

**STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769**

**Paul D. Joyce, CPA
State Examiner**

FINANCIAL STATEMENT AUDIT REPORT

OF

CITY OF GAS CITY

GRANT COUNTY, INDIANA

January 1, 2022 to December 31, 2023



FILED
12/04/2024



Paul D. Joyce, CPA
State Examiner

INDIANA STATE BOARD OF ACCOUNTS

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December 4, 2024

To: The Officials of the City Gas City
City of Gas City
Grant County, Indiana

As authorized under Indiana Code 5-11-1, we engaged private examiners under our review to perform the audit of City of Gas City. We have reviewed the audit report opined upon by Crowe LLP, Independent Public Accountants, for the period January 1, 2022 to December 31, 2023. Per the *Independent Auditor's Report*, the financial statements included in the report present fairly the financial condition of City of Gas City as of December 31, 2023, and the results of its operations for the period then ended, on the basis of accounting described in the report.

We call your attention to the finding included in the report on pages 40 through 43. Please see the Schedule of Findings and Questioned Costs for complete details related to the finding. Management's Corrective Action Plan appears at the end of the report.

In our opinion, Crowe LLP prepared the audit report in accordance with the guidelines established by the Indiana State Board of Accounts.

In addition to the report presented herein, a supplemental report for City of Gas City was prepared in accordance with the guidelines established by the Indiana State Board of Accounts.

The report is filed with this letter in our office as a matter of public record.

Tammy R. White, CPA
Deputy State Examiner

CITY OF GAS CITY
Grant County, Indiana

FINANCIAL STATEMENT

As of December 31, 2023 and for the
period January 1, 2022 through December 31, 2023

CITY OF GAS CITY
Grant County, Indiana

FINANCIAL STATEMENT
As of December 31, 2023 and for the
period January 1, 2022 through December 31, 2023

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CITY OF GAS CITY
SCHEDULE OF OFFICIALS (Unaudited)
As of December 31, 2023 and for the
period of January 1, 2022 through December 31, 2023

<u>Office</u>	<u>Official</u>	<u>Term</u>
Mayor	William Rock, Jr.	01-01-22 to 12-31-23
President of the Board of Public Works and Safety	Brian Swanner	01-01-22 to 12-31-23
President of Common Council	Larry Terwillegar	01-01-22 to 12-31-23
Clerk-Treasurer	Karen Wood	01-01-22 to 12-31-23

INDEPENDENT AUDITOR'S REPORT

Those Charged with Governance
City of Gas City
Grant County, Indiana

Opinions

We have audited the accompanying statement of receipts, disbursements, and cash and investment balances of the City of Gas City (the "City") as of December 31, 2023 and for the period January 1, 2022 through December 31, 2023, and the related notes to the financial statement.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement presents fairly, in all material respects, the cash and investment balances of the City as of December 31, 2023 and for the period January 1, 2022 through December 31, 2023, and its cash receipts and cash disbursements for the year then ended, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

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 Opinion on U.S. Generally Accepted Accounting Principles section of our report, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the City as of December 31, 2023 and for the period January 1, 2022 through December 31, 2023, or changes in net position for the year then ended.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). For the year ended December 31, 2023, we also conducted our audit in accordance with the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial 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 audit opinions.

(Continued)

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As discussed in Note 1 to the financial statement, the City prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6), 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 and pervasive.

Responsibilities of Management for the Financial Statement

Management is responsible for the preparation and fair presentation of the financial statement in accordance with the financial reporting provisions of the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6) as described in Note 1, and 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.

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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statement.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

(Continued)

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statement that collectively comprise the City's financial statement. The accompanying 2023 Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the 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 financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement as a whole.

Other Information

Management is responsible for the other information included with the financial statement. The other information comprises the Schedule of Officials, Combining Schedules of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis, Schedule of Payables and Receivables, Schedule of Leases and Debt, Schedule of Capital Assets, and State Reporting Information, but does not include the financial statement and our auditor's report thereon. Our opinion on the financial statement does not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 26, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.


Crowe LLP

Indianapolis, Indiana
September 26, 2024

CITY OF GAS CITY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND
INVESTMENT BALANCES - REGULATORY BASIS
As of December 31, 2023 and for the period January 1, 2022 through December 31, 2023

<u>Fund</u>	Cash and Investments <u>01-01-22</u>	<u>Receipts</u>	<u>Disbursements</u>	Cash and Investments <u>12-31-22</u>
GENERAL	\$ 1,335,169	\$ 2,329,253	\$ 2,162,520	\$ 1,501,902
MOTOR VEHICLE HIGHWAY	291,698	375,328	336,516	330,510
LOCAL ROAD AND STREET	141,741	93,226	18,798	216,169
Motor Vehicle Highway Restricted	250,095	130,268	135,800	244,563
POLICE SEIZURE AND FORFEITURE	-	26,290	21,020	5,270
Assistance to Firefighters State Grant	-	27,075	-	27,075
Promotional	-	8,070	697	7,373
Local Continuing Education	58,088	17,825	360	75,553
CLERKS RECORD PERPETUATION	32,817	11,958	25,745	19,030
RIVERBOAT	58,925	34,639	-	93,564
PARK RENTAL DEPOSITS	655	-	202	453
USER FEE FUND	575	42,062	38,674	3,963
RAINY DAY	55,808	-	-	55,808
K9 NON REVERTING FUND	-	34,520	9,294	25,226
COUNTY ECONOMIC DEVELOPMENT INCOME TAX (CEDIT)	267,850	85,337	74,391	278,796
Opioid Public Safety Unrestricted	-	8,774	-	8,774
Opioid Public Safety Restricted	-	20,473	-	20,473
Hazardous Materials Emergency Grant-Fire	-	10,896	10,896	-
Cumulative Capital Development	173,016	74,059	90,385	156,690
PARK NONREVERTING CAPITAL OPERATING	13,488	-	-	13,488
COMMUNITY FOUNDATION GRANT	-	10,000	8,091	1,909
FIRE PROTECTION EQUIPMENT REPLACEMENT	3,226	-	-	3,226
CUMULATIVE CAPITAL IMPROVEMENT	61,889	11,175	29,428	43,636
Round Robins local grant	-	14,922	14,922	-
PAYROLL GROSS WAGES CORRECTION	-	1,217	1,217	-
PAYROLL-CINCINNATI LIFE INSURANCE CO	15	1,508	1,508	15
PAYROLL-LIBERTY NATIONAL LIFE INSURANCE	-	735	694	41
POLICE PENSION	20,694	132,982	102,406	51,270
Auditorium	11,905,181	168,212	633,645	11,439,748
BOREN FOUNDATION POLICE GRANT	242	20	158	104
CONCERTS AT THE PARK	29,000	65,932	59,441	35,491
HOMELAND SECURITY GRANT #45824	-	12,500	12,500	-
DEMOLITION FUND	10,000	-	10,000	-
American Rescue Plan (ARP)	417,832	656,612	544,773	529,671
COVID EMERGENCY SUPPLEMENTAL	466	-	466	-
COVID-FIRE DEPARTMENT DR4515	7,804	8,528	16,015	317
City Court	205,584	573,099	596,876	181,807
PARK	390,902	167,689	176,336	382,255
ZOO	5,242	7,544	6,511	6,275
OLD FASHIONED 4TH	4,732	22,244	18,014	8,962
PARK - CHRISTMAS LIGHTS	17,948	15,460	22,244	11,164
WAL-MART GRANT - POLICE DEPARTMENT	71	3,000	3,071	-
GAS CITY YOUTH ACTIVITY FUND	1,372	-	1,372	-
COURT COSTS DUE TO COUNTY	42,195	37,389	79,584	-
3-WAY RECREATION	30,880	35,735	33,601	33,014
USER FEE FUND - HOME MONITORING	39,270	29,550	44,500	24,320

(Continued)

CITY OF GAS CITY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND
INVESTMENT BALANCES - REGULATORY BASIS
As of December 31, 2023 and for the period January 1, 2022 through December 31, 2023

Fund	Cash and Investments 01-01-22	Receipts	Disbursements	Cash and Investments 12-31-22
2003 REDEVELOPMENT DISTRICT CAPITAL	\$ 184,950	\$ -	\$ 184,950	\$ -
COMMUNITY CROSSINGS GRANT	299,325	-	286,680	12,645
ALLOCATION FUND (I-69 TIF AREA)	6,117,782	3,076,787	3,366,721	5,827,848
PILOT	29,925	80,508	80,508	29,925
GRANT OPERATION PULL OVER	1,226	-	-	1,226
PAYROLL - FEDERAL WITHHOLDING	-	196,510	196,510	-
PAYROLL - FICA WITHHOLDING TAX	-	198,376	198,376	-
PAYROLL - MEDICARE DEDUCTION	-	64,329	64,329	-
PAYROLL -STATE TAX WITHHOLDING	-	73,880	73,880	-
PAYROLL - COUNTY TAX WITHHOLDING	-	57,089	57,089	-
PAYROLL - PERF 3% PENSION	-	35,580	35,580	-
PAYROLL - VOLUNTARY PERF	-	2,061	2,061	-
PAYROLL - POLICE PENSION NEW PLAN (1977)	-	15,850	15,850	-
PAYROLL - DIRECT DEPOSIT	-	1,775,992	1,775,992	-
PAYROLL - GRANT COUNTY CLERK	-	6,079	6,079	-
PAYROLL - AFLAC WITHHOLDING	26	247	268	5
PAYROLL - COLONIAL INSURANCE WITHHOLDING	153	1,978	1,978	153
PAYROLL - EMPLOYEE HEALTH INSURANCE COST	-	2,403	2,250	153
PAYROLL - 457 B DEFERRED COMPENSATION	-	10,630	10,630	-
ELECTRIC UTILITY OPERATING	848,827	6,610,053	6,589,392	869,488
ELECTRIC UTILITY METER DEPOSIT	192,627	31,026	25,327	198,326
ELECTRIC UTILITY DEPRECIATION	105,509	120,000	-	225,509
ELECTRIC CONSTRUCTION CASH	(62)	2,117	2,000	55
ELECTRIC CASH RESERVE	-	150,000	150,000	-
ELECTRIC METER DEPOSIT CHECKING	250	-	-	250
ELECTRIC PETTY CASH	400	-	-	400
ELECTRIC TREE FUND	28,263	52,400	26,777	53,886
ELECTRIC BOND & INTEREST	96	151,200	145,176	6,120
ELECTRIC DEBT SERVICE RESERVE	73,422	-	-	73,422
SEWAGE UTILITY OPERATING	118,456	1,791,700	1,599,204	310,952
SEWAGE WORKS BAN 2022	-	2,500,000	597,596	1,902,404
WASTEWATER CASH DEPRECIATION	-	34,000	-	34,000
WASTEWATER DEBT SERVICE (2020) RESERVE	284,000	-	-	284,000
Wasterwater Bond and Interest - Star	962	423,600	422,375	2,187
WATER UTILITY OPERATING	370,612	1,422,414	1,304,399	488,627
WATER CASH METER DEPOSITS	91,883	10,725	7,858	94,750
WATER CASH DEPRECIATION	60,000	90,000	19,673	130,327
WATER BOND & INTEREST	279,273	259,711	254,856	284,128
WATER METER DEPOSITS CHECKING	250	-	-	250
WATER PETTY CASH	300	-	-	300
WATER BOND & INTEREST RESERVE	380,680	4,214	-	384,894
STORM WATER UTILITY OPERATING	354,292	170,098	407,148	117,242
STORM WATER DEPRECIATION	-	37,500	-	37,500
STORM SEWER PROJECT 1ST ST PHASE II	27,500	45,500	66,000	7,000
Totals	<u>\$ 25,725,397</u>	<u>\$ 24,810,663</u>	<u>\$ 23,320,183</u>	<u>\$ 27,215,877</u>

See accompanying notes to financial statement.

CITY OF GAS CITY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND
INVESTMENT BALANCES - REGULATORY BASIS
As of December 31, 2023 and for the period January 1, 2022 through December 31, 2023

<u>Fund</u>	Cash and Investments <u>01-01-23</u>	<u>Receipts</u>	<u>Disbursements</u>	Cash and Investments <u>12-31-23</u>
GENERAL	\$ 1,501,902	\$ 2,626,787	\$ 2,281,391	\$ 1,847,298
MOTOR VEHICLE HIGHWAY	330,510	517,792	334,532	513,770
LOCAL ROAD AND STREET	216,169	96,414	80,000	232,583
MOTOR VEHICLE HIGHWAY RESTRICTED	244,563	132,581	184,796	192,348
POLICE SEIZURE AND FORFEITURE	5,270	2,000	1,373	5,897
HAZARDOUS MATERIALS EMERGENCY GRANT-FIRE	-	-	5,600	(5,600)
TURNER PARK-NON REVERTING	-	4,108	1,615	2,493
COMMUNITY CROSSINGS GRANT	12,645	792,785	739,700	65,730
LOCAL CONTINUING EDUCATION	75,553	9,594	-	85,147
CLERKS RECORD PERPETUATION	19,030	13,065	23,584	8,511
RIVERBOAT	93,564	34,623	15,000	113,187
PARK RENTAL DEPOSITS	453	-	-	453
USER FEE FUND	3,963	58,099	59,822	2,240
RAINY DAY	55,808	-	5,000	50,808
COUNTY ECONOMIC DEVELOPMENT INCOME TAX (CEDIT)	278,796	103,290	130,069	252,017
OPIOID PUBLIC SAFETY RESTRICTED	20,473	5,674	-	26,147
OPIOID PUBLIC SAFETY UNRESTRICTED	8,774	1,570	-	10,344
FIRE PROTECTION EQUIPMENT REPLACEMENT	3,226	-	3,226	-
SEWAGE WORKS BAN 2022	1,902,404	700,000	2,308,820	293,584
CUMULATIVE CAPITAL DEVELOPMENT	156,690	85,952	70,000	172,642
PARK NONREVERTING CAPITAL OPERATING	13,488	-	13,488	-
COMMUNITY FOUNDATION GRANT	1,909	4,613	6,522	-
COVID FEDERAL GRANTS CFDA #21.019	-	9,333	9,333	-
AUDITORIUM	11,439,748	351,895	10,970,447	821,196
CUMULATIVE CAPITAL IMPROVEMENT	43,636	11,176	12,000	42,812
COVID-FIRE DEPARTMENT DR4515	317	-	231	86
BOREN FOUNDATION POLICE GRANT	104	10,000	10,104	-
PROMOTIONAL	7,373	-	-	7,373
OCRA STATE GRANT-BUSINESS	-	250,000	250,000	-
ASSISTANCE TO FIREFIGHTERS STATE GRANT	27,075	13,624	40,699	-
CONCERTS AT THE PARK	35,491	64,575	64,950	35,116
STORM WATER DEPRECIATION	37,500	42,000	-	79,500
POLICE PENSION	51,270	86,235	104,309	33,196
AMERICAN RESCUE PLAN (ARP)	529,671	-	529,671	-
CITY COURT	181,807	641,980	670,252	153,535
PARK	382,255	172,562	233,537	321,280
ZOO	6,275	9,764	7,703	8,336
OLD FASHIONED 4TH	8,962	26,285	19,700	15,547
PARK - CHRISTMAS LIGHTS	11,164	16,838	14,468	13,534
COURT COSTS DUE TO COUNTY	-	41,139	41,059	80
OLE MISS YOUTH SPORTS (OLD 3-WAY REC FUND)	33,014	35,928	33,600	35,342
K9 NON REVERTING FUND	25,226	25,057	26,555	23,728
USER FEE FUND - HOME MONITORING	24,320	32,889	46,192	11,017
ALLOCATION FUND (I-69 TIF AREA)	5,827,848	4,192,079	4,994,540	5,025,387
STORM SEWER PROJECT 1ST ST PHASE II	7,000	42,000	-	49,000
PILOT	29,925	80,508	80,508	29,925

(Continued)

CITY OF GAS CITY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND
INVESTMENT BALANCES - REGULATORY BASIS
As of December 31, 2023 and for the period January 1, 2022 through December 31, 2023

Fund	Cash and Investments 01-01-23	Receipts	Disbursements	Cash and Investments 12-31-23
GRANT OPERATION PULL OVER	\$ 1,226	\$ -	\$ -	\$ 1,226
PAYROLL - FEDERAL WITHHOLDING	-	193,386	193,386	-
PAYROLL - FICA WITHHOLDING TAX	-	213,945	213,945	-
PAYROLL - MEDICARE DEDUCTION	-	69,407	69,407	-
PAYROLL -STATE TAX WITHHOLDING	-	76,404	76,404	-
PAYROLL - COUNTY TAX WITHHOLDING	-	60,931	60,931	-
PAYROLL - PERF 3% PENSION	-	36,836	36,836	-
PAYROLL - VOLUNTARY PERF	-	2,111	2,111	-
PAYROLL - POLICE PENSION NEW PLAN (1977)	-	18,942	18,942	-
PAYROLL - DIRECT DEPOSIT	-	1,939,832	1,939,832	-
PAYROLL - GRANT COUNTY CLERK	-	5,034	5,034	-
PAYROLL - AFLAC WITHHOLDING	5	247	247	5
PAYROLL - COLONIAL INSURANCE WITHHOLDING	153	1,978	1,978	153
PAYROLL - CINCINNATI LIFE INSURANCE CO	15	1,508	1,465	58
PAYROLL - LIBERTY NATIONAL LIFE INSURANCE	41	757	757	41
PAYROLL - EMPLOYEE HEALTH INSURANCE COST	153	3,300	3,246	207
PAYROLL - CHILD SUPPORT	-	450	450	-
PAYROLL - 457 B DEFERRED COMPENSATION	-	14,160	14,160	-
ELECTRIC UTILITY OPERATING	869,488	6,767,579	6,938,134	698,933
ELECTRIC UTILITY METER DEPOSITS	198,326	30,550	21,609	207,267
ELECTRIC UTILITY DEPRECIATION	225,509	80,000	-	305,509
ELECTRIC CONSTRUCTION CASH	55	1,860	-	1,915
ELECTRIC CASH RESERVE	-	150,000	150,000	-
ELECTRIC METER DEPOSIT CHECKING	250	-	-	250
ELECTRIC PETTY CASH	400	-	-	400
ELECTRIC TREE FUND	53,886	20,400	31,839	42,447
ELECTRIC BOND & INTEREST	6,120	147,800	147,546	6,374
ELECTRIC DEBT SERVICE RESERVE	73,422	-	-	73,422
SEWAGE UTILITY OPERATING	310,952	1,615,754	1,682,170	244,536
WASTEWATER CASH DEPRECIATION	34,000	42,000	-	76,000
WASTEWATER DEBT SERVICE (2020) RESERVE	284,000	-	-	284,000
WASTEWATER BOND AND INTEREST - STAR	2,187	421,800	421,650	2,337
WATER UTILITY OPERATING	488,627	1,479,201	1,274,224	693,604
WATER CASH METER DEPOSITS	94,750	10,775	6,288	99,237
WATER CASH DEPRECIATION	130,327	80,000	97,525	112,802
WATER BOND & INTEREST	284,128	267,582	254,544	297,166
WATER METER DEPOSITS CHECKING	250	-	-	250
WATER PETTY CASH	300	-	-	300
WATER BOND & INTEREST RESERVE	384,894	18,649	-	403,543
STORM WATER UTILITY OPERATING	117,242	186,815	285,373	18,684
Totals	<u>\$ 27,215,877</u>	<u>\$ 25,304,807</u>	<u>\$ 38,374,429</u>	<u>\$ 14,146,255</u>

See accompanying notes to financial statement.

CITY OF GAS CITY
NOTES TO FINANCIAL STATEMENT
As of December 31, 2023 and for the period of January 1, 2022 through December 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity: The City was established under the laws of the State of Indiana. The City operates under a City Council form of government and provides some or all of the following services: public safety (police and fire), highways and streets, health and social services, culture and recreation, public improvements, planning and zoning, general administrative services, water, wastewater, electric, gas, storm water, trash, aviation, and urban redevelopment and housing.

The accompanying financial statement presents the financial information for the City.

Basis of Accounting: The financial statement is reported on a regulatory basis of accounting prescribed by the Indiana State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis of accounting involves the reporting of only cash and investments and the changes therein resulting from cash inflows (receipts) and cash outflows (disbursements) reported in the period in which they occurred. The basis of accounting also requires presentation of certain information as Other Information.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP), in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred. The regulatory basis also allows for all investments to be stated at cost, while GAAP requires fair value for qualifying investments.

Cash and Investments: Investments are stated at cost. Any changes in fair value of the investments are reported as receipts in the year of the sale of the investment.

Receipts: Receipts are presented in the aggregate on the face of the financial statement. The aggregate receipts include the following sources:

Taxes. Amounts received including one or more of the following: property taxes, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, innkeepers tax, food and beverage tax, county economic development income tax, boat and trailer excise tax, county adjusted gross income tax, and other taxes that are set by the City.

Licenses and permits. Amounts received from businesses, occupations, or non-businesses that must be licensed before doing business within the government's jurisdiction, or permits levied according to the benefits presumably conferred by the permit. Examples of licenses and permits include the following: peddler licenses, animal licenses, auctioneer licenses, building and planning permits, demolition permits, electrical permits, sign permits, and gun permits.

Intergovernmental receipts. Amounts received from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of this type of receipts include, but are not limited to: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distribution received from the state, local road and street distribution received from the state, financial institution tax received from the state, auto excise surtax received from the state, commercial vehicle excise tax received from the state, major moves distributions received from the state, and riverboat receipts received from the county.

Charges for services. Amounts received for services including, but not limited to, the following: planning commission charges, building department charges, copies of public records, copy machines charges, accident report copies, gun permit applications, 911 telephone services, recycling fees, dog pound fees, emergency medical service fees, park rental fees, swimming pool receipts, cable TV receipts, ordinance violations, fines and fees, bond forfeitures, court costs, and court receipts.

(Continued)

CITY OF GAS CITY
NOTES TO FINANCIAL STATEMENT
As of December 31, 2023 and for the period of January 1, 2022 through December 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fines and forfeits. Amounts received from fines and penalties imposed for the commission of statutory offenses, violation of lawful administrative rules and regulations (fines), and for the neglect of official duty and monies derived from confiscating deposits held as performance guarantees (forfeitures).

Utility fees. Amounts received from charges for current services.

Other receipts. Amounts received from various sources which can include, but are not limited to the following: net proceeds from borrowings; interfund loan activity; transfers authorized by statute, ordinance, resolution or court order; internal service receipts; and fiduciary receipts.

Disbursements: Disbursements are presented in the aggregate on the face of the financial statement. The aggregate disbursements include the following uses:

Personal services. Amounts disbursed for salaries, wages, and related employee benefits provided for all persons employed. In those Units where sick leave, vacation leave, overtime compensation, and other such benefits are appropriated separately, such payments would also be included.

Supplies. Amounts disbursed for articles and commodities that are entirely consumed and materially altered when used and/or show rapid depreciation after use for a short period of time. Examples of supplies include office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges. Amounts disbursed for services including, but are not limited to: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

Debt service principal and interest. Amounts disbursed for fixed obligations resulting from financial transactions previously entered into by the City. It includes all expenditures for the reduction of the principal and interest of the City general obligation indebtedness as well as lease agreements.

Capital outlay. Amounts disbursed for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

Utility operating expenses. Amounts disbursed for operating the utilities.

Other disbursements. Amounts disbursed for various purposes including, but not limited to the following: interfund loan payments, loans made to other funds, internal service disbursements, and transfers out that are authorized by statute, ordinance, resolution, or court order.

Interfund Transfers: The City may, from time to time, make transfers from one fund to another. These transfers, if any, are included as a part of the receipts and disbursements of the affected funds and as a part of total receipts and disbursements. The transfers are used for cash flow purposes as provided by various statutory provisions.

Fund Accounting: Separate funds are established, maintained, and reported by the City. Each fund is used to account for amounts received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the City. The amounts accounted for in a specific fund may only be available for use for certain, legally-restricted purposes. Additionally, some funds are used to account for assets held by the City in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and, therefore, the funds cannot be used for any expenditures of the City itself.

(Continued)

NOTE 2 - BUDGETS

The operating budget is initially prepared and approved at the local level. The fiscal officer of the City submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied or highway use taxes are received is subject to final approval by the Indiana Department of Local Government Finance.

NOTE 3 - PROPERTY TAXES

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the City in June and December; however, situations can arise which would delay the distributions. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by December 31 of the year preceding the budget year or January 15 of the budget year if the City is issuing debt after December 1 or intends on filing a shortfall appeal. These rates were based upon the assessed valuations adjusted for various tax credits from the preceding year's lien date of January 1. Taxable property is assessed at 100 percent of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which normally become delinquent if not paid by May 10 and November 10, respectively.

NOTE 4 - DEPOSITS AND INVESTMENTS

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana, at year end, should be entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund (PDIF). This includes any deposit accounts issued or offered by a qualifying financial institution.

State statutes authorize the City to invest in securities including, but not limited to, the following: federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

NOTE 5 - RISK MANAGEMENT

The City may be exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job-related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third-party. The establishment of a self-insurance fund allows the City to set aside money for claim settlements. The self-insurance fund would be included in the financial statement. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks.

The City has purchased insurance to address the risks described above.

NOTE 6 - PENSION PLAN

Public Employees' Retirement Fund

Plan Description

The Indiana Public Employees' Retirement Fund Defined Benefit Plan (PERF DB) is a cost-sharing multiple-employer defined benefit plan and provides retirement, disability, and survivor benefits to plan members. PERF DB is administered through the Indiana Public Retirement System (INPRS) Board in accordance with state statutes (IC 5-10.2 and IC 5-10.3) and administrative code (35 IAC 1.2), which govern most requirements of the system and give the City authority to contribute to the plan.

The Public Employees' Hybrid Plan (PERF Hybrid) consists of two components: PERF DB, the employer-funded monthly defined benefit component, and the Public Employees' Hybrid Members Defined Contribution Account, the defined contribution component.

The Retirement Savings Plan for Public Employees (My Choice) is a multiple-employer defined contribution plan. It is administered through the INPRS Board in accordance with state statutes (IC 5-10.2 and IC 5-10.3) and administrative code (35 IAC 1.2), which govern most requirements of the system and give the City authority to contribute to the plan.

New employees hired have a one-time election to join either the PERF Hybrid or the My Choice.

Financial Report

INPRS issues a publicly available financial report that includes financial statement and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Indiana Public Retirement System
One North Capitol, Suite 001
Indianapolis, IN 46204
Ph. (844) 464-6777

Contributions

Members' contributions are set by state statute at 3 percent of compensation for both the defined contribution component of PERF Hybrid and My Choice. The employer may elect to make the contribution on behalf of the member of the defined contribution component of PERF Hybrid and My Choice members may receive additional employer contribution in lieu of the PERF DB. Contributions to the PERF DB are determined by INPRS Board based on actuarial valuation.

1925 Police Officers' Pension Plan

Plan Description

The 1925 Police Officers' Pension Plan is a single-employer defined benefit pension plan. The plan is administered by the local pension board as authorized by state statute (IC 36-8-6). The plan provides retirement, disability, and death benefits to plan members and beneficiaries. The plan was established by the plan administrator, as provided by state statute. The plan administrator does not issue a publicly available financial report that includes financial statements and required supplementary information of the plan.

(Continued)

NOTE 6 - PENSION PLAN (Continued)

Funding Policy

The contribution requirements of plan members for the 1925 Police Officers' Pension Plan are established by state statute.

On Behalf Payments

The 1925 Police Officers' Pension Plan is funded by the State of Indiana through the Indiana Public Retirement System as provided under Indiana Code 5-10.3-11.

1977 Police Officers' and Firefighters' Pension and Disability Fund

Plan Description

The 1977 Police Officers' and Firefighters' Pension and Disability Fund is a cost-sharing multiple-employer defined benefit pension plan administered by the Indiana Public Retirement System (INPRS) for all police officers and firefighters hired after April 30, 1977, providing retirement, disability, and survivor benefits.

State statute (IC 36-8-8) regulates the operations of the system, including benefits, vesting, and requirements for contributions by employers and by employees. Covered employees may retire at age 52 with 20 years of service. An employee with 20 years of service may leave service, but will not receive benefits until reaching age 52.

Financial Report

INPRS issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Indiana Public Retirement System
One North Capitol, Suite 001
Indianapolis, IN 46204
Ph. (844) 464-6777

Contributions

The contribution requirements of plan members and the City are established by the Board of Trustees of INPRS based on actuarial valuation. Employers may pay all or part of the member contribution for the member.

NOTE 7 - CASH BALANCE DEFICITS

The financial statement contains some funds with deficits in cash. This was a result of timing of grant related receipts and expenditures.

OTHER INFORMATION (Unaudited)

CITY OF GAS CITY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2022

	GENERAL	MOTOR VEHICLE HIGHWAY	LOCAL ROAD & STREET	MOTOR VEHICLE HIGHWAY RESTRICTED	POLICE SEIZURE AND FORFEITURE	Assistance to Firefighters State Grant	Promotional	LOCAL CONTINUING EDUCATION FUND	CLERKS RECORD PERPETUATION	RIVERBOAT	PARK RENTAL DEPOSITS	USER FEE FUND	RAINY DAY	K9 NON REVERTING FUND
Cash and investments - beginning	\$ 1,335,169	\$ 291,698	\$ 141,741	\$ 250,095	\$ -	\$ -	\$ -	\$ 58,088	\$ 32,817	\$ 58,925	\$ 655	\$ 575	\$ 55,808	\$ -
Receipts:														
Taxes	936,724	222,354	-	-	-	-	-	-	-	-	-	-	-	-
Licenses and permits	29,203	-	-	-	-	-	-	17,825	-	-	-	-	-	-
Intergovernmental receipts	563,832	143,097	93,226	130,268	-	27,075	-	-	-	34,639	-	-	-	-
Charges for services	376,768	1,584	-	-	-	-	-	-	-	-	-	-	-	-
Fines and forfeits	89,260	-	-	-	-	-	-	-	11,958	-	-	42,062	-	-
Utility fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	333,466	8,293	-	-	26,290	-	8,070	-	-	-	-	-	-	34,520
Total receipts	2,329,253	375,328	93,226	130,268	26,290	27,075	8,070	17,825	11,958	34,639	-	42,062	-	34,520
Disbursements:														
Personal services	1,320,971	283,426	-	-	-	-	-	-	25,745	-	-	-	-	-
Supplies	147,194	29,177	-	-	-	-	-	-	-	-	-	-	-	-
Other services and charges	583,984	23,913	18,798	-	-	-	-	360	-	-	-	38,674	-	9,294
Debt service - principal and interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	135,800	-	-	-	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other disbursements	110,371	-	-	-	21,020	-	697	-	-	-	202	-	-	-
Total disbursements	2,162,520	336,516	18,798	135,800	21,020	-	697	360	25,745	-	202	38,674	-	9,294
Excess (deficiency) of receipts over disbursements	166,733	38,812	74,428	(5,532)	5,270	27,075	7,373	17,465	(13,787)	34,639	(202)	3,388	-	25,226
Cash and investments - ending	\$ 1,501,902	\$ 330,510	\$ 216,169	\$ 244,563	\$ 5,270	\$ 27,075	\$ 7,373	\$ 75,553	\$ 19,030	\$ 93,564	\$ 453	\$ 3,963	\$ 55,808	\$ 25,226

(Continued)

CITY OF GAS CITY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2022

	COUNTY ECONOMIC DEVELOPMENT INCOME TAX (CEDIT)	Opioid Public Safety Unrestricted	Opioid Public Safety Restricted	Hazardous Materials Emergency Grant-Fire	CUMULATIVE CAPITAL DEVELOPMENT	PARK NONREVERTING CAPITAL OPERATING	COMMUNITY FOUNDATION GRANT	FIRE PROTECTION EQUIPMENT REPLACEMENT	CUMULATIVE CAPITAL IMPROVEMENT	Round Robins local grant	PAYROLL- GROSS WAGES CORRECTION	PAYROLL- CINCINNATI LIFE INSURANCE CO	PAYROLL- LIBERTY NATIONAL LIFE INSURANCE
Cash and investments - beginning	\$ 267,850	\$ -	\$ -	\$ -	\$ 173,016	\$ 13,488	\$ -	\$ 3,226	\$ 61,889	\$ -	\$ -	\$ 15	\$ -
Receipts:													
Taxes	-	-	-	-	67,055	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental receipts	-	8,774	20,473	10,896	7,004	-	10,000	-	11,175	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	85,337	-	-	-	-	-	-	-	14,922	1,217	1,508	735	
Total receipts	85,337	8,774	20,473	10,896	74,059	-	10,000	-	11,175	14,922	1,217	1,508	735
Disbursements:													
Personal services	-	-	-	-	-	-	-	-	-	-	1,508	-	-
Supplies	49,391	-	-	10,896	-	-	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital outlay	25,000	-	-	-	90,385	-	8,091	-	29,428	14,922	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-	-	-	1,217	-	694	
Total disbursements	74,391	-	-	10,896	90,385	-	8,091	-	29,428	14,922	1,217	1,508	694
Excess (deficiency) of receipts over disbursements	10,946	8,774	20,473	-	(16,326)	-	1,909	-	(18,253)	-	-	-	41
Cash and investments - ending	\$ 278,796	\$ 8,774	\$ 20,473	\$ -	\$ 156,690	\$ 13,488	\$ 1,909	\$ 3,226	\$ 43,636	\$ -	\$ -	\$ 15	\$ 41

(Continued)

CITY OF GAS CITY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2022

	POLICE PENSION	Auditorium	BOREN FOUNDATION POLICE GRANT	CONCERTS AT THE PARK	HOMELAND SECURITY GRANT #45824	DEMOLITION FUND	AMERICAN RESCUE PLAN (ARP)	COVID EMERGENCY SUPPLEMENTAL	COVID-FIRE DEPARTMENT DR4515	City Court	PARK	ZOO	OLD FASHIONED 4TH	PARK - CHRISTMAS LIGHTS
Cash and investments - beginning	\$ 20,694	\$ 11,905,181	\$ 242	\$ 29,000	\$ -	\$ 10,000	\$ 417,832	\$ 466	\$ 7,804	\$ 205,584	\$ 390,902	\$ 5,242	\$ 4,732	\$ 17,948
Receipts:														
Taxes	-	-	-	-	-	-	-	-	-	-	118,285	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	20	-	12,500	-	656,612	-	8,528	-	12,355	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-	-	19,781	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	132,982	168,212	-	65,932	-	-	-	-	-	573,099	17,268	7,544	22,244	15,460
Total receipts	132,982	168,212	20	65,932	12,500	-	656,612	-	8,528	573,099	167,689	7,544	22,244	15,460
Disbursements:														
Personal services	-	-	-	-	-	-	-	-	-	-	26,666	-	-	-
Supplies	-	-	-	-	12,500	-	-	-	-	-	26,325	6,511	-	22,244
Other services and charges	-	-	-	59,441	-	10,000	391,440	-	-	-	120,525	-	18,014	-
Debt service - principal and interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	633,645	158	-	-	-	153,333	-	16,015	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other disbursements	102,406	-	-	-	-	-	-	466	-	596,876	2,820	-	-	-
Total disbursements	102,406	633,645	158	59,441	12,500	10,000	544,773	466	16,015	596,876	176,336	6,511	18,014	22,244
Excess (deficiency) of receipts over disbursements	30,576	(465,433)	(138)	6,491	-	(10,000)	111,839	(466)	(7,487)	(23,777)	(8,647)	1,033	4,230	(6,784)
Cash and investments - ending	\$ 51,270	\$ 11,439,748	\$ 104	\$ 35,491	\$ -	\$ -	\$ 529,671	\$ -	\$ 317	\$ 181,807	\$ 382,255	\$ 6,275	\$ 8,962	\$ 11,164

(Continued)

CITY OF GAS CITY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2022

	WAL-MART GRANT - POLICE DEPARTMENT	GAS CITY YOUTH ACTIVITY FUND	COURT COSTS DUE TO COUNTY	3-WAY RECREATION	USER FEE FUND - HOME MONITORING	2003 REDEVELOPMENT DISTRICT CAPITAL	COMMUNITY CROSSINGS GRANT	ALLOCATION FUND (I-69 TIF AREA)	PILOT	GRANT OPERATION PULL OVER	PAYROLL - FEDERAL WITHHOLDING	PAYROLL - FICA WITHHOLDING TAX
Cash and investments - beginning	\$ 71	\$ 1,372	\$ 42,195	\$ 30,880	\$ 39,270	\$ 184,950	\$ 299,325	\$ 6,117,782	\$ 29,925	\$ 1,226	\$ -	\$ -
Receipts:												
Taxes	-	-	-	31,113	-	-	-	2,833,080	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental receipts	3,000	-	-	3,250	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	37,389	-	29,550	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	1,372	-	-	-	243,707	80,508	-	196,510	198,376
Total receipts	3,000	-	37,389	35,735	29,550	-	-	3,076,787	80,508	-	196,510	198,376
Disbursements:												
Personal services	-	-	-	-	44,500	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-	354,815	-	-	-	-
Capital outlay	3,071	-	-	-	-	-	286,680	2,684,872	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-	-	-	-	-
Other disbursements	-	1,372	79,584	33,601	-	184,950	-	327,034	80,508	-	196,510	198,376
Total disbursements	3,071	1,372	79,584	33,601	44,500	184,950	286,680	3,366,721	80,508	-	196,510	198,376
Excess (deficiency) of receipts over disbursements	(71)	(1,372)	(42,195)	2,134	(14,950)	(184,950)	(286,680)	(289,934)	-	-	-	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ 33,014	\$ 24,320	\$ -	\$ 12,645	\$ 5,827,848	\$ 29,925	\$ 1,226	\$ -	\$ -

(Continued)

CITY OF GAS CITY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2022

	PAYROLL - MEDICARE DEDUCTION	PAYROLL - STATE TAX WITHHOLDING	PAYROLL - COUNTY TAX WITHHOLDING	PAYROLL - PERF 3% PENSION	PAYROLL VOLUNTARY PERF	PAYROLL - POLICE PENSION NEW PLAN (1977)	PAYROLL - DIRECT DEPOSIT	PAYROLL - GRANT COUNTY CLERK	PAYROLL - AFLAC WITHHOLDING	PAYROLL - COLONIAL INSURANCE WITHHOLDING	PAYROLL - EMPLOYEE HEALTH INSURANCE COST	PAYROLL - 457 B DEFERRED COMPENSATION
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26	\$ 153	\$ -	\$ -
Receipts:												
Taxes	-	-	-	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	64,329	73,880	57,089	35,580	2,061	15,850	1,775,992	6,079	247	1,978	2,403	10,630
Total receipts	64,329	73,880	57,089	35,580	2,061	15,850	1,775,992	6,079	247	1,978	2,403	10,630
Disbursements:												
Personal services	-	-	-	-	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-	-	-	-	-
Other disbursements	64,329	73,880	57,089	35,580	2,061	15,850	1,775,992	6,079	268	1,978	2,250	10,630
Total disbursements	64,329	73,880	57,089	35,580	2,061	15,850	1,775,992	6,079	268	1,978	2,250	10,630
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	-	-	-	(21)	-	153	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5	\$ 153	\$ 153	\$ -

(Continued)

CITY OF GAS CITY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2022

	ELECTRIC UTILITY OPERATING	ELECTRIC UTILITY METER DEPOSIT	ELECTRIC UTILTIY DEPRECIATION	ELECTRIC CONSTRUCTION CASH	ELECTRIC CASH RESERVE	ELECTRIC METER DEPOSIT CHECKING	ELECTRIC PETTY CASH	ELECTRIC TREE FUND	ELECTRIC BOND & INTEREST	ELECTRIC DEBT SERVICE RESERVE	SEWAGE UTILITY OPERATING	SEWAGE WORKS BAN 2022	WASTEWATER CASH DEPRECIATION
Cash and investments - beginning	\$ 848,827	\$ 192,627	\$ 105,509	\$ (62)	\$ -	\$ 250	\$ 400	\$ 28,263	\$ 96	\$ 73,422	\$ 118,456	\$ -	\$ -
Receipts:													
Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-	-	-	-	-	-
Utility fees	6,610,053	31,026	-	-	-	-	-	-	-	-	1,574,878	-	-
Other receipts	-	-	120,000	2,117	150,000	-	-	52,400	151,200	-	216,822	2,500,000	34,000
Total receipts	6,610,053	31,026	120,000	2,117	150,000	-	-	52,400	151,200	-	1,791,700	2,500,000	34,000
Disbursements:													
Personal services	719,053	-	-	-	-	-	-	-	-	-	480,887	-	-
Supplies	-	-	-	-	-	-	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-	-	145,176	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-	-	-	380,774	-
Utility operating expenses	5,426,729	25,327	-	-	-	-	-	26,777	-	-	-	-	-
Other disbursements	443,610	-	-	2,000	150,000	-	-	-	-	-	1,118,317	216,822	-
Total disbursements	6,589,392	25,327	-	2,000	150,000	-	-	26,777	145,176	-	1,599,204	597,596	-
Excess (deficiency) of receipts over disbursements	20,661	5,699	120,000	117	-	-	-	25,623	6,024	-	192,496	1,902,404	34,000
Cash and investments - ending	\$ 869,488	\$ 198,326	\$ 225,509	\$ 55	\$ -	\$ 250	\$ 400	\$ 53,886	\$ 6,120	\$ 73,422	\$ 310,952	\$ 1,902,404	\$ 34,000

(Continued)

CITY OF GAS CITY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2022

	WASTEWATER DEBT SERVICE (2020) RESERVE	Wasterwater BOND & INTEREST Star	WATER UTILITY OPERATING	WATER CASH METER DEPOSITS	WATER CASH DEPRECIATION	WATER BOND & INTEREST	WATER METER DEPOSITS CHECKING	WATER PETTY CASH	WATER BOND & INTEREST RESERVE	STORM WATER UTILITY OPERATING	STORM WATER DEPRECIATION	STORM SEWER PROJECT 1ST ST PHASE II	Totals
Cash and investments - beginning	\$ 284,000	\$ 962	\$ 370,612	\$ 91,883	\$ 60,000	\$ 279,273	\$ 250	\$ 300	\$ 380,680	\$ 354,292	\$ -	\$ 27,500	\$ 25,725,397
Receipts:													
Taxes	-	-	-	-	-	-	-	-	-	-	-	-	4,208,611
Licenses and permits	-	-	-	-	-	-	-	-	-	-	-	-	47,028
Intergovernmental receipts	-	-	-	-	-	-	-	-	-	-	-	-	1,756,724
Charges for services	-	-	-	-	-	-	-	-	-	-	-	-	398,133
Fines and forfeits	-	-	-	-	-	-	-	-	-	-	-	-	210,219
Utility fees	-	-	1,422,414	-	-	-	-	-	-	170,098	-	-	9,808,469
Other receipts	-	423,600	-	10,725	90,000	259,711	-	-	4,214	-	37,500	45,500	8,381,479
Total receipts	-	423,600	1,422,414	10,725	90,000	259,711	-	-	4,214	170,098	37,500	45,500	24,810,663
Disbursements:													
Personal services	-	-	393,495	-	-	-	-	-	-	231,359	-	-	3,527,610
Supplies	-	-	-	-	-	-	-	-	-	-	-	-	304,238
Other services and charges	-	-	-	-	-	-	-	-	-	-	-	-	1,274,443
Debt service - principal and interest	-	422,375	-	-	-	254,856	-	-	-	-	-	-	1,177,222
Capital outlay	-	-	-	-	-	-	-	-	-	-	-	66,000	4,528,174
Utility operating expenses	-	-	-	-	-	-	-	-	-	138,289	-	-	5,617,122
Other disbursements	-	-	910,904	7,858	19,673	-	-	-	-	37,500	-	-	6,891,374
Total disbursements	-	422,375	1,304,399	7,858	19,673	254,856	-	-	-	407,148	-	66,000	23,320,183
Excess (deficiency) of receipts over disbursements	-	1,225	118,015	2,867	70,327	4,855	-	-	4,214	(237,050)	37,500	(20,500)	1,490,480
Cash and investments - ending	\$ 284,000	\$ 2,187	\$ 488,627	\$ 94,750	\$ 130,327	\$ 284,128	\$ 250	\$ 300	\$ 384,894	\$ 117,242	\$ 37,500	\$ 7,000	\$ 27,215,877

CITY OF GAS CITY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2023

	GENERAL	MOTOR VEHICLE HIGHWAY	LOCAL ROAD AND STREET	MOTOR VEHICLE HIGHWAY RESTRICTED	POLICE SEIZURE AND FORFEITURE	HAZARDOUS MATERIALS EMERGENCY GRANT- FIRE	TURNER PARK-NON REVERTING	COMMUNITY CROSSINGS GRANT	LOCAL CONTINUING EDUCATION	CLERKS RECORD PERPETUATION	RIVERBOAT	PARK RENTAL DEPOSITS	USER FEE FUND	RAINY DAY
Cash and investments - beginning	\$ 1,501,902	\$ 330,510	\$ 216,169	\$ 244,563	\$ 5,270	\$ -	\$ -	\$ 12,645	\$ 75,553	\$ 19,030	\$ 93,564	\$ 453	\$ 3,963	\$ 55,808
Receipts:														
Taxes	1,067,461	120,948	-	-	-	-	-	-	-	-	-	-	-	-
Licenses and permits	36,111	-	-	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental receipts	641,577	389,921	96,414	132,581	-	-	-	-	-	-	-	-	-	-
Charges for services	-	1,584	-	-	-	-	-	-	-	-	-	-	-	-
Fines and forfeits	97,602	-	-	-	-	-	-	-	-	13,065	-	-	58,099	-
Utility fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	784,036	5,339	-	-	2,000	-	4,108	792,785	9,594	-	34,623	-	-	-
Total receipts	2,626,787	517,792	96,414	132,581	2,000	-	4,108	792,785	9,594	13,065	34,623	-	58,099	-
Disbursements:														
Personal services	1,415,135	284,639	-	-	-	-	-	-	-	13,166	-	-	-	-
Supplies	111,387	29,453	-	-	-	-	-	-	-	10,418	-	-	-	-
Other services and charges	742,619	20,440	80,000	-	1,373	-	-	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	184,796	-	5,600	1,615	739,700	-	-	15,000	-	-	5,000
Utility operating expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other disbursements	12,250	-	-	-	-	-	-	-	-	-	-	-	59,822	-
Total disbursements	2,281,391	334,532	80,000	184,796	1,373	5,600	1,615	739,700	-	23,584	15,000	-	59,822	5,000
Excess (deficiency) of receipts over disbursements	345,396	183,260	16,414	(52,215)	627	(5,600)	2,493	53,085	9,594	(10,519)	19,623	-	(1,723)	(5,000)
Cash and investments - ending	\$ 1,847,298	\$ 513,770	\$ 232,583	\$ 192,348	\$ 5,897	\$ (5,600)	\$ 2,493	\$ 65,730	\$ 85,147	\$ 8,511	\$ 113,187	\$ 453	\$ 2,240	\$ 50,808

(Continued)

CITY OF GAS CITY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2023

	COUNTY ECONOMIC DEVELOPMENT INCOME TAX (CREDIT)	OPIOID PUBLIC SAFETY RESTRICTED	OPIOID PUBLIC SAFETY UNRESTRICTED	FIRE PROTECTION EQUIPMENT REPLACEMENT	SEWAGE WORKS BAN 2022	CUMULATIVE CAPITAL DEVELOPMENT	PARK NONREVERTING CAPITAL OPERATING	COMMUNITY FOUNDATION GRANT	COVID FEDERAL GRANTS CFDA #21.019	AUDITORIUM	CUMULATIVE CAPITAL IMPROVEMENT
Cash and investments - beginning	\$ 278,796	\$ 20,473	\$ 8,774	\$ 3,226	\$ 1,902,404	\$ 156,690	\$ 13,488	\$ 1,909	\$ -	\$ 11,439,748	\$ 43,636
Receipts:											
Taxes	-	-	-	-	-	79,140	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental receipts	103,290	-	-	-	-	6,812	-	9,333	-	-	11,176
Charges for services	-	-	-	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	5,674	1,570	-	700,000	-	-	4,613	-	351,895	-
Total receipts	103,290	5,674	1,570	-	700,000	85,952	-	4,613	9,333	351,895	11,176
Disbursements:											
Personal services	-	-	-	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-	-	-	-
Other services and charges	130,069	-	-	-	-	70,000	13,488	-	-	-	12,000
Debt service - principal and interest	-	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	3,226	2,308,820	-	-	6,522	9,333	-	-
Utility operating expenses	-	-	-	-	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-	-	-	10,970,447	-
Total disbursements	130,069	-	-	3,226	2,308,820	70,000	13,488	6,522	9,333	10,970,447	12,000
Excess (deficiency) of receipts over disbursements	(26,779)	5,674	1,570	(3,226)	(1,608,820)	15,952	(13,488)	(1,909)	-	(10,618,552)	(824)
Cash and investments - ending	\$ 252,017	\$ 26,147	\$ 10,344	\$ -	\$ 293,584	\$ 172,642	\$ -	\$ -	\$ -	\$ 821,196	\$ 42,812

(Continued)

CITY OF GAS CITY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2023

	COVID- FIRE DEPARTMENT DR4515	BOREN FOUNDATION POLICE GRANT	PROMOTIONAL	OCRA STATE GRANT-BUSINESS	ASSISTANCE TO FIREFIGHTERS STATE GRANT	CONCERTS AT THE PARK	STORM WATER DEPRECIATION	POLICE PENSION	AMERICAN RESCUE PLAN (ARP)	CITY COURT	PARK	ZOO
Cash and investments - beginning	\$ 317	\$ 104	\$ 7,373	\$ -	\$ 27,075	\$ 35,491	\$ 37,500	\$ 51,270	\$ 529,671	\$ 181,807	\$ 382,255	\$ 6,275
Receipts:												
Taxes	-	-	-	-	-	-	-	-	-	-	124,250	-
Licenses and permits	-	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	13,624	-	-	86,235	-	-	10,694	-
Charges for services	-	-	-	-	-	-	-	-	-	-	19,942	-
Fines and forfeits	-	-	-	-	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	10,000	-	250,000	-	64,575	42,000	-	-	641,980	17,676	9,764
Total receipts	-	10,000	-	250,000	13,624	64,575	42,000	86,235	-	641,980	172,562	9,764
Disbursements:												
Personal services	-	-	-	-	-	-	-	-	-	-	32,191	-
Supplies	231	-	-	-	40,699	-	-	-	-	-	61,364	7,703
Other services and charges	-	-	-	-	-	-	-	104,309	529,671	-	137,998	-
Debt service - principal and interest	-	-	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	10,104	-	-	-	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-	-	-	-	-
Other disbursements	-	-	-	250,000	-	64,950	-	-	-	670,252	1,984	-
Total disbursements	231	10,104	-	250,000	40,699	64,950	-	104,309	529,671	670,252	233,537	7,703
Excess (deficiency) of receipts over disbursements	(231)	(104)	-	-	(27,075)	(375)	42,000	(18,074)	(529,671)	(28,272)	(60,975)	2,061
Cash and investments - ending	\$ 86	\$ -	\$ 7,373	\$ -	\$ -	\$ 35,116	\$ 79,500	\$ 33,196	\$ -	\$ 153,535	\$ 321,280	\$ 8,336

(Continued)

CITY OF GAS CITY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2023

	OLD FASHIONED 4TH	PARK- CHRISTMAS LIGHTS	COURT COSTS DUE TO COUNTY	OLE MISS YOUTH SPORTS (OLD 3-WAY REC FUND)	K9 NON REVERTING FUND	USER FEE FUND- HOME MONITORING	ALLOCATION FUND (I-69 TIF AREA)	STORM SEWER PROJECT 1ST ST PHASE II	PILOT	GRANT OPERATION PULL OVER	PAYROLL- FEDERAL WITHHOLDING
Cash and investments - beginning	\$ 8,962	\$ 11,164	\$ -	\$ 33,014	\$ 25,226	\$ 24,320	\$ 5,827,848	\$ 7,000	\$ 29,925	\$ 1,226	\$ -
Receipts:											
Taxes	-	-	-	33,081	-	-	3,051,191	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	2,847	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	41,139	-	-	32,889	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-	-	-	-
Other receipts	26,285	16,838	-	-	25,057	-	1,140,888	42,000	80,508	-	193,386
Total receipts	26,285	16,838	41,139	35,928	25,057	32,889	4,192,079	42,000	80,508	-	193,386
Disbursements:											
Personal services	-	-	-	-	-	46,192	-	-	-	-	-
Supplies	-	-	-	-	26,555	-	-	-	-	-	-
Other services and charges	-	-	-	33,600	-	-	502,617	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	2,319,040	-	-	-	-
Capital outlay	-	-	-	-	-	-	1,871,670	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-	-	-	-
Other disbursements	19,700	14,468	41,059	-	-	-	301,213	-	80,508	-	193,386
Total disbursements	19,700	14,468	41,059	33,600	26,555	46,192	4,994,540	-	80,508	-	193,386
Excess (deficiency) of receipts over disbursements	6,585	2,370	80	2,328	(1,498)	(13,303)	(802,461)	42,000	-	-	-
Cash and investments - ending	\$ 15,547	\$ 13,534	\$ 80	\$ 35,342	\$ 23,728	\$ 11,017	\$ 5,025,387	\$ 49,000	\$ 29,925	\$ 1,226	\$ -

(Continued)

CITY OF GAS CITY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2023

	PAYROLL- FICA WITHHOLDING TAX	PAYROLL- MEDICARE DEDUCTION	PAYROLL- STATE TAX WITHHOLDING	PAYROLL- COUNTY TAX WITHHOLDING	PAYROLL- PERF 3% PENSION	PAYROLL- VOLUNTARY PERF	PAYROLL- POLICE PENSION NEW PLAN (1977)	PAYROLL- DIRECT DEPOSIT	PAYROLL- GRANT COUNTY CLERK	PAYROLL AFLAC WITHHOLDING	PAYROLL- COLONIAL INSURANCE WITHHOLDING	PAYROLL- CINCINNATI LIFE INSURANCE CO
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5	\$ 153	\$ 15
Receipts:												
Taxes	-	-	-	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	213,945	69,407	76,404	60,931	36,836	2,111	18,942	1,939,832	5,034	247	1,978	1,508
Total receipts	213,945	69,407	76,404	60,931	36,836	2,111	18,942	1,939,832	5,034	247	1,978	1,508
Disbursements:												
Personal services	-	-	-	-	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-	-	-	-	-
Other disbursements	213,945	69,407	76,404	60,931	36,836	2,111	18,942	1,939,832	5,034	247	1,978	1,465
Total disbursements	213,945	69,407	76,404	60,931	36,836	2,111	18,942	1,939,832	5,034	247	1,978	1,465
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	-	-	-	-	-	-	43
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5	\$ 153	\$ 58

(Continued)

CITY OF GAS CITY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2023

	PAYROLL- LIBERTY NATIONAL LIFE INSURANCE	PAYROLL- EMPLOYEE HEALTH INSURANCE COST	PAYROLL- CHILD SUPPORT	PAYROLL- 457 B DEFERRED COMPENSATION	ELECTRIC UTILITY OPERATING	ELECTRIC UTILITY METER DEPOSITS	ELECTRIC UTILITY DEPRECIATION	ELECTRIC CONSTRUCTION CASH	ELECTRIC CASH RESERVE	ELECTRIC METER DEPOSIT CHECKING	ELECTRIC PETTY CASH	ELECTRIC TREE FUND	ELECTRIC BOND & INTEREST
Cash and investments - beginning	\$ 41	\$ 153	\$ -	\$ -	\$ 869,488	\$ 198,326	\$ 225,509	\$ 55	\$ -	\$ 250	\$ 400	\$ 53,886	\$ 6,120
Receipts:													
Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	757	3,300	450	14,160	6,767,579	30,550	80,000	1,860	150,000	-	-	20,400	147,800
Total receipts	757	3,300	450	14,160	6,767,579	30,550	80,000	1,860	150,000	-	-	20,400	147,800
Disbursements:													
Personal services	-	-	-	-	707,298	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-	-	-	-	-	-	145,546
Capital outlay	-	-	-	-	-	-	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	5,832,636	-	-	-	-	-	-	-	-
Other disbursements	757	3,246	450	14,160	398,200	21,609	-	-	150,000	-	-	31,839	2,000
Total disbursements	757	3,246	450	14,160	6,938,134	21,609	-	-	150,000	-	-	31,839	147,546
Excess (deficiency) of receipts over disbursements	-	54	-	-	(170,555)	8,941	80,000	1,860	-	-	-	(11,439)	254
Cash and investments - ending	\$ 41	\$ 207	\$ -	\$ -	\$ 698,933	\$ 207,267	\$ 305,509	\$ 1,915	\$ -	\$ 250	\$ 400	\$ 42,447	\$ 6,374

(Continued)

CITY OF GAS CITY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2023

	ELECTRIC DEBT SERVICE RESERVE	SEWAGE UTILITY OPERATING	WASTEWATER CASH DEPRECIATION	WASTEWATER DEBT SERVICE (2020) RESERVE	WASTEWATER BOND AND INTEREST- STAR	WATER UTILITY OPERATING	WATER CASH METER DEPOSITS	WATER CASH DEPRECIATION	WATER BOND & INTEREST	WATER METER DEPOSITS CHECKING	WATER PETTY CASH	WATER BOND & INTEREST RESERVE	STORM WATER UTILITY OPERATING	Totals
Cash and investments - beginning	\$ 73,422	\$ 310,952	\$ 34,000	\$ 284,000	\$ 2,187	\$ 488,627	\$ 94,750	\$ 130,327	\$ 284,128	\$ 250	\$ 300	\$ 384,894	\$ 117,242	\$ 27,215,877
Receipts:														
Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	4,476,071
Licenses and permits	-	-	-	-	-	-	-	-	-	-	-	-	-	36,111
Intergovernmental receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	1,504,504
Charges for services	-	-	-	-	-	-	-	-	-	-	-	-	-	21,526
Fines and forfeits	-	-	-	-	-	-	-	-	-	-	-	-	-	242,794
Utility fees	-	-	-	-	-	-	-	-	-	-	-	-	186,815	186,815
Other receipts	-	1,615,754	42,000	-	421,800	1,479,201	10,775	80,000	267,582	-	-	18,649	-	18,836,986
Total receipts	-	1,615,754	42,000	-	421,800	1,479,201	10,775	80,000	267,582	-	-	18,649	186,815	25,304,807
Disbursements:														
Personal services	-	603,098	-	-	-	414,210	-	-	-	-	-	-	121,559	3,637,488
Supplies	-	-	-	-	-	-	-	-	-	-	-	-	-	287,810
Other services and charges	-	-	-	-	-	-	-	-	-	-	-	-	-	2,378,184
Debt service - principal and interest	-	-	-	-	421,250	-	-	-	254,544	-	-	-	-	3,140,380
Capital outlay	-	-	-	-	-	-	-	-	-	-	-	-	-	5,161,386
Utility operating expenses	-	534,764	-	-	-	523,064	-	-	-	-	-	-	79,814	6,970,278
Other disbursements	-	544,308	-	-	400	336,950	6,288	97,525	-	-	-	-	84,000	16,798,903
Total disbursements	-	1,682,170	-	-	421,650	1,274,224	6,288	97,525	254,544	-	-	-	285,373	38,374,429
Excess (deficiency) of receipts over disbursements	-	(66,416)	42,000	-	150	204,977	4,487	(17,525)	13,038	-	-	18,649	(98,558)	(13,069,622)
Cash and investments - ending	\$ 73,422	\$ 244,536	\$ 76,000	\$ 284,000	\$ 2,337	\$ 693,604	\$ 99,237	\$ 112,802	\$ 297,166	\$ 250	\$ 300	\$ 403,543	\$ 18,684	\$ 14,146,255

CITY OF GAS CITY
SCHEDULE OF PAYABLES AND RECEIVABLES
December 31, 2023

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	\$ 735	\$ -
Electric	6,602,657	541,553
Wastewater	1,373,510	133,456
Water	1,400,315	130,867
Storm Water	<u>165,462</u>	<u>15,973</u>
Totals	<u>\$ 9,542,679</u>	<u>\$ 821,849</u>

CITY OF GAS CITY
SCHEDULE OF LEASES AND DEBT
December 31, 2023

<u>Lessor</u>	<u>Purpose</u>	<u>Annual Lease Payment</u>	<u>Lease Beginning Date</u>	<u>Lease Ending Date</u>
Governmental activities: Santander Bank NA	2021 Rosenbaur Firetruck	\$ 105,440	8/1/2022	8/1/2027
Electric: Deere Credit Inc.	2023 John Deere Backhoe Loader	<u>26,832</u>	2/24/2023	2/24/2027
Total of annual lease payments		<u>\$ 132,272</u>		

<u>Description of Debt</u>		<u>Ending Principal Balance</u>	<u>Principal Due Within One Year</u>
<u>Type</u>	<u>Purpose</u>		
Governmental activities: Revenue bonds	2020 Economic Development - Auditorium	<u>\$ 11,635,000</u>	<u>\$ 1,835,000</u>
Electric: Revenue bonds	Sub-Station - 2014 REFUNDING BONDS	<u>350,000</u>	<u>137,000</u>
Wastewater: Revenue bonds	2020 Sewage Refunding Revenue Bond (Refinance)	1,785,000	375,000
Other	Bond Anticipation Note	<u>2,500,000</u>	<u>-</u>
Total Wastewater		<u>4,285,000</u>	<u>375,000</u>
Water: Revenue bonds	Waterworks revenue bond of 2009	<u>1,635,000</u>	<u>215,000</u>
Totals		<u>\$ 17,905,000</u>	<u>\$ 2,562,000</u>

CITY OF GAS CITY
SCHEDULE OF CAPITAL ASSETS
December 31, 2023

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

	<u>Ending Balance</u>
Governmental activities:	
Land	\$ 1,909,308
Infrastructure	4,111,023
Buildings	29,004,092
Improvements other than buildings	2,480,188
Machinery, equipment, and vehicles	<u>6,727,637</u>
Total governmental activities	<u>44,232,248</u>
Electric:	
Infrastructure	1,119,771
Machinery, equipment, and vehicles	<u>120,000</u>
Total Electric	<u>1,239,771</u>
Wastewater:	
Infrastructure	3,599,659
Improvements other than buildings	966,836
Machinery, equipment, and vehicles	<u>755,530</u>
Total Wastewater	<u>5,322,025</u>
Water:	
Infrastructure	3,554,763
Improvements other than buildings	134,077
Machinery, equipment, and vehicles	<u>38,458</u>
Total Water	<u>3,727,298</u>
Storm Water:	
Total Storm Water	<u>-</u>
Total capital assets	<u><u>\$ 54,521,342</u></u>

CITY OF GAS CITY
STATE REPORTING INFORMATION
December 31, 2023

The reports presented herein were prepared in addition to another official report prepared for the City as listed below:

Indiana State Board of Accounts Compliance Examination of the City of Gas City.

The above report contains the results of the compliance examination as required by the Indiana State Board of Accounts' *Accounting and Uniform Compliance Guidelines Manual For Cities and Towns*.

SUPPLEMENTARY INFORMATION

CITY OF GAS CITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2023

Federal Grantor Agency Cluster Title/Program Title/Project Title	<u>Pass-Through Entity or Direct Grant</u>	Assistance Listing Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>Department of Transportation</u>				
Interagency Hazardous Materials Public Sector Training and Planning Grants Hazardous Materials Emergency Preparedness Grant	Indiana Department of Homeland Security	20.703	693JK32240055HMEP	\$ <u>5,600</u>
Total - Department of Transportation				<u>5,600</u>
<u>Department of the Treasury</u>				
Coronavirus State and Local Fiscal Recovery Funds American Rescue Plan	State of Indiana	21.027	IN0172	<u>529,671</u>
Total - Department of the Treasury				<u>529,671</u>
<u>U.S. Department of Housing and Urban Development</u>				
Community Development Block Grant	State of Indiana	14.228	WW-21-112	700,000
Community Development Block Grant - COVID-19	State of Indiana	14.228	CV-CV2-313-2 B	<u>250,000</u>
Total - U.S. Department of Housing and Urban Development				<u>950,000</u>
Total federal awards expended				<u>\$ 1,485,271</u>

See accompanying notes to the schedule of expenditure of federal awards.

CITY OF GAS CITY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended December 31, 2023

NOTE 1 - BASIS OF PRESENTATION

A. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal grant activity of the City of Gas City (the "City") under programs of the federal government for the year ended December 31, 2023. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a select portion of the operations of the City, it is not intended to and does not present the receipts, disbursements, and cash and investment balances – regulatory basis of the City.

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. When federal grants are received on a reimbursement basis, the federal awards are considered expended when the reimbursement is received.

NOTE 2 - INDIRECT COST RATE

The City has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 3 - OTHER INFORMATION

The City did not have any subrecipient activity for the year ended December 31, 2023.

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

Those Charged with Governance
City of Gas City
Grant County, Indiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statement of the City of Gas City (the "City"), which comprise the statement of receipts, disbursements, and cash and investment balances of the City as of and for the year ended December 31, 2023 and the related notes to the financial statement, which collectively comprise the City's financial statement, and have issued our report thereon dated September 26, 2024.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2023-001 and 2023-002 that we consider to be material weaknesses.

City's Response to Findings

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

Report on Compliance and Other Matters

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

Purpose of this Report

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


Crowe LLP

Indianapolis, Indiana
September 26, 2024

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR
MAJOR FEDERAL PROGRAM; REPORT ON
INTERNAL CONTROL OVER COMPLIANCE

Those Charged with Governance
City of Gas City
Grant County, Indiana

Report on Compliance for Major Federal Program***Opinion on Major Federal Program***

We have audited the City of Gas City's (the "City") compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on the City's major federal program for the year ended December 31, 2023. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2023.

Basis for Opinion on Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal programs.

(Continued)

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of the major federal program as a whole.

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

(Continued)

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Crowe LLP
Crowe LLP

Indianapolis, Indiana
September 26, 2024

CITY OF GAS CITY
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 December 31, 2023

Section I – Summary of Auditor’s Results

Financial Statement

Type of auditor’s report issued:	Adverse as to GAAP, Unmodified as to regulatory basis		
Internal control over financial reporting:			
Material weakness(es) identified?	<u> X </u>	Yes	_____ No
Significant deficiencies identified not considered to be material weaknesses?	_____	Yes	<u> X </u> None Reported
Noncompliance material to financial statement noted?	_____	Yes	<u> X </u> No

Federal Awards

Internal control over major programs:			
Material weakness(es) identified?	_____	Yes	<u> X </u> No
Significant deficiencies identified not considered to be material weaknesses?	_____	Yes	<u> X </u> None Reported
Type of auditor’s report issued on compliance for major programs:	Unmodified		
Any audit findings disclosed that are required to be reported in accordance with 2CFR 200.516(a)?	_____	Yes	<u> X </u> No

Identification of major programs:

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
14.228	Community Development Block Grant

Dollar threshold used to distinguish between Type A and Type B programs: \$ 750,000

Auditee qualified as low-risk auditee?	_____	Yes	<u> X </u>	No
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(Continued)

CITY OF GAS CITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
December 31, 2023

Section II – Financial Statement Findings

FINDING 2023-001

Subject: Preparation and Review of the Schedule of Expenditures of Federal Awards
Audit Findings: Material Weakness

Criteria: The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

An integral part of the control activity component is segregation of duties. . . . There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . .

The Green Book identifies a list of control activity categories that are meant only to illustrate the range and variety of control activities; the list is by no means all inclusive, but is reproduce here for reference purposes:
. . .

- Accurate and timely recording of transactions. . . ."

2 CFR 200.508 states in part:

"The auditee must: . . .

(b) Prepare appropriate financial statements, including the schedule of expenditures of Federal Awards in accordance with § 200.510 Financial statements. . . ."

2 CFR 200.510(b) states:

"*Schedule of expenditures of Federal awards.* The auditee must also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements which must include the total Federal awards expended as determined in accordance with § 200.502 Basis for determining Federal awards expended. While not required, the auditee may choose to provide information requested by Federal awarding agencies and pass-through entities to make the schedule easier to use. For example, when a Federal program has multiple Federal award years, the auditee may list the amount of Federal awards expended for each Federal award year separately. At a minimum, the schedule must:

(1) List individual Federal programs by Federal agency. For a cluster of programs, provide the cluster name, list individual Federal programs within a cluster of programs, and provide the applicable Federal agency name. For R&D, total Federal awards expended must be shown either by individual Federal award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.

(Continued)

CITY OF GAS CITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
December 31, 2023

Section II – Financial Statement Findings (Continued)

FINDING 2023-001 (Continued)

(2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included.

(3) Provide total Federal awards expended for each individual Federal program and the assistance listing number (ALN) or other identifying number when the ALN information is not available. For a cluster of programs also provide the total for the cluster.

(4) Include the total amount provided to subrecipients from each Federal program.

(5) For loan or loan guarantee programs described in § 200.502 Basis for determining Federal awards expended, paragraph (b), identify in the notes to the schedule the balances outstanding at the end of the audit period. This is in addition to including the total Federal awards expended for loan or loan guarantee programs in the schedule.

(6) Include notes that describe that significant accounting policies used in preparing the schedule and note whether or not the auditee elected to use the 10% de minimis cost rate as covered in §200.414 Indirect (F&A) costs."

Condition: The City did not have a proper system of internal control in place to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA).

Cause: Management had not established a system of internal control that would have ensured proper reporting of the SEFA.

Context: The federal grant information entered and submitted in the Indiana Gateway for Government Units financial reporting system was the source of the SEFA. There was no documented review of the SEFA. In the City's submission for the year ended December 31, 2023, the City reported \$0 on the SEFA for the Community Development Block Grants (14.228) program. During our tie-out procedures, it was determined the City received funding for two 14.228 grants for the year ended December 31, 2023. The total received for the year ended December 31, 2023, was \$950,000.

Additionally, four non-federal grants were improperly included on the SEFA.

Management had reported \$1,291,596 on the initial SEFA. After audit adjustments, the SEFA total is \$1,485,271.

Audit adjustments were proposed, accepted by the City, and made to the SEFA to correct the issues noted above.

Effect: Without a proper system of internal control in place that operated effectively, material misstatements of the SEFA remained undetected. The SEFA contained the error identified in the Context section.

Identification as a repeat finding, if applicable: No, not a repeat finding.

Recommendation: We recommended that the City's management establish a formal review over the SEFA to ensure amounts reported are accurate. The City should establish a documented, secondary review to ensure the amounts reported on the SEFA agree to federal expenditures at December 31st each year.

Views of Responsible Officials and Planned Corrective Actions: Management agrees with the finding and has prepared a corrective action plan.

(Continued)

CITY OF GAS CITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
December 31, 2023

Section II – Financial Statement Findings (Continued)

FINDING 2023-002

Subject: Financial Transactions and Reporting
Audit Findings: Material Weakness

Criteria: The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

An integral part of the control activity component is segregation of duties. . . .

There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . ."

Indiana Code 5-11-1-4(a) states:

"The state examiner shall require from every audited entity financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. The reports must be in the form and content prescribed by the state examiner and filed electronically in the manner prescribed under IC 5-14-3.8-7."

Condition: The City did not have a proper system of internal control in place to prevent, or detect and correct, errors on the Annual Financial Report (AFR).

Cause: Management had not established a system of internal control that would have ensured proper reporting of the AFR.

Context: The City had not established effective internal controls over the financial information entered into the Indiana Gateway for Government Units (Gateway) financial reporting system, which was the source of the City's financial statement.

The City did not properly review the financial information prepared and submitted in Gateway. The internal controls were not effective and did not detect and correct errors prior to submission.

Due to the lack of effective internal controls, the financial statement presented for audit contained the following errors:

- The Allocation Fund (I-69 TIF Area) fund 2022 receipts were understated by \$184,950. As a result, the cash balance at December 31, 2022 was understated by that same amount. The Allocation Fund (I-69 TIF Area) fund 2023 receipts were overstated by \$184,950. Adjustments were posted to the AFR.

(Continued)

CITY OF GAS CITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
December 31, 2023

Section II – Financial Statement Findings (Continued)

FINDING 2023-002 (Continued)

- The Court fund was excluded from the 2023 AFR. As a result, January 1, 2023 cash was understated by \$181,807, 2023 disbursements were understated by \$670,252, 2023 receipts were understated by \$641,980, and December 31, 2023 cash was understated by \$153,535. Adjustments were posted to the AFR to add the Court fund and activity noted above.
- Two investments totaling \$351,479 were recorded on the City's December 31, 2022 bank reconciliation as deposits in transit. Management was not able to provide a statement to support the December 31, 2022 balance. Management provided a June 2023 bank statement showing the deposit of funds upon maturity.
- Management did not provide a detail listing of transfers for 2022 and 2023. We reviewed the disbursements and receipts listings to identify fund to fund transfers.

Effect: Without a proper system of internal control in place that operated effectively, material misstatements of the financial statement remained undetected. The financial statement contained the error identified in the Context section.

Identification as a repeat finding, if applicable: No, not a repeat finding.

Recommendation: We recommended that the City's management establish a formal review over the financial statement to ensure amounts reported are accurate and properly supported. The City should establish a documented, secondary review to ensure the amounts reported on the financial statement agree to the underlying detail each year.

Views of Responsible Officials and Planned Corrective Actions: Management agrees with the finding and has prepared a corrective action plan.

Section III – Federal Award Findings and Questioned Costs

None noted.



Gas City "The City With A Future"

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CORRECTIVE ACTION PLAN

Finding 2023-001 – Preparation and Review of the Schedule of Expenditures of Federal Awards (Material Weakness)

Criteria: The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

An integral part of the control activity component is segregation of duties. . . . There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . .

The Green Book identifies a list of control activity categories that are meant only to illustrate the range and variety of control activities; the list is by no means all inclusive, but is reproduce here for reference purposes: . . .

- Accurate and timely recording of transactions. . . ."

2 CFR 200.508 states in part:

"The auditee must: . . .

(b) Prepare appropriate financial statements, including the schedule of expenditures of Federal Awards in accordance with § 200.510 Financial statements. . . ."

2 CFR 200.510(b) states:

"*Schedule of expenditures of Federal awards.* The auditee must also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements which must include the total Federal awards expended as determined in accordance with § 200.502 Basis for determining Federal awards expended. While not required, the auditee may choose to provide information requested by Federal awarding agencies and pass-through entities to make the schedule easier to use. For example, when a Federal program has multiple Federal award years, the auditee may list the amount of Federal awards expended for each Federal award year separately. At a minimum, the schedule must:

(1) List individual Federal programs by Federal agency. For a cluster of programs, provide the cluster name, list individual Federal programs within a cluster of programs, and provide the applicable Federal agency name. For R&D, total Federal awards expended must be shown either by individual Federal award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.

(2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included.

(3) Provide total Federal awards expended for each individual Federal program and the assistance listing number (ALN) or other identifying number when the ALN information is not available. For a cluster of programs also provide the total for the cluster.

(4) Include the total amount provided to subrecipients from each Federal program.

(5) For loan or loan guarantee programs described in § 200.502 Basis for determining Federal awards expended, paragraph (b), identify in the notes to the schedule the balances outstanding at the end of the audit period. This is in addition to including the total Federal awards expended for loan or loan guarantee programs in the schedule.

(6) Include notes that describe that significant accounting policies used in preparing the schedule and note whether or not the auditee elected to use the 10% de minimis cost rate as covered in §200.414 Indirect (F&A) costs."

Context: The federal grant information entered and submitted in the Indiana Gateway for Government Units financial reporting system was the source of the SEFA. There was no documented review of the SEFA. In the City's submission for the year ended December 31, 2023, the City reported \$0 on the SEFA for the Community Development Block Grants (14.228) program. During our tie-out procedures, it was determined the City received funding for two 14.228 grants for the year ended December 31, 2023. The total received for the year ended December 31, 2023, was \$950,000.

Additionally, four non-federal grants were improperly included on the SEFA.

Management had reported \$1,291,596 on the initial SEFA. After audit adjustments, the SEFA total is \$1,485,271.

Audit adjustments were proposed, accepted by the City, and made to the SEFA to correct the issues noted above.

Views of Responsible Officials: We concur with the finding.

Description of Corrective Action Plan: Management will ensure that the SEFA preparation and review internal control process in place is followed and thoroughly documented.

Responsible Party and Timeline for Completion: The Clerk-Treasurer is the responsible party. The completion will go into effect upon the next SEFA submission.

Finding 2023-002 – Financial Transactions and Reporting (Material Weakness)

Criteria: The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

An integral part of the control activity component is segregation of duties. . . .

There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . ."

Indiana Code 5-11-1-4(a) states:

"The state examiner shall require from every audited entity financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. The reports must be in the form and content prescribed by the state examiner and filed electronically in the manner prescribed under IC 5-14-3.8-7."

Context: The City had not established effective internal controls over the financial information entered into the Indiana Gateway for Government Units (Gateway) financial reporting system, which was the source of the City's financial statement.

The City did not properly review the financial information prepared and submitted in Gateway. The internal controls were not effective and did not detect and correct errors prior to submission.

Due to the lack of effective internal controls, the financial statement presented for audit contained the following errors:

- The Allocation Fund (I-69 TIF Area) fund 2022 receipts were understated by \$184,950. As a result, the cash balance at December 31, 2022 was understated by that same amount. The Allocation Fund (I-69 TIF Area) fund 2023 receipts were overstated by \$184,950. Adjustments were posted to the AFR.
- The Court fund was excluded from the 2023 AFR. As a result, January 1, 2023 cash was understated by \$181,807, 2023 disbursements were understated by \$670,252, 2023 receipts were understated by \$641,980, and December 31, 2023 cash was understated by \$153,535. Adjustments were posted to the AFR to add the Court fund and activity noted above.
- Two investments totaling \$351,479 were recorded on the City's December 31, 2022 bank reconciliation as deposits in transit. Management was not able to provide a statement to support the December 31, 2022 balance. Management provided a June 2023 bank statement showing the deposit of funds upon maturity.
- Management did not provide a detail listing of transfers for 2022 and 2023. The disbursements and receipts listings were reviewed to identify fund to fund transfers.

Views of Responsible Officials: We concur with the finding.

Description of Corrective Action Plan: Management will ensure that the Annual Financial Report preparation and review internal control process in place is followed and thoroughly documented.

Responsible Party and Timeline for Completion: The Clerk-Treasurer is the responsible party. The completion will go into effect upon the next Annual Financial Report submission.