CITY OF WEST MINERAL, KANSAS

Independent Auditor's Report and
Financial Statement with
Supplementary Information

For the Year Ended December 31, 2023

CITY OF WEST MINERAL, KANSAS

December 31, 2023

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JARRED, GILMORE & PHILLIPS, PA
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
City of West Mineral, Kansas

Adverse and Unmodified Opinions
We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of West Mineral, Kansas, as of and for the year ended December 31, 2023 and the related notes to the financial statement.

Adverse Opinion on U.S. Generally Accepted Accounting Principles
In our opinion, because of the significance of the matter discussed in the Basis for Adverse and Unmodified Opinions section of our report, the accompanying financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City of West Mineral as of December 31, 2023, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting
In our opinion, the accompanying financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City of West Mineral as of December 31, 2023, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statement

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

In performing an audit in accordance with GAAS, we:

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

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget and the schedule of receipts and expenditures – actual and budget regulatory basis, for each individual fund (Schedules 1 and 2 as listed in the table of contents) are presented for purposes of additional analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of City of West Mineral as of and for the year ended December 31, 2022 (not presented herein), and have issued our report thereon dated February 17, 2023, which contained an unmodified opinion on the basic financial statement. The 2022 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link https://admin.ks.gov/offices/accounts-reports/local-government/municipal-services. The 2022 actual column (2022 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures—actual and budget for the year ended December 31, 2023 (Schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2022 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2022 basic financial statement. The 2022 comparative information was subjected to the auditing procedures applied in the audit of the 2022 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2022 basic financial statement or to the 2022 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2022 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended December 31, 2022, on the basis of accounting described in Note 1.

Jarred, Gilmore & Phillips, PA

JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

March 1, 2024
Chanute, Kansas

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

Funds	Beginning Unencumbered Cash Balances	Receipts	Expenditures	Ending Unencumbered Cash Balances	Add Encumbrances and Accounts Payable	Ending Cash Balance December 31, 2023
General	$ 25,578.52	$ 115,083.04	$ 127,580.49	$ 13,081.07	$ 5,680.81	$ 18,761.88
Special Purpose Funds:						
Special Highway	2,582.46	4,042.76	2,500.79	4,124.43	-	4,124.43
Special Parks & Recreation	3,920.22	2,790.03	254.74	6,455.51	-	6,455.51
American Rescue Plan	24,281.69	-	24,281.69	-	-	-
Business Funds:						
Water Utility	15,449.15	64,466.40	42,635.35	37,280.20	1,598.87	38,879.07
Water Reserve	-	1,200.00	-	1,200.00	-	1,200.00
Sewer Utility	35,078.77	47,903.69	61,483.52	21,498.94	249.00	21,747.94
Sewer Reserve	-	1,200.00	-	1,200.00	-	1,200.00
Total Reporting Entity	$ 106,890.81	$ 236,685.92	$ 258,736.58	$ 84,840.15	$ 7,528.68	$ 92,368.83

Composition of Cash:	
Cash on Hand	$ 200.00
Labette Bank Operating Checking Account	92,168.83
Total Reporting Entity	$ 92,368.83

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

CITY OF WEST MINERAL, KANSAS

Notes to Financial Statement
December 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Financial Reporting Entity
The City of West Mineral, Kansas, is a municipal corporation governed by an elected five-member council.

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

The City has determined that no outside agency meets the above criteria and, therefore, no outside agency has been include as a related municipal entity in this financial statement.

Regulatory Basis Fund Types
A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The following types of funds comprise the financial activities of the City of West Mineral, Kansas, for the year of 2023:

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation – Regulatory Basis of Accounting

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

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

Reimbursed Expenses

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

Property Taxes

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

Budgetary Information

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

- American Rescue Plan Fund

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

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Compliance with Kansas Statutes
Statement 1 and Schedule 1 have been prepared in order to show compliance with the cash basis and budget laws of Kansas. As shown in Statement 1 and Schedule 1, the City was in compliance with the cash basis and budget laws of Kansas.

3. DEPOSITS AND INVESTMENTS

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

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

3. DEPOSITS AND INVESTMENTS (Continued)

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

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

Deposits: At year-end the carrying amount of the City's deposits was $92,168.83 and the bank balance was $92,619.87. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, $92,619.87 was covered by the Federal Deposit Insurance Corporation (FDIC) insurance.

4. LONG-TERM DEBT

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

Issue	Interest Issue	Date of of Issue	Amount Maturity	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
Revolving Loans									
Paid by Utility Receipts									
C20 1624 01	3.110%	April 4, 2002	$ 215,671.40	March 1, 2025	$ 21,389.38	$ -	$ 10,529.68	$ 10,859.70	$ 583.98
Finance Lease									
Fence Lease	6.013%	May 8, 2023	31,284.00	May 8, 2027	-	31,284.00	3,935.85	27,348.15	1,208.38
Total Contractual Indebtedness					$ 21,389.38	$ 31,284.00	$ 14,465.53	$ 38,207.85	$ 1,792.36

Issue	2024	2025	2026	2027	Total
Principal					
Revolving Loans					
Paid by Utility Receipts					
C20 1624 01	$ 10,859.70	$ -	$ -	$ -	$ 10,859.70
Finance Lease					
Fence Lease	7,386.01	7,842.55	8,327.32	3,792.27	27,348.15
Total Principal Payments	18,245.71	7,842.55	8,327.32	3,792.27	38,207.85
Interest					
Revolving Loans					
Paid by Utility Receipts					
C20 1624 01	253.96	-	-	-	253.96
Finance Lease					
Fence Lease	1,432.67	976.13	491.36	54.62	2,954.78
Total Interest Payments	1,686.63	976.13	491.36	54.62	3,208.74
Total Principal and Interest	$ 19,932.34	$ 8,818.68	$ 8,818.68	$ 3,846.89	$ 41,416.59

5. FINANCE LEASE OBLIGATIONS

The City has entered into a finance lease agreement in order to purchase a new fence around their maintenance shop. Payments are made monthly, including interest rate of 6.013%. Final maturity of the lease is May 8, 2027. Future minimum lease payments are as follows:

Year Ended December 31	Totals
2024	$ 8,818.68
2025	8,818.68
2026	8,818.68
2027	3,846.89
	30,302.93
Less imputed interest	(2,954.78)
Net Present Value of Minimum Lease Payments	27,348.15
Less: Current Maturities	(7,386.01)
Long-Term Finance Lease Obligations	$ 19,962.14

6. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

Compensated Absences
Employees earn and accumulate vacation leave as follows:

City Clerk – two full weeks of paid vacation per year – 60 hours
Maintenance Employee – two full weeks of paid vacation per year – 80 hours

Vacation is not earned for partial years worked. Employees must use vacation time in the year earned, based on anniversary hire date, as carryover is not allowed. Vacation time can be sold back to the City. Upon resignation, quitting, termination, or lay-off, all earned vacation time will be paid to the employee.

Employees do not earn any sick leave.

The City accrues a liability for compensated absences which meet the following criteria:

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

In accordance with the above criteria, the City has estimated a liability for vacation pay of $0.00.

7. INTERFUND TRANSFERS

Operating transfers were as follows:

From Fund:	To Fund:	Statutory Authority	Amount
Water Utility	Water Reserve	K.S.A. 12-825d	$ 1,200.00
Sewer Utility	Sewer Reserve	K.S.A. 12-825d	1,200.00

8. RISK MANAGEMENT

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

9. SUBSEQUENT EVENTS

The City evaluated events and transactions occurring subsequent to year end, and there were no subsequent events requiring recognition in the financial statements. Additionally, there were no nonrecognized subsequent events requiring disclosure.

SUPPLEMENTARY INFORMATION

Schedule 1

CITY OF WEST MINERAL, KANSAS

Summary of Expenditures - Actual and Budget
(Budgeted Funds Only)
Regulatory Basis
For the Year Ended December 31, 2023

Funds	Certified Budget	Adjustments for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Charged to Current Year Budget	Variance - Over (Under)
General Fund	$ 129,717.00	$ 2,799.75	$ 132,516.75	$ 127,580.49	$ (4,936.26)
Special Purpose Funds:					
Special Highway	7,392.00	-	7,392.00	2,500.79	(4,891.21)
Special Parks & Recreation	6,204.00	-	6,204.00	254.74	(5,949.26)
Business Funds:					
Water Utility	54,567.00	-	54,567.00	42,635.35	(11,931.65)
Sewer Utility	57,413.00	19,946.00	77,359.00	61,483.52	(15,875.48)

CITY OF WEST MINERAL, KANSAS
GENERAL FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Taxes and Shared Receipts				
Ad Valorem Property Tax	$ 27,250.76	$ 30,438.45	$ 34,455.00	$ (4,016.55)
Delinquent Tax	4,240.29	2,000.54	3,692.00	(1,691.46)
Motor Vehicle Tax	7,170.39	7,420.18	7,869.00	(448.82)
Recreational Vehicle Tax	265.57	501.49	365.00	136.49
16 & 20M Truck Tax	4.97	20.67	5.00	15.67
Watercraft Tax	-	-	35.00	(35.00)
Sales Tax	16,161.05	14,682.64	14,508.00	174.64
Franchise Tax	11,362.66	13,387.54	11,381.00	2,006.54
Special Alcohol Tax	2,465.20	2,790.05	2,423.00	367.05
Intergovernmental				
Federal Grant	-	10,154.00	-	10,154.00
Charges for Services				
Licenses and Fees	255.00	265.00	263.00	2.00
Copies	76.00	43.50	-	43.50
Refuse Collections	13,476.35	13,709.86	12,566.00	1,143.86
Fire Contracts	12,524.00	14,857.80	12,389.00	2,468.80
Rentals	50.00	55.00	-	55.00
Use of Money and Property				
Sale of Assets	5,000.00	10.00	-	10.00
Other Receipts				
Donations	1,100.00	1,450.00	1,000.00	450.00
Miscellaneous	318.46	496.57	-	496.57
Reimbursed Expense	5,899.14	2,799.75	4,066.00	(1,266.25)
Total Receipts	107,619.84	115,083.04	$ 30,284.00	$ 13,557.48
Expenditures				
General Government				
Personal Services	24,829.86	32,077.33	$ 30,154.00	$ 1,923.33
Contractual Services	39,083.81	46,057.03	36,500.00	9,557.03
Commodities	8,656.93	8,790.61	4,000.00	4,790.61
Capital Outlay	-	10,054.30	32,923.00	(22,868.70)
Cemetary				
Contractual Services	2,000.00	2,962.11	2,640.00	322.11

CITY OF WEST MINERAL, KANSAS
GENERAL FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Expenditures (Continued)				
Fire				
Contractual Services	$ 8,065.76	$ 8,880.09	$ 12,000.00	$ (3,119.91)
Commodities	3,742.20	1,538.80	500.00	1,038.80
Streets				
Contractual Services	-	717.00	-	717.00
Commodities	2,283.97	374.99	-	374.99
Refuse				
Contractual Services	10,466.83	11,473.92	11,000.00	473.92
Debt Service				
Principal	-	3,935.85	-	3,935.85
Interest	-	718.46	-	718.46
Total Certified Budget			129,717.00	(2,136.51)
Adjustments for Qualifying Budget Credits			2,799.75	(2,799.75)
Total Expenditures	99,129.36	127,580.49	$ 132,516.75	$ (4,936.26)
Receipts Over(Under) Expenditures	8,490.48	(12,497.45)		
Unencumbered Cash, Beginning	17,088.04	25,578.52		
Unencumbered Cash, Ending	$ 25,578.52	$ 13,081.07		

CITY OF WEST MINERAL, KANSAS
SPECIAL HIGHWAY FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Intergovernmental				
Special Highway Tax	$ 4,321.65	$ 4,042.76	$ 4,750.00	$ (707.24)
Total Receipts	4,321.65	4,042.76	$ 4,750.00	$ (707.24)
Expenditures				
General Government				
Personal Services	4,452.00	-	$ 5,000.00	$ (5,000.00)
Commodities	1,780.54	2,500.79	2,392.00	108.79
Total Expenditures	6,232.54	2,500.79	$ 7,392.00	$ (4,891.21)
Receipts Over(Under) Expenditures	(1,910.89)	1,541.97		
Unencumbered Cash, Beginning	4,493.35	2,582.46		
Unencumbered Cash, Ending	$ 2,582.46	$ 4,124.43		

CITY OF WEST MINERAL, KANSAS
SPECIAL PARKS & RECREATION FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Taxes and Shared Receipts				
Special Alcohol Tax	$ 2,465.19	$ 2,790.03	$ 2,423.00	$ 367.03
Total Receipts	2,465.19	2,790.03	$ 2,423.00	$ 367.03
Expenditures				
General Government				
Personal Services	158.00	-	$ 200.00	$ (200.00)
Contractual Services	542.51	254.74	6,004.00	(5,749.26)
Total Expenditures	700.51	254.74	$ 6,204.00	$ (5,949.26)
Receipts Over(Under) Expenditures	1,764.68	2,535.29		
Unencumbered Cash, Beginning	2,155.54	3,920.22		
Unencumbered Cash, Ending	$ 3,920.22	$ 6,455.51		

CITY OF WEST MINERAL, KANSAS
AMERICAN RESCUE PLAN FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2022)

	Prior Year Actual	Current Year Actual
Receipts		
Intergovernmental		
ARPA Grant Proceeds	$ 13,048.09	$ -
Total Receipts	13,048.09	-
Expenditures		
General Government		
Commodities	109.99	-
Capital Outlay	-	24,281.69
Total Expenditures	109.99	24,281.69
Receipts Over(Under) Expenditures	12,938.10	(24,281.69)
Unencumbered Cash, Beginning	11,343.59	24,281.69
Unencumbered Cash, Ending	$ 24,281.69	$ -

CITY OF WEST MINERAL, KANSAS
WATER UTILITY FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Charges for Services				
Water Sales	$ 50,063.71	$ 63,158.40	$ 43,807.00	$ 19,351.40
Other Fees	712.71	1,308.00	916.00	392.00
Other Receipts				
Miscellaneous	20.00	-	-	-
Total Receipts	50,796.42	64,466.40	$ 44,723.00	$ 19,743.40
Expenditures				
Production				
Personal Services	18,950.15	16,725.63	$ 18,078.00	$ (1,352.37)
Contractual Services	3,541.71	5,196.76	10,489.00	(5,292.24)
Commodities	22,301.11	19,268.00	26,000.00	(6,732.00)
Debt Service				
Interest	-	244.96	-	244.96
Operating Transfer to				
Water Reserve Fund	-	1,200.00	-	1,200.00
Total Expenditures	44,792.97	42,635.35	$ 54,567.00	$ (11,931.65)
Receipts Over(Under) Expenditures	6,003.45	21,831.05		
Unencumbered Cash, Beginning	9,445.70	15,449.15		
Unencumbered Cash, Ending	$ 15,449.15	$ 37,280.20		

CITY OF WEST MINERAL, KANSAS
WATER RESERVE FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2022)

	Prior Year Actual	Current Year Actual
Receipts		
Operating Transfer from Water Utility Fund	$ -	$ 1,200.00
Total Receipts	-	1,200.00
Expenditures		
Operating Transfer to Water Utility Fund	-	-
Total Expenditures	-	-
Receipts Over(Under) Expenditures	-	1,200.00
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	$ -	$ 1,200.00

CITY OF WEST MINERAL, KANSAS
SEWER UTILITY FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Intergovernmental				
Federal Grant	$ -	$ 19,946.00	$ -	$ 19,946.00
Charges for Services				
Sewer Collections	20,749.34	27,957.69	20,152.00	7,805.69
Sewer Taps/Connects	250.00	-	-	-
Total Receipts	20,999.34	47,903.69	$ 20,152.00	$ 27,751.69
Expenditures				
Operating Expenditures				
Personal Services	2,273.00	12,213.26	$ -	$ 12,213.26
Contractual Services	3,936.17	23,610.14	46,299.00	(22,688.86)
Commodities	-	39.00	-	39.00
Capital Outlay	-	13,062.50	-	13,062.50
Debt Service				
Principal	10,209.69	10,529.68	10,530.00	(0.32)
Interest	903.97	828.94	584.00	244.94
Operating Transfers to				
Sewer Reserve Fund	-	1,200.00	-	1,200.00
Total Certified Budget			57,413.00	4,070.52
Adjustments for Qualifying				
Budget Credits			19,946.00	(19,946.00)
Total Expenditures	17,322.83	61,483.52	$ 77,359.00	$ (15,875.48)
Receipts Over(Under) Expenditures	3,676.51	(13,579.83)		
Unencumbered Cash, Beginning	31,402.26	35,078.77		
Unencumbered Cash, Ending	$ 35,078.77	$ 21,498.94		

CITY OF WEST MINERAL, KANSAS
SEWER RESERVE FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2022)

	Prior Year Actual	Current Year Actual
Receipts		
Operating Transfer from Sewer Utility Fund	$ -	$ 1,200.00
Total Receipts	-	1,200.00
Expenditures		
Operating Transfer to Sewer Utility Fund	-	-
Total Expenditures	-	-
Receipts Over(Under) Expenditures	-	1,200.00
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	$ -	$ 1,200.00

Jarred Gilmore Phillips

Honorable Mayor and City Council
City of West Mineral, Kansas

In planning and performing our audit of the financial statement of the City of West Mineral, Kansas as of and for the year ended December 31, 2023, in accordance with auditing standards generally accepted in the United States of America, we considered the City of West Mineral, Kansas' system of 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 of West Mineral, Kansas' internal control. Accordingly, we do not express an opinion on the effectiveness of the City of West Mineral, Kansas' internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiency in internal control that we consider to be material weaknesses.

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

Preparation of Financial Statement

Accounting standards states the client must be able to accept responsibility and be able to identify a material misstatement when reviewing the financial statement, including footnotes and supplemental information. This would also include knowing if a required footnote disclosure was missing or not correctly stated. Presently, the City staff does not have the ability to process and prepare the required financial statement, including footnotes. The potential effects of this material weakness could be unrecognized errors on the financial statement. While we recognize that this condition is not unusual for a City your size, it is important that you be aware of this condition for financial reporting purposes. Management and the City Council should continually be aware of the financial reporting of the City and changes in reporting requirements.

Segregation of Duties

An internal control structure is, quite simply, the procedures and policies in effect which ensure that the City's financial activity is properly recorded, processed, summarized, and reported in the financial statement. A weakness in the control structure occurs when one person is responsible for all of the accounting activities such as performing billings, receipting cash, making deposits, reconciling the bank accounts, and having access to all books and records of the City. Due to small staff size, it is not possible for reviews of daily work to take place, potentially resulting in errors in financial records and reports. We also noted that the City Clerk is the wife of the current mayor.

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

Jarred, Gilmore & Phillips, PA

JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

Chanute, Kansas
March 1, 2024