

CITY OF SILVER LAKE COUNCIL MEETING

CITY HALL

June 17, 2024

5:30 P.M.

ORDER OF BUSINESS MEETING

Pledge of Allegiance

Public Comments

Minutes

Appropriation Ordinance

Business Items:

1. 2023 Audit Report by Varney & Associates
2. Appointment of Police Chief
3. Verizon Tower Rent Update
4. Water Leak Billing Policy Review
5. Public Works Equipment Rental Request
6. Councilmember Resignation

\*\*\*\*PLEASE NOTE: This agenda is subject to additions or changes as may be necessary.

**DRAFT**  
**City of Silver Lake Regular Session Minutes**  
**Monday, June 3, 2024**

The Governing Body of the City of Silver Lake met in regular session at City Hall on June 3, 2024, at 5:30 PM with Mayor Jonah Bishop conducting the meeting and the following Councilmembers present: Jake Fisher, Michael Hamilton, Larry Ross, and Kenneth Wade (4) absent: Brad Bryant (1). Also present was City Attorney Todd Luckman, Police Officer Doug Ashcraft, Public Works Assistant Brad Kirk and City Clerk Marie Beam.

A motion was made by Councilmember Ross to approve the minutes of the May 20, 2024 meeting as written. The motion was seconded by Councilmember Fisher and carried.

The monthly financial report was presented.

Claim vouchers in the amount of \$14,542.52 were submitted to Council for appropriation. A motion was made by Councilmember Ross and seconded by Councilmember Wade that said Appropriation Ordinance be accepted as read and passed by a roll call vote of AYE: Jake Fisher, Michael Hamilton, Larry Ross, and Kenneth Wade (4) NAY: (0). The Ordinance was declared passed and was given No. 2605.

Councilmember Wade made a motion to amend the agenda by adding the appointment of the Interim Police Chief as the first business item. The motion was seconded by Councilmember Ross and passed with all ayes.

Councilmember Ross made a motion to appoint Officer Doug Ashcraft as the Interim Police Chief. The motion was seconded by Councilmember Wade and passed.

City Attorney Luckman presented the recommendation of the Planning Commission to update the allowed exemptions for zone C-2. An Ordinance was then submitted to amend city code section 16-2511. A motion was made by Councilmember Ross and seconded by Councilmember Hamilton that said Ordinance be accepted as read and passed by a roll call vote of AYE: Jake Fisher, Michael Hamilton, Larry Ross, and Kenneth Wade (4) NAY: (0). The Ordinance was declared passed and was given No. 2606.

A proposed salary ordinance for the Assistant Clerk was presented including a \$.50 raise after the six-month probationary period. A motion was made by Councilmember Wade and seconded by Councilmember Ross that said Ordinance be accepted as read and passed by a roll call vote of AYE: Jake Fisher, Michael Hamilton, Larry Ross, and Kenneth Wade (4) NAY: (0). The Ordinance was declared passed and was given No. 2607.

Councilmember Wade updated those present on the progress with the Verizon Tower rental agreement. An additional update is to be added to the next agenda.

Councilmember Fisher made a motion to accept the 2024 Fireworks Resolution allowing fireworks to be lawfully discharged within the corporate limits of the City of Silver Lake only between the hours of 9:00 A.M. and 10:00 P.M. on June 27<sup>th</sup>, June 28<sup>th</sup>, June 29<sup>th</sup>, June 30<sup>th</sup>, July 1<sup>st</sup>, July 2<sup>nd</sup>, 2024 and between the hours of 9:00 A.M. and midnight on July 3<sup>rd</sup> and July 4<sup>th</sup>, and between 9:00 A.M. and 10:00 P.M. July 5<sup>th</sup>, 2023. Furthermore, fireworks may be lawfully discharged between the hours of 11:50 P.M., December 31, 2024 and 12:10 A.M. on January 1, 2025. Councilmember Hamilton seconded the motion. The motion passed and the resolution was given no. 2024-04.

Councilmember Ross made a motion to approve a Temporary Street Closure Request to close the 100 block of Madore on June 4, 2024 from 8:30 PM to 10:30 PM. The motion was seconded by Councilmember Hamilton and passed.

During the previous Council meeting a request was made in public comment for the Council to review the current policy on water leak billing. Attorney Luckman presented a sample policy. Council reviewed the policy and requested Attorney Luckman revise the policy for further discussion at the next Council Meeting.

Public Works Assistant Kirk presented the Public Works Report.

Interim Police Chief Ashcraft presented the Police Report.

With no further business to come before Council, Councilmember Fisher made a motion to adjourn the meeting at 5:48 PM. Councilmember Ross seconded the motion, and with no further discussion, the meeting was adjourned.

Marie Beam, City Clerk

**City of Silver Lake**  
**Record of Ordinance #2608**  
**June 17, 2024**

An Ordinance making appropriation for the payment of certain claims. Be it ordained by the Governing Body of the City of Silver Lake, Kansas. That in order to pay the claims hereinafter stated which have been properly audited and approved, there is hereby appropriated out of the respective funds in the City Treasury the sum required for each claim.

**General Operating**

**General Fund**

EFT	GEN	Shawnee County Solid Waste Department	Trash Service	-95.00
8826	GEN	Kansas One-Call System, Inc.	811 Locates	-9.60
8832	GEN	The Topeka Metro News	Ord # 2606 & 2607 & Resolution 2024-04	-471.44
8831	GEN	TARC, INC.	Shred Service	-10.00
8834	GEN	Varney and Associates, CPAs, LLC	2023 Audit	-6,250.00
EFT	GEN	Verizon Wireless	Cell phones	-134.35
EFT	GEN	Cox Business	Phone and Internet	-392.05
EFT	GEN	Card Service Center	Payroll Fee	-66.00
EFT	GEN	Card Service Center	Office Supplies	-105.47
<b>Total General Fund</b>				<b>-7,533.91</b>

**Law Enforcement**

EFT	LAW	Verizon Wireless	Cell Phones	-243.83
EFT	LAW	Cox Business	Phone and Internet	-185.51
8829	LAW	Moore Tire Center	Brake Repair 2020 Dodge Durango	-333.85
EFT	LAW	Card Service Center	Fuel	-321.92
EFT	LAW	Card Service Center	Uniform	-144.48
EFT	LAW	Card Service Center	Car Wash	-30.00
EFT	LAW	Card Service Center	Office Supplies	-60.33
<b>Total Law Enforcement</b>				<b>-1,319.92</b>

**Park**

8830	PRK	Schwant Tractor & Service, Inc.	Oil and Filters	-266.00
EFT	PRK	FreeState Electric Cooperative	Electricity	-104.50
<b>Total Park</b>				<b>-370.50</b>

**Street Lighting**

EFT	STL	FreeState Electric Cooperative	Electricity	-213.50
<b>Total Street Lighting</b>				<b>-213.50</b>
<b>Total General Operating</b>				<b>-9,437.83</b>

**Waterworks Fund**

8835	WW	Wehner's Thriftway Rossville	keys	-5.97
8828	WW	Menards	Concrete	-69.86
8827	WW	MARC	Super-Zyme 05	-431.62
EFT	WW	Verizon Wireless	Cell Phones	-81.46
EFT	WW	Cox Business	Phone and Internet	-114.30
8825	WW	Fullerton Automotive, LLC	Brake Repair F250	-617.17
EFT	WW	Card Service Center	Testing Fees	-50.00
EFT	WW	Card Service Center	Phone storage	-0.99
EFT	WW	FreeState Electric Cooperative	Electricity	-396.00
8833	WW	Universal Chemical LLC	Enzymes	-374.25
<b>Total Waterworks Fund</b>				<b>-2,141.62</b>
<b>TOTAL</b>				<b>-11,579.45</b>

That this Ordinance shall take effect and be in force from and after its passage.

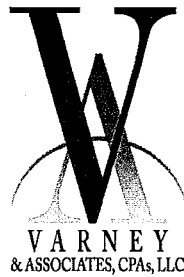
Passed this 17th day of June, 2024

Signed or Approved this 17th day of June, 2024

**Attest:**

\_\_\_\_\_  
City Clerk

\_\_\_\_\_  
Mayor



June 12, 2024

City of Silver Lake, Kansas  
218 W. Railroad  
Silver Lake, KS 66539

We have audited the financial statement of City of Silver Lake, Kansas as of and for the year ended December 31, 2023, and have issued our report thereon dated June 12, 2024. Professional standards require that we advise you of the following matters relating to our audit.

**Our Responsibility in Relation to the Financial Statement Audit**

As communicated in our engagement letter dated November 19, 2023, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statement that has been prepared by management with your oversight is presented fairly, in all material respects, in accordance with the regulatory basis of accounting prescribed by the State of Kansas in the *Kansas Municipal Audit and Accounting Guide* (KMAAG). Our audit of the financial statement does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statement is free of material misstatement. An audit of financial statement includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of City of Silver Lake, Kansas solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

**Planned Scope and Timing of the Audit**

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

**Compliance with All Ethics Requirements Regarding Independence**

The engagement team, others in our firm, as appropriate, and our firm have complied with all relevant ethical requirements regarding independence.

**Qualitative Aspects of the Entity's Significant Accounting Practices**

*Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by City of Silver Lake, Kansas is included in Note 1 to the financial statement. There has been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2023. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

**Qualitative Aspects of the Entity's Significant Accounting Practices (Continued)**

*Significant Accounting Estimates*

Accounting estimates are an integral part of the financial statement prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statement and because of the possibility that future events affecting them may differ markedly from management's current judgments.

There are no sensitive accounting estimates affecting the financial statement.

*Financial Statement Disclosures*

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. We did not identify any significant unusual transactions.

**Significant Unusual Transactions**

For purposes of this communication, professional standards require us to communicate to you significant unusual transactions identified during our audit. We did not identify any significant unusual transactions.

**Significant Difficulties Encountered during the Audit**

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

**Uncorrected and Corrected Misstatements**

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statement as a whole. There were no misstatements identified. Uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future-period financial statement to be materially misstated, even though the uncorrected misstatements are immaterial to the financial statement currently under audit.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. There were no misstatements identified.

**Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to City of Silver Lake, Kansas's financial statement or the auditor's report. No such disagreements arose during the course of the audit.

**Representations Requested from Management**

We have requested certain written representations from management, which are included in a separate letter dated the same as this letter.

**Management's Consultations with Other Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

June 12, 2024  
City of Silver Lake, Kansas  
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**Other Significant Matters, Findings, or Issues**

In the normal course of our professional association with City of Silver Lake, Kansas, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as auditors.

This report is intended solely for the information and use of the City Commission and management of City of Silver Lake, Kansas and is not intended to be and should not be used by anyone other than these specified parties.

*Varney & Associates, CPAs, LLC*

Certified Public Accountants  
Manhattan, Kansas

**CITY OF SILVER LAKE, KANSAS**

**FINANCIAL STATEMENT**

**WITH**

**INDEPENDENT AUDITOR'S REPORT**

December 31, 2023

**VARNEY & ASSOCIATES, CPAs, LLC**  
Manhattan, Kansas

**CITY OF SILVER LAKE, KANSAS**  
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June 12, 2024

Mayor and Council Members  
City of Silver Lake, Kansas

### **Independent Auditor's Report**

#### ***Adverse and Unmodified Opinions***

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of City of Silver Lake, Kansas (the City), as of and for the year ended December 31, 2023 and the related notes to the financial statement.

#### ***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

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

#### ***Unmodified Opinion on Regulatory Basis of Accounting***

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

#### ***Basis for Adverse and Unmodified Opinions***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and KMAAG. 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 audits. 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 the 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 on the basis of the financial reporting provisions of the KMAAG, 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 the financial statement in accordance with KMAAG as described in Note 1; this includes determining 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 financial statement that is free from material misstatement, whether due to fraud or error.

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

***Auditor's Responsibilities for the Audit of the Financial Statement***

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

In performing an audit in accordance with GAAS, we:

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

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

***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, schedule of regulatory basis receipts and expenditures-agency funds (Schedules 1 and 2 as listed in the table of contents) are presented for purposes of additional analysis and are not required part of the basic financial statement; however, are required to be presented under the provisions of the KMAAG. 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.

*Varney & Associates, CPAs, LLC*

Certified Public Accountants  
Manhattan, Kansas

**CITY OF SILVER LAKE, KANSAS**  
**SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH**  
 Regulatory Basis

For the Year Ended December 31, 2023

Fund	Beginning	Prior Year	Receipts	Expenditures	Ending	Add	Ending
	Unencumbered				Unencumbered		Encumbrances
	Balance	Cancelled			Balance	Encumbrances	Balance
Governmental Funds							
General Fund	\$ 278,257	\$ -	\$ 651,410	\$ 695,346	\$ 234,321	\$ 5,439	\$ 239,760
Special Purpose Funds							
Special Highway Fund	70,020	-	59,551	93,348	36,223	-	36,223
Special Park and Recreation	17,087	-	1,103	-	18,190	-	18,190
DARE	1,556	-	-	680	876	-	876
ARPA	19,618	-	-	4,850	14,768	-	14,768
Capital Improvement Fund	386,878	-	30,000	19,868	397,010	-	397,010
Business Funds							
Water/Sewer Utility	160,495	-	629,565	521,740	268,320	2,071	270,391
Utility Reserve	420,765	-	15,000	-	435,765	-	435,765
<b>Total Reporting Entity</b>	<b>\$ 1,354,676</b>	<b>\$ -</b>	<b>\$ 1,386,629</b>	<b>\$ 1,335,832</b>	<b>\$ 1,405,473</b>	<b>\$ 7,510</b>	<b>\$ 1,412,983</b>

**Composition of Cash:**

Checking accounts	\$ 661,144
Money Market	284,863
Certificates of deposit	466,976
<b>\$</b>	<b>1,412,983</b>

**CITY OF SILVER LAKE, KANSAS**  
**NOTES TO FINANCIAL STATEMENT**  
December 31, 2023

**Note 1: Summary of Significant Accounting Policies**

**Basis of Presentation - Fund Accounting**

The City of Silver Lake, Kansas (the City) is a municipal corporation governed by an elected five-member council. The accounting policies of the City conform to the cash-basis and budget laws of Kansas (regulatory basis). The following is a summary of the more significant policies.

**Municipal Financial Reporting Entity**

The municipal financial reporting entity is composed of the primary government. There are no related municipal entities included in the financial statement.

**Regulatory Basis Fund Types**

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balances, receipts and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. In the financial statement in this report, the various funds are grouped into generic fund types and broad fund categories as follows:

**General Fund** - The general fund is the chief operating fund of the City. It is used to account for all resources except those required to be accounted for in another fund.

**Special Purpose Funds** - Special purpose funds are used to account for the proceeds of specific tax levies and other specific revenue sources intended for specified use.

**Bond and Interest Funds** - Bond and interest funds are used to account for the accumulation of resources, including tax levies, transfer from other funds and payment of general long-term debt.

**Capital Projects Fund** - Capital projects fund is used to account for capital projects.

**Business Funds** - Business funds are used to account for funds financed in whole or part by fees charged to the users of the goods or services.

**Trust Funds** - Trust funds are used to report assets held in trust for the benefit of the City's financial reporting entity (i.e. pension funds, investment trust funds, private purpose trust funds which benefit the municipal reporting entity, scholarship funds, etc.).

**Agency Funds** - Agency funds are used to account for assets held by the City's reporting entity in a purely custodial capacity (payroll clearing fund, tax collection accounts, etc.).

**Basis of Accounting and Presentation**

The *Kansas Municipal Audit and Accounting Guide* (KMAAG) regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at 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 City 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 City to use the regulatory basis of accounting.

**CITY OF SILVER LAKE, KANSAS**  
**NOTES TO FINANCIAL STATEMENT (CONTINUED)**  
December 31, 2023

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

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 20. The City did not 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. 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 individual funds. Budget comparison statements 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 project funds, trust funds, and the following special purpose funds: equipment reserve fund, capital improvement fund and ARPA.

***Property Tax***

The County Clerk calculates the final tax levy rates necessary to finance the budget subject to any legal limitations. After all budgets have been received and tax rates calculated, the clerk certifies the tax roll and prepares tax statements for the County Treasurer, who receives payment.

Taxes levied to finance the budget are made available to the City after January 1st and are distributed by the County Treasurer per statutes. At least 50% of the taxes levied are available in January. Delinquent tax collections are distributed throughout the year.

***Cash and Investments***

The City uses an internally pooled cash system in which the cash balances from all funds are combined and invested to the extent available in certificates of deposit and other authorized investments. Earnings from these investments, unless specifically designated, are allocated to the general fund and the utility funds based upon their average cash balances. Investments are stated at cost, which approximates market.

**CITY OF SILVER LAKE, KANSAS**  
**NOTES TO FINANCIAL STATEMENT (CONTINUED)**  
December 31, 2023

**Note 1: Summary of Significant Accounting Policies (Continued)**

***Reimbursements***

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 KMAAG regulatory basis accounting.

**Note 2: Deposits and Investments**

The City's investments consisted of short-term certificates of deposit.

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 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. The City had no investments other than certificates of deposit, which are included in the bank deposits; therefore they do not have a rating.

*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, except during designated "peak periods" when required coverage is 50%. The City had no agreements for designated "peak periods." All deposits were legally secured at December 31, 2023.

At December 31, 2023, the carrying amount of the City's deposits, including certificates of deposit, was \$1,412,983 and the bank balance was \$1,413,083. The bank balance was held by two banks which results in a concentration of credit risk. Of the bank balance, \$500,000 was covered by federal depository insurance and \$912,983 was collateralized with securities held by the pledging financial institutions agents' in the City's name.

*Custodial credit risk - investments:* For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

**CITY OF SILVER LAKE, KANSAS**  
**NOTES TO FINANCIAL STATEMENT (CONTINUED)**  
December 31, 2023

**Note 3: Pension Plan**

***General Information about the Pension Plan***

Plan description: The City 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, etc. 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, 2016. Effective January 1, 2016, Kansas law established the KPERS member-employee contribution rate of 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(b) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1, 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 8.43% for the fiscal year ended December 31, 2023. Contributions to the pension plan from the City were \$28,453 for the year ended December 31, 2023.

***Net Pension Liability***

At December 31, 2023, the City's proportionate share of the collective net pension liability reported by KPERS was \$264,777. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022, which was rolled forward to June 30, 2023. The City's proportion of the net pension liability was based on the ratio of the City's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

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

**Note 4: Other Post Employment Benefit**

As provided by K.S.A. 12-5040, the City 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 this financial statement.

Under the Consolidated 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.

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

**CITY OF SILVER LAKE, KANSAS**  
**NOTES TO FINANCIAL STATEMENT (CONTINUED)**  
 December 31, 2023

**Note 5: Compensated Absences**

The City maintains a policy of providing vacation, compensatory time, and sick leave to its employees that qualify, granted in varying amounts depending on length of service and date of hire. All vacation time must be taken in the year available. No unused vacation time may be carried over to the following year. Employees will be paid for unused accrued vacation time, compensatory time, and personal leave days upon termination of employment. Unused sick leave days will not be paid by the City upon termination of employment. The City accounts for compensated absences when they are paid.

**Note 6: Commitments and Contingencies**

***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; and natural disasters. The City manages these various risks of loss through commercial insurance with varying deductibles. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

**Note 7: Interfund Transactions**

Operating Transfers were as follows for the year ended December 31, 2023:

<u>From</u>	<u>To</u>	<u>Regulatory Authority</u>	<u>Amount</u>
General	Capital Improvement	K.S.A. 19-120	\$ 30,000
Water	Utility Reserve	K.S.A. 19-120	15,000
			<u>\$ 45,000</u>

**Note 8: Subsequent Events**

Management has evaluated subsequent events from the financial statement date through June 12, 2024, the date at which this financial statement was available to be issued, and determined there are no other items to disclose.



CITY OF SILVER LAKE, KANSAS  
**NOTES TO FINANCIAL STATEMENT (CONTINUED)**  
 December 31, 2023

**Note 9: Changes in Long-Term Debt**

ISSUE	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/Payments	Net Change	Balance End of Year	Interest Paid
<b>KDHE Revolving Loan</b>										
KWPCRF Project No. C20 1710 01	2.68%	2/14/2006	\$ 343,626	9/1/2027	\$ 103,708	\$ -	\$ 19,652	\$ (19,652)	\$ 84,056	\$ 2,649
KWPCRF Project No. C20 1934 01	2.12%	1/28/2013	692,565	3/1/2034	433,187	-	33,639	(33,639)	399,548	9,006
<b>TOTAL LONG-TERM DEBT</b>					<u>\$ 536,895</u>	<u>\$ -</u>	<u>\$ 53,291</u>	<u>\$ (53,291)</u>	<u>\$ 483,604</u>	<u>\$ 11,655</u>

**CITY OF SILVER LAKE, KANSAS**  
**NOTES TO FINANCIAL STATEMENT (CONTINUED)**  
 December 31, 2023

**Note 10: Maturity of Long-Term Debt**

	2024	2025	2026	2027	2028	2029-2033	2034-2038	Total
<b>PRINCIPAL</b>								
Revolving Loans								
KWPCRF Project No. C20 1710 01	\$20,182	\$ 20,726	\$ 21,286	\$ 21,862	\$ -	\$ -	\$ -	\$ 84,056
KWPCRF Project No. C20 1934 01	34,355	35,087	35,835	36,599	37,379	199,192	21,101	399,548
	<u>\$54,537</u>	<u>\$ 55,813</u>	<u>\$ 57,121</u>	<u>\$ 58,461</u>	<u>\$ 37,379</u>	<u>\$ 199,192</u>	<u>\$ 21,101</u>	<u>\$ 483,604</u>
<b>INTEREST AND SERVICES CHARGES</b>								
KWPCRF Project No. C20 1710 01	\$ 2,118	\$ 1,574	\$ 1,015	\$ 441	\$ -	\$ -	\$ -	\$ 5,148
KWPCRF Project No. C20 1934 01	8,289	7,557	6,809	6,045	5,265	14,032	223	48,220
	<u>\$10,407</u>	<u>\$ 9,131</u>	<u>\$ 7,824</u>	<u>\$ 6,486</u>	<u>\$ 5,265</u>	<u>\$ 14,032</u>	<u>\$ 223</u>	<u>\$ 53,368</u>
<b>TOTAL PRINCIPAL INTEREST AND SERVICE CHARGES</b>	<u>\$64,944</u>	<u>\$ 64,944</u>	<u>\$ 64,945</u>	<u>\$ 64,947</u>	<u>\$ 42,644</u>	<u>\$ 213,224</u>	<u>\$ 21,324</u>	<u>\$ 536,972</u>

**REGULATORY-REQUIRED SUPPLEMENTAL INFORMATION**

**CITY OF SILVER LAKE, KANSAS**  
**SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET**  
**Regulatory Basis**  
 For the Year Ended December 31, 2023

	<u>Certified Budget</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance Over (Under)</u>
General Fund	\$ 836,478	\$ 836,478	\$ 695,346	\$ (141,132)
Special Highway Fund	120,000	120,000	93,348	(26,652)
Special Park and Recreation	11,000	11,000	-	(11,000)
DARE	3,211	3,211	680	(2,531)
Water/Sewer Utility	535,000	535,000	521,740	(13,260)
<b>Total</b>	<u>\$ 1,505,689</u>	<u>\$ 1,505,689</u>	<u>\$ 1,311,114</u>	<u>\$ (194,575)</u>

**CITY OF SILVER LAKE, KANSAS**  
**GENERAL FUND**  
**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**  
**Regulatory Basis**  
For the Year Ended December 31, 2023

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
<b>Receipts</b>			
Taxes and shared revenues	\$ 422,991	\$ 426,226	\$ (3,235)
Franchise fees	75,415	70,000	5,415
Sales tax	109,529	100,000	9,529
Licenses and permits	2,904	1,500	1,404
Fines, forfeitures and penalties	10,210	7,500	2,710
Use of property	7,024	2,000	5,024
Interest	12,130	2,000	10,130
Reimbursements	2,232	-	2,232
Miscellaneous	8,975	10,000	(1,025)
<b>Total Receipts</b>	<u>\$ 651,410</u>	<u>\$ 619,226</u>	<u>\$ 32,184</u>
<b>EXPENDITURES</b>			
Administration	\$ 237,240	\$ 276,000	\$ (38,760)
Law enforcement	343,061	453,700	(110,639)
Street department	68,478	85,500	(17,022)
Park	7,775	9,000	(1,225)
Street lighting	8,792	10,000	(1,208)
Transfers out	30,000	2,278	27,722
<b>Total Expenditures</b>	<u>\$ 695,346</u>	<u>\$ 836,478</u>	<u>\$ (141,132)</u>
<b>Receipts Over (Under) Expenditures</b>	\$ (43,936)		
<b>Unencumbered Cash - Beginning</b>	<u>278,257</u>		
<b>Unencumbered Cash - Ending</b>	<u>\$ 234,321</u>		

CITY OF SILVER LAKE, KANSAS  
SPECIAL HIGHWAY FUND  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
Regulatory Basis  
For the Year Ended December 31, 2023

	Actual	Budget	Variance Over (Under)
<b>Receipts</b>			
Taxes and shared revenues	\$ 59,551	\$ 59,440	\$ 111
<b>Expenditures</b>			
Capital outlay	\$ 93,348	\$ 120,000	\$ (26,652)
<b>Receipts Over (Under) Expenditures</b>	\$ (33,797)		
<b>Unencumbered Cash - Beginning</b>	70,020		
<b>Unencumbered Cash - Ending</b>	\$ 36,223		

**CITY OF SILVER LAKE, KANSAS**  
**SPECIAL PARK AND RECREATION FUND**  
**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**  
**Regulatory Basis**  
For the Year Ended December 31, 2023

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
<b>Receipts</b>			
Taxes and shared revenues	\$ 1,103	\$ 1,143	\$ (40)
<b>Expenditures</b>			
Miscellaneous	\$ -	\$ 11,000	\$ (11,000)
<b>Receipts Over (Under) Expenditures</b>	\$ 1,103		
<b>Unencumbered Cash - Beginning</b>	<u>17,087</u>		
<b>Unencumbered Cash - Ending</b>	<u>\$ 18,190</u>		

CITY OF SILVER LAKE, KANSAS  
DARE FUND  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
Regulatory Basis  
For the Year Ended December 31, 2023

	Actual	Budget	Variance Over (Under)
<b>Receipts</b>			
Donations	\$ -	\$ -	\$ -
<b>Expenditures</b>			
Commodities	\$ 29	\$ 3,211	\$ (3,182)
Miscellaneous	651	-	651
<b>Total Expenditures</b>	<u>\$ 680</u>	<u>\$ 3,211</u>	<u>\$ (2,531)</u>
<b>Receipts Over (Under) Expenditures</b>	\$ (680)		
<b>Unencumbered Cash - Beginning</b>	<u>1,556</u>		
<b>Unencumbered Cash - Ending</b>	<u>\$ 876</u>		



CITY OF SILVER LAKE, KANSAS  
WATER/SEWER UTILITY FUND  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
Regulatory Basis  
For the Year Ended December 31, 2023

	Actual	Budget	Variance Over (Under)
<b>Receipts</b>			
Charges for services	\$ 622,625	\$ 420,000	\$ 202,625
Interest	736	1,000	(264)
Miscellaneous	6,204	5,000	1,204
<b>Total Receipts</b>	\$ 629,565	\$ 426,000	\$ 203,565
<b>EXPENDITURES</b>			
Personnel services	\$ 241,095	\$ 244,000	\$ (2,905)
Contractual and other expenditures	80,136	100,000	(19,864)
Commodities	43,437	40,000	3,437
Capital outlay	76,127	75,000	1,127
Debt service	64,946	65,000	(54)
Miscellaneous	999	1,000	(1)
Transfers out	15,000	10,000	5,000
<b>Total Expenditures</b>	\$ 521,740	\$ 535,000	\$ (13,260)
<b>Receipts Over (Under) Expenditures</b>	\$ 107,825		
<b>Unencumbered Cash - Beginning</b>	160,495		
<b>Unencumbered Cash - Ending</b>	\$ 268,320		

**CITY OF SILVER LAKE, KANSAS**  
**CAPITAL IMPROVEMENT FUND**  
**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL**  
**Regulatory Basis**  
For the Year Ended December 31, 2023

<b>Receipts</b>	
Transfers in	<u>\$ 30,000</u>
<b>Expenditures</b>	
Capital outlay	<u>\$ 19,868</u>
<b>Receipts Over (Under) Expenditures</b>	\$ 10,132
<b>Unencumbered Cash - Beginning</b>	<u>386,878</u>
<b>Unencumbered Cash - Ending</b>	<u><u>\$ 397,010</u></u>

**CITY OF SILVER LAKE, KANSAS**  
**UTILITY RESERVE FUND**  
**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL**  
**Regulatory Basis**  
For the Year Ended December 31, 2023

<b>Receipts</b>	
Transfers in	<u>\$    15,000</u>
<b>Expenditures</b>	
Commodities	<u>\$          -</u>
<b>Receipts Over (Under) Expenditures</b>	<u>\$    15,000</u>
<b>Unencumbered Cash - Beginning</b>	<u>          420,765</u>
<b>Unencumbered Cash - Ending</b>	<u><u>\$    435,765</u></u>

**CITY OF SILVER LAKE, KANSAS**  
**ARPA FUND**  
**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL**  
**Regulatory Basis**  
For the Year Ended December 31, 2023

<b>Receipts</b>	
Grants	<u>\$ -</u>
<b>Expenditures</b>	
Contractual	\$ 2,850
Miscellaneous	<u>2,000</u>
<b>Total Expenditures</b>	<u>\$ 4,850</u>
<b>Receipts Over (Under) Expenditures</b>	\$ (4,850)
<b>Unencumbered Cash - Beginning</b>	<u>19,618</u>
<b>Unencumbered Cash - Ending</b>	<u><u>\$ 14,768</u></u>

## LEAK ADJUSTMENT POLICY

When a customer advises the City that a leak has occurred at an address, the following policy and procedure for adjustment of the billing may be followed:

1. The City will first determine if the leak meets certain criteria and will require documentation from the customer regarding the leak:

- a) The leak was undetectable by the customer (usually underground) and was not the result of a readily detectable leak (usually above ground problem) i.e. leaking faucets, toilets, hydrants, etc. that should be detected quickly by the customer.
- b) There has been no adjustment for a leak for this address/customer in the past 2-year period, starting from the first date of the prior leak event based upon the first billing cycle credited under this policy.
- c) The customer shall provide repair receipts from a plumber/contractor or copies of bills for plumbing materials used to repair the leak to show that the repair work has been completed.
- d) The City Clerk and City Maintenance Supervisor shall review the provided information and, if both agree that a leak adjustment is appropriate considering the facts and information known to the City, and that the leak was not caused by reckless actions or gross neglect by the customer, a leak adjustment will be provided as outlined in Section 3, below. If the City Clerk and City Maintenance Supervisor both agree that an adjustment is not warranted, or facts/information have not been sufficiently provided, no adjustment shall be allowed. If the City Clerk and City Maintenance Supervisor disagree as to eligibility for a leak reduction, the Mayor shall review the information and positions of the city officers and determine if a leak adjustment is appropriate. All leak adjustments are in the sole discretion of the City, based upon this Policy, the facts of each incidence and the cost to the City.

2. If the above standards are met and proper documentation is received by the City to the satisfaction of the City Clerk and City Maintenance Supervisor that a leak was indeed suffered by the customer, the customer shall make written request for adjustment of the account billing, including any request to pay an adjusted amount over time.

3. If approved, a leak adjustment shall provide as follows:

- a) A maximum of 2 billing cycles will be approved for adjustment. The City shall review the account to determine the probable time that the leak occurred in order to decide whether one (or two) billing cycles qualify for the adjustment. If the leak has been ongoing for a long period, the most recent month(s) will apply to the adjustment.
- b) If the use was not metered, the City shall determine the average usage of the service in question. Average usage is determined by reviewing the 3-month period prior to the leak event or averaging a 3-month period during the same seasonal period in the previous year using the highest average calculated.

- c) Either the actual use, or the average usage shall be taken times a water cost amount to determine the adjusted amount owed. This water cost amount is the determination of the actual cost to the City to supply water, including, but not limited to City employee time and cost of treatment/distribution.
- d) The City will determine a payment schedule if the customer cannot pay in full upon adjustment. Any adjustment under this policy is a matter of discretion and not a matter of right, and the City may deny any request for an adjustment as long as the denial is not arbitrary or unreasonable. Past allowances shall not set any precedent as to require the City to act accordingly in other circumstances.

APPROVED this \_\_\_\_ day of \_\_\_\_ 2024.

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**Jonah Bishop, Mayor**

**Attest:**

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**Marie Beam, City Clerk**

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# City of Silver Lake

PO Box 92  
218 W. Railroad St.  
Silver Lake, KS 66539



Silver Lake Council,

Thanks to the people of Silver Lake for trusting me to be a member of the City Council for the past 10 years. It has been, for the most part, a great experience. I will be resigning from the Council effective, 6-17-2024, at the conclusion of that meeting.

Regards,  
  
Larry Ross