

**CITY OF GLEN ELDER, KANSAS**

Independent Auditors' Report  
and Financial Statement with  
Supplementary Information

For the Year Ended December 31, 2021

**CITY OF GLEN ELDER, KANSAS**

**TABLE OF CONTENTS**

	<u>PAGE NUMBER</u>
Independent Auditors' Report .....	1-3
<u>Statement 1</u>	
Summary Statement of Receipts, Expenditures, and Unencumbered Cash .....	4
Notes to the Financial Statement .....	5-11
SUPPLEMENTARY INFORMATION	
<u>Schedule 1</u>	
Summary of Expenditures – Actual and Budget Regulatory Basis - (Budgeted Funds Only) .....	12
<u>Schedule 2</u>	
Schedule of Receipts and Expenditures – Actual and Budget Regulatory Basis – (with Comparative Actual Amounts for the Prior Year)	
General Fund .....	13-14
Library Fund .....	15
Special Highway Fund .....	16
Capital Equipment Reserve Fund .....	17
Capital Improvement Reserve Fund .....	18
Truck Route Reserve Fund.....	19
ARPA Fund.....	20
Electric Utility Fund.....	21
Water Utility Fund .....	22
Sewer Utility Fund .....	23
Trash Utility Fund .....	24
Swimming Pool Utility Fund .....	25
Cemetery Care Trust Fund .....	26
<u>Schedule 3</u>	
Schedule of Receipts and Disbursements – Agency Funds Regulatory Basis.....	27

**JARRED, GILMORE & PHILLIPS, PA**  
**CERTIFIED PUBLIC ACCOUNTANTS**

**INDEPENDENT AUDITORS' REPORT**

Honorable Mayor and City Council  
City of Glen Elder, Kansas

***Adverse and Unmodified Opinion***

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, 2021 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 Opinion" 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, 2021, 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, 2021, 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 Opinion***

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 opinion.

***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.

### ***Auditors' Responsibilities for the Audit of the Financial Statement***

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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 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.

### ***Other Matters***

#### ***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, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, and schedule of regulatory basis receipts and expenditures-agency funds (Schedules 1, 2 and 3 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the Kansas Municipal Audit and Accounting Guide. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of City of Glen Elder, Kansas as of and for the year ended December 31, 2020 (not presented herein), and have issued our report thereon dated June 2, 2021, which contained an unmodified opinion on the basic financial statement. The 2020 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/oar/municipalservices>. The 2020 actual column (2020 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures—actual and budget for the year ended December 31, 2021 (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 2020 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 2020 basic financial statement. The 2020 comparative information was subjected to the auditing procedures applied in the audit of the 2020 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 2020 basic financial statement or to the 2020 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 2020 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, 2020, on the basis of accounting described in Note 1.



JARRED, GILMORE & PHILLIPS, PA  
Certified Public Accountants

March 28, 2022  
Chanute, Kansas

## CITY OF GLEN ELDER, KANSAS

Summary Statement of Receipts, Expenditures, and Unencumbered Cash  
Regulatory Basis  
For the Year Ended December 31, 2021

Funds	Beginning Unencumbered Cash Balances	Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balances	Add Encumbrances and Accounts Payable	Cash Balance December 31, 2021
General Fund	\$ 52,700.66	\$ -	\$ 264,479.20	\$ 271,578.72	\$ 45,601.14	\$ 32,672.80	\$ 78,273.94
Special Purpose Funds:							
Library	395.45	-	13,664.26	14,059.71	-	-	-
Special Highway	5,840.04	-	12,531.90	15,321.57	3,050.37	-	3,050.37
Capital Equipment Reserve	46,131.83	-	67,010.00	65,801.32	47,340.51	-	47,340.51
Capital Improvement Reserve	19,023.39	-	-	13,691.47	5,331.92	-	5,331.92
ARPA	-	-	32,276.84	-	32,276.84	-	32,276.84
Business Funds:							
Electric Utility	519,050.10	-	628,415.39	631,166.26	516,299.23	36,202.74	552,501.97
Water Utility	350,382.39	-	124,371.40	89,968.74	384,785.05	4,377.43	389,162.48
Sewer Utility	136,261.46	-	52,897.60	43,444.23	145,714.83	2,815.17	148,530.00
Trash Utility	2,676.06	-	50,941.52	50,830.00	2,787.58	3,292.00	6,079.58
Swimming Pool Utility	3,887.46	-	31,634.36	23,206.62	12,315.20	-	12,315.20
Trust Funds:							
Cemetery Care Trust Fund	1,000.00	-	-	-	1,000.00	-	1,000.00
Total Reporting Entity (Excluding Agency Funds)	\$ 1,137,348.84	\$ -	\$ 1,278,222.47	\$ 1,219,068.64	\$ 1,196,502.67	\$ 79,360.14	\$ 1,275,862.81
Composition of Cash:							
Cash on Hand .....			\$ 110.00				
Checking Accounts:							
General Operating .....			272,670.99				
Car Wash .....			3,129.20				
Investments:							
Certificates of Deposit .....			1,000,000.00				
Total Cash							
Agency Funds Per Schedule 3			1,275,910.19				
Total Reporting Entity (Excluding Agency Funds)			(47.38)				
			\$ 1,275,862.81				

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

## **CITY OF GLEN ELDER, KANSAS**

Notes to Financial Statement  
December 31, 2021

### **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 statements 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 2021:

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

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

Business fund – 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 revenue source to be used to finance the budget of the ensuing year. Taxes are assessed on a calendar year basis and become a lien on the property on November 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.

### 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.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. 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, revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

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

- Baseball Field Grant Fund
- Capital Equipment Reserve Fund
- Capital Improvement Reserve 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.

### **3. DEPOSITS AND INVESTMENTS** (Continued)

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, 2021.

At year-end, the City's carrying amount of deposits was \$1,275,800.19 and the bank balance was \$1,276,111.07. 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 \$776,111.07 was collateralized with securities held by the pledging financial institution's agents in the City's name.

### **4. 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 statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at [www.kpers.org](http://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 8.87% for KPERS for the fiscal year ended December 31, 2021. Contributions to the pension plan from the City were \$14,772.50 for KPERS for the year ended December 31, 2021.

#### **4. DEFINED BENEFIT PENSION PLAN** (Continued)

##### Net Pension Liability

At December 31, 2021, the City's proportionate share of the collective net pension liability reported by KPERS was \$95,157.00. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020, which was rolled forward to June 30, 2021. 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](http://www.kpers.org) or can be obtained as described above.

#### **5. 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, 2021.

*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

Vacation days must be used during the year earned.

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.

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 annual leave which has been earned, but not taken, by City employees. The estimated liability for accrued annual leave at December 31, 2021, was \$0.00 due to everyone using before year end. The City has not accrued a liability for sick leave earned, but not taken, by City employees, as the amounts cannot be reasonably estimated.

## 6. LONG-TERM DEBT

Changes in long-term liabilities for the City for the year ended December 31, 2021, 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	\$ 32,561.24	\$ -	\$ 7,791.01	\$ 24,770.23	\$ 891.27
Water System Revolving Loan-Series 2007	3.33%	December 7, 2007	139,896.34	August 1, 2028	63,492.77	-	7,585.05	55,907.72	2,051.69
Capital Leases:									
2018 Suc-Vac System	4.57%	July 5, 2018	25,000.00	July 5, 2021	8,708.37	-	8,708.37	-	397.97
Total Contractual Indebtedness					\$ 104,762.38	\$ -	\$ 24,084.43	\$ 80,677.95	\$ 3,340.93

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

Issue	2022	2023	2024	2025	2026	2027-2028	Totals
Principal							
Revolving Loans:							
Sewer System Revolving Loan-Series 2004	\$ 8,019.38	\$ 8,254.45	\$ 8,496.40	\$ -	\$ -	\$ -	\$ 24,770.23
Water System Revolving Loan-Series 2007	7,839.73	8,102.98	8,375.05	8,656.26	8,946.91	13,986.79	55,907.72
Total Principal	15,859.11	16,357.43	16,871.45	8,656.26	8,946.91	13,986.79	80,677.95
Interest							
Revolving Loans:							
Sewer System Revolving Loan-Series 2004	662.90	427.83	185.88	-	-	-	1,276.61
Water System Revolving Loan-Series 2007	1,797.01	1,533.76	1,261.69	980.48	689.83	468.32	6,731.09
Total Interest	2,459.91	1,961.59	1,447.57	980.48	689.83	468.32	8,007.70
Total Principal and Interest	\$ 18,319.02	\$ 18,319.02	\$ 18,319.02	\$ 9,636.74	\$ 9,636.74	\$ 14,455.11	\$ 88,685.65

## **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:

<u>From Fund:</u>	<u>To Fund:</u>	<u>Statutory Authority</u>	<u>Amount</u>
Electric Utility	Capital Equipment		
	Reserve	K.S.A. 12-1,117	\$ 64,700.00
Electric Utility	Swimming Pool	K.S.A. 12-825d	20,000.00
Electric Utility	General	K.S.A. 12-825d	45,300.00

## **9. COVID-19**

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus in Wuhan, China (the "COVID-19 outbreak") and the risk to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the City's financial condition, liquidity and future results of operations. Management is actively monitoring the global and local situation on its financial condition, liquidity, operations, suppliers, industry and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the City is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition or liquidity for fiscal year 2022. Future potential impacts include a decline in sales tax collections and utility collections.

As a result of the COVID-19 outbreak, numerous Federal and State grants have been made available to the City to assist with the risks and help offset incurred costs of the City. For the year ended December 31, 2021, the City received \$32,276.84 as a result of the American Rescue Plan Act, of which none has been spent at year end.

## **10. 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. The City did accept a bid to mill and resurface a street for \$86,234.00 paid for using funds held in reserves.

## **SUPPLEMENTARY INFORMATION**

**CITY OF GLEN ELDER, KANSAS**  
Summary of Expenditures - Actual and Budget  
Regulatory Basis  
(Budgeted Funds Only)  
For the Year Ended December 31, 2021

Funds	Certified Budget	Adjustments for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Charged to Current Year Budget	Variance - Over (Under)
	\$	\$	\$	\$	\$
General Fund	343,640.00	18,756.67	362,396.67	271,578.72	(90,817.95)
Special Purpose Funds:					
Library	15,638.00	-	15,638.00	14,059.71	(1,578.29)
Special Highway	15,694.00	-	15,694.00	15,321.57	(372.43)
Business Funds:					
Electric Utility	997,455.00	-	997,455.00	631,166.26	(366,288.74)
Water Utility	428,315.00	-	428,315.00	89,968.74	(338,346.26)
Sewer Utility	185,672.00	-	185,672.00	43,444.23	(142,227.77)
Trash Utility	50,830.00	-	50,830.00	50,830.00	-
Swimming Pool Utility	34,921.00	-	34,921.00	23,206.62	(11,714.38)

**CITY OF GLEN ELDER, KANSAS**  
**GENERAL FUND**

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2021

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2020)

		Current Year			
	Prior Year Actual			Variance - Over (Under)	
		Actual	Budget		
Receipts					
Taxes and Shared Receipts					
Ad Valorem Property Tax	\$ 97,759.13	\$ 101,091.80	\$ 101,899.00	\$ (807.20)	
Delinquent Tax	2,770.19	2,068.43	1,483.00	585.43	
Motor Vehicle Tax	15,554.25	16,600.53	15,463.00	1,137.53	
Commercial Vehicle Tax	403.04	555.15	335.00	220.15	
Neighborhood Revitalization Rebate	(12,800.31)	(16,869.27)	-	(16,869.27)	
Recreational Vehicle Tax	536.12	539.90	479.00	60.90	
16M-20M Truck Tax	221.21	214.29	190.00	24.29	
Watercraft Taxes	375.77	439.51	375.00	64.51	
Sales Tax	53,876.75	60,346.37	46,600.00	13,746.37	
Intangible Tax	14,132.56	13,807.62	12,104.00	1,703.62	
Franchise Tax	8,566.65	9,594.68	9,000.00	594.68	
Special Assessments	1,335.00	-	500.00	(500.00)	
Licenses and Permits					
Licenses, Permits & Fees	1,306.05	1,132.50	2,000.00	(867.50)	
Fines, Forfeitures and Penalties					
Fines	140.50	435.00	300.00	135.00	
Charges for Services					
Cemetery Lots and Digging	2,400.00	2,850.00	-	2,850.00	
Copies	-	32.00	-	32.00	
Use of Money and Property					
Interest Income	4,364.50	1,560.53	2,000.00	(439.47)	
Rental	4,356.00	4,356.00	5,000.00	(644.00)	
Sale of Assets	8,195.10	1,202.49	1,300.00	(97.51)	
Other					
Miscellaneous	214.80	90.00	10,000.00	(9,910.00)	
Donations	100.00	375.00		375.00	
Reimbursed Expenses	18,339.59	18,756.67	15,000.00	3,756.67	
Operating Transfers from:					
Electric Utility Fund	62,000.00	45,300.00	80,000.00	(34,700.00)	
Total Receipts	284,146.90	264,479.20	\$ 304,028.00	\$ (39,548.80)	
Expenditures					
General Government					
Personal Services	74,018.57	74,573.52	\$ 71,000.00	\$ 3,573.52	
Contractual Services	40,950.19	31,001.56	42,000.00	(10,998.44)	
Commodities	16,676.71	20,975.82	18,000.00	2,975.82	
Capital Outlay	-	1,940.43	50,640.00	(48,699.57)	
Municipal Court					
Personal Services	431.00	431.00	500.00	(69.00)	
Streets Department					
Contractual Services	26,695.47	10,918.10	35,000.00	(24,081.90)	
Commodities	17,704.61	28,920.22	25,000.00	3,920.22	



**CITY OF GLEN ELDER, KANSAS**  
**GENERAL FUND**

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2021

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2020)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Expenditures (Continued)				
Parks Department				
Personal Services	\$ 30,215.68	\$ 32,566.92	\$ 31,000.00	\$ 1,566.92
Contractual Services	2,551.17	40.00	500.00	(460.00)
Commodities	-	2,371.43	1,000.00	1,371.43
Cemetery				
Personal Services	30,215.61	32,566.92	31,000.00	1,566.92
Contractual Services	75.00	270.00	100.00	170.00
Commodities	215.82	542.38	200.00	342.38
Library				
Personal Services	6,446.11	5,930.34	8,000.00	(2,069.66)
Governing Body				
Personal Services	3,843.12	4,252.21	4,200.00	52.21
Public Housing				
Personal Services	7,682.60	7,933.10	8,400.00	(466.90)
Inspection				
Personal Services	3,879.00	3,879.00	4,000.00	(121.00)
Police Department				
Contractual Services	26.23	24.39	100.00	(75.61)
Fire Department				
Contractual Services	5,680.97	6,504.01	4,000.00	2,504.01
Commodities	2,352.07	5,937.37	4,000.00	1,937.37
Capital Outlay	4,445.53	-	5,000.00	(5,000.00)
Total Certified Budget			343,640.00	(72,061.28)
Adjustments for Qualifying				
Budget Credits			18,756.67	(18,756.67)
Total Expenditures	274,105.46	271,578.72	\$ 362,396.67	\$ (90,817.95)
Receipts Over(Under) Expenditures	10,041.44	(7,099.52)		
Unencumbered Cash, Beginning	42,659.22	52,700.66		
Cancelled Encumbrances	-	-		
Unencumbered Cash, Ending	\$ 52,700.66	\$ 45,601.14		

**CITY OF GLEN ELDER, KANSAS**  
**LIBRARY FUND**

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Year Ended December 31, 2021

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2020)

		Current Year			
	Prior Year Actual	Actual	Budget	Variance - Over (Under)	
Receipts					
Taxes and Shared Receipts					
Ad Valorem Property Tax	\$ 12,389.77	\$ 13,288.59	\$ 13,393.00	\$ (104.41)	
Delinquent Tax	351.41	264.87	110.00	154.87	
Motor Vehicle Tax	1,981.84	2,106.42	1,960.00	146.42	
Commercial Vehicle Tax	51.33	70.36	42.00	28.36	
Recreational Vehicle Tax	68.30	68.52	61.00	7.52	
16M-20M Truck Tax	28.22	27.29	24.00	3.29	
Watercraft Taxes	47.86	55.70	48.00	7.70	
Neighborhood Revitalization	(1,622.28)	(2,217.49)	-	(2,217.49)	
Total Receipts	13,296.45	13,664.26	\$ 15,638.00	\$ (1,973.74)	
Expenditures					
Culture and Recreation					
Library board	12,901.00	14,059.71	\$ 15,638.00	\$ (1,578.29)	
Total Expenditures	12,901.00	14,059.71	\$ 15,638.00	\$ (1,578.29)	
Receipts Over(Under) Expenditures	395.45	(395.45)			
Unencumbered Cash, Beginning	-	395.45			
Unencumbered Cash, Ending	\$ 395.45	\$ -			

**CITY OF GLEN ELDER, KANSAS**  
**SPECIAL HIGHWAY FUND**

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Year Ended December 31, 2021

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2020)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Taxes and Shared Receipts				
Motor Fuel Tax	\$ 11,140.97	\$ 12,234.70	\$ 9,740.00	\$ 2,494.70
Use of Money and Property				
Interest Income	831.28	297.20	500.00	(202.80)
Total Receipts	11,972.25	12,531.90	\$ 10,240.00	\$ 2,291.90
Expenditures				
General Government				
Contractual	15,612.67	-	\$ -	\$ -
Commodities	2,877.00	15,321.57	15,694.00	(372.43)
Total Expenditures	18,489.67	15,321.57	\$ 15,694.00	\$ (372.43)
Receipts Over(Under) Expenditures	(6,517.42)	(2,789.67)		
Unencumbered Cash, Beginning	12,357.46	5,840.04		
Unencumbered Cash, Ending	\$ 5,840.04	\$ 3,050.37		

**CITY OF GLEN ELDER, KANSAS**  
**CAPITAL EQUIPMENT RESERVE FUND**

Schedule of Receipts and Expenditures - Actual  
Regulatory Basis

For the Year Ended December 31, 2021

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2020)

	Prior Year Actual	Current Year Actual
Receipts		
Use of Money and Property		
Sale of Assets	\$ 4,390.00	\$ 1,810.00
Other Receipts		
Donations and Local Grants	-	500.00
Operating Transfer from		
Electric Utility Fund	30,000.00	64,700.00
Total Receipts	34,390.00	67,010.00
Expenditures		
Capital Equipment		
Contractual Services	5,296.13	-
Commodities	859.96	2,258.12
Capital Outlay	36,419.72	54,436.86
Capital Lease - Suc Vac	9,106.34	9,106.34
Total Expenditures	51,682.15	65,801.32
Receipts Over(Under) Expenditures	(17,292.15)	1,208.68
Unencumbered Cash, Beginning	63,423.98	46,131.83
Unencumbered Cash, Ending	\$ 46,131.83	\$ 47,340.51

**CITY OF GLEN ELDER, KANSAS**  
**CAPITAL IMPROVEMENT RESERVE FUND**  
Schedule of Receipts and Expenditures - Actual  
Regulatory Basis

For the Year Ended December 31, 2021

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2020)

	Prior Year Actual	Current Year Actual
Receipts		
Other Receipts		
Donations and Local Grants	\$ 3,534.00	\$ -
Operating Transfer from Electric Fund	18,000.00	-
Total Receipts	21,534.00	-
Expenditures		
Capital Improvements		
Contractual Services	-	3,660.80
Capital Outlay	39,184.63	10,030.67
Total Expenditures	39,184.63	13,691.47
Receipts Over(Under) Expenditures	(17,650.63)	(13,691.47)
Unencumbered Cash, Beginning	36,674.02	19,023.39
Unencumbered Cash, Ending	\$ 19,023.39	\$ 5,331.92

**CITY OF GLEN ELDER, KANSAS**  
**TRUCK ROUTE RESERVE FUND**

Schedule of Receipts and Expenditures - Actual  
Regulatory Basis

For the Year Ended December 31, 2021

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2020)

	Prior Year Actual	Current Year Actual
Receipts		
Other Receipts		
Donations and Local Grants	\$ 4,658.93	\$ -
Total Receipts	4,658.93	-
Expenditures		
Capital Improvements		
Contractual Services	4,658.93	-
Total Expenditures	4,658.93	-
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, 2021

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2020)

	Prior Year Actual	Current Year Actual
Receipts		
Intergovernmental		
ARPA Grant Proceeds	\$ -	\$ 32,276.84
Total Receipts	-	32,276.84
Expenditures		
Capital Improvements		
Contractual Services	-	-
Total Expenditures	-	-
Receipts Over(Under) Expenditures	-	32,276.84
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	\$ -	\$ 32,276.84

**CITY OF GLEN ELDER, KANSAS**  
**ELECTRIC UTILITY FUND**

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Year Ended December 31, 2021

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2020)

		Current Year		Variance -
	Prior Year Actual	Actual	Budget	Over Under
Receipts				
Operating Receipts				
Electric Sales	\$ 470,569.20	\$ 589,485.04	\$ 475,000.00	\$ 114,485.04
Connects	600.00	350.00	1,000.00	(650.00)
Penalties	2,058.48	2,531.68	2,500.00	31.68
Security Deposits	1,800.00	1,350.00	2,000.00	(650.00)
Sales Tax	10,773.04	14,160.91	10,000.00	4,160.91
Franchise Fees	14,032.11	16,398.38	19,000.00	(2,601.62)
Use of Money and Property				
Interest Income	10,391.95	3,715.75	7,000.00	(3,284.25)
Other Receipts				
Reimbursed Expenses	5,369.58	423.63	-	423.63
Miscellaneous	388.85	-	10,000.00	(10,000.00)
Total Receipts	515,983.21	628,415.39	\$ 526,500.00	\$ 101,915.39
Expenditures				
Production				
Electricity Production	233,572.68	351,278.05	\$ 250,000.00	\$ 101,278.05
Personal Services	86,125.75	80,400.38	100,000.00	(19,599.62)
Contractual Services	33,569.83	33,601.64	52,500.00	(18,898.36)
Commodities	27,270.05	35,886.19	40,000.00	(4,113.81)
Capital Outlay	-	-	424,955.00	(424,955.00)
Operating Transfers to:				
General Fund	62,000.00	45,300.00	80,000.00	(34,700.00)
Capital Improvement Reserve Fund	18,000.00	-	-	-
Capital Equipment Reserve Fund	30,000.00	64,700.00	30,000.00	34,700.00
Swimming Pool Utility Fund	20,000.00	20,000.00	20,000.00	-
Total Expenditures	510,538.31	631,166.26	\$ 997,455.00	\$ (366,288.74)
Receipts Over(Under) Expenditures	5,444.90	(2,750.87)		
Unencumbered Cash, Beginning	513,605.20	519,050.10		
Unencumbered Cash, Ending	\$ 519,050.10	\$ 516,299.23		



**CITY OF GLEN ELDER, KANSAS**  
**WATER UTILITY FUND**

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Year Ended December 31, 2021

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2020)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Charges for Services				
Water Sales	\$ 110,154.99	\$ 113,045.04	\$ 105,000.00	\$ 8,045.04
Connects	1,000.00	500.00	1,000.00	(500.00)
Penalties	610.21	654.04	500.00	154.04
Security Deposits	1,200.00	925.00	1,000.00	(75.00)
Sales Tax	968.53	1,005.30	1,000.00	5.30
Health and Safety Fees	441.86	449.68	500.00	(50.32)
Use of Money and Property				
Sale of Assets	-	5,932.00	-	5,932.00
Interest Income	4,364.50	1,560.53	3,000.00	(1,439.47)
Other Receipts				
Miscellaneous	-	-	250.00	(250.00)
Reimbursed Expenses	3,000.00	299.81	-	299.81
Total Receipts	121,740.09	124,371.40	\$ 112,250.00	\$ 12,121.40
Expenditures				
Distribution				
Personal Services	24,501.66	33,139.82	\$ 31,000.00	\$ 2,139.82
Contractual Services	27,879.34	25,043.18	26,500.00	(1,456.82)
Commodities	7,753.25	21,405.79	20,000.00	1,405.79
Capital Outlay	13,538.73	743.21	341,178.00	(340,434.79)
Debt Service				
Loan Principal	7,338.64	7,585.05	7,585.00	0.05
Loan Interest	2,056.56	1,836.04	1,836.00	0.04
Debt Service Fees	241.54	215.65	216.00	(0.35)
Total Expenditures	83,309.72	89,968.74	\$ 428,315.00	\$ (338,346.26)
Receipts Over(Under) Expenditures	38,430.37	34,402.66		
Unencumbered Cash, Beginning	311,952.02	350,382.39		
Unencumbered Cash, Ending	\$ 350,382.39	\$ 384,785.05		

**CITY OF GLEN ELDER, KANSAS**  
**SEWER UTILITY FUND**

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Year Ended December 31, 2021

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2020)

		Current Year			
	Prior Year Actual	Actual	Budget	Variance - Over (Under)	
Receipts					
Charges for Services					
Sales	\$ 52,709.64	\$ 52,278.00	\$ 51,500.00	\$ 778.00	
Penalties	291.18	322.39	1,000.00	(677.61)	
Use of Money and Property					
Interest Income	831.28	297.21	500.00	(202.79)	
Total Receipts	53,832.10	52,897.60	\$ 53,000.00	\$ (102.40)	
Expenditures					
Collections					
Personal Services	30,905.00	33,139.67	\$ 31,000.00	\$ 2,139.67	
Contractual Services	1,543.49	205.00	2,000.00	(1,795.00)	
Commodities	2,115.30	1,417.28	15,000.00	(13,582.72)	
Capital Outlay	11,675.97	-	129,989.00	(129,989.00)	
Debt Services					
Principal	7,569.16	7,791.01	6,791.00	1,000.01	
Interest	1,017.49	814.69	815.00	(0.31)	
Debt Service Fees	95.63	76.58	77.00	(0.42)	
Total Expenditures	54,922.04	43,444.23	\$ 185,672.00	\$ (142,227.77)	
Receipts Over(Under) Expenditures	(1,089.94)	9,453.37			
Unencumbered Cash, Beginning	137,351.40	136,261.46			
Unencumbered Cash, Ending	\$ 136,261.46	\$ 145,714.83			

**CITY OF GLEN ELDER, KANSAS**  
**TRASH UTILITY FUND**

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Year Ended December 31, 2021

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2020)

		Current Year			
	Prior Year Actual	Actual	Budget	Variance - Over (Under)	
Receipts					
Charges for Services					
Sales	\$ 51,330.31	\$ 50,616.91	\$ 48,000.00	\$ 2,616.91	
Penalties	251.95	324.61	1,000.00	(675.39)	
Total Receipts	51,582.26	50,941.52	\$ 49,000.00	\$ 1,941.52	
Expenditures					
Collections					
Contractual Services	50,236.00	50,830.00	\$ 50,830.00	\$ -	
Total Expenditures	50,236.00	50,830.00	\$ 50,830.00	\$ -	
Receipts Over(Under) Expenditures	1,346.26	111.52			
Unencumbered Cash, Beginning	1,329.80	2,676.06			
Unencumbered Cash, Ending	\$ 2,676.06	\$ 2,787.58			

**CITY OF CHANUTE, KANSAS**  
**SWIMMING POOL UTILITY FUND**

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Year Ended December 31, 2021

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2020)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Charges for Services				
Fees and Sales	\$ 7,781.00	\$ 8,962.00	\$ 8,000.00	\$ 962.00
Pool Concessions	3,201.76	2,564.41	2,000.00	564.41
Other Receipts				
Donations	400.00	-	-	-
Reimbursed Expenses	266.62	107.95	-	107.95
Operating Transfer from Electric Utility Fund	20,000.00	20,000.00	20,000.00	-
Total Receipts	31,649.38	31,634.36	\$ 30,000.00	\$ 1,634.36
Expenditures				
Culture and Recreation				
Personal Services	14,989.51	15,563.09	\$ 16,500.00	\$ (936.91)
Contractual Services	10,661.55	2,038.25	6,000.00	(3,961.75)
Commodities	6,532.30	5,605.28	6,000.00	(394.72)
Capital Outlay	-	-	6,421.00	(6,421.00)
Total Expenditures	32,183.36	23,206.62	\$ 34,921.00	\$ (11,714.38)
Receipts Over(Under) Expenditures	(533.98)	8,427.74		
Unencumbered Cash, Beginning	4,421.44	3,887.46		
Unencumbered Cash, Ending	\$ 3,887.46	\$ 12,315.20		

**CITY OF GLEN ELDER, KANSAS**  
**CEMETERY CARE TRUST FUND**

Schedule of Receipts and Expenditures - Actual  
Regulatory Basis

For the Year Ended December 31, 2021

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2020)

	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, 2021

Fund	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Payroll Clearing	\$ 45.54	\$ 319,864.34	\$ 319,862.50	\$ 47.38
	<u>\$ 45.54</u>	<u>\$ 319,864.34</u>	<u>\$ 319,862.50</u>	<u>\$ 47.38</u>



The Honorable Mayor and City Council  
City of Glen Elder

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, 2021 in accordance with auditing standards generally accepted in the United States of America, we considered City of Glen Elder, Kansas' internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Glen Elder, Kansas' internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 and other deficiencies that we consider to be significant deficiencies.

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. We consider the following deficiencies in internal control to be material weaknesses:

#### 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 statements. 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, 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  
March 28, 2022

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Jarred, Gilmore & Phillips, PA  
CERTIFIED PUBLIC ACCOUNTANTS

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