

**CITY OF EUREKA, KANSAS**

Independent Auditor's Report and  
Financial Statement with  
Supplementary Information

For the Year Ended December 31, 2022

# CITY OF EUREKA, KANSAS

For the Year Ended December 31, 2022

## TABLE OF CONTENTS

	<u>PAGE NUMBER</u>
Independent Auditor's Report.....	1-3
<u>Statement 1</u>	
Summary Statement of Receipts, Expenditures, and Unencumbered Cash - Regulatory Basis.....	4
Notes to the Financial Statement .....	5-15
SUPPLEMENTARY INFORMATION:	
<u>Schedule 1</u>	
Summary of Expenditures – Actual and Budget – (Budgeted Funds Only) Regulatory Basis .....	16
<u>Schedule 2</u>	
Schedule of Receipts and Expenditures – Actual and Budget Regulatory Basis - (With Comparative Actual Amounts for the Prior Year)	
General Fund .....	17-19
Library Fund .....	20
Employee Health Benefits Fund .....	21
Special Parks and Recreation Fund .....	22
Special Highway Fund .....	23
Promotion Fund .....	24
American Rescue Plan Act Fund.....	25
Sales Tax Revenue Fund .....	26
Street Sales Tax Revenue Fund .....	27
River Street Sales Tax Fund .....	28
CDBG Grants Fund .....	29
Fire Grants Fund.....	30
Street Project Fund .....	31
Bond and Interest Fund .....	32
Eureka Public Building Commission Principal and Interest Fund .....	33
Project Construction Fund .....	34
Water Utility Fund .....	35
Water Revolving Loan Fund .....	36
Water Reserve Fund .....	37
Meter Deposit Fund .....	38
Sewer Utility Fund .....	39
Sewer Revolving Loan Fund .....	40
Sewer Reserve Fund .....	41
<u>Schedule 3</u>	
Schedule of Receipts and Disbursements- Agency Funds Regulatory Basis .....	42

**CITY OF EUREKA, KANSAS**

For the Year Ended December 31, 2022

**TABLE OF CONTENTS**  
(Continued)

Schedule of Expenditures of Federal Awards.....	43
Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	44-45
Independent Auditor’s Report on Compliance For Each Major Program And On Internal Control Over Compliance Required the Uniform Guidance.....	46-48
Schedule of Findings and Questioned Costs .....	49
Summary Schedule of Prior Audit Findings .....	50

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

**INDEPENDENT AUDITOR'S REPORT**

Honorable Mayor and City Council  
City of Eureka, 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 Eureka, Kansas, as of and for the year ended December 31, 2022 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 Eureka, Kansas as of December 31, 2022, 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 Eureka, Kansas as of December 31, 2022, 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), the *Kansas Municipal Audit and Accounting Guide*, and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 Eureka, Kansas 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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statement.

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

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

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

***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 receipts and expenditures – actual and budget regulatory basis, for each individual fund, and the schedule of receipts and disbursements – agency funds – regulatory basis (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*. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 *U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing

procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of City of Eureka, Kansas as of and for the year ended December 31, 2021 (not presented herein), and have issued our report thereon dated June 20, 2022, which contained an unmodified opinion on the basic financial statement. The 2021 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 2021 actual column (2021 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures—actual and budget for the year ended December 31, 2022 (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 2021 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 2021 basic financial statement. The 2021 comparative information was subjected to the auditing procedures applied in the audit of the 2021 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 2021 basic financial statement or to the 2021 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 2021 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, 2021, on the basis of accounting described in Note 1.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2023, on our consideration of the City of Eureka, Kansas’ internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Eureka, Kansas’ internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Eureka, Kansas’ internal control over financial reporting and compliance.



JARRED, GILMORE & PHILLIPS, PA  
Certified Public Accountants

June 20, 2023  
Chanute, Kansas

**CITY OF EUREKA, KANSAS**  
 Summary Statement of Receipts, Expenditures, and Unencumbered Cash  
 Regulatory Basis  
 For the Year Ended December 31, 2022

Funds	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Cash Balances December 31, 2022
General	\$ 146,348.59	\$ 2,356,486.27	\$ 2,123,000.91	\$ 379,833.95	\$ 31,131.09	\$ 410,965.04
Special Purpose Funds:						
Library	4,600.90	90,211.05	91,914.97	2,896.98	-	2,896.98
Employee Health Benefits	4,420.84	3,250.00	3,242.10	4,428.74	250.00	4,678.74
Special Parks and Recreation	56.26	6,423.28	4,488.69	1,990.85	47.93	2,038.78
Special Highway	84,701.98	62,063.24	67,588.94	79,176.28	396.48	79,572.76
Promotion	4,150.23	14,983.83	7,764.17	11,369.89	1,211.65	12,581.54
American Rescue Plan Act	179,010.53	179,010.53	358,021.06	-	-	-
Sales Tax Revenue	375,369.33	28,877.14	70,121.86	334,124.61	880.50	335,005.11
Street Sales Tax Revenue	745,994.31	393,342.45	755,878.84	383,457.92	-	383,457.92
River Street Sales Tax	256,727.74	364,465.25	203,923.76	417,269.23	-	417,269.23
CDBG Grants	(5,000.00)	579,668.51	574,668.51	-	-	-
Fire Grants	1,080.90	-	-	1,080.90	-	1,080.90
Street Project	-	5,000.00	5,000.00	-	-	-
Bond and Interest Funds:						
Bond and Interest	5,462.41	3,460.58	-	8,922.99	-	8,922.99
Capital Project Funds:						
Project Construction	1,069,553.11	-	573,561.74	495,991.37	-	495,991.37
Business Funds:						
Water Utility	261,029.73	878,582.13	985,263.39	154,348.47	15,034.13	169,382.60
Water Reserve	244,063.55	20,000.00	-	264,063.55	-	264,063.55
Meter Deposit	-	10,863.30	10,863.30	-	81,471.88	81,471.88
Sewer Utility	164,368.28	361,071.78	386,061.16	139,378.90	579.42	139,958.32
Sewer Revolving Loan	-	31,792.22	31,792.22	-	-	-
Sewer Reserve	185,704.99	20,000.00	-	205,704.99	-	205,704.99
Total Reporting Entity (Excluding Agency Funds)	\$ 3,727,643.68	\$ 5,409,551.56	\$ 6,253,155.62	\$ 2,884,039.62	\$ 131,003.08	\$ 3,015,042.70

Composition of Cash:

Cash on Hand.....	\$ 400.00
City Treasurer Checking Account .....	1,915,220.35
Municipal Investment Pool .....	1,208,878.85
Total Cash	3,124,499.20
Agency Funds Per Schedule 3	(109,456.50)
Total Reporting Entity (Excluding Agency Funds)	\$ 3,015,042.70

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



## CITY OF EUREKA, KANSAS

Notes to Financial Statement  
For the Year Ended December 31, 2022

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

#### Financial Reporting Entity

The City of Eureka, Kansas (the City) is a municipal corporation governed by a mayor and an elected six member council. This financial statement presents the City of Eureka, Kansas.

*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:

#### Eureka Carnegie Library

The City of Eureka Carnegie Library Board operates the City's public library. Acquisition or disposition of real property or bond issuances must be approved by the City. Separate financial statement are not prepared by the Library.

#### Eureka Public Building Commission

The City of Eureka Public Building Commission was created to oversee the construction of the Eureka swimming pool and library project. Acquisition or disposition of real property or bond issuances must be approved by the City. The City is acting as the fiduciary agent for the Commission. Separate financial statement are not prepared by the Commission.

#### 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 Eureka, Kansas, for the year of 2022:

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.

Bond and Interest fund – used to account for the accumulation of resources, including tax levies, transfers from other funds and payment of general long-term debt.



**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Regulatory Basis Fund Types (Continued)

Capital Project fund – used to account for the debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment.

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.)

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 account, 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 revenues 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.

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.

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 1st 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 or 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 1st 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.

Reimbursed Expenses

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

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 in nature rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1, of each year.
2. Publication in the local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5.
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, of each year.

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 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. During 2022, there were no such amendments.

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

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which, revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the 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:

- American Rescue Plan Act Fund
- Street Sales Tax Revenue Fund
- CDBG Grants Fund
- Fire Grants Fund
- Street Project Fund

In addition, an operating budget is not required for the Eureka Public Building Commission Principal and Interest Fund, for business principal and interest funds, and business reserve funds.

Spending in funds which are not subject to the legal annual operating budget requirements are 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.

The City was in apparent violation of K.S.A. 12-1608 which requires the treasurer of first and second class cities to publish the quarterly statements showing the total amount received into each fund and the total amount expended from each fund and the cash balances of each fund at the beginning and close of each quarter. Such quarterly statements shall show the amount of outstanding registered warrants, temporary notes, bonds and all other obligations and liabilities of the City. Two of the four quarterly statements were not published within the 30 day requirement.

**3. DEPOSITS AND INVESTMENTS**

As of year-end, the City has the following investments.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>		<u>Rating</u>
		<u>Less than 1</u>	<u>1 - 2</u>	
Kansas Municipal Investment Pool				
Overnight Pool	\$1,208,878.85	\$1,208,878.85	--	S&P AAf/S1+

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. The City’s allocation of investments as of December 31, 2022, is as follows:

<u>Investments</u>	<u>Percentage of Investments</u>
Kansas Municipal Investment Pool	100%

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

*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, 2022.

At year-end, the City’s carrying amount of deposits was \$1,915,220.35 and the bank balance was \$1,962,760.57. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, \$250,000.00 was covered by FDIC insurance and \$1,712,760.57 was collateralized with securities held by the pledging financial institutions’ agents in the City’s name.

At December 31, 2022, the City has invested \$1,208,878.85 in the State’s municipal investment pool. The municipal investment pool is under the oversight of the Pooled Money Investment Board. The board comprised of the State Treasurer and four additional members appointed by the State Governor. The board reports annually to the Kansas Legislature. State pooled monies may be invested in direct obligation that are insured as to principal and interest, by the U.S. government or any agency thereof, with maturities of up to four years. No more than ten percent of those funds may be invested in mortgage-backed securities. In addition, the State pool may invest in repurchase agreements with Kansas banks or with primary government securities dealers.

### **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 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](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, 2016. Effective January 1, 2016, 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 and KPERS 2 and KPERS 3 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 8.90% for KPERS for the fiscal year ended December 31, 2022. Contributions to the pension plan from the City were \$83,520.27 for KPERS for the year ended December 31, 2022.

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

Net Pension Liability

At December 31, 2022, the City's proportionate share of the collective net pension liability reported by KPERS was \$814,084.00. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021, which was rolled forward to June 30, 2022. 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 nonemployer 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 these 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. RIGHT TO USE CONTRACTS**

As of December 31, 2022 the City has entered into an Right to use contract for a Ricoh copy machine which requires sixty monthly payments of \$161.85. Rent expense for the year ended December 31, 2022, was \$1,780.35. Under the current agreements, there were no future rental payments.

**6. FINANCE LEASES**

The City has entered into a finance lease agreement dated September 21, 2021 with Kansas State Bank, for the purchase of a Street sweeper. The total cost was \$224,550.00. The lease requires annual payments of \$36,032.78, including interest at 3.52% per annum, over the next seven years, maturing February 1, 2028. Debt requirements are as follows:

<u>Year Ended December 31</u>	<u>Totals</u>
2023	\$ 36,032.78
2024	36,032.78
2025	36,032.78
2026	36,032.78
2027	36,032.78
2028	<u>36,032.78</u>
	<u>216,196.68</u>
Less: Imputed Interest	<u>(24,320.19)</u>
Net Present Value of Minimum Lease Payments	191,876.49
Less: Current Maturities	<u>(29,278.72)</u>
Long-Term Finance Lease Obligations	<u>\$ 162,597.77</u>

**6. FINANCE LEASES** (Continued)

The City has entered into a finance lease agreement dated March 23, 2015 with Community National Bank & Trust, for the purchase of a Firetruck. The total cost was \$342,052.00. The lease requires annual payments of \$41,274.04, including interest at 3.57% per annum, over the next ten years, maturing March 23, 2025. Debt requirements are as follows:

<u>Year Ended December 31</u>	<u>Totals</u>
2023	\$ 41,274.04
2024	41,271.04
2025	<u>41,274.04</u>
	<u>123,819.12</u>
Less: Imputed Interest	<u>(8,338.69)</u>
Net Present Value of Minimum Lease Payments	115,480.43
Less: Current Maturities	<u>(37,151.39)</u>
Long-Term Finance Lease Obligations	<u>\$ 78,329.04</u>

**7. LONG-TERM DEBT**

Changes in long-term liabilities for the City for the year ended December 31, 2022, were as follows:

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
<b>General Obligation Bond:</b>									
Paid with Tax Levies									
Series 2019	4.00%	November 1, 2019	\$ 3,080,000.00	December 1, 2039	\$ 2,960,000.00	\$ -	\$ 125,000.00	\$ 2,835,000.00	\$ 78,923.76
<b>Revolving Loans:</b>									
Paid with Utility Revenues									
Kansas Water Pollution Control									
Series 2005	2.58%	October 4, 2005	510,204.00	March 1, 2027	162,046.99	-	27,789.50	134,257.49	4,002.72
Kansas Transportation Loan									
Series 2009	4.18%	May 11, 2009	124,881.43	August 1, 2028	54,015.73	-	6,802.36	47,213.37	2,257.86
<b>Finance Leases:</b>									
Street Sweeper									
Firetruck	3.52%	September 21, 2021	224,550.00	February 1, 2028	224,550.00	-	32,673.51	191,876.49	3,359.27
	3.57%	March 23, 2015	342,052.00	March 23, 2025	151,351.23	-	35,870.80	115,480.43	5,403.24
<b>Total Contractual Indebtedness</b>					<b>\$ 3,551,963.95</b>	<b>\$ -</b>	<b>\$ 228,136.17</b>	<b>\$ 3,323,827.78</b>	<b>\$ 93,946.85</b>



**7. LONG-TERM DEBT (Continued)**

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

Issue	2023	2024	2025	2026	2027	2028-2032	2033-2037	2038-2039	Total
<b>Principal</b>									
General Obligation:									
Series 2019	\$ 130,000.00	\$ 135,000.00	\$ 135,000.00	\$ 140,000.00	\$ 145,000.00	\$ 800,000.00	\$ 930,000.00	\$ 420,000.00	\$ 2,835,000.00
Revolving Loans:									
Kansas Water Pollution Control									
Series 2005	28,511.09	29,251.42	30,010.98	30,398.12	16,085.88	-	-	-	134,257.49
Kansas Transportation Loan									
Series 2009	7,086.70	7,382.92	7,691.54	8,013.02	8,347.98	8,691.21	-	-	47,213.37
Finance Leases:									
Street Sweeper	29,278.72	30,309.33	31,376.22	32,480.67	33,623.99	34,807.56	-	-	191,876.49
Firetruck	37,151.39	38,477.69	39,851.35	-	-	-	-	-	115,480.43
Total Principal Payments	232,027.90	240,421.36	243,930.09	210,891.81	203,057.85	843,498.77	930,000.00	420,000.00	3,323,827.78
<b>Interest</b>									
General Obligation:									
Series 2019	73,923.75	68,723.75	63,323.75	59,273.75	55,073.75	221,406.25	125,318.75	16,827.50	683,871.25
Revolving Loans:									
Kansas Water Pollution Control									
Series 2005	3,281.13	2,540.80	1,781.24	1,001.96	202.37	-	-	-	8,807.50
Kansas Transportation Loan									
Series 2009	1,973.52	1,677.30	1,368.68	1,047.20	712.24	363.28	-	-	7,142.22
Finance Leases:									
Street Sweeper	6,754.06	5,723.45	4,656.56	3,552.11	2,408.79	1,225.22	-	-	24,320.19
Firetruck	4,122.65	2,793.35	1,422.69	-	-	-	-	-	8,338.69
Total Interest Payments	90,055.11	81,458.65	72,552.92	64,875.02	58,397.15	222,994.75	125,318.75	16,827.50	732,479.85
Total Principal and Interest	\$ 322,083.01	\$ 321,880.01	\$ 316,483.01	\$ 275,766.83	\$ 261,455.00	\$1,066,493.52	\$1,055,318.75	\$ 436,827.50	\$4,056,307.63

**8. 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, 2022.

*Compensated Absences:*

All full-time employees of the City with six months of employment are eligible for vacation benefits in varying annual amounts. Employees may not carry over more than twenty days of vacation time into the new year of service, as determined by their anniversary date. Unused vacation days will be lost unless a written request for vacation time has been denied by the City Administrator.

Sick leave accrues to all full-time employees at the rate of eight hours of each month worked. Upon termination for any reason, employees will be paid for accumulated sick leave up to 720 hours.

The City determines a liability for compensated absences when the following conditions are met:

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 to the financial statement.

In accordance with the above criteria, the City has an unfunded liability for vacation benefits at December 31, 2022 of \$43,532.68. The City has not accrued a liability for sick leave earned, but not taken by City employees, as the amounts cannot be reasonable estimated.

*Other Post-Employment Benefits:*

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

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the City makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the Federal government for this coverage. The Premium is paid in full by the insured. There is no cost to the City under this program.

**9. CAPITAL PROJECTS**

The following is a summary of capital project authorizations and expenditures to date:

<u>PROJECT NAME</u>	<u>AUTHORIZED</u>	<u>EXPENDED THRU 12/31/22</u>	<u>ESTIMATED COMPLETION</u>
City Connecting Link Improvement	\$ 4,139,637.00	\$ 3,006,380.82	2023

**10. 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 purchase of various insurance policies.

**11. ECONOMIC DEPENDENCY**

During 2022, the City sold 23.49% of its water produced to Greenwood County Rural Water District No. 1 and 28.15% of its water produced to Greenwood County Rural Water District No. 2.

**12. OTHER COMMITMENTS**

The City entered into a five year purchase agreement as of February 1, 2016, which was amended November 12, 2019 to include five more years of service, with Waste Connections, Inc. to provide exclusive rights for residential and commercial waste collections for the City of Eureka. After year one Waste Connections, Inc. may adjust rates on an annual basis to reflect the percentage increase in the local Consumer Price Index – All Urban Consumers classified by population of the previous year.

The City has entered into a ten year airport manager agreement as of March 17, 2021 with Saxon Aerospace to manage the City’s municipal airport.

The City has entered into a four year water tower maintenance contract as of October 9, 2018 with Viking Industrial Painting to maintain the City’s water tower. Under the agreement the City has agreed to pay \$39,763.00 annually as compensation, with no provisions for increase.

**13. INTERFUND TRANSFERS**

Operating transfers were as follows:

<u>From Fund:</u>	<u>To Fund:</u>	<u>Statutory Authority:</u>	<u>Amount:</u>
American Rescue Plan Act	General	K.S.A. 79-2934	\$ 358,021.06
Water Utility	Water Reserve	K.S.A. 12-825d	20,000.00
Water Utility	General	K.S.A. 12-825d	260,000.00
Sewer Utility	General	K.S.A. 12-825d	135,000.00
Sewer Utility	Sewer Revolving Loan	K.S.A. 12-825d	31,792.22
Sewer Utility	Sewer Reserve	K.S.A. 12-825d	20,000.00

**14. 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 EUREKA, KANSAS**  
 Summary of Expenditures - Actual and Budget  
 Regulatory Basis  
 (Budgeted Funds Only)  
 For the Year Ended December 31, 2022

Funds	Total Certified Budget	Qualifying Adjustments for Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance - Over (Under)
General	\$ 2,108,595.00	\$ 154,140.95	\$ 2,262,735.95	\$ 2,123,000.91	\$ (139,735.04)
Special Purpose Funds:					
Library	92,342.00	14,805.40	107,147.40	91,914.97	(15,232.43)
Employee Health Benefits	5,921.00	-	5,921.00	3,242.10	(2,678.90)
Special Parks and Recreation	5,489.00	-	5,489.00	4,488.69	(1,000.31)
Special Highway	152,275.00	-	152,275.00	67,588.94	(84,686.06)
Promotion	14,708.00	-	14,708.00	7,764.17	(6,943.83)
Sales Tax Revenue	297,139.00	-	297,139.00	70,121.86	(227,017.14)
Street Sales Tax Revenue	1,122,550.00	-	1,122,550.00	755,878.84	(366,671.16)
River Street Sales Tax	559,724.00	-	559,724.00	203,923.76	(355,800.24)
Business Funds:					
Water Utility	1,170,831.00	-	1,170,831.00	985,263.39	(185,567.61)
Sewer Utility	475,614.00	244.00	475,858.00	386,061.16	(89,796.84)
Sewer Revolving Loan	33,726.00	-	33,726.00	31,792.22	(1,933.78)

**CITY OF EUREKA, KANSAS**  
**GENERAL FUND**

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Year Ended December 31, 2022

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2021)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
<b>Receipts</b>				
<b>Taxes and Shared Receipts</b>				
Ad Valorem Property Tax	\$ 682,778.07	\$ 719,599.22	\$ 741,751.00	\$ (22,151.78)
Delinquent Tax	15,491.57	24,542.03	21,604.00	2,938.03
Motor Vehicle Tax	92,528.16	99,205.49	104,895.00	(5,689.51)
Recreational Vehicle Tax	1,828.72	1,389.24	1,666.00	(276.76)
16/20M Vehicle Tax	529.33	436.53	606.00	(169.47)
Commercial Vehicle Tax	4,755.13	5,754.14	5,093.00	661.14
Watercraft Tax	574.53	800.67	699.00	101.67
Neighborhood Revitalization Rebate	(25,354.25)	(23,734.08)	(23,628.00)	(106.08)
<b>Intergovernmental</b>				
Franchise Tax	160,232.78	186,140.87	154,994.00	31,146.87
Connecting Links	20,625.79	20,640.00	20,654.00	(14.00)
Local Alcoholic Liquor Tax	5,647.15	5,160.52	5,129.00	31.52
Special Assessments	1,383.97	1,939.11	-	1,939.11
Occupation Tax	1,600.00	-	-	-
Airport Federal Grant	350,533.00	30,336.75	-	30,336.75
Airport State Grant	1,127.40	-	-	-
CARES Act Grant	-	42,000.00	-	42,000.00
FEMA Flood Federal Grant	5,451.42	-	-	-
FEMA Flood State Grant	726.86	-	-	-
Storm Siren Federal Grant	-	65,233.48	-	65,233.48
ALP State Grant	-	1,394.99	-	1,394.99
Fire State Grant	-	33,000.00	-	33,000.00
Historical Society State Grant	87,168.00	16,500.00	-	16,500.00
Other State Aid	-	2,512.74	-	2,512.74
Waste State Grant	1,836.50	-	-	-
Licenses and Permits	9,818.00	12,014.50	32,901.00	(20,886.50)
Fines and Forfeitures	56,017.10	47,470.22	76,559.00	(29,088.78)
<b>Charges for Services</b>				
Cemetery	30,880.00	20,250.00	18,590.00	1,660.00
Refuse Collection	38,010.00	38,702.50	40,983.00	(2,280.50)
Animal Tags, Releases, & Cremations	3,105.00	2,855.10	4,366.00	(1,510.90)
Street Cuts	60.00	20.00	-	20.00
<b>Use of Money and Property</b>				
Interest Income	327.31	7,389.36	341.00	7,048.36
Lake Receipts	134,730.07	126,880.77	133,681.00	(6,800.23)
Rentals	17,804.00	19,722.50	14,643.00	5,079.50
Sale of Assets	651.00	50.00	-	50.00
<b>Other Receipts</b>				
Miscellaneous	16,040.10	4,454.36	1,672.00	2,782.36
Reimbursed Expense	32,358.20	90,804.20	28,477.00	62,327.20

**CITY OF EUREKA, KANSAS  
GENERAL FUND**

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Year Ended December 31, 2022

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2021)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
<b>Receipts (Continued)</b>				
Operating Transfers from:				
Bond and Interest Fund	\$ 9,688.00	\$ -	\$ -	\$ -
American Rescue Plan Act Fund	-	358,021.06	-	358,021.06
Sewer Utility Fund	135,000.00	135,000.00	135,000.00	-
Water Utility Fund	260,000.00	260,000.00	260,000.00	-
<b>Total Receipts</b>	<b>2,153,952.91</b>	<b>2,356,486.27</b>	<b>\$ 1,780,676.00</b>	<b>\$ 575,810.27</b>
<b>Expenditures</b>				
General Administration				
Personal Services	283,470.68	335,642.39	\$ 306,662.00	\$ 28,980.39
Contractual Services	145,099.99	141,045.65	130,000.00	11,045.65
Commodities	30,112.73	39,121.22	30,000.00	9,121.22
Capital Outlay	211,463.20	145,286.98	272,241.00	(126,954.02)
Street and Alley Department				
Personal Services	326,978.53	362,570.04	346,658.00	15,912.04
Contractual Services	78,219.63	104,029.26	34,305.00	69,724.26
Commodities	2,476.01	9,793.35	42,662.00	(32,868.65)
Capital Outlay	100,775.49	58,187.60	135,060.00	(76,872.40)
Lease Purchase - Backhoe	24,142.46	-	-	-
Lease Purchase - Street Sweeper	-	36,032.78	-	36,032.78
Principal - KDOT Loan	6,529.44	6,802.36	-	6,802.36
Interest - KDOT Loan	2,530.78	2,257.86	-	2,257.86
Community Building Department				
Personal Services	1,422.37	1,854.17	982.00	872.17
Contractual Services	11,568.77	13,804.24	9,660.00	4,144.24
Commodities	148.97	1,054.25	585.00	469.25
Capital Outlay	-	-	7,500.00	(7,500.00)
Lakes and Park Department				
Personal Services	86,453.98	111,969.30	76,951.00	35,018.30
Contractual Services	33,823.61	36,205.32	19,518.00	16,687.32
Commodities	4,470.40	4,387.25	11,522.00	(7,134.75)
Capital Outlay	57,157.14	5,006.40	58,000.00	(52,993.60)
Fire Department				
Personal Services	35,462.81	49,384.19	45,732.00	3,652.19
Contractual Services	24,005.82	26,251.36	16,309.00	9,942.36
Commodities	5,093.08	9,142.84	9,803.00	(660.16)
Capital Outlay	14,443.75	61,701.55	53,274.00	8,427.55
Lease Purchase - Fire Truck	41,274.04	41,274.04	-	41,274.04
Industrial Development Department				
Capital Outlay	14.00	-	5,000.00	(5,000.00)
Police Department				
Contractual Services	237,522.84	247,522.80	247,523.00	(0.20)



**CITY OF EUREKA, KANSAS  
GENERAL FUND**

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Year Ended December 31, 2022

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2021)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Expenditures (Continued)				
Cemetery Department				
Personal Services	\$ 89,368.50	\$ 67,299.51	\$ 102,541.00	\$ (35,241.49)
Contractual Services	9,574.09	9,577.61	2,549.00	7,028.61
Commodities	322.85	275.19	5,208.00	(4,932.81)
Capital Outlay	12,636.29	599.98	13,500.00	(12,900.02)
Health and Sanitation Department				
Personal Services	50,007.62	55,418.00	52,690.00	2,728.00
Contractual Services	7,499.38	10,253.45	5,366.00	4,887.45
Commodities	483.31	1,723.98	3,794.00	(2,070.02)
Capital Outlay	1,312.80	229.99	-	229.99
Airport Department				
Personal Services	(1,016.00)	632.50	-	632.50
Contractual Services	37,976.31	56,906.21	40,000.00	16,906.21
Commodities	770.67	786.23	500.00	286.23
Capital Outlay	383,198.65	17,715.34	6,000.00	11,715.34
Engineering				
Contractual Services	-	-	5,000.00	(5,000.00)
Economic Development				
Contractual Services	-	21,258.73	5,000.00	16,258.73
Capital Outlay	-	364.00	-	364.00
Parks Department				
Capital Outlay	10,191.27	22,132.99	5,000.00	17,132.99
Home Improvement				
Contractual Services	2,000.00	6,000.00	-	6,000.00
City Events Department				
Commodities	4,000.00	1,500.00	1,500.00	-
Total Certified Budget			2,108,595.00	14,405.91
Adjustments for Qualified Budget Credits			154,140.95	(154,140.95)
Total Expenditures	2,372,986.26	2,123,000.91	\$ 2,262,735.95	\$ (139,735.04)
Receipts Over(Under) Expenditures	(219,033.35)	233,485.36		
Unencumbered Cash, Beginning	365,381.94	146,348.59		
Unencumbered Cash, Ending	\$ 146,348.59	\$ 379,833.95		

**CITY OF EUREKA, KANSAS**  
**LIBRARY FUND**

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Year Ended December 31, 2022

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2021)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
<b>Receipts</b>				
Taxes and Shared Receipts				
Ad Valorem Property Tax	\$ 62,480.72	\$ 64,914.60	\$ 66,915.00	\$ (2,000.40)
Delinquent Tax	1,737.66	2,447.08	1,949.00	498.08
Motor Vehicle Tax	9,973.22	9,365.78	9,600.00	(234.22)
Recreational Vehicle Tax	195.45	130.08	152.00	(21.92)
16/20M Vehicle Tax	56.43	45.31	55.00	(9.69)
Commercial Vehicle Tax	496.78	528.81	466.00	62.81
Watercraft Tax	59.63	73.27	64.00	9.27
Neighborhood Revitalization Rebate	(2,320.15)	(2,141.03)	(2,235.00)	93.97
Other Receipts				
Miscellaneous	-	41.75	-	41.75
Reimbursed Expense	10,890.60	14,805.40	11,382.00	3,423.40
<b>Total Receipts</b>	<b>83,570.34</b>	<b>90,211.05</b>	<b>\$ 88,348.00</b>	<b>\$ 1,863.05</b>
<b>Expenditures</b>				
Culture and Recreation				
Personal Services	9,442.59	11,166.22	\$ 9,314.00	\$ 1,852.22
Contractual Services	4,293.00	4,548.75	4,293.00	255.75
Appropriation to Library Board	73,800.00	76,200.00	78,735.00	(2,535.00)
<b>Total Certified Budget</b>			<b>92,342.00</b>	<b>(427.03)</b>
Adjustments for Qualified Budget Credits			14,805.40	(14,805.40)
<b>Total Expenditures</b>	<b>87,535.59</b>	<b>91,914.97</b>	<b>\$ 107,147.40</b>	<b>\$ (15,232.43)</b>
Receipts Over(Under) Expenditures	(3,965.25)	(1,703.92)		
Unencumbered Cash, Beginning	8,566.15	4,600.90		
<b>Unencumbered Cash, Ending</b>	<b>\$ 4,600.90</b>	<b>\$ 2,896.98</b>		

**CITY OF EUREKA, KANSAS**  
**EMPLOYEE HEALTH BENEFITS FUND**

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Year Ended December 31, 2022

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2021)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Charges for Services				
Internal Service Fee	\$ 8,000.00	\$ 3,250.00	\$ 4,000.00	\$ (750.00)
Total Receipts	<u>8,000.00</u>	<u>3,250.00</u>	<u>\$ 4,000.00</u>	<u>\$ (750.00)</u>
Expenditures				
General Government				
Personal Services	5,250.00	3,242.10	\$ 5,921.00	\$ (2,678.90)
Total Expenditures	<u>5,250.00</u>	<u>3,242.10</u>	<u>\$ 5,921.00</u>	<u>\$ (2,678.90)</u>
Receipts Over(Under) Expenditures	2,750.00	7.90		
Unencumbered Cash, Beginning	<u>1,670.84</u>	<u>4,420.84</u>		
Unencumbered Cash, Ending	<u>\$ 4,420.84</u>	<u>\$ 4,428.74</u>		

**CITY OF EUREKA, KANSAS**  
**SPECIAL PARKS AND RECREATION FUND**

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Year Ended December 31, 2022

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2021)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Intergovernmental				
Local Alcoholic Liquor Tax	\$ 5,647.16	\$ 5,160.53	\$ 5,129.00	\$ 31.53
Other Receipts				
Reimbursed Expense	-	1,262.75	-	1,262.75
<b>Total Receipts</b>	<b>5,647.16</b>	<b>6,423.28</b>	<b>\$ 5,129.00</b>	<b>\$ 1,294.28</b>
Expenditures				
Culture and Recreation				
Contractual Services	2,872.71	2,782.53	\$ 2,489.00	\$ 293.53
Commodities	1,000.00	453.63	1,000.00	(546.37)
Capital Outlay	1,725.55	1,252.53	2,000.00	(747.47)
<b>Total Expenditures</b>	<b>5,598.26</b>	<b>4,488.69</b>	<b>\$ 5,489.00</b>	<b>\$ (1,000.31)</b>
Receipts Over(Under) Expenditures	48.90	1,934.59		
Unencumbered Cash, Beginning	7.36	56.26		
Unencumbered Cash, Ending	<u>\$ 56.26</u>	<u>\$ 1,990.85</u>		

**CITY OF EUREKA, KANSAS**  
**SPECIAL HIGHWAY FUND**

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Year Ended December 31, 2022

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2021)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Intergovernmental				
Highway Fuel Tax	\$ 67,453.08	\$ 62,063.24	\$ 60,330.00	\$ 1,733.24
Total Receipts	<u>67,453.08</u>	<u>62,063.24</u>	<u>\$ 60,330.00</u>	<u>\$ 1,733.24</u>
Expenditures				
Streets				
Personal Services	39,652.84	42,336.54	\$ 42,070.00	\$ 266.54
Commodities	22,726.88	8,897.40	20,000.00	(11,102.60)
Capital Outlay	-	16,355.00	90,205.00	(73,850.00)
Total Expenditures	<u>62,379.72</u>	<u>67,588.94</u>	<u>\$ 152,275.00</u>	<u>\$ (84,686.06)</u>
Receipts Over(Under) Expenditures	5,073.36	(5,525.70)		
Unencumbered Cash, Beginning	<u>79,628.62</u>	<u>84,701.98</u>		
Unencumbered Cash, Ending	<u>\$ 84,701.98</u>	<u>\$ 79,176.28</u>		

**CITY OF EUREKA, KANSAS**  
**PROMOTION FUND**

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Year Ended December 31, 2022

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2021)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Intergovernmental				
Transient Guest Tax	\$ 6,479.30	\$ 14,983.83	\$ 9,130.00	\$ 5,853.83
Total Receipts	6,479.30	14,983.83	\$ 9,130.00	\$ 5,853.83
Expenditures				
Economic Development				
Convention Expenditure	2,670.00	3,480.00	\$ 11,766.00	\$ (8,286.00)
Tourism Expenditure	1,000.00	4,284.17	2,942.00	1,342.17
Total Expenditures	3,670.00	7,764.17	\$ 14,708.00	\$ (6,943.83)
Receipts Over(Under) Expenditures	2,809.30	7,219.66		
Unencumbered Cash, Beginning	1,340.93	4,150.23		
Unencumbered Cash, Ending	\$ 4,150.23	\$ 11,369.89		

**CITY OF EUREKA, KANSAS**  
**AMERICAN RESCUE PLAN ACT FUND**  
Schedule of Receipts and Expenditures - Actual  
Regulatory Basis

For the Year Ended December 31, 2022

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2021)

	Prior Year Actual	Current Year Actual
Receipts		
Intergovernmental		
ARPA Grant	\$ 179,010.53	\$ 179,010.53
Total Receipts	179,010.53	179,010.53
Expenditures		
Operating Transfer to		
General Fund	-	358,021.06
Total Expenditures	-	358,021.06
Receipts Over(Under) Expenditures	179,010.53	(179,010.53)
Unencumbered Cash, Beginning	-	179,010.53
Unencumbered Cash, Ending	\$ 179,010.53	\$ -



**CITY OF EUREKA, KANSAS**  
**SALES TAX REVENUE FUND**

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Year Ended December 31, 2022

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2021)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Receipts				
Sales Tax	\$ -	\$ 28,877.14	\$ -	\$ 28,877.14
Operating Transfer from Eureka Public Building Commission Principal and Interest Fund	79,000.00	-	-	-
<b>Total Receipts</b>	<b>79,000.00</b>	<b>28,877.14</b>	<b>\$ -</b>	<b>\$ 28,877.14</b>
Expenditures				
Pool				
Capital Outlay	2,231.09	70,121.86	\$ 297,139.00	\$ (227,017.14)
<b>Total Expenditures</b>	<b>2,231.09</b>	<b>70,121.86</b>	<b>\$ 297,139.00</b>	<b>\$ (227,017.14)</b>
Receipts Over(Under) Expenditures	76,768.91	(41,244.72)		
Unencumbered Cash, Beginning	298,600.42	375,369.33		
Unencumbered Cash, Ending	<u>\$ 375,369.33</u>	<u>\$ 334,124.61</u>		

**CITY OF EUREKA, KANSAS**  
**STREET SALES TAX REVENUE FUND**

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Year Ended December 31, 2022

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2021)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Receipts				
Sales Tax	\$ 356,532.80	\$ 393,342.45	\$ 328,844.00	\$ 64,498.45
Total Receipts	356,532.80	393,342.45	\$ 328,844.00	\$ 64,498.45
Expenditures				
Capital Projects				
Capital Outlay	75,400.00	755,878.84	\$ 1,122,550.00	\$ (366,671.16)
Total Expenditures	75,400.00	755,878.84	\$ 1,122,550.00	\$ (366,671.16)
Receipts Over(Under) Expenditures	281,132.80	(362,536.39)		
Unencumbered Cash, Beginning	464,861.51	745,994.31		
Unencumbered Cash, Ending	\$ 745,994.31	\$ 383,457.92		

**CITY OF EUREKA, KANSAS**  
**RIVER STREET SALES TAX FUND**

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Year Ended December 31, 2022

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2021)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Receipts				
Sales Tax	\$ 356,532.79	\$ 364,465.25	\$ 328,844.00	\$ 35,621.25
Total Receipts	<u>356,532.79</u>	<u>364,465.25</u>	<u>\$ 328,844.00</u>	<u>\$ 35,621.25</u>
Expenditures				
Capital Projects				
Capital Outlay	1,841.25	-	\$ -	\$ -
Debt Service				
Principal	120,000.00	125,000.00	125,000.00	-
Interest	83,723.76	78,923.76	78,924.00	(0.24)
Cash Basis Reserve	-	-	355,800.00	(355,800.00)
Total Expenditures	<u>205,565.01</u>	<u>203,923.76</u>	<u>\$ 559,724.00</u>	<u>\$ (355,800.24)</u>
Receipts Over(Under) Expenditures	150,967.78	160,541.49		
Unencumbered Cash, Beginning	<u>105,759.96</u>	<u>256,727.74</u>		
Unencumbered Cash, Ending	<u>\$ 256,727.74</u>	<u>\$ 417,269.23</u>		

**CITY OF EUREKA, KANSAS**  
**CDBG GRANTS FUND**

Schedule of Receipts and Expenditures - Actual  
Regulatory Basis

For the Year Ended December 31, 2022

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2021)

	Prior Year Actual	Current Year Actual
Receipts		
Intergovernmental		
CDBG Grant	\$ 27,795.51	\$ 579,668.51
Total Receipts	27,795.51	579,668.51
Expenditures		
General Government		
Contractual Services	32,795.51	-
Capital Outlay	-	574,668.51
Total Expenditures	32,795.51	574,668.51
Receipts Over(Under) Expenditures	(5,000.00)	5,000.00
Unencumbered Cash, Beginning	-	(5,000.00)
Unencumbered Cash, Ending	\$ (5,000.00)	\$ -

**CITY OF EUREKA, KANSAS**  
**FIRE GRANTS FUND**

Schedule of Receipts and Expenditures - Actual  
Regulatory Basis

For the Year Ended December 31, 2022

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2021)

	Prior Year Actual	Current Year Actual
Receipts		
Other Receipts		
Grant Proceeds	\$ -	\$ -
Total Receipts	-	-
Expenditures		
Fire Department		
Capital Outlay	3,420.00	-
Total Expenditures	3,420.00	-
Receipts Over(Under) Expenditures	(3,420.00)	-
Unencumbered Cash, Beginning	4,500.90	1,080.90
Unencumbered Cash, Ending	<u>\$ 1,080.90</u>	<u>\$ 1,080.90</u>

**CITY OF EUREKA, KANSAS**  
**STREET PROJECT FUND**

Schedule of Receipts and Expenditures - Actual  
Regulatory Basis

For the Year Ended December 31, 2022

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2021)

	Prior Year Actual	Current Year Actual
Receipts		
Other Receipts		
Reimbursed Expense	\$ -	\$ 5,000.00
Total Receipts	-	5,000.00
Expenditures		
General Government		
Commodities	-	120.00
Capital Outlay	-	4,880.00
Total Expenditures	-	5,000.00
Receipts Over(Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	\$ -	\$ -

**CITY OF EUREKA, KANSAS**  
**BOND AND INTEREST FUND**

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Year Ended December 31, 2022

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2021)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
<b>Receipts</b>				
Taxes and Shared Receipts				
Ad Valorem Property Tax	\$ 0.73	\$ -	\$ -	\$ -
Delinquent Tax	1,577.28	1,181.32	-	1,181.32
Motor Vehicle Tax	9,017.97	2,198.54	-	2,198.54
Recreational Vehicle Tax	176.72	22.62	-	22.62
16/20M Vehicle Tax	51.03	40.97	-	40.97
Commercial Vehicle Tax	449.20	17.13	-	17.13
Watercraft Tax	53.93	-	-	-
<b>Total Receipts</b>	<b>11,326.86</b>	<b>3,460.58</b>	<b>\$ -</b>	<b>\$ 3,460.58</b>
<b>Expenditures</b>				
Operating Transfer to General Fund	9,688.00	-	\$ -	\$ -
<b>Total Expenditures</b>	<b>9,688.00</b>	<b>-</b>	<b>\$ -</b>	<b>\$ -</b>
Receipts Over(Under) Expenditures	1,638.86	3,460.58		
Unencumbered Cash, Beginning	3,823.55	5,462.41		
Unencumbered Cash, Ending	\$ 5,462.41	\$ 8,922.99		

**CITY OF EUREKA, KANSAS**  
**EUREKA PUBLIC BUILDING COMMISSION PRINCIPAL AND INTEREST FUND**  
 Schedule of Receipts and Expenditures - Actual  
 Regulatory Basis  
 For the Year Ended December 31, 2022  
 (With Comparative Actual Amounts for the Prior Year Ended December 31, 2021)

	Prior Year Actual	Current Year Actual
Receipts		
Operating Transfers from Sales Tax Revenue Fund	\$ -	\$ -
Total Receipts	-	-
Expenditures		
General Government Operating Transfer to Sales Tax Revenue Fund	79,000.00	-
Total Expenditures	79,000.00	-
Receipts Over(Under) Expenditures	(79,000.00)	-
Unencumbered Cash, Beginning	79,000.00	-
Unencumbered Cash, Ending	\$ -	\$ -



**CITY OF EUREKA, KANSAS**  
**PROJECT CONSTRUCTION FUND**

Schedule of Receipts and Expenditures - Actual  
Regulatory Basis

For the Year Ended December 31, 2022

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2021)

	Prior Year Actual	Current Year Actual
Receipts		
Use of Money and Property		
Interest Income	\$ -	\$ -
Total Receipts	-	-
Expenditures		
General Government		
Contractual Services	10.00	-
Capital Outlay	293,859.68	573,561.74
Total Expenditures	293,869.68	573,561.74
Receipts Over(Under) Expenditures	(293,869.68)	(573,561.74)
Unencumbered Cash, Beginning	1,363,422.79	1,069,553.11
Unencumbered Cash, Ending	\$ 1,069,553.11	\$ 495,991.37

**CITY OF EUREKA, KANSAS**  
**WATER UTILITY FUND**

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Year Ended December 31, 2022

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2021)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
<b>Receipts</b>				
Operating Receipts				
Water Sales	\$ 842,220.47	\$ 818,912.11	\$ 874,210.00	\$ (55,297.89)
Penalties	5,786.28	6,899.03	6,981.00	(81.97)
Connections	6,200.04	10,374.96	7,437.00	2,937.96
Use of Money and Property				
Interest Income	54.57	6,375.39	-	6,375.39
Other Receipts				
Miscellaneous	1,834.00	30,525.28	-	30,525.28
Reimbursed Expense	607.16	5,495.36	-	5,495.36
Residual Transfer from Water Revolving Loan Fund	9,224.92	-	-	-
<b>Total Receipts</b>	<b>856,702.52</b>	<b>878,582.13</b>	<b>\$ 888,628.00</b>	<b>\$ (10,045.87)</b>
<b>Expenditures</b>				
Operating Expenditures				
Personal Services	272,329.27	318,326.67	\$ 301,627.00	\$ 16,699.67
Contractual Services	105,143.51	124,401.73	110,000.00	14,401.73
Commodities	91,515.14	110,247.74	95,000.00	15,247.74
Capital Outlay	48,577.70	152,287.25	384,204.00	(231,916.75)
Operating Transfers to:				
Water Reserve Fund	20,000.00	20,000.00	20,000.00	-
General Fund	260,000.00	260,000.00	260,000.00	-
<b>Total Expenditures</b>	<b>797,565.62</b>	<b>985,263.39</b>	<b>\$ 1,170,831.00</b>	<b>\$ (185,567.61)</b>
Receipts Over(Under) Expenditures	68,361.82	(106,681.26)		
Unencumbered Cash, Beginning	192,667.91	261,029.73		
Unencumbered Cash, Ending	\$ 261,029.73	\$ 154,348.47		

**CITY OF EUREKA, KANSAS**  
**WATER REVOLVING LOAN FUND**

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Year Ended December 31, 2022

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2021)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Operating Transfers from Water Utility Fund	\$ -	\$ -	\$ -	\$ -
Total Receipts	-	-	\$ -	\$ -
Expenditures				
Residual Transfer to Water Utility Fund	9,224.92	-	\$ -	\$ -
Total Expenditures	9,224.92	-	\$ -	\$ -
Receipts Over(Under) Expenditures	(9,224.92)	-		
Unencumbered Cash, Beginning	9,224.92	-		
Unencumbered Cash, Ending	\$ -	\$ -		

**CITY OF EUREKA, KANSAS**  
**WATER RESERVE FUND**

Schedule of Receipts and Expenditures - Actual  
Regulatory Basis

For the Year Ended December 31, 2022

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2021)

	Prior Year Actual	Current Year Actual
Receipts		
Operating Transfers from Water Utility Fund	\$ 20,000.00	\$ 20,000.00
Total Receipts	20,000.00	20,000.00
Expenditures		
Capital Improvements Capital Outlay	-	-
Total Expenditures	-	-
Receipts Over(Under) Expenditures	20,000.00	20,000.00
Unencumbered Cash, Beginning	224,063.35	244,063.55
Unencumbered Cash, Ending	\$ 244,063.35	\$ 264,063.55

**CITY OF EUREKA, KANSAS**  
**METER DEPOSIT FUND**

Schedule of Receipts and Expenditures - Actual  
Regulatory Basis

For the Year Ended December 31, 2022

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2021)

	Prior Year Actual	Current Year Actual
Receipts		
Other Receipts		
Meter Deposits	\$ 10,731.70	\$ 10,863.30
Total Receipts	10,731.70	10,863.30
Expenditures		
Utility Services		
Deposit Refunds	10,731.70	10,863.30
Total Expenditures	10,731.70	10,863.30
Receipts Over(Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	\$ -	\$ -

**CITY OF EUREKA, KANSAS**  
**SEWER UTILITY FUND**

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Year Ended December 31, 2022

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2021)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
<b>Receipts</b>				
Operating Receipts				
Sewer Charges	\$ 317,515.47	\$ 318,153.35	\$ 315,349.00	\$ 2,804.35
Penalties	4,999.91	5,676.82	5,659.00	17.82
Connecting Fees	50.00	105.00	20.00	85.00
Use of Money and Property				
Interest Income	34.77	6,292.61	-	6,292.61
Other Receipts				
Miscellaneous	431.11	30,600.00	-	30,600.00
Reimbursed Expense	576.00	244.00	-	244.00
<b>Total Receipts</b>	<u>323,607.26</u>	<u>361,071.78</u>	<u>\$ 321,028.00</u>	<u>\$ 40,043.78</u>
<b>Expenditures</b>				
Operating Expenditures				
Personal Services	30,305.35	20,204.93	\$ 40,709.00	\$ (20,504.07)
Contractual Services	54,632.34	61,099.28	55,000.00	6,099.28
Commodities	1,274.32	4,348.79	5,000.00	(651.21)
Capital Outlay	13,459.09	113,615.94	188,113.00	(74,497.06)
Lease Purchase - Backhoe	24,142.47	-	-	-
Operating Transfers to:				
General Fund	135,000.00	135,000.00	135,000.00	-
Sewer Revolving Loan Fund	29,858.82	31,792.22	31,792.00	0.22
Sewer Reserve Fund	20,000.00	20,000.00	20,000.00	-
<b>Total Certified Budget</b>			<u>475,614.00</u>	<u>(89,552.84)</u>
Adjustments for Qualified Budget Credits				
Reimbursed Expense			244.00	(244.00)
<b>Total Expenditures</b>	<u>308,672.39</u>	<u>386,061.16</u>	<u>\$ 475,858.00</u>	<u>\$ (89,796.84)</u>
Receipts Over(Under) Expenditures	14,934.87	(24,989.38)		
Unencumbered Cash, Beginning	<u>149,433.41</u>	<u>164,368.28</u>		
Unencumbered Cash, Ending	<u>\$ 164,368.28</u>	<u>\$ 139,378.90</u>		

**CITY OF EUREKA, KANSAS**  
**SEWER REVOLVING LOAN FUND**

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Year Ended December 31, 2022

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2021)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Operating Transfers from Sewer Utility Fund	\$ 39,858.82	\$ 31,792.22	\$ 31,792.00	\$ 0.22
Total Receipts	<u>39,858.82</u>	<u>31,792.22</u>	<u>\$ 31,792.00</u>	<u>\$ 0.22</u>
Expenditures				
Debt Service				
Principal	27,086.16	27,789.50	\$ 27,790.00	\$ (0.50)
Interest	4,706.06	4,002.72	4,003.00	(0.28)
Cash Basis Reserve	-	-	1,933.00	(1,933.00)
Total Expenditures	<u>31,792.22</u>	<u>31,792.22</u>	<u>\$ 33,726.00</u>	<u>\$ (1,933.78)</u>
Receipts Over(Under) Expenditures	(1,933.40)	-		
Unencumbered Cash, Beginning	<u>1,933.40</u>	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

**CITY OF EUREKA, KANSAS**  
**SEWER RESERVE FUND**

Schedule of Receipts and Expenditures - Actual  
Regulatory Basis

For the Year Ended December 31, 2022

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2021)

	Prior Year Actual	Current Year Actual
Receipts		
Operating Transfers from Sewer Utility Fund	\$ 20,000.00	\$ 20,000.00
Total Receipts	20,000.00	20,000.00
Expenditures		
Capital Improvements Capital Outlay	-	-
Total Expenditures	-	-
Receipts Over(Under) Expenditures	20,000.00	20,000.00
Unencumbered Cash, Beginning	165,704.99	185,704.99
Unencumbered Cash, Ending	\$ 185,704.99	\$ 205,704.99



**CITY OF EUREKA, KANSAS**  
**AGENCY FUNDS**  
 Schedule of Receipts and Disbursements  
 Regulatory Basis  
 For the Year Ended December 31, 2022

	<u>Beginning Cash Balances</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Ending Cash Balances</u>
Refuse Collections	\$ 63,397.90	\$ 280,829.42	\$ 273,860.22	\$ 70,367.10
Eureka Project Grant	-	4,250.00	4,250.00	-
Fire Insurance Proceeds	<u>7,484.52</u>	<u>39,114.78</u>	<u>7,509.90</u>	<u>39,089.40</u>
Total Agency Funds	<u>\$ 70,882.42</u>	<u>\$ 324,194.20</u>	<u>\$ 285,620.12</u>	<u>\$ 109,456.50</u>

**CITY OF EUREKA, KANSAS**  
Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2022

FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM TITLE	PASS-THROUGH ENTITY IDENTIFYING NUMBER	FEDERAL CFDA NUMBER	PROVIDED TO SUBRECIPIENTS	CASH RECEIPTS	DISBURSE- MENTS/ EXPENDITURES
<b><u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u></b> Passed through the State of Kansas Department of Commerce Community Development Block Grant	21-PF-006	14.228	\$ -	\$ 579,668.51	\$ 579,668.51
Total U.S. Department of Housing and Urban Development			-	579,668.51	579,668.51
<b><u>U.S. DEPARTMENT OF THE TREASURY</u></b> Passed through State of Kansas, Department of Administration Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) - COVID-19	N/A	21.027	-	179,010.53	358,021.06
Total U.S. Department of the Treasury			-	179,010.53	358,021.06
<b><u>U. S. DEPARTMENT OF HOMELAND SECURITY</u></b> Passed through State of Kansas, Adjutant General Department Hazard Mitigation Grant Program	N/A	97.039	-	65,233.48	65,233.48
Total U.S. Department of Homeland Security			-	65,233.48	65,233.48
<b><u>U.S. DEPARTMENT OF TRANSPORTATION</u></b> Direct Program:					
Airport Improvement Program - COVID - 19	Not assigned	20.106	-	42,000.00	28,600.00
Airport Improvement Program	Not assigned	20.106	-	30,336.75	11,750.00
Total 20.106			-	72,336.75	40,350.00
Total U.S. Department of Transportation			-	72,336.75	40,350.00
<b>TOTAL ALL PROGRAMS</b>			\$ -	\$ 896,249.27	\$ 1,043,273.05

**NOTE A -- BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Eureka, Kansas and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statement.

**NOTE B -- INDIRECT COSTS**

The City of Eureka, Kansas did not elect to use the 10% de minimis cost rate.

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

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

Honorable Mayor and City Council  
City of Eureka, Kansas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statement of the City of Eureka, Kansas, as of and for the year ended December 31, 2022, and the related notes to the financial statement, which collectively comprise the City of Eureka, Kansas' basic financial statement, and have issued our report thereon dated June 20, 2023.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statement, we considered the City of Eureka, 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 statement, but not for the purpose of expressing an opinion on the effectiveness of the City of Eureka, Kansas' internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Eureka, Kansas' internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

**Report on Compliance and Other Matters**

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

**Purpose of this Report**

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



JARRED, GILMORE & PHILLIPS, PA  
Certified Public Accountants

Chanute, Kansas  
June 20, 2023

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

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM  
GUIDANCE**

Honorable Mayor and City Council  
City of Eureka, Kansas  
Eureka, Kansas

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

***Opinion on Each Major Federal Program***

We have audited the City of Eureka, Kansas' compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City of Eureka, Kansas' major federal programs for the year ended December 31, 2022. City of Eureka, Kansas' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of Eureka, Kansas complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended December 31, 2022.

***Basis for Opinion on Each Major Federal Program***

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

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

***Responsibilities of Management for Compliance***

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

### ***Auditor's Responsibilities for the Audit of Compliance***

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

### ***Report on Internal Control over Compliance***

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

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

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

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



JARRED, GILMORE & PHILLIPS, PA  
Certified Public Accountants

Chanute, Kansas  
June 20, 2023

**CITY OF EUREKA, KANSAS**

Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2022

**I. SUMMARY OF AUDITOR'S RESULTS**

**Financial Statement:**

The auditor's report expresses an adverse opinion on the basic financial statement of the City of Eureka, Kansas on the Generally Accepted Accounting Principles (GAAP) basis of accounting and an unmodified opinion on the regulatory basis of accounting.

**Internal Control over Financial Reporting:**

Material weakness(es) identified?	_____	Yes	_____ <u>X</u> _____	No
Significant deficiencies identified?	_____	Yes	_____ <u>X</u> _____	None Reported
Noncompliance or other matters required to be reported under <i>Government Auditing Standards</i>	_____	Yes	_____ <u>X</u> _____	No

**Federal Awards:**

Internal control over major programs:				
Material weakness(es) identified?	_____	Yes	_____ <u>X</u> _____	No
Significant deficiencies identified?	_____	Yes	_____ <u>X</u> _____	None Reported

The auditor's report on compliance for the major federal award programs for City of Eureka, Kansas expresses an unmodified opinion.

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	_____	Yes	_____ <u>X</u> _____	No
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Identification of major programs:

**U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPEMENT**  
Community Development Block Grant CFDA No. 14.228

The threshold for distinguishing Types A and B programs was \$750,000.00.

Auditee qualified as a low risk auditee?	_____	Yes	_____ <u>X</u> _____	No
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**II. FINANCIAL STATEMENT FINDINGS**

NONE

**III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

NONE



**CITY OF EUREKA, KANSAS**

Schedule of Prior Audit Findings  
For the Year Ended December 31, 2022

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NONE