CITY OF PROTECTION, KANSAS

Financial Statement
With Independent Auditors' Report

For the Year Ended December 31, 2023

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For the Year Ended December 31, 2023

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INDEPENDENT AUDITORS' REPORT

To the City Council
City of Protection, Kansas
Protection, Kansas

Adverse and Unmodified Opinions

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of **City of Protection, Kansas**, as of and for the year ended December 31, 2023 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 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, 2023, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting
In our opinion, the accompanying financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City as of December 31, 2023, 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 Auditors' Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse and unmodified audit opinions.

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

Responsibilities of Management for the Financial Statement

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

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

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 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 and individual fund schedules of regulatory basis receipts and expenditures – actual and budget (Schedules 1 and 2 as listed in the table of contents) are presented for purposes of additional analysis and are not a required part of the basic financial statement; however, are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. The schedule of operating ratios and schedule of debt coverage ratio, as listed in the table of contents, are presented for analysis and are not a required part of the basic financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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 the City as of and for the year ended December 31, 2022 (not presented herein), and have issued our report thereon dated August 8 , 2023, which contained an unmodified opinion on the basic financial statement. The 2022 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/municipal-audits. The 2022 actual column (2022 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures – actual and budget for the year ended December 31, 2023 (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 2022 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 2022 basic financial statement. The 2022 comparative information was subjected to the auditing procedures applied in the audit of the 2022 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 2022 basic financial statement or to the 2022 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 2022 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, 2022, on the basis of accounting described in Note 1.

Adams Brown, LLC

ADAMSBROWN, LLC
Certified Public Accountants
Great Bend, Kansas

August 5, 2024

CITY OF PROTECTION, KANSAS
Summary Statement of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended December 31, 2023

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	**Ending Unencumbered Cash Balance**	Add Encumbrances and Accounts Payable	**Ending Cash Balance**
Regulatory Basis Fund Types							
General Fund	$ 225,195	-	370,904	311,787	**284,312**	9,837	**294,149**
Special Purpose Funds							
Special Highway Fund	41,249	-	13,506	-	**54,755**	-	**54,755**
Special Equipment Fund	44,765	-	7,819	13,333	**39,251**	-	**39,251**
Special Parks and Recreation Fund	13,284	-	1,452	-	**14,736**	-	**14,736**
Capital Improvement Fund	25,000	-	10,000	-	**35,000**	-	**35,000**
Business Funds							
Waterworks System Fund	269,545	-	106,657	117,068	**259,134**	3,965	**263,099**
Sewage Disposal Fund	82,681	-	101,344	110,535	**73,490**	4,143	**77,633**
Solid Waste Fund	31,656	-	77,728	67,727	**41,657**	-	**41,657**
Water System Reserve Fund	109,498	-	-	-	**109,498**	-	**109,498**
Sewer System Reserve Fund	69,917	-	5,000	-	**74,917**	-	**74,917**
Storm Sewer Replacement Fund	65,000	-	-	-	**65,000**	-	**65,000**
Total Primary Government	$ 977,790	-	694,410	620,450	**1,051,750**	17,945	**1,069,695**

Composition of Cash	Checking Account	$ **164,796**
	Certificates of Deposit	**904,732**
	Cash on Hand	**167**
	Total Primary Government	$ **1,069,695**

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

City of Protection, Kansas has established a uniform system of accounting maintained to reflect compliance with the applicable laws of the State of Kansas. The accompanying financial statement is presented to conform to the cash basis and budget laws of the State of Kansas, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The following is a summary of such significant policies.

Financial Reporting Entity

The City is a municipal corporation governed by an elected six-member council. This financial statement does not include the related municipal entity shown below. A related municipal entity is an entity established to benefit the City and/or its constituents.

Housing Authority

The City's Housing Authority operates the City's housing projects. The housing authority can sue and be sued, and can buy, sell, or lease real property. Bond issuances must be approved by the City. Unaudited financial statements can be obtained by contacting the housing authority's office.

Basis of Presentation – Fund Accounting

The accounts of the City are organized and operated on the basis of funds. In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The following types of funds comprise the financial activities of the City for the year ended December 31, 2023.

Regulatory Basis Fund Types

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.

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

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

Reimbursements
The City records reimbursable expenditures in the fund that makes the disbursement and records reimbursements as a receipt to the fund that receives the reimbursement. For purposes of budgetary comparisons, the expenditures are properly offset by the reimbursements under KMAAG regulatory basis of accounting.

NOTE 2 – 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:

a. Preparation of the budget for the succeeding calendar year on or before August 1st.

b. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.

c. Public hearing on or before August 15th, but at least 10 days after publication of notice of hearing.

d. Adoption of the final budget on or before August 25th.

If the City is holding a revenue neutral rate hearing, the budget timeline for adoption of the final budget has been adjusted to on or before September 20th. The City did hold a revenue neutral rate hearing 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 10 days after publication, the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for this year.

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 City for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

A legal operating budget is not required for capital project funds, trust funds, and the following special purpose funds: Special Equipment Fund and Capital Improvement Fund.

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

NOTE 3 – DEPOSITS AND INVESTMENTS

City of Protection, Kansas follows the practice of pooling cash and investments of all funds. Each fund's portion of total cash and investments is summarized by fund category in the summary statement of receipts, expenditures and unencumbered cash.

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

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 City may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and K.S.A. 9-1405.

Custodial Credit Risk – Deposits
Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The City does not use "peak periods". All deposits were legally secured at December 31, 2023.

At December 31, 2023, the City's carrying amount of deposits was $1,069,696 and the bank balance was $974,037. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, $250,000 was covered by federal depository insurance and $724,037 was collateralized with securities held by the pledging financial institutions' agents in the City's name.

Custodial Credit Risk – Investments
For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured. The City had no investments at December 31, 2023.

NOTE 4 – INTERFUND TRANSFERS

Interfund transfers within the reporting entity are substantially for the purpose of subsidizing operating functions, funding capital projects and asset acquisitions or maintaining debt service on a routine basis as authorized by Kansas statutes. **City of Protection, Kansas'** interfund transfers and regulatory authority for the year ended December 31, 2023 were as follows:

From	To	Regulatory Authority	Amount
General Fund	Special Equipment Fund	K.S.A. 12-1,117	$ 7,500
General Fund	Capital Improvement Fund	K.S.A. 12-1,118	10,000
Sewage Disposal Fund	Sewer System Reserve Fund	K.S.A. 12-825d	5,000
Sewage Disposal Fund	General Fund	K.S.A. 12-825d	5,000
Waterworks System Fund	General Fund	K.S.A. 12-825d	25,000

NOTE 5 – LITIGATION

City of Protection, Kansas is a party to various legal proceedings which normally occur in governmental operations. These legal proceedings are not likely to have a material financial impact on the affected funds of the City.

NOTE 6 – RISK MANAGEMENT

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

NOTE 7 – GRANTS AND SHARED REVENUES

City of Protection, Kansas participates in numerous state and federal grant programs, which are governed by various rules and regulations for the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the City has not complied with the rules and regulations governing the grants, refunds of any money received may be required. In the opinion of the City, any liability for reimbursement, which may arise as the result of the audit, is not believed to be material.

NOTE 8 – DEFERRED COMPENSATION PLAN

City of Protection, Kansas sponsors a deferred compensation plan under Internal Revenue Code Section 457(b). Permanent and part-time employees are eligible to participate under the plan. The employee is responsible for the amount of deferred compensation to be contributed. The City is not required to make any contributions.

NOTE 9 – OTHER POST EMPLOYMENT BENEFITS

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

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the City makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

NOTE 10 – COMPENSATED ABSENCES

Vacation

City of Protection, Kansas' policy regarding vacation is that a full-time employee will accrue 8 to 14 hours per month (based on tenure with the City). Accrued vacation shall not exceed 120 to 240 hours (based on tenure with the City). No vacation may be taken during the first six months of employment. Part-time employees who work at least 20 hours per week shall earn vacation at the rate of 4 hours for each month of employment. Upon termination, an employee shall be compensated for all earned but unused vacation at his/her final rate of pay.

Sick Leave

The policy regarding sick leave is that a full-time employee is allowed to earn one day of sick leave a month and can accumulate up to 45 days of sick leave, which is cancelled upon the termination of the employee. A part-time employee who works at least 20 hours per week shall receive 4 hours of sick leave for each month of employment. Full-time employees have the option to sell back up to 12.5 days of sick leave when his or her accumulated sick leave reaches 45 days. For part-time employees it shall be when his or her accumulated sick leave reaches 22.5 days. The sick leave policy begins after one month of employment.

Longevity Pay

Annual longevity pay may be given at the discretion of the governing body.

NOTE 11 – DEBT RESTRICTIONS AND COVENANTS

KDHE Revolving Loan

City of Protection, Kansas entered into a loan agreement with the Kansas Department of Health and Environment to fund improvements to the sewer in the amount of $711,030. The City is in compliance with the loan agreement as of December 31, 2023.

NOTE 12 – LONG-TERM DEBT

City of Protection, Kansas has the following types of long-term debt.

KDHE Revolving Loan

The City entered into a $711,030 revolving loan agreement on October 11, 2005 with the Kansas Department of Health and Environment acting on behalf of the State of Kansas to finance the costs associated with the design and construction of sewer improvements that were necessary to stay within the state requirements.

Changes in long-term liabilities for the City for the year ended December 31, 2023, were as follows:

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	**Balance End of Year**	Interest Paid
KDHE Loan									
Kansas Water Pollution Control Revolving Project No. C20 1698 01	2.58%	10/11/2005	$ 711,030	2027	$ 211,027	-	(40,070)	**170,957**	4,685

Current maturities of long-term debt and interest through maturity are as follows:

	YEAR				
	2024	2025	2026	2027	**Total**
Principal					
KDHE Loan	$ 41,110	42,178	43,273	44,396	**170,957**
Interest					
KDHE Loan	3,745	2,781	1,792	777	**9,095**
Total Principal and Interest	$ 44,855	44,959	45,065	45,173	**180,052**

CITY OF PROTECTION, KANSAS

Regulatory-Required Supplementary Information

Schedule 1

CITY OF PROTECTION, KANSAS
Summary of Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023

Funds		Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	**Expenditures Chargeable to Current Year**	Variance Over (Under)
Regulatory Basis Fund Types						
General Fund	$	442,235	-	442,235	**311,787**	(130,448)
Special Purpose Funds						
Special Highway Fund		53,766	-	53,766	**-**	(53,766)
Special Parks and Recreation Fund		14,729	-	14,729	**-**	(14,729)
Business Funds						
Waterworks System Fund		355,456	-	355,456	**117,068**	(238,388)
Sewage Disposal Fund		186,084	-	186,084	**110,535**	(75,549)
Solid Waste Fund		105,650	-	105,650	**67,727**	(37,923)

CITY OF PROTECTION, KANSAS
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Over (Under)
Receipts				
Taxes and Shared Revenues				
Ad Valorem Property	$ 167,559	**163,971**	181,116	(17,145)
Delinquent	9,370	**13,662**	2,000	11,662
Motor Vehicle	35,931	**32,999**	35,279	(2,280)
16/20M Tax	1,755	**2,262**	2,898	(636)
Recreational Vehicle	593	**491**	358	133
Rental Excise Tax	6	**-**	3	(3)
Commercial Vehicle	-	**-**	1,323	(1,323)
Watercraft Tax	-	**-**	210	(210)
Local Sales Tax	70,214	**68,350**	60,000	8,350
Local Alcohol Tax	1,244	**1,452**	1,375	77
Federal Aid	35,329	**-**	-	-
Licenses, Permits and Fees	10,631	**800**	675	125
Franchise Fees	37,322	**36,520**	35,000	1,520
Swimming Pool	8,754	**8,184**	8,500	(316)
Fines	3,746	**108**	4,000	(3,892)
Rent	-	**-**	50	(50)
Crop Sales	205	**1,908**	1,000	908
Sale of Land	125	**-**	-	-
Land Lease	-	**-**	2,000	(2,000)
Golf Course	5,406	**-**	-	-
Mowing Fee	-	**3,178**	-	3,178
Insurance Proceeds	-	**3,761**	-	3,761
Miscellaneous	696	**580**	4,000	(3,420)
Interest	5,697	**11,991**	4,500	7,491
Transfers In	30,000	**30,000**	30,000	-
Neighborhood Revitalization Rebate	(11,262)	**(9,313)**	(10,878)	1,565
Total Receipts	413,321	**370,904**	363,409	7,495
Expenditures				
General Administrative	116,518	**94,884**	117,235	(22,351)
Employee Benefits	44,714	**44,113**	65,000	(20,887)
Public Safety	16,562	**16,232**	75,000	(58,768)
Parks and Recreation	54,903	**54,590**	60,000	(5,410)
Street Department	95,867	**84,468**	87,500	(3,032)
Transfers Out	17,500	**17,500**	17,500	-
Building Demolition	-	**-**	20,000	(20,000)
Total Expenditures	346,064	**311,787**	442,235	(130,448)
Receipts Over (Under) Expenditures	67,257	**59,117**		
Unencumbered Cash - Beginning	157,938	**225,195**		
Unencumbered Cash - Ending	$ 225,195	**284,312**		

CITY OF PROTECTION, KANSAS
Special Highway Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Over (Under)
Receipts				
Taxes and Shared Revenues				
State Gasoline Tax	$ 13,033	**13,506**	12,870	636
Expenditures				
Contractual	-	**-**	53,766	(53,766)
Receipts Over (Under) Expenditures	13,033	**13,506**		
Unencumbered Cash - Beginning	28,216	**41,249**		
Unencumbered Cash - Ending	$ 41,249	**54,755**		

CITY OF PROTECTION, KANSAS
Special Equipment Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

		Prior Year Actual	**Current Year Actual**
Receipts			
Sale of Equipment	$	-	**319**
Transfers In		7,500	**7,500**
Total Receipts		7,500	**7,819**
Expenditures			
Capital Outlay		-	**13,333**
Receipts Over (Under) Expenditures		7,500	**(5,514)**
Unencumbered Cash - Beginning		37,265	**44,765**
Unencumbered Cash - Ending	$	44,765	**39,251**

CITY OF PROTECTION, KANSAS
Special Parks and Recreation Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Over (Under)
Receipts				
Taxes and Shared Revenues				
Local Alcohol Tax	$ 1,244	**1,452**	1,375	77
Expenditures				
Commodities	-	**-**	14,729	(14,729)
Receipts Over (Under) Expenditures	1,244	**1,452**		
Unencumbered Cash - Beginning	12,040	**13,284**		
Unencumbered Cash - Ending	$ 13,284	**14,736**		

CITY OF PROTECTION, KANSAS
Capital Improvement Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

		Prior Year Actual	**Current Year Actual**
Receipts			
Transfers In	$	10,000	**10,000**
Expenditures		-	**-**
Receipts Over (Under) Expenditures		10,000	**10,000**
Unencumbered Cash - Beginning		15,000	**25,000**
Unencumbered Cash - Ending	$	25,000	**35,000**

CITY OF PROTECTION, KANSAS
Waterworks System Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Over (Under)
Receipts				
Customer Sales	$ 115,655	**106,657**	104,000	2,657
Expenditures				
Personal Services	30,426	**26,133**	35,000	(8,867)
Contractual Services	53,831	**46,690**	45,000	1,690
Commodities	14,963	**19,245**	32,000	(12,755)
Capital Outlay	6,346	**-**	218,456	(218,456)
Transfers Out	25,000	**25,000**	25,000	-
Total Expenditures	130,566	**117,068**	355,456	(238,388)
Receipts Over (Under) Expenditures	(14,911)	**(10,411)**		
Unencumbered Cash - Beginning	284,456	**269,545**		
Unencumbered Cash - Ending	$ 269,545	**259,134**		

CITY OF PROTECTION, KANSAS
Sewage Disposal Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Over (Under)
Receipts				
Taxes and Shared Revenues				
Local Sales Tax	$ 34,583	**33,665**	32,000	1,665
Customer Sales	67,436	**67,679**	67,000	679
Total Receipts	102,019	**101,344**	99,000	2,344
Expenditures				
Personal Services	22,293	**22,412**	27,500	(5,088)
Contractual Services	24,014	**24,771**	27,500	(2,729)
Commodities	1,615	**8,094**	7,500	594
KDHE - Principal Payments	39,055	**40,070**	40,070	-
KDHE - Interest Payments	5,601	**4,685**	4,685	-
KDHE - Service Fees	601	**503**	601	(98)
Capital Outlay	-	**-**	43,228	(43,228)
Transfers Out	10,000	**10,000**	10,000	-
Cash Forward	-	**-**	25,000	(25,000)
Total Expenditures	103,179	**110,535**	186,084	(75,549)
Receipts Over (Under) Expenditures	(1,160)	**(9,191)**		
Unencumbered Cash - Beginning	83,841	**82,681**		
Unencumbered Cash - Ending	$ 82,681	**73,490**		

CITY OF PROTECTION, KANSAS
Solid Waste Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Over (Under)
Receipts				
Customer Sales	$ 73,410	**77,728**	80,500	(2,772)
Expenditures				
Contractual Services	67,904	**67,727**	104,650	(36,923)
Commodities	-	**-**	1,000	(1,000)
Total Expenditures	67,904	**67,727**	105,650	(37,923)
Receipts Over (Under) Expenditures	5,506	**10,001**		
Unencumbered Cash - Beginning	26,150	**31,656**		
Unencumbered Cash - Ending	$ 31,656	**41,657**		

CITY OF PROTECTION, KANSAS
Water System Reserve Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

		Prior Year Actual	**Current Year Actual**
Receipts	$	-	**-**
Expenditures		-	**-**
Receipts Over (Under) Expenditures		-	**-**
Unencumbered Cash - Beginning		109,498	**109,498**
Unencumbered Cash - Ending	$	109,498	**109,498**

CITY OF PROTECTION, KANSAS
Sewer System Reserve Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

		Prior Year Actual	**Current Year Actual**
Receipts			
Transfers In	$	5,000	**5,000**
Expenditures		-	**-**
Receipts Over (Under) Expenditures		5,000	**5,000**
Unencumbered Cash - Beginning		64,917	**69,917**
Unencumbered Cash - Ending	$	69,917	**74,917**

Schedule 2-11

CITY OF PROTECTION, KANSAS
Storm Sewer Replacement Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

		Prior Year Actual	**Current Year Actual**
Receipts	$	**-**	**-**
Expenditures		-	**-**
Receipts Over (Under) Expenditures		-	**-**
Unencumbered Cash - Beginning		65,000	**65,000**
Unencumbered Cash - Ending	$	65,000	**65,000**

CITY OF PROTECTION, KANSAS

Supplementary Information

CITY OF PROTECTION, KANSAS
Schedule of Operating Ratios
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

Operating Ratios

	Total Revenues	Total Expenditures Less Transfers	**2023**	Total Revenues	Total Expenditures Less Transfers	2022
Sewage Disposal Fund	$ 101,344	$ 100,535	**1.01**	$ 102,019	$ 93,179	1.09
Solid Waste Fund	77,728	67,727	**1.15**	73,410	67,904	1.08
Waterworks System Fund	106,657	92,068	**1.16**	115,655	105,566	1.10

See independent auditors' report.

CITY OF PROTECTION, KANSAS
Schedule of Debt Coverage Ratio
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

Debt Coverage Ratio

		2023	2022
Sewage Disposal Fund			
Total Revenues	$	**101,344**	102,019
Non-Debt Operating Expenses		**55,277**	47,922
Net Operating Revenues	$	**46,067**	54,097
Debt Service Expenses	$	**45,258**	45,257
Debt Coverage Ratio		**1.02**	1.20

See independent auditors' report.