

CITY OF GARNETT, KANSAS

Independent Auditor's Report and
Financial Statement with
Supplementary Information

For the Year Ended December 31, 2022

CITY OF GARNETT, KANSAS
For the Year Ended December 31, 2022

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JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Commission
City of Garnett, Kansas

Adverse and Unmodified Opinions

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Unmodified Opinion on Regulatory Basis of Accounting

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

Basis for Adverse and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 of Garnett, Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Responsibilities of Management for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 1; this includes determining that the regulatory basis of accounting is an acceptable basis for the

preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statement

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

In performing an audit in accordance with GAAS, we:

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

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, schedules of receipts and expenditures – actual and budget – regulatory basis for each individual fund, and schedule of receipts and disbursements – agency funds, regulatory basis (Schedules 1, 2, and 3 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial

statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of City of Garnett, Kansas as of and for the year ended December 31, 2021 (not presented herein), and have issued our report thereon dated July 23, 2022, which contained an unmodified opinion on the basic financial statement. The 2021 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link <https://admin.ks.gov/offices/accounts-reports/local-government/municipal-services>. The 2021 actual column (2021 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures—actual and budget for the year ended December 31, 2022 (Schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2021 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2021 basic financial statement. The 2021 comparative information was subjected to the auditing procedures applied in the audit of the 2021 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2021 basic financial statement or to the 2021 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2021 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended December 31, 2021, on the basis of accounting described in Note 1.



JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

July 13, 2023
Chanute, Kansas

CITY OF GARNETT, KANSAS

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

Funds	Beginning Unencumbered Cash Balances	Receipts	Expenditures	Ending Unencumbered Cash Balances	Add Encumbrances and Accounts Payable	Cash Balance December 31, 2022
General Fund	\$ 391,597.63	\$ 2,537,386.79	\$ 2,257,743.90	\$ 671,240.52	\$ 66,013.98	\$ 737,254.50
Special Purpose Funds:						
Airport	12,269.72	115,718.50	122,549.89	5,438.33	2,580.73	8,019.06
Library	21,722.30	200,790.00	206,595.76	15,916.54	8,160.99	24,077.53
Special Highway	532,375.60	388,288.11	914,989.36	5,674.35	456,000.00	461,674.35
Special Parks and Recreation	11,046.09	9,351.97	-	20,398.06	-	20,398.06
Public Safety	78,096.15	987,342.74	1,062,777.74	2,661.15	30,046.80	32,707.95
Capital Outlay Improvement	926,480.12	560,387.34	486,881.57	999,985.89	36,602.46	1,036,588.35
Equipment Reserve	388,847.27	284,250.00	170,610.52	502,486.75	-	502,486.75
Drug Seizure	7,551.67	-	7,551.67	-	-	-
Creative Arts Grant	6,630.62	-	-	6,630.62	-	6,630.62
Tourism	63,519.20	32,792.47	29,395.10	66,916.57	-	66,916.57
Tax Refund Reserve	700,000.00	140,000.00	-	840,000.00	-	840,000.00
Tax Refund Litigation	250,000.00	50,000.00	-	300,000.00	-	300,000.00
Economic Development	26,173.18	102,095.63	88,576.26	39,692.55	3,804.77	43,497.32
Bond and Interest Funds:						
General Obligation Bond and Interest	-	374,438.33	374,202.16	236.17	-	236.17
Capital Projects Funds:						
Industrial Park Development	86,564.41	-	-	86,564.41	-	86,564.41
Business Funds:						
Sanitation Utility	161,096.45	406,294.94	367,948.89	199,442.50	17,176.65	216,619.15
Electric Utility	1,937,871.09	3,903,683.37	4,169,586.68	1,671,967.78	134,810.25	1,806,778.03
Water Utility	2,221,370.80	1,443,858.70	994,136.65	2,671,092.85	13,840.23	2,684,933.08
Gas Utility	380,088.32	1,710,700.23	2,085,509.89	5,278.66	9,678.91	14,957.57
Wastewater Utility	222,994.39	659,907.79	569,385.87	313,516.31	12,839.77	326,356.08
Total Reporting Entity (Excluding Agency Funds)	\$ 8,426,295.01	\$ 13,907,286.91	\$ 13,908,441.91	\$ 8,425,140.01	\$ 791,555.54	\$ 9,216,695.55

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

CITY OF GARNETT, KANSAS

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

	<u>2022</u>
Total Cash to be accounted for:	<u>\$ 9,216,695.55</u>
Composition of Cash:	
Cash on Hand	\$ 4,033.00
Checking Accounts:	
Goppert State Service Bank.....	411,513.79
Patriots Bank - Utility Account	1,268,023.81
Patriots Bank -Asset Forfeiture.....	7,049.95
Patriots Bank -Drug Tax Stamp.....	5,908.85
Patriots Bank - Municipal Court.....	337.00
Patriots Bank - Bond Account.....	8,672.03
Investments:	
Certificates of Deposit	9,100,000.00
Less:	
Housing Authority Cash Balances.....	<u>(1,439,529.05)</u>
Total Cash	9,366,009.38
Agency Funds Per Schedule 3	<u>(149,313.83)</u>
Total Reporting Entity (Excluding Agency Funds)	<u>\$ 9,216,695.55</u>

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

CITY OF GARNETT, KANSAS

Notes to the Financial Statement
For the Year Ended December 31, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The financial statement and schedules of the City of Garnett, Kansas have been prepared in order to show compliance with the cash basis and budget laws of the State of Kansas. The Governmental Accounting Standards Board is the principal standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies follow. Note 1 describes how the City's accounting policies differ from generally accepted accounting principles.

Financial Reporting Entity

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

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

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

Garnett Housing Authority

The Housing Authority of the City of Garnett, Kansas operates the City's housing projects with a December 31st year end. The Housing Authority can sue and be sued, and can buy, sell, or lease real property. Bond ordinances must be approved by the City. A copy of the financial statements can be obtained from the Housing Authority.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Regulatory Basis Fund Types

A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The following types of funds comprise the financial activities of the City of Garnett, Kansas, for the year of 2022:

General fund – the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

Special Purpose fund – used to account for the proceeds of specific tax levies and other specific revenue sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

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

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

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

Agency fund – funds used to report assets held by the municipal reporting entity in a purely custodial capacity (payroll clearing fund, county treasurer tax collection accounts, etc.).

Basis of Presentation – Regulatory Basis of Accounting

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pension Plan

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

Reimbursed Expenses

K.S.A. 79-2934 provides that reimbursed expenditures, in excess of those budgeted, should be recorded as reductions in expenditures rather than as cash receipts. In the financial statement and budget schedule comparisons presented in this report, reimbursements and refunds are recorded as cash receipts. The reimbursements are recorded as cash receipts when received by the City Treasurer and are often difficult to identify the exact expenditure which they are reimbursing. In funds showing expenditures in excess of the original adopted budget, reimbursements are added to the adopted budget as budget credits for comparison with the actual expenditures.

Property Taxes

In accordance with governing state statutes, property taxes levied during the current year are a 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 1st of each year. The County Treasurer is the tax collection agent for all taxing entities within the County. Property owners have the option of paying one-half or the full amount of taxes levied on or before December 20 during the year levied with the balance to be paid on or before May 10 of the ensuing year. State statutes prohibit the County Treasurer from distributing taxes collected in the year levied prior to January 1st of the ensuing year. Consequently, for revenue recognition purposes, taxes levied during the current year are not due and receivable until the ensuing year. At December 31, such taxes are a lien on the property.

Special Assessments

Kansas statutes require projects financed in part by special assessments to be financed through the issuance of general obligation bonds which are secured by the full faith and credit of the City. Special assessments paid prior to the issuance of general obligation bonds are recorded as cash receipts in the appropriate project. Special assessments received after the issuance of general obligation bonds are recorded as cash receipts in the bond and interest fund. Further, state statutes require levying additional general ad valorem property taxes in the City bond and interest fund to finance delinquent special assessments receivable.

Budgetary Information

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Information (Continued)

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

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. The City amended the Electric Utility Fund and Gas Utility Fund.

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

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

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

- Equipment Reserve Fund
- Capital Outlay Improvement Fund
- Drug Seizure Fund
- Creative Arts Grant Fund
- Tax Refund Reserve Fund
- Tax Refund Litigation Fund

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

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Compliance with Kansas Statutes

Statement 1 and Schedule 1 have been prepared in order to show compliance with the cash basis and budget laws of Kansas. As shown in Statement 1, the City was in compliance with the cash basis laws of Kansas. As shown in Schedule 1, the City was in apparent violation of K.S.A. 79-2934 as the City has obligated expenditures in excess of budgetary limits in the Special Highway Fund.

3. DEPOSITS AND INVESTMENTS

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

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

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

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka. All deposits were legally secured at December 31, 2022.

Deposits: At year-end, the City's carrying amount of deposits, including certificates of deposit and amounts from the Housing Authority was \$10,801,505.43 and the bank balance was \$10,907,192.04. The bank balance was held by three banks resulting in a concentration of credit risk. Of the bank balance, \$782,914.71 was covered by FDIC insurance and \$10,124,277.33 was collateralized with pledged securities held by the pledging financial institutions' agents in the City's name and a letter of credit.

4. FINANCE LEASES

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

<u>Year Ended December 31</u>	<u>Totals</u>
2023	\$ 27,126.06
2024	27,126.06
2025	27,126.06
2026	27,126.06
2027	27,126.06
2028-2029	<u>54,252.18</u>
	189,882.48
Less imputed interest	<u>(17,556.48)</u>
Net Present Value of Minimum	
Lease Payments	172,326.00
Less: Current Maturities	<u>(22,845.43)</u>
Long-Term Finance Lease Obligations	<u>\$ 149,480.57</u>

5. LONG-TERM DEBT

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

Issue	Interest Rates	Date of Issue	Original Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
General Obligation Bonds									
Paid by Utility Receipts:									
Series 2015	2.25-4.00%	December 10, 2015	\$ 645,000.00	October 1, 2035	\$ 485,000.00	-	\$ (30,000.00)	\$ 455,000.00	\$ 15,550.00
State Low Interest Loan	0.25%	March 24, 2021	2,900,000.00	January 1, 2031	2,611,745.20	-	(287,302.25)	2,324,442.95	6,349.91
Senior Housing Revenue Bonds Series 2006	4.25-5.00%	March 15, 2006	2,395,000.00	October 1, 2028	700,000.00	-	(85,000.00)	615,000.00	37,931.40
Finance Leases									
2023 Trash Truck	2.45%	November 22, 2022	172,326.00	November 21, 2029	-	172,326.00	-	172,326.00	-
2017 Trash Truck	2.40%	June 14, 2016	129,960.00	September 1, 2026	69,189.76	-	(69,189.76)	-	1,931.63
Total Contractual Indebtedness			\$ 3,865,934.96		\$ 3,865,934.96	\$ 172,326.00	\$ (471,492.01)	\$ 3,566,768.95	\$ 61,762.94

5. LONG-TERM DEBT (Continued)

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

Issue	2023	2024	2025	2026	2027	2028-2032	2033-2035	Total
Principal								
General Obligation Bonds								
Paid by Utility Receipts:								
Series 2015	\$ 30,000.00	\$ 30,000.00	\$ 35,000.00	\$ 35,000.00	\$ 35,000.00	\$ 170,000.00	\$ 120,000.00	\$ 455,000.00
State Low Interest Loan	131,227.51	267,753.93	274,977.83	282,396.60	290,015.54	1,078,071.54	-	2,324,442.95
Senior Housing Revenue Bonds	90,000.00	95,000.00	100,000.00	105,000.00	110,000.00	115,000.00	-	615,000.00
Series 2006								
Finance Leases	22,845.43	23,402.75	23,994.25	24,590.28	25,201.11	52,292.18	-	172,326.00
2023 Trash Truck								
2023 Trash Truck	274,072.94	416,156.68	433,972.08	446,986.88	460,216.65	1,415,363.72	120,000.00	3,566,768.95
Total Principal Payments								
Interest								
General Obligation Bonds								
Paid by Utility Receipts:								
Series 2015	14,875.00	14,125.00	13,375.00	12,500.00	11,450.00	41,225.00	9,000.00	116,550.00
State Low Interest Loan	31,147.54	56,996.17	49,772.27	42,353.53	34,734.56	58,553.68	-	273,557.75
Senior Housing Revenue Bonds	32,056.26	27,443.76	22,575.00	17,325.00	11,812.50	6,037.50	-	117,250.02
Series 2006								
Finance Leases	4,280.63	3,723.31	3,131.81	2,535.78	1,924.95	1,960.00	-	17,556.48
2023 Trash Truck								
2023 Trash Truck	82,359.43	102,288.24	88,854.08	74,714.31	59,922.01	107,776.18	9,000.00	524,914.25
Total Interest Payments								
Total Principal and Interest	\$ 356,432.37	\$ 518,444.92	\$ 522,826.16	\$ 521,701.19	\$ 520,138.66	\$ 1,523,139.90	\$ 129,000.00	\$ 4,091,683.20

6. RIGHT TO USE CONTRACTS

As of December 31, 2022 the City has entered into a contract for a postage machine and copier. Rent expense for the year ended December 31, 2022, was \$827.85. Future minimum payments were as follows:

2023	\$	662.28
2024		662.28

7. DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

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

Contributions. K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2017. Effective January 1, 2017, Kansas law established the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1 and KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate for the Death and Disability Program) and the statutory contribution rate was 8.90% for KPERS and 22.99% for KP&F for the fiscal year ended December 31, 2022. Contributions to the pension plan from the City were \$208,011.25 for KPERS and \$111,195.85 for KP&F 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 \$2,309,471.00 and \$1,117,975.00 for KP&F. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021, which was rolled forward to June 30, 2022. The City's proportion of the net pension liability was based on the ratio of the City's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

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

8. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

Death and Disability Other Post-Employment Benefits

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

Compensated Absences:

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

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

Full time employees:

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

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

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

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

The City determines a liability for compensated absences when the following conditions are met:

1. The City's obligation relating to employees' rights to receive compensation for future absences is attributable to employees' services already rendered.
2. The obligation relates to rights that vest or accumulate.
3. Payment of the compensation is probable.
4. The amount can be reasonably estimated.

In accordance with the above criteria, the City has estimated a liability for vacation pay, which has been earned, but not taken by City employees of \$124,214.15. The City has not accrued a liability for sick leave earned, but not taken, by City employees, as the amounts cannot be reasonably estimated at this time.

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

Other Post-Employment Benefits:

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

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

9. RISK MANAGEMENT

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

10. OTHER LEASING ARRANGEMENTS

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

11. INTERFUND TRANSFERS

Operating transfers were as follows:

<u>From Fund:</u>	<u>To Fund:</u>	<u>Statutory Authority</u>	<u>Amount</u>
General	Capital Outlay Improvement	K.S.A. 12-1,118	\$ 20,000.00
General	Equipment Reserve	K.S.A. 12-1,117	86,500.00
General	Tax Refund Reserve	Ord. No. 4192	45,000.00
General	Tax Refund Litigation	Ord. No. 4192	15,000.00
Airport	Capital Outlay Improvement	K.S.A. 12-1,118	18,333.34
Airport	Equipment Reserve	K.S.A. 12-1,117	2,500.00
Airport	Tax Refund Reserve	Ord. No. 4192	25,000.00
Airport	Tax Refund Litigation	Ord. No. 4192	10,000.00
Library	Capital Outlay Improvement	K.S.A. 12-1,118	5,000.00
Public Safety	Capital Outlay Improvement	K.S.A. 12-1, 118	15,000.00

11. INTERFUND TRANSFERS (Continued)

Operating transfers were as follows (Continued):

<u>From Fund:</u>	<u>To Fund:</u>	<u>Statutory Authority</u>	<u>Amount</u>
Public Safety	Equipment Reserve	K.S.A. 12-1, 117	\$ 57,500.00
Public Safety	Tax Refund Reserve	Ord. No. 4192	45,000.00
Public Safety	Tax Refund Litigation	Ord. No. 4192	15,000.00
General Obligation Bond and Interest	Tax Refund Reserve	Ord. No. 4192	25,000.00
General Obligation Bond and Interest	Tax Refund Litigation	Ord. No. 4192	10,000.00
Sanitation Utility	Capital Outlay Improvement	K.S.A. 12-1, 118	2,500.00
Sanitation Utility	Equipment Reserve	K.S.A. 12-1, 117	15,000.00
Electric Utility	Capital Outlay Improvement	K.S.A. 12-1, 118	210,000.00
Electric Utility	Equipment Reserve	K.S.A. 12-1, 117	72,500.00
Electric Utility	General	K.S.A. 12-825d	690,000.00
Electric Utility	General Obligation Bond and Interest	K.S.A. 12-825d	34,000.00
Electric Utility	Economic Development	K.S.A. 12-825d	50,000.00
Water Utility	Capital Outlay Improvement	K.S.A. 12-1, 118	45,000.00
Water Utility	Equipment Reserve	K.S.A. 12-1, 117	12,500.00
Water Utility	Public Safety	K.S.A. 12-825d	10,000.00
Water Utility	Gas Utility	K.S.A. 12-825d	10,000.00
Water Utility	General Obligation Bond and Interest	K.S.A. 12-825d	10,000.00
Gas Utility	Capital Outlay Improvement	K.S.A. 12-1, 118	7,500.00
Gas Utility	Equipment Reserve	K.S.A. 12-1, 117	20,250.00
Gas Utility	General Obligation Bond and Interest	K.S.A. 12-825d	295,000.00
Gas Utility	Public Safety	K.S.A. 12-825d	510,000.00
Wastewater Utility	Capital Outlay Improvement	K.S.A. 12-1, 118	92,000.00
Wastewater Utility	Equipment Reserve	K.S.A. 12-1, 117	7,500.00
Wastewater Utility	Public Safety	K.S.A. 12-825d	90,000.00
Wastewater Utility	General Obligation Bond and Interest	K.S.A. 12-825d	12,750.00

12. SUBSEQUENT EVENTS

The City evaluated events and transactions occurring subsequent year end, and there were no subsequent events requiring recognition in the financial statement. Additionally there were no non-recognized subsequent events requiring disclosure.

SUPPLEMENTARY INFORMATION

Schedule 1

CITY OF GARNETT, KANSAS
 Summary of Expenditures - Actual and Budget
 Regulatory Basis
 (Budgeted Funds Only)
 For the Year Ended December 31, 2022

Funds	Total Budget for Comparison		Adjustments for Qualifying Budget Credits		Total Budget for Comparison		Expenditures Charged to Current Year Budget		Variance - Over (Under)	
	\$	2,386,238.00	\$	-	\$	2,386,238.00	\$	2,257,743.90	\$	(128,494.10)
General Fund										
Special Purpose Funds:										
Airport	146,000.00		-		146,000.00		122,549.89		(23,450.11)	
Library	214,000.00		-		214,000.00		206,595.76		(7,404.24)	
Special Highway	635,000.00		-		635,000.00		914,989.36		279,989.36	
Special Parks & Recreation	10,000.00		-		10,000.00		-		(10,000.00)	
Public Safety	1,150,000.00		-		1,150,000.00		1,062,777.74		(87,222.26)	
Tourism	35,000.00		-		35,000.00		29,395.10		(5,604.90)	
Economic Development	100,000.00		-		100,000.00		88,576.26		(11,423.74)	
Bond and Interest Funds:										
General Obligation Bond and Interest	375,000.00		-		375,000.00		374,202.16		(797.84)	
Business Funds:										
Sanitation Utility	455,000.00		-		455,000.00		367,948.89		(87,051.11)	
Electric Utility	4,472,050.00		-		4,472,050.00		4,169,586.68		(302,463.32)	
Water Utility	1,613,250.00		-		1,613,250.00		994,136.65		(619,113.35)	
Gas Utility	2,411,850.00		-		2,411,850.00		2,085,509.89		(326,340.11)	
Wastewater Utility	601,500.00		-		601,500.00		569,385.87		(32,114.13)	

CITY OF GARNETT, KANSAS
GENERAL FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2022

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2021)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Receipts				
Ad Valorem Property Tax	\$ 375,159.29	\$ 590,112.76	\$ 601,830.00	\$ (11,717.24)
Delinquent Tax	8,254.24	13,202.85	100.00	13,102.85
Motor Vehicle Tax	54,180.88	47,646.69	47,421.00	225.69
Commercial Vehicle Tax	2,403.97	2,667.20	1,966.00	701.20
Recreational Vehicle Tax	1,130.45	1,057.63	913.00	144.63
16/20M Truck Tax	421.11	246.31	364.00	(117.69)
Watercraft Tax	185.02	210.52	214.00	(3.48)
Special Assessments	25,247.50	25,447.50	-	25,447.50
Neighborhood Revitalization Rebate	(3,909.53)	(5,900.75)	(5,213.00)	(687.75)
Sales Tax	341,713.68	347,841.26	297,500.00	50,341.26
Franchise Taxes	108,771.39	90,248.19	100,000.00	(9,751.81)
Intergovernmental				
Local Alcoholic Liquor Tax	3,139.70	9,351.97	2,250.00	7,101.97
Federal Grant - Emergency Prep	74,803.00	69,743.80	-	69,743.80
State Grants	29,901.98	43,771.17	26,500.00	17,271.17
ARPA Grant	246,845.31	246,845.31	-	246,845.31
Licenses and Permits				
Business Licenses, Permits & Fees	1,425.00	1,182.00	2,000.00	(818.00)
Non-Business Licenses, Permits & Fees	24,347.71	27,487.15	19,500.00	7,987.15
Camping Permits	24,040.00	23,112.86	20,000.00	3,112.86
Fines, Forfeitures and Penalties				
Municipal Court Fines	96,210.95	85,115.58	95,000.00	(9,884.42)
Charges for Services				
Cemetery	10,724.75	9,480.00	7,500.00	1,980.00
Recreational Center Membership	54,122.50	55,847.85	42,500.00	13,347.85
Recreational Fees	56,401.26	58,590.85	40,750.00	17,840.85
Concession Stand Sales	12,031.53	12,301.16	-	12,301.16
Use of Money and Property				
Interest Income	32,088.28	59,517.79	30,000.00	29,517.79
Recreation Center Rental Revenue	5,085.00	5,453.50	2,250.00	3,203.50
Town Hall Rental Revenue	3,973.00	-	2,000.00	(2,000.00)
Sale of Assets	-	190.00	-	190.00
Other Receipts				
Miscellaneous	21,334.39	26,615.64	15,000.00	11,615.64
Operating Transfers from				
Electric Utility Fund	469,038.98	690,000.00	690,000.00	-
Total Receipts	2,079,071.34	2,537,386.79	\$ 2,040,345.00	\$ 497,041.79

CITY OF GARNETT, KANSAS
GENERAL FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2022

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2021)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Expenditures				
General Administrative Services				
Personal Services	\$ 668,529.40	\$ 623,766.90	\$ 740,088.00	\$ (116,321.10)
Contractual Services	106,216.29	154,341.32	113,750.00	40,591.32
Commodities	66,054.63	18,254.01	65,900.00	(47,645.99)
Community Development				
Personal Services	167,975.30	225,951.78	264,700.00	(38,748.22)
Contractual Services	5,391.40	46,829.68	5,250.00	41,579.68
Commodities	39,770.27	7,233.39	69,300.00	(62,066.61)
Parks, Recreation, and Cemetery				
Personal Services	427,108.67	442,847.04	403,250.00	39,597.04
Contractual Services	60,388.26	162,090.79	61,400.00	100,690.79
Commodities	171,425.46	93,268.73	167,600.00	(74,331.27)
Street and Stormwater				
Personal Services	209,386.85	219,751.43	253,050.00	(33,298.57)
Contractual Services	8,514.36	50,133.31	9,000.00	41,133.31
Commodities	53,432.53	46,775.52	66,450.00	(19,674.48)
Operating Transfers to:				
Capital Outlay Improvement Fund	20,000.00	20,000.00	20,000.00	-
Equipment Reserve Fund	82,500.00	86,500.00	86,500.00	-
Tax Refund Reserve Fund	45,000.00	45,000.00	45,000.00	-
Tax Refund Litigation Fund	15,000.00	15,000.00	15,000.00	-
Total Expenditures	2,146,693.42	2,257,743.90	\$ 2,386,238.00	\$ (128,494.10)
Receipts Over(Under) Expenditures	(67,622.08)	279,642.89		
Unencumbered Cash, Beginning	459,219.71	391,597.63		
Unencumbered Cash, Ending	<u>\$ 391,597.63</u>	<u>\$ 671,240.52</u>		

CITY OF GARNETT, KANSAS
AIRPORT FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2022

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2021)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Receipts				
Ad Valorem Property Tax	\$ 57,764.80	\$ 71,767.58	\$ 73,170.00	\$ (1,402.42)
Delinquent Tax	1,660.67	2,206.97	-	2,206.97
Motor Vehicle Tax	12,945.04	7,508.77	7,358.00	150.77
Commercial Vehicle Tax	574.31	454.40	305.00	149.40
Recreational Vehicle Tax	270.08	166.28	142.00	24.28
16/20M Truck Tax	100.69	58.86	57.00	1.86
Watercraft Tax	44.60	32.67	33.00	(0.33)
Neighborhood Revitalization Rebates	(606.63)	(717.53)	(634.00)	(83.53)
Use of Money and Property				
Rental Income	4,456.11	8,984.00	5,750.00	3,234.00
Sale of Assets	23,950.86	12,669.07	12,500.00	169.07
Other Receipts				
Miscellaneous	923.59	12,587.43	-	12,587.43
Total Receipts	102,084.12	115,718.50	\$ 98,681.00	\$ 17,037.50
Expenditures				
Culture and Recreation				
Personal Services	28,050.00	29,163.00	\$ 31,250.00	(2,087.00)
Contractual Services	7,726.25	15,709.05	8,000.00	7,709.05
Commodities	38,941.44	21,844.50	46,750.00	(24,905.50)
Operating Transfers to:				
Capital Outlay Improvement Fund	20,000.00	18,333.34	22,500.00	(4,166.66)
Equipment Reserve Fund	2,500.00	2,500.00	2,500.00	-
Tax Refund Reserve Fund	25,000.00	25,000.00	25,000.00	-
Tax Refund Litigation Fund	10,000.00	10,000.00	10,000.00	-
Total Expenditures	132,217.69	122,549.89	\$ 146,000.00	\$ (23,450.11)
Receipts Over(Under) Expenditures	(30,133.57)	(6,831.39)		
Unencumbered Cash, Beginning	42,403.29	12,269.72		
Unencumbered Cash, Ending	\$ 12,269.72	\$ 5,438.33		

CITY OF GARNETT, KANSAS
LIBRARY FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2022

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2021)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Receipts				
Ad Valorem Property Tax	\$ 156,658.40	\$ 175,766.89	\$ 179,215.00	\$ (3,448.11)
Delinquent Tax	3,610.23	5,132.96	-	5,132.96
Motor Vehicle Tax	22,886.89	19,897.97	19,807.00	90.97
Commercial Vehicle Tax	1,013.25	1,115.88	821.00	294.88
Recreational Vehicle Tax	476.72	441.84	381.00	60.84
16/20M Truck Tax	180.94	103.83	152.00	(48.17)
Watercraft Tax	78.70	87.92	89.00	(1.08)
Neighborhood Revitalization Rebates	(1,632.96)	(1,757.29)	(1,552.00)	(205.29)
Other Receipts				
Miscellaneous	263.37	-	-	-
Total Receipts	183,535.54	200,790.00	\$ 198,913.00	\$ 1,877.00
Expenditures				
Culture and Recreation				
Personal Services	134,777.56	146,410.06	\$ 148,000.00	\$ (1,589.94)
Contractual Services	13,457.25	37,601.58	14,500.00	23,101.58
Commodities	38,765.27	17,584.12	46,500.00	(28,915.88)
Operating Transfers to				
Capital Outlay Improvement Fund	5,000.00	5,000.00	5,000.00	-
Total Expenditures	192,000.08	206,595.76	\$ 214,000.00	\$ (7,404.24)
Receipts Over(Under) Expenditures	(8,464.54)	(5,805.76)		
Unencumbered Cash, Beginning	30,186.84	21,722.30		
Unencumbered Cash, Ending	<u>\$ 21,722.30</u>	<u>\$ 15,916.54</u>		

CITY OF GARNETT, KANSAS
SPECIAL HIGHWAY FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2022

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2021)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Receipts				
Motor Fuel Tax	\$ 94,218.69	\$ 301,088.39	\$ 83,190.00	\$ 217,898.39
Sales Tax	286,203.58	87,199.72	250,000.00	(162,800.28)
Total Receipts	<u>380,422.27</u>	<u>388,288.11</u>	<u>\$ 333,190.00</u>	<u>\$ 55,098.11</u>
Expenditures				
General Government				
Commodities	87,895.58	-	\$ -	\$ -
Capital Outlay	-	914,989.36	635,000.00	279,989.36
Total Expenditures	<u>87,895.58</u>	<u>914,989.36</u>	<u>\$ 635,000.00</u>	<u>\$ 279,989.36</u>
Receipts Over(Under) Expenditures	292,526.69	(526,701.25)		
Unencumbered Cash, Beginning	<u>239,848.91</u>	<u>532,375.60</u>		
Unencumbered Cash, Ending	<u>\$ 532,375.60</u>	<u>\$ 5,674.35</u>		

CITY OF GARNETT, KANSAS
SPECIAL PARKS AND RECREATION FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2022

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2021)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Intergovernmental				
Local Alcoholic Liquor Tax	\$ 3,139.69	\$ 9,351.97	\$ 2,250.00	\$ 7,101.97
Total Receipts	3,139.69	9,351.97	\$ 2,250.00	\$ 7,101.97
Expenditures				
Culture and Recreation				
Commodities	4,347.21	-	\$ 10,000.00	\$ (10,000.00)
Total Expenditures	4,347.21	-	\$ 10,000.00	\$ (10,000.00)
Receipts Over(Under) Expenditures	(1,207.52)	9,351.97		
Unencumbered Cash, Beginning	12,253.61	11,046.09		
Unencumbered Cash, Ending	\$ 11,046.09	\$ 20,398.06		

CITY OF GARNETT, KANSAS
PUBLIC SAFETY FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2022

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2021)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Receipts				
Ad Valorem Property Tax	\$ 321,574.63	\$ 319,513.62	\$ 325,785.00	\$ (6,271.38)
Delinquent Tax	7,339.54	9,889.79	-	9,889.79
Motor Vehicle Tax	40,583.75	40,598.71	40,606.00	(7.29)
Commercial Vehicle Tax	1,802.90	2,230.91	1,683.00	547.91
Recreational Vehicle Tax	847.56	902.14	782.00	120.14
16M-20M Truck Tax	312.40	184.76	312.00	(127.24)
Watercraft Tax	140.02	180.11	183.00	(2.89)
Neighborhood Revitalization Rebates	(3,345.04)	(3,194.27)	(2,822.00)	(372.27)
Intergovernmental				
Federal Grants	-	5,097.43	-	5,097.43
Charges for Services				
Student Resource Office Services	8,047.50	-	-	-
Other Receipts				
Miscellaneous	2,055.75	1,939.54	-	1,939.54
Operating Transfers from:				
Gas Utility Fund	519,241.78	510,000.00	510,000.00	-
Water Utility Fund	-	10,000.00	-	10,000.00
Wastewater Utility Fund	-	90,000.00	90,000.00	-
Total Receipts	898,600.79	987,342.74	\$ 966,529.00	\$ 20,813.74
Expenditures				
Fire Department				
Personal Services	39,960.93	39,574.21	\$ 45,600.00	\$ (6,025.79)
Contractual Services	4,797.92	29,117.32	5,250.00	23,867.32
Commodities	26,903.01	7,279.34	44,650.00	(37,370.66)
Police Department				
Personal Services	661,102.36	728,925.31	806,500.00	(77,574.69)
Contractual Services	38,540.01	80,062.04	47,750.00	32,312.04
Commodities	68,770.63	45,319.52	65,250.00	(19,930.48)
Operating Transfers to:				
Capital Outlay Improvement Fund	15,000.00	15,000.00	12,500.00	2,500.00
Equipment Reserve Fund	57,500.00	57,500.00	62,500.00	(5,000.00)
Tax Refund Reserve Fund	45,000.00	45,000.00	45,000.00	-
Tax Refund Litigation Fund	15,000.00	15,000.00	15,000.00	-
Total Expenditures	972,574.86	1,062,777.74	\$ 1,150,000.00	\$ (87,222.26)
Receipts Over(Under) Expenditures	(73,974.07)	(75,435.00)		
Unencumbered Cash, Beginning	152,070.22	78,096.15		
Unencumbered Cash, Ending	<u>\$ 78,096.15</u>	<u>\$ 2,661.15</u>		

CITY OF GARNETT, KANSAS
CAPITAL OUTLAY IMPROVEMENT FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2022
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2021)

	Prior Year Actual	Current Year Actual
Receipts		
Intergovernmental		
FAA Grant	\$ 197,635.22	\$ 140,054.00
USDA Grant	22,861.00	-
State Grant	40,470.57	-
Other Receipts		
Donations	-	5,000.00
Operating Transfers from:		
General Fund	20,000.00	20,000.00
Airport Fund	20,000.00	18,333.34
Library Fund	5,000.00	5,000.00
Public Safety Fund	15,000.00	15,000.00
Electric Utility Fund	110,000.00	210,000.00
Gas Utility Fund	7,500.00	7,500.00
Sanitation Utility Fund	2,500.00	2,500.00
Wastewater Utility Fund	22,000.00	92,000.00
Water Utility Fund	45,000.00	45,000.00
Total Receipts	507,966.79	560,387.34
Expenditures		
General Government		
Capital Outlay	197,947.34	486,881.57
Total Expenditures	197,947.34	486,881.57
Receipts Over(Under) Expenditures	310,019.45	73,505.77
Unencumbered Cash, Beginning	616,460.67	926,480.12
Unencumbered Cash, Ending	\$ 926,480.12	\$ 999,985.89

CITY OF GARNETT, KANSAS
EQUIPMENT RESERVE FUND

Schedule of Receipts and Expenditures - Actual
Regulatory Basis

For the Year Ended December 31, 2022

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2021)

	Prior Year Actual	Current Year Actual
Receipts		
Intergovernmental		
USDA Grant	\$ 45,800.00	\$ -
Other Receipts		
Donations	100,000.00	10,000.00
Operating Transfers from:		
General Fund	82,500.00	86,500.00
Airport Fund	2,500.00	2,500.00
Public Safety Fund	57,500.00	57,500.00
Electric Utility Fund	72,500.00	72,500.00
Gas Utility Fund	20,250.00	20,250.00
Sanitation Utility Fund	15,000.00	15,000.00
Wastewater Utility Fund	7,500.00	7,500.00
Water Utility Fund	12,500.00	12,500.00
Total Receipts	416,050.00	284,250.00
Expenditures		
General Government		
Capital Outlay	330,383.37	114,338.95
Debt Service		
Finance Lease	-	56,271.57
Total Expenditures	330,383.37	170,610.52
Receipts Over(Under) Expenditures	85,666.63	113,639.48
Unencumbered Cash, Beginning	303,180.64	388,847.27
Unencumbered Cash, Ending	\$ 388,847.27	\$ 502,486.75

CITY OF GARNETT, KANSAS
DRUG SEIZURE FUND

Schedule of Receipts and Expenditures - Actual
Regulatory Basis

For the Year Ended December 31, 2022

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2021)

	Prior Year Actual	Current Year Actual
Receipts		
Other Receipts		
Proceeds from Seizures	\$ 453.01	\$ -
Total Receipts	453.01	-
Expenditures		
General Government		
Contractual Services	-	7,551.67
Total Expenditures	-	7,551.67
Receipts Over(Under) Expenditures	453.01	(7,551.67)
Unencumbered Cash, Beginning	7,098.66	7,551.67
Unencumbered Cash, Ending	\$ 7,551.67	\$ -

CITY OF GARNETT, KANSAS
CREATIVE ARTS GRANT FUND

Schedule of Receipts and Expenditures - Actual
Regulatory Basis

For the Year Ended December 31, 2022

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2021)

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

CITY OF GARNETT, KANSAS
TOURISM FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2022

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2021)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Receipts				
Transient Guest Tax	\$ 26,101.27	\$ 32,792.47	\$ 22,500.00	\$ 10,292.47
Total Receipts	26,101.27	32,792.47	\$ 22,500.00	\$ 10,292.47
Expenditures				
General Government				
Contractual Services	-	29,395.10	\$ 35,000.00	\$ (5,604.90)
Commodities	15,247.23	-	-	-
Total Expenditures	15,247.23	29,395.10	\$ 35,000.00	\$ (5,604.90)
Receipts Over(Under) Expenditures	10,854.04	3,397.37		
Unencumbered Cash, Beginning	52,665.16	63,519.20		
Unencumbered Cash, Ending	\$ 63,519.20	\$ 66,916.57		

CITY OF GARNETT, KANSAS
TAX REFUND RESERVE FUND

Schedule of Receipts and Expenditures - Actual
Regulatory Basis

For the Year Ended December 31, 2022

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2021)

	Prior Year Actual	Current Year Actual
Receipts		
Operating Transfers from:		
General Fund	\$ 45,000.00	\$ 45,000.00
Airport Fund	25,000.00	25,000.00
Public Safety Fund	45,000.00	45,000.00
General Obligation Bond and Interest Fund	25,000.00	25,000.00
Total Receipts	140,000.00	140,000.00
Expenditures		
General Government Tax Refunds	-	-
Total Expenditures	-	-
Receipts Over(Under) Expenditures	140,000.00	140,000.00
Unencumbered Cash, Beginning	560,000.00	700,000.00
Unencumbered Cash, Ending	\$ 700,000.00	\$ 840,000.00

CITY OF GARNETT, KANSAS
TAX REFUND LITIGATION FUND

Schedule of Receipts and Expenditures - Actual
Regulatory Basis

For the Year Ended December 31, 2022

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2021)

	Prior Year Actual	Current Year Actual
Receipts		
Operating Transfers from:		
General Fund	\$ 15,000.00	\$ 15,000.00
Airport Fund	10,000.00	10,000.00
Public Safety Fund	15,000.00	15,000.00
General Obligation Bond and Interest Fund	10,000.00	10,000.00
Total Receipts	50,000.00	50,000.00
Expenditures		
General Government Tax Refunds	-	-
Total Expenditures	-	-
Receipts Over(Under) Expenditures	50,000.00	50,000.00
Unencumbered Cash, Beginning	200,000.00	250,000.00
Unencumbered Cash, Ending	\$ 250,000.00	\$ 300,000.00

CITY OF GARNETT, KANSAS
ECONOMIC DEVELOPMENT FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2022

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2021)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Receipts				
Anderson County Appropriations	\$ 39,076.80	\$ 50,000.00	\$ 50,000.00	\$ -
Intergovernmental				
CARES CDBG Grant	12,209.76	-	-	-
Other State Grants	500.00	-	-	-
Other Receipts				
Donations	119.67	2,095.63	1,200.00	895.63
Operating Transfer from Electric Utility Fund	40,000.03	50,000.00	50,000.00	-
Total Receipts	91,906.26	102,095.63	\$ 101,200.00	\$ 895.63
Expenditures				
Collections				
Personal Services	76,431.89	77,066.09	\$ 82,000.00	\$ (4,933.91)
Contractual Services	13,938.26	9,077.17	2,900.00	6,177.17
Commodities	6,300.01	2,433.00	15,100.00	(12,667.00)
Total Expenditures	96,670.16	88,576.26	\$ 100,000.00	\$ (11,423.74)
Receipts Over(Under) Expenditures	(4,763.90)	13,519.37		
Unencumbered Cash, Beginning	30,937.08	26,173.18		
Unencumbered Cash, Ending	<u>\$ 26,173.18</u>	<u>\$ 39,692.55</u>		

CITY OF GARNETT, KANSAS
GENERAL OBLIGATION BOND AND INTEREST FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2022

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2021)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Receipts				
Ad Valorem Property Tax	\$ 76,008.99	\$ 42.11	\$ -	\$ 42.11
Delinquent Tax	1,335.74	1,589.24	-	1,589.24
Motor Vehicle Tax	5,900.10	9,453.84	9,539.00	(85.16)
Commercial Vehicle Tax	267.01	492.98	395.00	97.98
Recreational Vehicle Tax	124.98	210.43	184.00	26.43
16M-20M Truck Tax	38.72	27.38	73.00	(45.62)
Watercraft Tax	20.72	42.35	43.00	(0.65)
Neighborhood Revitalization Rebates	(786.56)	-	-	-
Special Assessments	-	-	21,867.00	(21,867.00)
Other Receipts				
Reimbursed Expense	11,245.00	10,830.00	11,500.00	(670.00)
Operating Transfers from:				
Electric Utility Fund	34,000.00	34,000.00	33,000.00	1,000.00
Water Utility Fund	191,457.74	10,000.00		10,000.00
Gas Utility Fund	-	295,000.00	295,000.00	-
Wastewater Utility Fund	488,000.00	12,750.00	12,750.00	-
Total Receipts	807,612.44	374,438.33	\$ 384,351.00	\$ (9,912.67)
Expenditures				
Debt Service				
Bond Principal	790,000.00	30,000.00	\$ 30,000.00	\$ -
Bond Interest	35,052.64	15,550.00	15,550.00	-
Utility Loan Principal	-	287,302.25	286,944.00	358.25
Utility Loan Interest	-	6,349.91	6,709.00	(359.09)
Operating Transfers to:				
Tax Refund Reserve Fund	25,000.00	25,000.00	25,000.00	-
Tax Refund Litigation Fund	10,000.00	10,000.00	10,000.00	-
Miscellaneous	-	-	797.00	(797.00)
Total Expenditures	860,052.64	374,202.16	\$ 375,000.00	\$ (797.84)
Receipts Over(Under) Expenditures	(52,440.20)	236.17		
Unencumbered Cash, Beginning	52,440.20	-		
Unencumbered Cash, Ending	\$ -	\$ 236.17		

CITY OF GARNETT, KANSAS
INDUSTRIAL PARK DEVELOPMENT FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2022
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2021)

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

CITY OF GARNETT, KANSAS
SANITATION UTILITY FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2022

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2021)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Charges for Services				
Utility Collections	\$ 344,768.11	\$ 403,057.12	\$ 303,500.00	\$ 99,557.12
Penalty Fees	1,012.37	2,585.69	500.00	2,085.69
Other Receipts				
Miscellaneous	100.00	652.13	-	652.13
Total Receipts	345,880.48	406,294.94	\$ 304,000.00	\$ 102,294.94
Expenditures				
Collections				
Personal Services	185,908.56	175,618.93	\$ 214,000.00	\$ (38,381.07)
Contractual Services	106,509.83	132,243.95	103,175.00	29,068.95
Commodities	37,047.06	27,736.19	45,325.00	(17,588.81)
Debt Service				
Finance Lease	14,853.64	14,849.82	75,000.00	(60,150.18)
Operating Transfers to:				
Capital Outlay Improvement Fund	2,500.00	2,500.00	2,500.00	-
Equipment Reserve Fund	15,000.00	15,000.00	15,000.00	-
Total Expenditures	361,819.09	367,948.89	\$ 455,000.00	\$ (87,051.11)
Receipts Over(Under) Expenditures	(15,938.61)	38,346.05		
Unencumbered Cash, Beginning	177,035.06	161,096.45		
Unencumbered Cash, Ending	\$ 161,096.45	\$ 199,442.50		

CITY OF GARNETT, KANSAS
ELECTRIC UTILITY FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2022

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2021)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Charges for Services				
Electric Sales	\$ 3,505,421.02	\$ 3,859,812.40	\$ 2,850,000.00	\$ 1,009,812.40
Taps and Connections	8,892.97	4,156.10	2,000.00	2,156.10
Pole Rentals	6,486.00	3,911.00	2,500.00	1,411.00
Security Lights	14,663.34	14,661.71	12,000.00	2,661.71
Penalty Fees	7,789.14	20,058.27	2,500.00	17,558.27
Other Receipts				
Miscellaneous	8,852.71	1,083.89	-	1,083.89
Total Receipts	<u>3,552,105.18</u>	<u>3,903,683.37</u>	<u>\$ 2,869,000.00</u>	<u>\$ 1,034,683.37</u>
Expenditures				
Production				
Personal Services	171,434.16	204,628.49	\$ 232,450.00	\$ (27,821.51)
Contractual Services	2,209,426.04	2,451,559.90	2,579,300.00	(127,740.10)
Commodities	113,590.73	7,314.90	117,950.00	(110,635.10)
Distribution				
Personal Services	302,882.21	299,984.52	328,200.00	(28,215.48)
Contractual Services	20,020.81	27,697.23	20,700.00	6,997.23
Commodities	100,896.13	116,883.83	136,950.00	(20,066.17)
Administration and General				
Contractual Services	6,210.91	5,017.81	-	5,017.81
Operating Transfers to:				
Capital Outlay Improvement Fund	110,000.00	210,000.00	210,000.00	-
Equipment Reserve Fund	72,500.00	72,500.00	72,500.00	-
General Fund	469,038.98	690,000.00	690,000.00	-
General Obligation Bond and Interest Fund	34,000.00	34,000.00	34,000.00	-
Economic Development Fund	40,000.03	50,000.00	50,000.00	-
Total Expenditures	<u>3,650,000.00</u>	<u>4,169,586.68</u>	<u>\$ 4,472,050.00</u>	<u>\$ (302,463.32)</u>
Receipts Over(Under) Expenditures	(97,894.82)	(265,903.31)		
Unencumbered Cash, Beginning	<u>2,035,765.91</u>	<u>1,937,871.09</u>		
Unencumbered Cash, Ending	<u>\$ 1,937,871.09</u>	<u>\$ 1,671,967.78</u>		

CITY OF GARNETT, KANSAS
WATER UTILITY FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2022

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2021)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Charges for Services				
Water Sales	\$ 1,411,110.71	\$ 1,432,391.11	\$ 1,307,000.00	\$ 125,391.11
Penalty Fees	3,247.57	6,686.61	5,000.00	1,686.61
Other Sales	966.09	2,351.56	600.00	1,751.56
Use of Money and Property				
Rental of Property	2,400.00	2,400.00	2,400.00	-
Other Receipts				
Miscellaneous	869.98	29.42	-	29.42
Total Receipts	1,418,594.35	1,443,858.70	\$ 1,315,000.00	\$ 128,858.70
Expenditures				
Water Production				
Personal Services	277,870.24	265,321.45	\$ 292,000.00	\$ (26,678.55)
Contractual Services	38,103.18	196,238.40	795,900.00	(599,661.60)
Commodities	317,127.21	280,774.35	295,350.00	(14,575.65)
Capital Outlay	147,951.00	164,302.45	-	164,302.45
Operating Transfers to:				
Capital Outlay Improvement Fund	45,000.00	45,000.00	45,000.00	-
Equipment Reserve Fund	12,500.00	12,500.00	12,500.00	-
Public Safety Fund	-	10,000.00	-	10,000.00
Gas Utility Fund	-	10,000.00	-	10,000.00
General Obligation Bond and Interest Fund	191,457.74	10,000.00	172,500.00	(162,500.00)
Total Expenditures	1,030,009.37	994,136.65	\$ 1,613,250.00	\$ (619,113.35)
Receipts Over(Under) Expenditures	388,584.98	449,722.05		
Unencumbered Cash, Beginning	1,832,785.82	2,221,370.80		
Unencumbered Cash, Ending	\$ 2,221,370.80	\$ 2,671,092.85		

CITY OF GARNETT, KANSAS
GAS UTILITY FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2022

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2021)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Charges for Services				
Gas Sales	\$ 1,291,676.21	\$ 1,688,707.21	\$ 1,848,000.00	\$ (159,292.79)
Service Fees	1,446.50	2,501.96	500.00	2,001.96
Penalty Fees	1,814.96	9,307.76	5,000.00	4,307.76
Use of Money and Property				
State Loan Proceeds	2,900,000.00	-	-	-
Other Receipts				
Miscellaneous	584.92	183.30	-	183.30
Operating Transfer from Water Utility Fund	-	10,000.00	-	10,000.00
Total Receipts	4,195,522.59	1,710,700.23	\$ 1,853,500.00	\$ (142,799.77)
Expenditures				
Distribution				
Personal Services	152,880.34	174,848.32	\$ 174,250.00	\$ 598.32
Contractual Services	4,162,742.93	1,033,761.70	1,350,000.00	(316,238.30)
Commodities	43,732.77	44,149.87	54,850.00	(10,700.13)
Debt Service				
Principal	288,254.80	-	295,000.00	(295,000.00)
Interest	5,397.38	-	-	-
Operating Transfers to:				
Capital Outlay Improvement Fund	7,500.00	7,500.00	7,500.00	-
Equipment Reserve Fund	20,250.00	20,250.00	20,250.00	-
General Obligation Bond and Interest Fund	-	295,000.00	-	295,000.00
Public Safety Fund	519,241.78	510,000.00	510,000.00	-
Total Expenditures	5,200,000.00	2,085,509.89	\$ 2,411,850.00	\$ (326,340.11)
Receipts Over(Under) Expenditures	(1,004,477.41)	(374,809.66)		
Unencumbered Cash, Beginning	1,384,565.73	380,088.32		
Unencumbered Cash, Ending	<u>\$ 380,088.32</u>	<u>\$ 5,278.66</u>		

CITY OF GARNETT, KANSAS
WASTEWATER UTILITY FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2022

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2021)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Charges for Services				
Sewer Sales	\$ 651,725.98	\$ 653,515.19	\$ 603,000.00	\$ 50,515.19
Service Fees	1,036.73	1,179.09	-	1,179.09
Penalty Fees	2,098.44	4,573.51	3,000.00	1,573.51
Other Receipts				
Miscellaneous	2,925.00	640.00	-	640.00
Total Receipts	657,786.15	659,907.79	\$ 606,000.00	\$ 53,907.79
Expenditures				
Collections				
Personal Services	139,358.42	215,876.02	\$ 197,000.00	\$ 18,876.02
Contractual Services	23,750.62	126,596.10	31,400.00	95,196.10
Commodities	145,796.79	24,663.75	170,850.00	(146,186.25)
Operating Transfers to:				
Capital Outlay Improvement Fund	22,000.00	92,000.00	92,000.00	-
Equipment Reserve Fund	7,500.00	7,500.00	7,500.00	-
Public Safety Fund	-	90,000.00	90,000.00	-
General Obligation				
Bond and Interest Fund	488,000.00	12,750.00	12,750.00	-
Total Expenditures	826,405.83	569,385.87	\$ 601,500.00	\$ (32,114.13)
Receipts Over(Under) Expenditures	(168,619.68)	90,521.92		
Unencumbered Cash, Beginning	391,614.07	222,994.39		
Unencumbered Cash, Ending	\$ 222,994.39	\$ 313,516.31		

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

Fund	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Utility Deposits	\$ 137,526.00	\$ 47,600.00	\$ 57,780.00	\$ 127,346.00
Drug Tax Stamp	-	5,908.85	-	5,908.85
Asset Forfeiture	-	7,104.95	55.00	7,049.95
Municipal Court	4,407.00	19,454.33	14,852.30	9,009.03
		-		
	<u>\$ 141,933.00</u>	<u>\$ 80,068.13</u>	<u>\$ 72,687.30</u>	<u>\$ 149,313.83</u>



The Honorable Mayor and City Commission
City of Garnett, Kansas

In planning and performing our audit of the financial statement of the City of Garnett, Kansas as of and for the year ended December 31, 2022, in accordance with auditing standards generally accepted in the United States of America, we considered City of Garnett, Kansas' internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of City of Garnett, Kansas' internal control. Accordingly, we do not express an opinion on the effectiveness of City of Garnett, Kansas' internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statement will not be prevented, or detected and corrected, on a timely basis. We consider the following deficiency in internal control to be a material weakness:

Controls Over Concession Stand Operation

Per discussions with staff, issues regarding internal controls over inventory and cash procedures were identified relating to the operation of the concession stand at the recreation center and pool. Those issues included not having an accurate count of inventory on hand as well as how the counting of cash after each day was conducted. We recommend the City implement procedures to keep track of inventory and to have at least two people count the cash each day and notate they have verified it is correct by signing the daily count sheet.

This communication is intended solely for the information and use of management, the Mayor, the City Commission, and others within the City of Garnett, Kansas, and is not intended to be, and should not be, used by anyone other than these specified parties.

Jarred, Gilmore & Phillips, PA

JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

Chanute, Kansas
July 13, 2023

Jarred, Gilmore & Phillips, PA
CERTIFIED PUBLIC ACCOUNTANTS

412 W. MAIN, P.O. BOX 97
NEODESHA, KANSAS 66757
(620) 325-3430

1815 S. SANTA FE, P.O. BOX 779
CHANUTE, KANSAS 66720
(620) 431-6342

16 W. JACKSON
IOLA, KANSAS 66749
(620) 365-3125

www.jgppa.com