CITY OF GLEN ELDER, KANSAS

Independent Auditor's Report
and Financial Statement with
Supplementary Information

For the Year Ended December 31, 2023

CITY OF GLEN ELDER, KANSAS

TABLE OF CONTENTS

	PAGE NUMBER
Independent Auditor's Report	1-3
Statement 1	
Summary Statement of Receipts, Expenditures, and Unencumbered Cash	4
Notes to the Financial Statement	5-12
SUPPLEMENTARY INFORMATION	
Schedule 1	
Summary of Expenditures – Actual and Budget Regulatory Basis - (Budgeted Funds Only)	13
Schedule 2	
Schedule of Receipts and Expenditures – Actual and Budget Regulatory Basis – (with Comparative Actual Amounts for the Prior Year)	
General Fund	14-15
Library Fund	16
Special Highway Fund	17
Capital Equipment Reserve Fund	18
Capital Improvement Reserve Fund	19
Truck Route Reserve Fund	20
ARPA Fund	21
Electric Utility Fund	22
Water Utility Fund	23
Sewer Utility Fund	24
Trash Utility Fund	25
Swimming Pool Utility Fund	26
Cemetery Care Trust Fund	27
Schedule 3	
Schedule of Receipts and Disbursements – Agency Funds Regulatory Basis	28

JARRED, GILMORE & PHILLIPS, PA
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
City of Glen Elder, 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 Glen Elder, 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 Glen Elder 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 Glen Elder 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 Glen Elder 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, the schedule of regulatory basis receipts and expenditures – actual and budget, for each individual fund, and the schedule of regulatory basis receipts and disbursements – agency funds (Schedules 1, 2, and 3 as listed in the table of contents) are presented for purpose 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 the City of Glen Elder as of and for the year ended December 31, 2022 (not presented herein), and have issued our report thereon dated April 1, 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
Certified Public Accountants

April 25, 2024
Chanute, Kansas

CITY OF GLEN ELDER, 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	Cash Balance December 31, 2023
General Fund	$ 47,937.02	$ 338,365.84	$ 318,809.26	$ 67,493.60	$ 19,441.66	$ 86,935.26
Special Purpose Funds:						
Library	-	15,863.53	15,537.00	326.53	-	326.53
Special Highway	2,607.19	12,425.64	12,110.31	2,922.52	-	2,922.52
Capital Equipment Reserve	75,609.12	63,348.00	83,147.62	55,809.50	3,147.62	58,957.12
Capital Improvement Reserve	60,060.09	101,148.42	58,653.72	102,554.79	-	102,554.79
ARPA	24,464.82	-	24,464.82	-	-	-
Business Funds:						
Electric Utility	500,885.67	577,037.08	606,618.45	471,304.30	31,595.53	502,899.83
Water Utility	394,956.23	150,544.28	133,614.99	411,885.52	10,547.29	422,432.81
Sewer Utility	154,491.79	64,637.90	56,236.59	162,893.10	3,122.40	166,015.50
Trash Utility	2,237.24	52,877.68	51,875.40	3,239.52	4,352.40	7,591.92
Swimming Pool Utility	13,772.26	26,793.75	32,862.44	7,703.57	2,484.00	10,187.57
Trust Funds:						
Cemetery Care Trust	1,000.00	-	-	1,000.00	-	1,000.00
Total Reporting Entity (Excluding Agency Funds):	$ 1,278,021.43	$ 1,403,042.12	$ 1,393,930.60	$ 1,287,132.95	$ 74,690.90	$ 1,361,823.85

Composition of Cash:	
Cash on Hand	$ 170.00
Checking Accounts:	
General Operating	338,086.92
Car Wash	23,566.93
Investments:	
Certificates of Deposit	1,000,000.00
Total Cash	1,361,823.85
Agency Funds Per Schedule 3	-
Total Reporting Entity (Excluding Agency Funds)	$ 1,361,823.85

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

CITY OF GLEN ELDER, KANSAS

Notes to Financial Statement
December 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Financial Reporting Entity
The City of Glen Elder, Kansas, is a municipal corporation governed by an elected five-member council. This financial statement presents the City of Glen Elder.

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). Based upon the application of this criterion, the following is a brief review of potential related municipal entities:

The City of Glen Elder - Public Library - The City of Glen Elder, Kansas, Library Board operates the City's public library. Acquisition or disposition of real property by the Board must be approved by the City. Bond issuances must also be approved by the City. The City levies taxes for the Library Board and significantly influences the Library's operations. Separate internal financial statement are available at the Library.

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 Glen Elder, 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 fund – used to account for the proceeds of specific tax levies and other specific regulatory receipt sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

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

Trust Fund — funds used to report assets held in trust for the benefit of the municipal financial reporting entity (i.e. pension funds, investment trust funds, private purpose trust funds which benefit the municipal reporting entity, scholarship funds, etc.).

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Regulatory Basis Fund Types (Continued)

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

Basis of Presentation – Regulatory Basis of Accounting

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

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

Reimbursed Expenses

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

Property Taxes

In accordance with governing state statutes, property taxes levied during the current year are a receipt source to be used to finance the budget of the ensuing year. Taxes are assessed on a calendar year basis and become a lien on the property on November 1 of each year. 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 regulatory receipt 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.

Pension Plan

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

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Information (Continued)

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

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 funds:

- Capital Equipment Reserve Fund
- Capital Improvement Reserve Fund
- Truck Route Reserve Fund
- ARPA 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 banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The City has no other policies that would further limit interest rate risk.

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

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

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka. All deposits were legally secured at December 31, 2023.

At year-end, the City's carrying amount of deposits was $1,361,653.85 and the bank balance was $1,361,677.78. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, $500,000.00 was covered by FDIC insurance, and $861,677.78 was collateralized with securities held by the pledging financial institution's agents in the City's name.

4. LONG-TERM DEBT

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

Issue	Interest Rates	Date of Issue	Original Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
Revolving Loans:									
Paid with Utility Receipts									
Sewer System Revolving Loan-Series 2004	2.91%	August 31, 2004	$ 134,275.32	September 1, 2024	$ 16,750.85	$ -	$ 8,254.45	$ 8,496.40	$ 427.83
Water System Revolving Loan-Series 2007	3.33%	December 7, 2007	139,896.34	August 1, 2028	48,067.99	-	8,102.98	39,965.01	1,533.76
Total Contractual Indebtedness					$ 64,818.84	$ -	$ 16,357.43	$ 48,461.41	$ 1,961.59

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

Issue	2024	2025	2026	2027	2028	Totals
Principal						
Revolving Loans:						
Sewer System Revolving Loan-Series 2004	$ 8,496.40	$ -	$ -	$ -	$ -	$ 8,496.40
Water System Revolving Loan-Series 2007	8,375.05	8,656.26	8,946.91	9,247.33	4,739.46	39,965.01
Total Principal	16,871.45	8,656.26	8,946.91	9,247.33	4,739.46	48,461.41
Interest						
Revolving Loans:						
Sewer System Revolving Loan-Series 2004	185.88	-	-	-	-	185.88
Water System Revolving Loan-Series 2007	1,261.69	980.48	689.83	389.41	78.91	3,400.32
Total Interest	1,447.57	980.48	689.83	389.41	78.91	3,586.20
Total Principal and Interest	$ 18,319.02	$ 9,636.74	$ 9,636.74	$ 9,636.74	$ 4,818.37	$ 52,047.61

5. DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

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

Contributions. K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1, KPERS 2, KPERS 3 and KP&F be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate for the Death and Disability Program) and the statutory contribution rate was 8.43% for KPERS for the fiscal year ended December 31, 2023. Contributions to the pension plan from the City were $19,391.75 for KPERS for the year ended December 31, 2023.

Net Pension Liability

At December 31, 2023, the City's proportionate share of the collective net pension liability reported by KPERS was $197,035.00. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022, which was rolled forward to June 30, 2023. The City's proportion of the net pension liability was based on the ratio of the City's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

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

6. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

Death and Disability Other Post-Employment Benefits

As provided by K.S.A. 74-4927, disabled members in the Kansas Public Employees Retirement System (KPERS) receive long-term disability benefits and life insurance benefits. The plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. The employer contribution rate is set at 1% for the year ended December 31, 2023.

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

Compensated Absences - Regular employees earn and accumulate vacation leave as follows:

After One Full Year of Employment – 40 hours
After Two Full Years of Employment – 80 hours
After Ten Full Years of Employment – 120 hours
After Fifteen Full Years of Employment – 160 hours

Five days of vacation can be carried over to the following year and are paid out upon termination or retirement.

Sick leave — All full-time employees who work at least 40 hours or more per week, shall be entitled to sick leave with pay for absences resulting from personal illness, injuries, accidents or other physical incapacities, occurring either on or off the job. Sick leave, if not taken, shall accrue to no more than 480 hours at the end of each year. All excess sick days not used by the end of the year will be forfeited. Upon termination, no employee will be compensated for unused sick leave. Eligible employees shall earn ninety six hours of sick leave for each year of service.

Compensation Time — At the discretion of the governing body, an employee may be given compensatory time off in lieu of cash payments for the overtime worked. Any compensatory time off shall be at the rate of one and one-half times the hours of overtime worked. Each employee must declare in writing which they want, either cash paid overtime or comp time off for overtime hours worked. Comp time hours are not to exceed 40 hours and can be carried over into the next year. Any hours over 40 hours comp time must be used within 30 calendar days of the time earned. Employees shall maintain records of any Comp time used and submit it in writing on the time cards to the City Clerk.

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 accrued a liability for vacation leave which has been earned, but not taken, by City employees. The estimated liability for accrued vacation leave and comp time at December 31, 2023, was $2,695.13 and $1,421.14, respectively. The City has not accrued a liability for sick leave earned, but not taken, by City employees, as the amounts cannot be reasonably estimated.

7. 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.

8. INTERFUND TRANSFERS

Operating transfers were as follows:

From Fund:	To Fund:	Statutory Authority	Amount
Electric Utility	Capital Equipment Reserve	K.S.A. 12-1,117	$ 30,000.00
Electric Utility	Swimming Pool Utility	K.S.A. 12-825d	20,000.00
Electric Utility	General	K.S.A. 12-825d	80,000.00

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 statement. Additionally, there were no nonrecognized subsequent events requiring disclosure.

SUPPLEMENTARY INFORMATION

Schedule 1

CITY OF GLEN ELDER, KANSAS
Summary of Expenditures - Actual and Budget
Regulatory Basis
(Budgeted Funds Only)
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	$ 364,247.00	$ 20,486.58	$ 384,733.58	$ 318,809.26	$ (65,924.32)
Special Purpose Funds:					
Library	15,537.00	-	15,537.00	15,537.00	-
Special Highway	14,199.00	-	14,199.00	12,110.31	(2,088.69)
Business Funds:					
Electric Utility	947,699.00	-	947,699.00	606,618.45	(341,080.55)
Water Utility	489,398.00	-	489,398.00	133,614.99	(355,783.01)
Sewer Utility	195,958.00	-	195,958.00	56,236.59	(139,721.41)
Trash Utility	53,988.00	-	53,988.00	51,875.40	(2,112.60)
Swimming Pool Utility	41,015.00	-	41,015.00	32,862.44	(8,152.56)

CITY OF GLEN ELDER, 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	$ 117,433.56	$ 122,367.55	$ 123,763.00	$ (1,395.45)
Delinquent Tax	781.12	3,039.91	1,500.00	1,539.91
Motor Vehicle Tax	16,888.33	19,391.62	17,517.00	1,874.62
Commercial Vehicle Tax	470.35	680.14	591.00	89.14
Neighborhood Revitalization Rebate	(15,682.57)	(11,591.75)	(11,608.00)	16.25
Recreational Vehicle Tax	579.13	629.99	558.00	71.99
16M-20M Truck Tax	641.75	820.52	560.00	260.52
Watercraft Taxes	498.45	531.64	524.00	7.64
Sales Tax	66,664.39	62,478.88	62,000.00	478.88
Intangible Tax	8,928.30	6,709.64	8,886.00	(2,176.36)
Franchise Tax	12,576.87	15,058.39	15,000.00	58.39
Licenses and Permits				
Licenses, Permits & Fees	4,236.90	1,811.00	2,500.00	(689.00)
Fines, Forfeitures and Penalties				
Fines	220.00	135.00	500.00	(365.00)
Charges for Services				
Cemetery Lots and Digging	3,650.00	2,975.00	-	2,975.00
Copies	13.50	-	-	-
Use of Money and Property				
Interest Income	1,206.22	4,155.05	1,500.00	2,655.05
Rental	4,573.80	4,791.60	4,400.00	391.60
Sale of Assets	-	574.58	3,500.00	(2,925.42)
Other				
Miscellaneous	303.76	3,320.50	5,000.00	(1,679.50)
Donations	649.98	-	-	-
Reimbursed Expenses	33,244.79	20,486.58	21,000.00	(513.42)
Operating Transfers from				
Electric Utility Fund	80,000.00	80,000.00	80,000.00	-
Total Receipts	337,878.63	338,365.84	$ 337,691.00	$ 674.84
Expenditures				
General Government				
Personal Services	81,399.06	93,108.81	$ 84,650.00	$ 8,458.81
Contractual Services	32,294.09	16,858.19	45,000.00	(28,141.81)
Commodities	19,391.15	26,056.14	24,000.00	2,056.14
Capital Outlay	11,757.25	1,671.00	28,347.00	(26,676.00)
Municipal Court				
Personal Services	431.00	430.60	450.00	(19.40)
Streets Department				
Contractual Services	55,256.72	57,108.36	25,000.00	32,108.36
Commodities	23,498.54	13,902.61	40,000.00	(26,097.39)

CITY OF GLEN ELDER, 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)				
Parks Department				
Personal Services	$ 35,673.20	$ 32,782.19	$ 37,500.00	$ (4,717.81)
Commodities	2,796.31	1,613.79	2,000.00	(386.21)
Cemetery				
Personal Services	35,673.18	32,114.98	37,500.00	(5,385.02)
Contractual Services	50.00	454.00	300.00	154.00
Commodities	-	6,016.95	2,500.00	3,516.95
Library				
Personal Services	7,496.73	7,122.42	7,000.00	122.42
Governing Body				
Personal Services	4,898.11	3,896.94	4,400.00	(503.06)
Public Housing				
Personal Services	8,016.60	8,186.80	8,400.00	(213.20)
Inspection				
Personal Services	3,879.00	4,198.35	4,100.00	98.35
Police Department				
Contractual Services	28.96	26.76	100.00	(73.24)
Fire Department				
Contractual Services	7,072.26	6,728.98	4,000.00	2,728.98
Commodities	5,930.59	3,781.39	4,000.00	(218.61)
Capital Outlay	-	2,750.00	5,000.00	(2,250.00)
Total Certified Budget			364,247.00	(45,437.74)
Adjustments for Qualifying Budget Credits			20,486.58	(20,486.58)
Total Expenditures	335,542.75	318,809.26	$ 384,733.58	$ (65,924.32)
Receipts Over(Under) Expenditures	2,335.88	19,556.58		
Unencumbered Cash, Beginning	45,601.14	47,937.02		
Unencumbered Cash, Ending	$ 47,937.02	$ 67,493.60		

CITY OF GLEN ELDER, KANSAS
LIBRARY 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	$ 13,608.81	$ 14,182.92	$ 14,342.00	$ (159.08)
Delinquent Tax	100.09	382.11	250.00	132.11
Motor Vehicle Tax	2,200.16	2,318.59	2,030.00	288.59
Commercial Vehicle Tax	61.83	78.82	69.00	9.82
Recreational Vehicle Tax	75.44	75.13	65.00	10.13
16M-20M Truck Tax	81.34	107.86	65.00	42.86
Watercraft Taxes	65.53	61.60	61.00	0.60
Neighborhood Revitalization	(1,817.38)	(1,343.50)	(1,345.00)	1.50
Total Receipts	14,375.82	15,863.53	$ 15,537.00	$ 326.53
Expenditures				
Culture and Recreation				
Library Board	14,375.82	15,537.00	$ 15,537.00	$ -
Total Expenditures	14,375.82	15,537.00	$ 15,537.00	$ -
Receipts Over(Under) Expenditures	-	326.53		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ 326.53		

CITY OF GLEN ELDER, 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				
Taxes and Shared Receipts				
Motor Fuel Tax	$ 10,517.15	$ 9,764.17	$ 11,760.00	$ (1,995.83)
Use of Money and Property				
Interest Income	229.67	2,661.47	250.00	2,411.47
Total Receipts	10,746.82	12,425.64	$ 12,010.00	$ 415.64
Expenditures				
General Government				
Contractual Services	10,000.00	12,060.00	$ -	$ 12,060.00
Commodities	1,190.00	50.31	14,199.00	(14,148.69)
Total Expenditures	11,190.00	12,110.31	$ 14,199.00	$ (2,088.69)
Receipts Over(Under) Expenditures	(443.18)	315.33		
Unencumbered Cash, Beginning	3,050.37	2,607.19		
Unencumbered Cash, Ending	$ 2,607.19	$ 2,922.52		

CITY OF GLEN ELDER, KANSAS
CAPITAL EQUIPMENT 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		
Use of Money and Property		
Sale of Assets	$ 15,850.00	$ 428.00
Other Receipts		
Donations and Local Grants	12,510.02	32,920.00
Operating Transfer from		
Electric Utility Fund	30,000.00	30,000.00
Total Receipts	58,360.02	63,348.00
Expenditures		
Capital Equipment		
Commodities	4,881.97	2,400.00
Capital Outlay	25,209.44	80,747.62
Total Expenditures	30,091.41	83,147.62
Receipts Over(Under) Expenditures	28,268.61	(19,799.62)
Unencumbered Cash, Beginning	47,340.51	75,609.12
Unencumbered Cash, Ending	$ 75,609.12	$ 55,809.50

CITY OF GLEN ELDER, KANSAS
CAPITAL IMPROVEMENT 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		
Taxes and Shared Receipts		
Sales Tax	$ 54,698.17	$ 92,563.17
Other Receipts		
Donations and Local Grants	30.00	8,585.25
Total Receipts	54,728.17	101,148.42
Expenditures		
Capital Improvements		
Capital Outlay	-	58,653.72
Total Expenditures	-	58,653.72
Receipts Over(Under) Expenditures	54,728.17	42,494.70
Unencumbered Cash, Beginning	5,331.92	60,060.09
Unencumbered Cash, Ending	$ 60,060.09	$ 102,554.79

CITY OF GLEN ELDER, KANSAS
TRUCK ROUTE 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		
Other Receipts		
Donations and Local Grants	$ 30,000.00	$ -
Total Receipts	30,000.00	-
Expenditures		
Capital Improvements		
Capital Outlay	30,000.00	-
Total Expenditures	30,000.00	-
Receipts Over(Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	$ -	$ -

CITY OF GLEN ELDER, KANSAS
ARPA 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	$ 32,276.84	$ -
Total Receipts	32,276.84	-
Expenditures		
Capital Improvements		
Capital Outlay	40,088.86	24,464.82
Total Expenditures	40,088.86	24,464.82
Receipts Over(Under) Expenditures	(7,812.02)	(24,464.82)
Unencumbered Cash, Beginning	32,276.84	24,464.82
Unencumbered Cash, Ending	$ 24,464.82	$ -

CITY OF GLEN ELDER, KANSAS
ELECTRIC 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				
Operating Receipts				
Electric Sales	$ 560,191.18	$ 530,714.54	$ 500,000.00	$ 30,714.54
Connects	1,750.00	1,810.66	1,000.00	810.66
Penalties	2,493.00	2,071.55	2,500.00	(428.45)
Security Deposits	1,500.00	1,200.00	1,800.00	(600.00)
Sales Tax	17,288.37	17,523.24	16,000.00	1,523.24
Franchise Fees	16,133.39	13,823.88	21,000.00	(7,176.12)
Use of Money and Property				
Interest Income	2,872.34	9,893.21	2,500.00	7,393.21
Other Receipts				
Reimbursed Expenses	435.71	-	1,500.00	(1,500.00)
Miscellaneous	-	-	1,000.00	(1,000.00)
Total Receipts	602,663.99	577,037.08	$ 547,300.00	$ 29,737.08
Expenditures				
Production				
Electricity Production	308,275.14	254,157.61	$ 290,000.00	$ (35,842.39)
Personal Services	95,106.86	132,725.40	115,000.00	17,725.40
Contractual Services	43,338.03	39,101.88	62,000.00	(22,898.12)
Commodities	41,357.52	50,633.56	45,000.00	5,633.56
Capital Outlay	-	-	305,699.00	(305,699.00)
Operating Transfers to:				
General Fund	80,000.00	80,000.00	80,000.00	-
Capital Equipment Reserve Fund	30,000.00	30,000.00	30,000.00	-
Swimming Pool Utility Fund	20,000.00	20,000.00	20,000.00	-
Total Expenditures	618,077.55	606,618.45	$ 947,699.00	$ (341,080.55)
Receipts Over(Under) Expenditures	(15,413.56)	(29,581.37)		
Unencumbered Cash, Beginning	516,299.23	500,885.67		
Unencumbered Cash, Ending	$ 500,885.67	$ 471,304.30		

CITY OF GLEN ELDER, 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	$ 122,078.37	$ 126,142.92	$ 115,000.00	$ 11,142.92
Cash Wash Sales	9,158.41	11,833.35	8,000.00	3,833.35
Connects	1,100.00	2,175.00	1,000.00	1,175.00
Penalties	593.10	497.15	600.00	(102.85)
Security Deposits	675.00	375.00	1,000.00	(625.00)
Sales Tax	1,179.50	1,300.04	1,000.00	300.04
Health and Safety Fees	520.65	500.93	500.00	0.93
Use of Money and Property				
Interest Income	1,206.22	4,155.05	1,500.00	2,655.05
Other Receipts				
Reimbursed Expenses	2,338.68	3,564.84	1,500.00	2,064.84
Total Receipts	138,849.93	150,544.28	$ 130,100.00	$ 20,444.28
Expenditures				
Distribution				
Personal Services	35,068.39	38,624.45	$ 37,500.00	$ 1,124.45
Contractual Services	33,171.18	33,671.32	30,000.00	3,671.32
Commodities	24,055.94	19,376.38	25,000.00	(5,623.62)
Capital Outlay	26,746.50	28,746.67	384,761.00	(356,014.33)
Sales Tax Clearing	-	2,230.32	1,500.00	730.32
Remittance	-	1,329.11	1,000.00	329.11
Debt Service				
Loan Principal	7,839.73	8,102.98	8,103.00	(0.02)
Loan Interest	1,608.13	1,372.55	1,373.00	(0.45)
Debt Service Fees	188.88	161.21	161.00	0.21
Total Expenditures	128,678.75	133,614.99	$ 489,398.00	$ (355,783.01)
Receipts Over(Under) Expenditures	10,171.18	16,929.29		
Unencumbered Cash, Beginning	384,785.05	394,956.23		
Unencumbered Cash, Ending	$ 394,956.23	$ 411,885.52		

CITY OF GLEN ELDER, 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				
Charges for Services				
Sales	$ 55,240.32	$ 63,558.40	$ 54,000.00	$ 9,558.40
Penalties	311.89	288.22	500.00	(211.78)
Use of Money and Property				
Interest Income	229.67	791.28	250.00	541.28
Total Receipts	55,781.88	64,637.90	$ 54,750.00	$ 9,887.90
Expenditures				
Collections				
Personal Services	35,068.38	38,624.12	$ 37,500.00	$ 1,124.12
Contractual Services	3,016.13	8,480.44	6,000.00	2,480.44
Commodities	238.13	449.75	15,000.00	(14,550.25)
Capital Outlay	-	-	128,776.00	(128,776.00)
Debt Services				
Principal	8,019.38	8,254.45	8,254.00	0.45
Interest	605.94	391.08	391.00	0.08
Debt Service Fees	56.96	36.75	37.00	(0.25)
Total Expenditures	47,004.92	56,236.59	$ 195,958.00	$ (139,721.41)
Receipts Over(Under) Expenditures	8,776.96	8,401.31		
Unencumbered Cash, Beginning	145,714.83	154,491.79		
Unencumbered Cash, Ending	$ 154,491.79	$ 162,893.10		

CITY OF GLEN ELDER, KANSAS
TRASH 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				
Sales	$ 51,686.77	$ 52,604.54	$ 51,000.00	$ 1,604.54
Penalties	315.11	273.14	350.00	(76.86)
Total Receipts	52,001.88	52,877.68	$ 51,350.00	$ 1,527.68
Expenditures				
Collections				
Contractual Services	52,552.22	51,875.40	$ 53,988.00	$ (2,112.60)
Total Expenditures	52,552.22	51,875.40	$ 53,988.00	$ (2,112.60)
Receipts Over(Under) Expenditures	(550.34)	1,002.28		
Unencumbered Cash, Beginning	2,787.58	2,237.24		
Unencumbered Cash, Ending	$ 2,237.24	$ 3,239.52		

CITY OF GLEN ELDER, KANSAS
SWIMMING POOL 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				
Fees and Sales	$ 8,070.50	$ 5,441.50	$ 8,500.00	$ (3,058.50)
Pool Concessions	1,947.82	1,352.25	2,500.00	(1,147.75)
Other Receipts				
Reimbursed Expenses	336.40	-	-	-
Operating Transfer from				
Electric Utility Fund	20,000.00	20,000.00	20,000.00	-
Total Receipts	30,354.72	26,793.75	$ 31,000.00	$ (4,206.25)
Expenditures				
Culture and Recreation				
Personal Services	14,965.51	15,702.12	$ 22,000.00	$ (6,297.88)
Contractual Services	1,166.80	1,451.46	6,000.00	(4,548.54)
Commodities	12,765.35	4,148.56	8,000.00	(3,851.44)
Capital Outlay	-	11,560.30	5,015.00	6,545.30
Total Expenditures	28,897.66	32,862.44	$ 41,015.00	$ (8,152.56)
Receipts Over(Under) Expenditures	1,457.06	(6,068.69)		
Unencumbered Cash, Beginning	12,315.20	13,772.26		
Unencumbered Cash, Ending	$ 13,772.26	$ 7,703.57		

CITY OF GLEN ELDER, KANSAS
CEMETERY CARE TRUST 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		
Sale of Lots	$ -	$ -
Total Receipts	-	-
Expenditures		
Perpetual Care		
Capital Outlay	-	-
Total Expenditures	-	-
Receipts Over(Under) Expenditures	-	-
Unencumbered Cash, Beginning	1,000.00	1,000.00
Unencumbered Cash, Ending	$ 1,000.00	$ 1,000.00

CITY OF GLEN ELDER, KANSAS
Agency Funds
Schedule of Receipts and Disbursements
Regulatory Basis
For the Year Ended December 31, 2023

Fund	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Payroll Clearing	$ 54.93	$ -	$ 54.93	$ -
	$ 54.93	$ -	$ 54.93	$ -

Jarred Gilmore Phillips

The Honorable Mayor and City Council
City of Glen Elder, Kansas

In planning and performing our audit of the financial statement of the City of Glen Elder, 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 City of Glen Elder, 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 City of Glen Elder, Kansas' internal control. Accordingly, we do not express an opinion on the effectiveness of City of Glen Elder, Kansas' internal control.

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

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

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.

This communication is intended solely for the information and use of management, the Mayor, City Council, and others within the City of Glen Elder, 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
April 25, 2024

Jarred, Gilmore & Phillips, PA
CERTIFIED PUBLIC ACCOUNTANTS

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

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

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

www.jgppa.com