000)
TOTAL EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET	4,050	148,000	(143,950)
RECEIPTS OVER (UNDER) EXPENDITURES	11,419	(44,257)	55,676
UNENCUMBERED CASH, JANUARY 1	68,605	44,257	24,348
UNENCUMBERED CASH, DECEMBER 31	$ 80,024	$ -	$ 80,024

CITY OF HARPER, KANSAS

SPECIAL PURPOSE FUNDS

EMPLOYEE BENEFITS FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2022

Schedule 2-3

	Actual	Budget	Over (Under) Budget
RECEIPTS			
Taxes			
Ad valorem property tax	$ 163,734	$ 174,164	$ (10,430)
Delinquent tax	17,471	1,000	16,471
Motor vehicle tax	16,042	18,279	(2,237)
Recreational vehicle tax	336	340	(4)
16/20M truck tax	116	160	(44)
Commercial vehicle registration fee	450	762	(312)
Watercraft tax	-	20	(20)
Neighborhood revitalization	(7,292)	(6,869)	(423)
Reimbursements	29	-	29
TOTAL RECEIPTS	190,886	187,856	3,030
EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET			
Health insurance	60,035	66,000	(5,965)
Claims	30,468	32,000	(1,532)
Social Security	34,456	37,500	(3,044)
KPERS	39,308	45,700	(6,392)
Workers' compensation	6,932	18,000	(11,068)
Unemployment insurance	576	900	(324)
Other	131	-	131
TOTAL EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET	171,906	200,100	(28,194)
RECEIPTS OVER (UNDER) EXPENDITURES	18,980	(12,244)	31,224
UNENCUMBERED CASH, JANUARY 1	12,516	12,244	272
UNENCUMBERED CASH, DECEMBER 31	$ 31,496	$ -	$ 31,496

CITY OF HARPER, KANSAS

SPECIAL PURPOSE FUNDS

LIBRARY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2022

Schedule 2-4

	Actual	Budget	Over (Under) Budget
RECEIPTS			
Taxes			
Ad valorem property tax	$ 49,446	$ 52,591	$ (3,145)
Delinquent tax	6,153	500	5,653
Motor vehicle tax	5,962	6,793	(831)
Recreational vehicle tax	125	126	(1)
16/20M truck tax	58	60	(2)
Commercial vehicle registration fee	167	283	(116)
Watercraft tax	-	7	(7)
Neighborhood revitalization	(2,193)	(1,994)	(199)
TOTAL RECEIPTS	59,718	58,366	1,352
EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET			
Appropriation to library	59,950	59,950	-
RECEIPTS OVER (UNDER) EXPENDITURES	(232)	(1,584)	1,352
UNENCUMBERED CASH, JANUARY 1	1,277	1,584	(307)
UNENCUMBERED CASH, DECEMBER 31	$ 1,045	$ -	$ 1,045

CITY OF HARPER, KANSAS

SPECIAL PURPOSE FUNDS

SPECIAL PARKS AND RECREATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2022

Schedule 2-5

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

CITY OF HARPER, KANSAS

SPECIAL PURPOSE FUNDS

RECREATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2022

Schedule 2-6

	Actual	Budget	Over (Under) Budget
RECEIPTS			
Taxes			
Ad valorem property tax	$ 38,076	$ 40,501	$ (2,425)
Delinquent tax	4,793	500	4,293
Motor vehicle tax	4,723	5,381	(658)
Recreational vehicle tax	99	100	(1)
16/20M truck tax	16	47	(31)
Commercial vehicle registration fee	132	224	(92)
Watercraft tax	-	6	(6)
Neighborhood revitalization	(1,689)	(1,536)	(153)
TOTAL RECEIPTS	46,150	45,223	927
EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET			
Appropriation to Recreation Commission	47,000	47,000	-
RECEIPTS OVER (UNDER) EXPENDITURES	(850)	(1,777)	927
UNENCUMBERED CASH, JANUARY 1	1,580	1,777	(197)
UNENCUMBERED CASH, DECEMBER 31	$ 730	$ -	$ 730

CITY OF HARPER, KANSAS

SPECIAL PURPOSE FUNDS

TRANSIENT GUEST TAX FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2022

Schedule 2-7

	Actual	Budget	Over (Under) Budget
RECEIPTS			
Transient Guest Tax	$ 32,167	$ 20,000	$ 12,167
EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET			
Promotion and tourism	29,633	28,524	1,109
Activity Center allocation	-	10,000	(10,000)
EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET	29,633	38,524	(8,891)
RECEIPTS OVER (UNDER) EXPENDITURES	2,534	(18,524)	21,058
UNENCUMBERED CASH, JANUARY 1	23,212	18,524	4,688
UNENCUMBERED CASH, DECEMBER 31	$ 25,746	$ -	$ 25,746

CITY OF HARPER, KANSAS

SPECIAL PURPOSE FUNDS

POLICE AND FIRE EQUIPMENT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2022

Schedule 2-8

	Actual	Budget	Over (Under) Budget
RECEIPTS			
Taxes			
Ad valorem property tax	$ 13,218	$ 14,060	$ (842)
Delinquent tax	2,304	250	2,054
Motor vehicle tax	2,738	3,120	(382)
Recreational vehicle tax	57	58	(1)
16/20M truck tax	29	27	2
Commercial vehicle registration fee	77	130	(53)
Watercraft tax	-	3	(3)
Neighborhood revitalization	(586)	(533)	(53)
TOTAL RECEIPTS	17,837	17,115	722
EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET			
Capital outlay	-	11,500	(11,500)
Transfer to:			
Equipment Reserve Fund	16,000	16,000	-
Fire Equipment Reserve Fund	5,000	-	5,000
TOTAL EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET	21,000	27,500	(6,500)
RECEIPTS OVER (UNDER) EXPENDITURES	(3,163)	(10,385)	7,222
UNENCUMBERED CASH, JANUARY 1	17,841	10,385	7,456
UNENCUMBERED CASH, DECEMBER 31	$ 14,678	$ -	$ 14,678

CITY OF HARPER, KANSAS

SPECIAL PURPOSE FUNDS

SPECIAL STREET AND HIGHWAY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2022

Schedule 2-9

	Actual	Budget	Over (Under) Budget
RECEIPTS			
State fuel tax	$ 34,693	$ 33,870	$ 823
Connecting links	7,347	-	7,347
Interest earned	73	-	73
TOTAL RECEIPTS	42,113	33,870	8,243
EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET			
Streets and highway	33,800	132,747	(98,947)
RECEIPTS OVER (UNDER) EXPENDITURES	8,313	(98,877)	107,190
UNENCUMBERED CASH, JANUARY 1	98,881	98,877	4
UNENCUMBERED CASH, DECEMBER 31	$ 107,194	$ -	$ 107,194

CITY OF HARPER, KANSAS

SPECIAL PURPOSE FUNDS

EQUIPMENT RESERVE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2022

Schedule 2-10

	Actual	Budget	Over (Under) Budget
RECEIPTS			
Transfer from:			
General Fund	$ 42,500	$ 27,500	$ 15,000
Police and Fire Equipment Fund	16,000	16,000	-
Interest earned	1,206	-	1,206
TOTAL RECEIPTS	59,706	43,500	16,206
EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET			
Capital outlay	41,229	209,268	(168,039)
Equipment replacement	8,925	187,100	(178,175)
TOTAL EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET	50,154	396,368	(346,214)
RECEIPTS OVER (UNDER) EXPENDITURES	9,552	(352,868)	362,420
UNENCUMBERED CASH, JANUARY 1	378,848	352,868	25,980
UNENCUMBERED CASH, DECEMBER 31	$ 388,400	$ -	$ 388,400

CITY OF HARPER, KANSAS

SPECIAL PURPOSE FUNDS

FIRE EQUIPMENT RESERVE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2022

Schedule 2-11

	Actual	Budget	Over (Under) Budget
RECEIPTS			
Transfer from:			
General Fund	$ 26,367	$ 26,367	$ -
Police and Fire Equipment Fund	5,000	-	5,000
County appropriation - payment in lieu of tax	25,000	-	25,000
TOTAL RECEIPTS	56,367	26,367	30,000
EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET			
Capital outlay	-	96,986	(96,986)
FRA loan payments	16,791	16,791	-
Hydrant replacement	-	5,000	(5,000)
TOTAL EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET	16,791	118,777	(101,986)
RECEIPTS OVER (UNDER) EXPENDITURES	39,576	(92,410)	131,986
UNENCUMBERED CASH, JANUARY 1	88,010	92,410	(4,400)
UNENCUMBERED CASH, DECEMBER 31	$ 127,586	$ -	$ 127,586

CITY OF HARPER, KANSAS

SPECIAL PURPOSE FUNDS

CAPITAL IMPROVEMENT PROGRAM FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2022

Schedule 2-12

	Actual	Budget	Over (Under) Budget
RECEIPTS			
Transfer from - General Fund	$ 20,000	$ 7,500	$ 12,500
EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET			
Capital improvements	27,340	58,196	(30,856)
RECEIPTS OVER (UNDER) EXPENDITURES	(7,340)	(50,696)	43,356
UNENCUMBERED CASH, JANUARY 1	64,901	50,696	14,205
UNENCUMBERED CASH, DECEMBER 31	$ 57,561	$ -	$ 57,561

CITY OF HARPER, KANSAS

SPECIAL PURPOSE FUNDS

STREET RESERVE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2022

Schedule 2-13

	Actual	Budget	Over (Under) Budget
RECEIPTS			
Transfer from - General Fund	$ 32,500	$ 7,500	$ 25,000
EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET			
Street improvement and repair	39,400	83,940	(44,540)
RECEIPTS OVER (UNDER) EXPENDITURES	(6,900)	(76,440)	69,540
UNENCUMBERED CASH, JANUARY 1	96,509	80,440	16,069
UNENCUMBERED CASH, DECEMBER 31	$ 89,609	$ 4,000	$ 85,609

CITY OF HARPER, KANSAS

SPECIAL PURPOSE FUNDS

STREET IMPROVEMENT SALES TAX FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2022

Schedule 2-14

	Actual	Budget	Over (Under) Budget
RECEIPTS			
Local sales tax	$ 168,443	$ 130,000	$ 38,443
EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET			
Street improvements	4,985	50,000	(45,015)
Infrastructure improvements	24,446	93,719	(69,273)
Pine/21st project			
Bond principal	55,000	55,000	-
Bond interest	9,800	9,800	-
TOTAL EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET	94,231	208,519	(114,288)
RECEIPTS OVER (UNDER) EXPENDITURES	74,212	(78,519)	152,731
UNENCUMBERED CASH, JANUARY 1	126,963	78,519	48,444
UNENCUMBERED CASH, DECEMBER 31	$ 201,175	$ -	$ 201,175

CITY OF HARPER, KANSAS

SPECIAL PURPOSE FUNDS

INFRASTRUCTURE SALES TAX FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2022

Schedule 2-15

	Actual	Budget	Over (Under) Budget
RECEIPTS			
Local sales tax	$ 168,443	$ 130,000	$ 38,443
Grants	7,455	-	7,455
Reimbursements	8,713	-	8,713
Interest earned	73	-	73
TOTAL RECEIPTS	184,684	130,000	54,684
EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET			
Infrastructure improvements	47,290	220,097	(172,807)
Sidewalk CID	-	20,000	(20,000)
Principal	45,000	45,000	-
Interest	26,280	26,280	-
TOTAL EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET	118,570	311,377	(192,807)
RECEIPTS OVER (UNDER) EXPENDITURES	66,114	(181,377)	247,491
UNENCUMBERED CASH, JANUARY 1	269,026	181,377	87,649
UNENCUMBERED CASH, DECEMBER 31	$ 335,140	$ -	$ 335,140

CITY OF HARPER, KANSAS

SPECIAL PURPOSE FUNDS

ECONOMIC DEVELOPMENT INCENTIVE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2022

Schedule 2-16

	Actual	Budget	Over (Under) Budget
RECEIPTS			
Transfer from - General Fund	$ 49,000	$ 10,000	$ 39,000
Reimbursements	3,500	-	3,500
TOTAL RECEIPTS	52,500	10,000	42,500
EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET			
Business incentives	32,105	48,683	(16,578)
Rural opportunity zones	-	7,500	(7,500)
TOTAL EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET	32,105	56,183	(24,078)
RECEIPTS OVER (UNDER) EXPENDITURES	20,395	(46,183)	66,578
UNENCUMBERED CASH, JANUARY 1	99,503	46,183	53,320
UNENCUMBERED CASH, DECEMBER 31	$ 119,898	$ -	$ 119,898

CITY OF HARPER, KANSAS

SPECIAL PURPOSE FUNDS

COBBLESTONE CID FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2022

Schedule 2-17

	Actual	Budget	Over (Under) Budget
RECEIPTS			
Local sales tax	$ 17,883	$ 11,200	$ 6,683
EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET			
Appropriation	-	22,400	(22,400)
RECEIPTS OVER (UNDER) EXPENDITURES	17,883	(11,200)	29,083
UNENCUMBERED CASH, JANUARY 1	13,366	11,200	2,166
UNENCUMBERED CASH, DECEMBER 31	$ 31,249	$ -	$ 31,249

CITY OF HARPER, KANSAS

NONBUDGETED SPECIAL PURPOSE FUNDS
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL)
For Year Ended December 31, 2022

Schedule 2-18
Page 1 of 2

	Parks and Culture	Firemen's Activity	Police Activity	VIN Inspection	Diversion
RECEIPTS					
Donations and gifts	$ -	$ 5,437	$ 1,767	$ -	$ -
Grants	5,000	-	-	-	-
Fees	-	-	-	1,100	1,050
Reimbursements	-	300	-	-	-
Transfer from:					
Transient Guest Tax	-	-	-	-	-
General Fund	-	-	-	-	-
TOTAL RECEIPTS	5,000	5,737	1,767	1,100	1,050
EXPENDITURES					
Supplies and services	-	-	-	-	-
Improvement loans and grants	-	-	-	-	-
Program expenditures	-	50	367	200	-
TOTAL EXPENDITURES	-	50	367	200	-
RECEIPTS OVER (UNDER) EXPENDITURES	5,000	5,687	1,400	900	1,050
UNENCUMBERED CASH, JANUARY 1	-	5,278	3,859	1,238	3,900
UNENCUMBERED CASH, DECEMBER 31	$ 5,000	$ 10,965	$ 5,259	$ 2,138	$ 4,950

CITY OF HARPER, KANSAS

NONBUDGETED SPECIAL PURPOSE FUNDS
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL)
For Year Ended December 31, 2022

Schedule 2-18
Page 2 of 2

	ARPA Grant	Community Development	Donations and Gifts	Future Community Center	Police Drug Seizure Trust	Cemetery Veteran's Memorial
RECEIPTS						
Donations and gifts	$ -	$ -	$ 3,750	$ -	$ -	$ 125
Grants	133,493	-	-	-	-	-
Fees	-	-	-	-	-	-
Reimbursements	-	4,040	-	-	-	-
Transfer from:						
Transient Guest Tax	-	-	-	16,083	-	-
General Fund	-	4,000	-	-	-	-
TOTAL RECEIPTS	133,493	8,040	3,750	16,083	-	125
EXPENDITURES						
Contractual services	58,100	-	-	-	-	-
Improvement loans and grants	-	1,344	-	-	-	-
Program expenditures	-	532	2,844	-	-	-
TOTAL EXPENDITURES	58,100	1,876	2,844	-	-	-
RECEIPTS OVER (UNDER) EXPENDITURES	75,393	6,164	906	16,083	-	125
UNENCUMBERED CASH, JANUARY 1	100,493	48,842	1,046	16,387	885	2,241
UNENCUMBERED CASH, DECEMBER 31	$ 175,886	$ 55,006	$ 1,952	$ 32,470	$ 885	$ 2,366

CITY OF HARPER, KANSAS

BOND AND INTEREST FUND

BOND AND INTEREST FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2022

Schedule 2-19

	Actual	Budget	Over (Under) Budget
RECEIPTS			
Taxes			
Ad valorem property tax	$ 45,797	$ 48,719	$ (2,922)
Delinquent tax	8,099	500	7,599
Motor vehicle tax	8,169	9,308	(1,139)
Recreational vehicle tax	171	173	(2)
16/20M truck tax	124	82	42
Commercial vehicle registration fee	229	388	(159)
Watercraft tax	-	10	(10)
Neighborhood revitalization	(2,031)	(2,037)	6
TOTAL RECEIPTS	60,558	57,143	3,415
EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET			
Fire truck			
Principal	14,000	14,000	-
Interest	2,220	2,200	20
Commissions	-	100	(100)
Ballfield improvements			
Principal	30,000	30,000	-
Reserve for temporary improvement note	-	50,000	(50,000)
Activity Center	-	30,000	(30,000)
Cash basis requirement	-	2,000	(2,000)
TOTAL EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET	46,220	128,300	(82,080)
RECEIPTS OVER (UNDER) EXPENDITURES	14,338	(71,157)	85,495
UNENCUMBERED CASH, JANUARY 1	71,337	71,157	180
UNENCUMBERED CASH, DECEMBER 31	$ 85,675	$ -	$ 85,675

CITY OF HARPER, KANSAS

BUSINESS FUNDS

WATER UTILITY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2022

Schedule 2-20

	Actual	Budget	Over (Under) Budget
RECEIPTS			
Sales to consumers	$ 542,720	$ 515,000	$ 27,720
Reimbursements and other	10,699	10,000	699
TOTAL RECEIPTS	553,419	525,000	28,419
EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET			
Administration			
Salaries	67,769	71,500	(3,731)
Health insurance	27,371	29,000	(1,629)
Self-insurance expense	13,239	12,000	1,239
Social Security	9,596	10,800	(1,204)
KPERS	12,254	13,500	(1,246)
Workers' compensation	890	1,600	(710)
Contractual services	41,300	40,000	1,300
Commodities	5,017	6,500	(1,483)
Production			
Salaries	25,684	32,000	(6,316)
Contractual services	19,520	20,000	(480)
Commodities	34,144	20,000	14,144
Distribution			
Salaries	43,032	38,500	4,532
Contractual services	1,790	7,000	(5,210)
Commodities	17,898	25,000	(7,102)
Nonoperating expenses			
Clean water drinking fee	1,560	1,700	(140)
Water protection fee	1,463	2,000	(537)
Utilities			
Electric service	32,548	35,000	(2,452)
Gas service	3,434	2,500	934
Telephone service	2,899	3,200	(301)
Debt service			
General obligation bond principal and interest	120,879	-	120,879
Revenue bond principal and interest	-	86,660	(86,660)
KPWS loan principal and interest	-	34,219	(34,219)
Transfer to - Water Reserve Fund	80,000	75,000	5,000
TOTAL EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET	562,287	567,679	(5,392)
RECEIPTS OVER (UNDER) EXPENDITURES	(8,868)	(42,679)	33,811
UNENCUMBERED CASH, JANUARY 1	45,520	42,679	2,841
UNENCUMBERED CASH, DECEMBER 31	$ 36,652	$ -	$ 36,652

CITY OF HARPER, KANSAS

BUSINESS FUNDS

WATER RESERVE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2022

Schedule 2-21

	Actual	Budget	Over (Under) Budget
RECEIPTS			
Transfer from - Water Utility Fund	$ 80,000	$ 75,000	$ 5,000
EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET			
Capital outlay	31,601	187,976	(156,375)
Excavator	3,750	4,000	(250)
Equipment replacement	36,051	54,000	(17,949)
TOTAL EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET	71,402	245,976	(174,574)
RECEIPTS OVER (UNDER) EXPENDITURES	8,598	(170,976)	179,574
UNENCUMBERED CASH, JANUARY 1	196,957	170,976	25,981
UNENCUMBERED CASH, DECEMBER 31	$ 205,555	$ -	$ 205,555

CITY OF HARPER, KANSAS

BUSINESS FUNDS

SEWER UTILITY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2022

Schedule 2-22

	Actual	Budget	Over (Under) Budget
RECEIPTS			
Charges for services	$ 250,465	$ 225,000	$ 25,465
Reimbursements and other	150	500	(350)
TOTAL RECEIPTS	250,615	225,500	25,115
EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET			
Administration			
Salaries	32,121	33,000	(879)
Health insurance	11,037	12,000	(963)
Self-insurance expense	5,335	5,000	335
Social Security	3,999	4,400	(401)
KPERS	5,077	5,500	(423)
Workers' compensation	259	500	(241)
Contractual services	12,502	12,000	502
Commodities	1,960	4,000	(2,040)
Collection			
Salaries	16,163	12,700	3,463
Contractual services	3,122	5,000	(1,878)
Commodities	2,769	6,000	(3,231)
Treatment			
Salaries	8,561	12,400	(3,839)
Contractual services	2,857	7,000	(4,143)
Commodities	4,913	5,500	(587)
Utilities			
Electric service	4,846	9,300	(4,454)
Gas service	1,380	1,300	80
Telephone service	757	900	(143)
Debt service			
Principal and interest	75,865	75,865	-
Transfer to:			
Sewer Reserve Fund	55,000	-	55,000
Sewer Reserve Fund - Lagoon improvement	-	50,000	(50,000)
TOTAL EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET	248,523	262,365	(13,842)
RECEIPTS OVER (UNDER) EXPENDITURES	2,092	(36,865)	38,957
UNENCUMBERED CASH, JANUARY 1	44,199	36,865	7,334
UNENCUMBERED CASH, DECEMBER 31	$ 46,291	$ -	$ 46,291

CITY OF HARPER, KANSAS

BUSINESS FUNDS

SEWER RESERVE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2022

Schedule 2-23

	Actual	Budget	Over (Under) Budget
RECEIPTS			
Transfer from - Sewer Utility Fund	$ 55,000	$ 50,000	$ 5,000
EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET			
Capital outlay	-	145,000	(145,000)
Lagoon improvement	13,644	100,000	(86,356)
Excavator	3,750	4,000	(250)
Sewer cleanout	-	30,000	(30,000)
Equipment replacement	-	11,400	(11,400)
TOTAL EXPENDITURES AND TRANSFERS SUBJECT TO BUDGET	17,394	290,400	(273,006)
RECEIPTS OVER (UNDER) EXPENDITURES	37,606	(240,400)	278,006
UNENCUMBERED CASH, JANUARY 1	279,118	240,400	38,718
UNENCUMBERED CASH, DECEMBER 31	$ 316,724	$ -	$ 316,724

CITY OF HARPER, KANSAS

CAPITAL PROJECT FUNDS
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL)
For Year Ended December 31, 2022

Schedule 2-24

	Harper Sports Complex Improvements	Public Facilities Improvements
RECEIPTS		
Grant proceeds	$ 29,445	$ -
EXPENDITURES AND TRANSFERS		
Construction	-	-
RECEIPTS OVER (UNDER) EXPENDITURES	29,445	-
UNENCUMBERED CASH, JANUARY 1	(23,445)	300,101
UNENCUMBERED CASH, DECEMBER 31	$ 6,000	$ 300,101

CITY OF HARPER, KANSAS

TRUST FUNDS
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL)
For Year Ended December 31, 2022

Schedule 2-25

	Health Insurance Savings	Cemetery Trust	Cemetery Endowment
RECEIPTS			
Premium savings	$ 49,042	$ -	$ -
Donations and other	-	-	400
Interest earned	22	426	-
Transfer from - General Fund	-	3,000	-
TOTAL RECEIPTS	49,064	3,426	400
EXPENDITURES			
Capital improvements	-	1,900	-
Claims paid	46,818	-	-
TOTAL EXPENDITURES	46,818	1,900	-
RECEIPTS OVER (UNDER) EXPENDITURES	2,246	1,526	400
UNENCUMBERED CASH, JANUARY 1	11,318	27,390	63,119
UNENCUMBERED CASH, DECEMBER 31	$ 13,564	$ 28,916	$ 63,519

CITY OF HARPER, KANSAS

RELATED MUNICIPAL ENTITIES

HARPER PUBLIC LIBRARY
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL)
For Year Ended December 31, 2022

Schedule 3-1

RECEIPTS		
Appropriation from the City	$	63,012
South Central Kansas Library		11,812
State aid		723
Interest earned		130
Grants and donations		500
Fines and copies		2,778
Fines, copies, and miscellaneous		1,448
TOTAL RECEIPTS		80,403
EXPENDITURES		
Payroll expense		43,888
Books and periodicals		6,232
Supplies		2,553
Professional fees		1,800
Utilities, telephone, and internet		10,182
Insurance		1,910
Maintenance		2,096
Technology expense		3,035
Equipment		4,195
Library programs		2,316
Miscellaneous		1,959
TOTAL EXPENDITURES		80,166
RECEIPTS OVER (UNDER) EXPENDITURES		237
UNENCUMBERED CASH, JANUARY 1		71,745
UNENCUMBERED CASH, DECEMBER 31	$	71,982
ANALYSIS OF AVAILABLE CASH		
Checking account	$	16,424
Money Market account		24,616
Savings account		9,177
Certificate of deposit		23,000
TOTAL CASH		73,217
ACCOUNTS PAYABLE, DECEMBER 31		(1,235)
UNENCUMBERED CASH, DECEMBER 31	$	71,982

CITY OF HARPER, KANSAS

RELATED MUNICIPAL ENTITIES

HARPER RECREATION COMMISSION
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL)
For Year Ended December 31, 2022

Schedule 3-2

	General Fund	Capital Improvement Fund	Total
RECEIPTS			
Appropriation from the City	$ 47,000	$ -	$ 47,000
Entry fees	7,750	-	7,750
Donations and other	8,229	14,450	22,679
Signage	-	12,300	12,300
Interest earned	-	63	63
Other	1,386	-	1,386
Transfers in	-	19,128	19,128
TOTAL RECEIPTS	64,365	45,941	110,306
EXPENDITURES			
Advertising	177	-	177
Utilities and telephone	6,715	-	6,715
Insurance	4,464	-	4,464
Office supplies	374	-	374
Uniforms, banners, etc.	2,521	-	2,521
Activities equipment	1,028	-	1,028
Director fees	6,092	-	6,092
Umpires, referees, and scorekeepers	7,880	-	7,880
Maintenance director	5,307	-	5,307
Complex maintenance	6,140	-	6,140
Equipment maintenance	1,890	-	1,890
Capital equipment	-	66,085	66,085
Tournaments and events	1,349	2,250	3,599
Sponsorships	-	672	672
Miscellaneous	948	-	948
Transfers out	19,128	-	19,128
TOTAL EXPENDITURES	64,013	69,007	133,020
RECEIPTS OVER (UNDER) EXPENDITURES	352	(23,066)	(22,714)
UNENCUMBERED CASH, JANUARY 1	14,123	75,710	89,833
UNENCUMBERED CASH, DECEMBER 31	$ 14,475	$ 52,644	$ 67,119

ANALYSIS OF AVAILABLE CASH	
Checking account	$ 16,205
Money Market account	52,644
TOTAL CASH	68,849
ACCOUNTS PAYABLE, DECEMBER 31	(1,730)
UNENCUMBERED CASH, DECEMBER 31	$ 67,119

CITY OF HARPER, KANSAS

AGENCY FUNDS
SCHEDULE OF RECEIPTS AND DISBURSEMENTS - REGULATORY BASIS
(ACTUAL)
For Year Ended December 31, 2022

Schedule 4

	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Security Deposit	$ 20,591	$ 8,625	$ 5,703	$ 23,513

LINDBURG
VOGEL PIERCE FARIS
Chartered

Gregory D. Daughhetee, CPA
Kenneth D. Hamby, CPA
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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Mayor and City Council
City of Harper, Kansas

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the *Kansas Municipal Audit and Accounting Guide*, the regulatory basis summary statement of receipts, expenditures, and unencumbered cash of City of Harper, Kansas (the City) as of and for the year ended December 31, 2022, and the related notes to the financial statement, which collectively comprise the City's basic financial statement, and have issued our report thereon dated May 5, 2023, which was modified because the financial statement is prepared on the regulatory basis of accounting.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be a material weakness. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that we consider to be a significant deficiency, which is identified as 2022-1.

Report on Compliance and Other Matters

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

City's Response to Findings

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

Purpose of this Report

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



Certified Public Accountants

Hutchinson, Kansas
May 5, 2023

CITY OF HARPER, KANSAS

SCHEDULE OF FINDINGS AND RESPONSES
For Year Ended December 31, 2022

2022-1 Significant Deficiency – Segregation of Duties

Condition

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

Criteria

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

Effect

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

Recommendation

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

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

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

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

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

Management Response

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