

CITY OF EUDORA, KANSAS

Financial Statements

Year ended December 31, 2021

This page intentionally left blank

CITY OF EUDORA, KANSAS
Financial Statements
Year ended December 31, 2021

TABLE OF CONTENTS

	<u>Page Number</u>
INTRODUCTORY SECTION	
Table of Contents	i
FINANCIAL SECTION	
Independent Auditor's Report	1 - 2
Summary Statement of Receipts, Expenditures and Unencumbered Cash	3
Notes to the Financial Statements	4 - 10
SCHEDULE 1	
Summary of Expenditures - Actual and Budget	11
SCHEDULE 2	
Schedule of Receipts and Expenditures - Actual and Budget or Actual Only	
General Fund	12
Special Street Maintenance Fund	13
Capital Improvement Fund	14
Special Park Fees Fund	15
Public Assistance Fund	16
Equipment Reserve Fund	17
Energy Management Grant Fund	18
Efficiency Kansas Loan Program Fund	19
ARPA Fund	20
Bond and Interest Fund	21
Nottingham & Church Street Project Fund	22
KDOT 10 th Street Sidewalk Grant Fund	23
Water Utility Fund	24
Sewer Utility Fund	25
Electric Utility Fund	26
Refuse Utility Fund	27
Storm Drainage Utility Fund	28
SCHEDULE 3	
Summary of Receipts and Disbursements – Agency Funds	29

INDEPENDENT AUDITOR'S REPORT

Mayor and City Commission
City of Eudora, 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 Eudora, Kansas, (the City), as of and for the year ended December 31, 2021 and the related notes to the financial statement.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis of 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, 2021, or the 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, 2021, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

Basis for Adverse and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), and the *Kansas Municipal Audit and Accounting Guide*. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statement" section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse and unmodified 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 on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Responsibilities of Management for the Financial Statement

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

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

Auditor's Responsibilities for the Audit of the Financial Statement

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

In performing an audit in accordance with GAAS, we:

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

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

Supplementary Information

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

Gordon CPA LLC

Certified Public Accountant
Lawrence, Kansas

July 6, 2022

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

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add: Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
General Fund	\$ 1,898,021	\$ -	\$ 4,778,475	\$ 4,575,892	\$ 2,100,604	\$ 62,578	\$ 2,163,182
Special Purpose Funds:							
Special Street Maintenance	181,685	-	558,617	581,419	158,883	-	158,883
Capital Improvement	726,402	-	817,646	532,496	1,011,552	-	1,011,552
Special Park Fees	76,378	-	14,913	-	91,291	-	91,291
Public Assistance	-	-	242	-	242	-	242
Equipment Reserve	67,633	-	80,189	8,076	139,746	3,235	142,981
Energy Management Grant	207	-	-	-	207	-	207
Efficiency Kansas Loan Program	483	-	48	-	531	-	531
ARPA	-	-	489,189	-	489,189	-	489,189
Bond and Interest Fund:							
Bond and Interest	219,301	-	657,347	528,216	348,432	-	348,432
Capital Project Fund:							
Nottingham & Church Street Project	4,496,720	-	1,399,281	4,117,699	1,778,302	592,877	2,371,179
KDOT 10th Street Sidewalk Grant	-	-	135,412	112,645	22,767	7,395	30,162
Business Funds:							
Water Utility	592,768	-	1,746,784	1,621,267	718,285	92,762	811,047
Sewer Utility	1,250,535	-	3,488,076	1,270,854	3,467,757	21,018	3,488,775
Electric Utility	2,793,228	-	5,380,905	5,398,479	2,775,654	271,533	3,047,187
Refuse Utility	163,549	-	547,094	539,646	170,997	40,405	211,402
Storm Drainage Utility	110,831	-	135,643	85,885	160,589	-	160,589
Total Reporting Entity (Excluding Agency Funds)	<u>\$ 12,577,741</u>	<u>\$ -</u>	<u>\$ 20,229,861</u>	<u>\$ 19,372,574</u>	<u>\$ 13,435,028</u>	<u>\$ 1,091,803</u>	<u>\$ 14,526,831</u>

Composition of Cash:

Kaw Valley Bank	Demand Account	\$ 12,932,078
	Time Deposit	1,319,725
	Municipal Court	18,495
	Total Kaw Valley Bank	<u>14,270,298</u>
Mutual Savings Association	Time Deposit	188,009
	Total Mutual Savings Association	<u>188,009</u>
Central Bank of the Midwest	Time Deposit	110,000
	Total Central Bank of the Midwest	<u>110,000</u>
Total Cash		14,568,307
Less: Agency Funds (Schedule 3)		<u>[41,476]</u>
Total Reporting Entity (Excluding Agency Funds)		<u>\$ 14,526,831</u>

CITY OF EUDORA, KANSAS
Financial Statements
Year ended December 31, 2021

NOTE 1 - Summary of Significant Accounting Policies

Municipal Financial Reporting Entity

The City of Eudora, Kansas (the City) is a municipal corporation governed by a five-member commission. These financial statements present the City and any related municipal entities for which the government is considered to be financially accountable. The City has no related municipal entities.

Basis of Accounting

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

The 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.

Regulatory Basis Fund Types

The following types of funds comprise the financial activities of the City for the year ended December 31, 2021:

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

Special Purpose Fund - used to account for the proceeds of specific tax levies and other specific regulatory receipt 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.

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 - used to report assets held by the municipal reporting entity in a purely custodial capacity (i.e. payroll clearing fund, county treasure tax collection accounts, etc.)

CITY OF EUDORA, KANSAS
Financial Statements
Year ended December 31, 2021

NOTE 1 - Summary of Significant Accounting Policies

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 of the proposed budget and notice of public hearing on the budget on or before August 5th.
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 20th. The City was not required to hold a revenue neutral rate hearing for this year.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. The budget for the year ended December 31, 2021 was not amended.

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 regulatory receipts are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for the prior year's accounts payable and encumbrances. Encumbrances are commitments by the City 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, and the following special purpose funds: Capital Improvement, Special Park Fees, Public Assistance, Equipment Reserve, Energy Management Grant, Efficiency Kansas Loan Program and ARPA.

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

NOTE 2 - Deposits and Investments

Deposits. 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.

Investments. 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. As of December 31, 2021, the City held no such investments.

CITY OF EUDORA, KANSAS
Financial Statements
Year ended December 31, 2021

NOTE 2 - Deposits and Investments (Continued)

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

Custodial credit risk - deposits. Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The City has no designated "peak periods."

At December 31, 2021, the City's carrying amount of deposits was \$14,568,307 and the bank balance was \$14,655,268. The bank balance was held by three banks resulting in a concentration of credit risk. Of the bank balance, \$548,009 was covered by federal depository insurance and \$14,107,259 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. The City had no investments as of December 31, 2021.

NOTE 3 - Retirement 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, et. seq. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at www.kpers.org by writing to KPERS (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

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

State law provides that the employer contribution rates for KPERS 1, KPERS 2, KPERS 3 and KP&F be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate for the Death and Disability Program) and the statutory contribution rate was 8.87% for KPERS and 22.80% for KP&F the fiscal year ended December 31, 2021. Contributions to the pension plan from the City were \$186,256 for KPERS and \$195,638 for KP&F for the year ended December 31, 2021.

Net Pension Liability. At December 31, 2021, the City's proportionate share of the collective net pension liability reported by KPERS was \$1,196,188 and \$1,365,085 for KP&F. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020, which was rolled forward to June 30, 2021. The City's proportion of the net pension liability was based on the ratio of the City's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup of KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in these financial statements.

CITY OF EUDORA, KANSAS
Financial Statements
Year ended December 31, 2021

NOTE 3 - Retirement Plan

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 KPERS website at www.kpers.org or can be obtained as described above.

NOTE 4 - Long-Term Debt

Changes in Long-term Debt. During the year ended December 31, 2021, the following changes occurred in long-term liabilities:

<u>Issue</u>	Balance January 1, 2021	<u>Additions</u>	<u>Retirements</u>	Balance December 31, 2021	Interest <u>Paid</u>
General Obligation Bonds	\$ 6,730,000	\$ -	\$ 625,000	\$ 6,105,000	\$ 187,395
Temporary notes	5,815,000	2,485,000	-	8,300,000	25,521
State agency loans	2,085,856	174,679	199,275	2,061,260	51,160
Capital Leases	1,559,142	-	213,324	1,345,818	42,099
Totals	\$ 16,189,998	\$ 2,659,679	\$ 1,037,599	\$ 17,812,078	\$ 306,175

General Obligation Bonds. The City issues General Obligation Bonds to provide funds for the acquisition and construction of major capital facilities. General Obligation Bonds have been issues for both general government and business activities. These bonds are reported in the business funds if they are expected to be repaid from business fund receipts. In addition, general obligation bonds have not been issued to refund both general obligation and revenue bonds.

General obligation bonds currently outstanding are as follows:

<u>Issue</u>	<u>Issuance Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Original Amount</u>	Balance December 31, 2021
Paid for by taxes:					
Improvement Bonds, Series 2012-A	9/1/2012	9/1/2032	2.00-3.00%	\$ 2,840,000	\$ 1,705,000
Refunding Bonds, Series 2013-A	2/14/2013	9/1/2026	2.00-2.125%	3,180,000	1,155,000
Series 2019-A	9/1/2019	9/1/2039	4.75%	995,000	995,000
Total paid for by taxes					3,855,000
Paid for by revenues:					
Series 2010-A	10/1/2010	9/1/2030	3.25-5.00%	300,000	160,000
Series 2013-B	6/26/2013	9/1/2028	2.00-3.125%	2,290,000	1,190,000
Series 2016-A	9/15/2016	9/1/2031	2.50-2.00%	1,410,000	900,000
Total paid for by revenues					2,250,000
Total General Obligation Bonds					\$ 6,105,000

CITY OF EUDORA, KANSAS
Financial Statements
Year ended December 31, 2021

NOTE 4 - Long-Term Debt (Continued)

The annual debt service requirements to maturity for general obligation bonds are as follows:

Paid for by taxes:				Paid for by utility revenues:			
Year Ending				Year Ending			
<u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 355,000	\$ 113,689	\$ 468,689	2022	\$ 275,000	\$ 59,931	\$ 334,931
2023	360,000	106,589	466,589	2023	280,000	53,106	333,106
2024	370,000	99,389	469,389	2024	295,000	46,131	341,131
2025	385,000	91,989	476,989	2025	300,000	38,856	338,856
2026	395,000	83,759	478,759	2026	310,000	30,856	340,856
2027 - 2031	1,130,000	307,260	1,437,260	2027 - 2031	790,000	48,088	838,088
2032 - 2036	575,000	131,275	706,275	2032 - 2036	-	-	-
2037 - 2039	285,000	27,550	312,550	2037 - 2039	-	-	-
	<u>\$ 3,855,000</u>	<u>\$ 961,500</u>	<u>\$ 4,816,500</u>		<u>\$ 2,250,000</u>	<u>\$ 276,968</u>	<u>\$ 2,526,968</u>

Temporary Notes. The following table details the City's temporary notes debt at December 31, 2021.

Temporary notes currently outstanding are as follows:

<u>Issue</u>	<u>Issuance Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Original Amount</u>	<u>Balance December 31, 2021</u>
Paid for by taxes:					
G.O. Temporary Note Series 2020-A	10/15/2020	9/1/2024	0.50%	\$ 5,815,000	\$ 5,815,000
G.O. Temporary Note Series 2021-A	7/29/2021	9/1/2023	3.00%	2,485,000	<u>2,485,000</u>
					<u>\$ 8,300,000</u>

The annual debt service requirement to maturity for the temporary notes are as follows:

Paid for by taxes:			
Year Ending			
<u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ -	\$ 110,252	\$ 110,252
2023	2,485,000	103,625	2,588,625
2024	5,815,000	29,075	5,844,075
	<u>\$ 8,300,000</u>	<u>\$ 242,952</u>	<u>\$ 8,542,952</u>

State Agency Loans. The City has also obtained two loans from the State of Kansas (KDHE) to finance costs of water and sewer improvements.

State agency notes currently outstanding are as follows:

<u>Issue</u>	<u>Issuance Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Original Amount</u>	<u>Balance December 31, 2021</u>
Wastewater Improvements	8/2/2005	3/1/2028	2.57%	\$2,767,450	\$ 1,198,438
Water Improvements	5/10/2017	2/1/2038	2.33%	1,050,000	<u>862,822</u>
					<u>\$ 2,061,260</u>

CITY OF EUDORA, KANSAS
Financial Statements
Year ended December 31, 2021

NOTE 4 - Long-Term Debt (Continued)

The annual debt service requirements to maturity for the state agency notes are as follows:

Year Ending December 31,	Principal	Interest	Total
2022	\$ 212,146	\$ 49,557	\$ 261,703
2023	217,535	44,168	261,703
2024	223,061	38,642	261,703
2025	228,728	32,975	261,703
2026	234,538	27,165	261,703
2027 - 2031	532,373	71,302	603,675
2032 - 2036	267,210	34,389	301,599
2037 - 2039	145,669	5,130	150,799
	<u>\$2,061,260</u>	<u>\$303,328</u>	<u>\$2,364,588</u>

Capital Leases. The City has entered into lease agreements as lessee for financing the acquisition of equipment.

Capital leases currently outstanding are as follows:

Issue	Issuance Date	Maturity Date	Interest Rate	Original Amount	Balance December 31, 2021
Paid for by utility revenues:					
Water Meters	11/20/2015	11/1/2030	2.54%	\$ 1,584,198	\$ 1,020,865
Loader	2/28/2020	2/28/2023	3.13%	81,186	54,970
Digger	4/1/2020	4/1/2025	3.13%	332,374	269,983
					<u>\$ 1,345,818</u>

The annual debt service requirements to maturity for the capital leases are as follows:

Year Ending December 31,	Principal	Interest	Total
2022	\$ 193,636	\$ 35,741	\$ 229,377
2023	199,166	30,211	229,377
2024	176,044	24,533	200,577
2025	180,997	19,581	200,578
2026	113,138	14,501	127,639
2027 - 2030	482,837	27,720	510,557
	<u>\$ 1,345,818</u>	<u>\$152,287</u>	<u>\$1,498,105</u>

NOTE 5 - Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation pay benefits. Accumulated vacation carries over to the following year and will be paid upon termination or retirement. This liability for the year ending December 31, 2021 totaled \$160,721.

NOTE 6 - Subsequent Events

On March 4, 2022, the City entered into a capital lease agreement with a local bank to purchase a bucket truck for \$156,602. Terms of the lease are for four years with an interest rate of 2.74%. The lease is scheduled to mature in 2026.

CITY OF EUDORA, KANSAS
Financial Statements
Year ended December 31, 2021

NOTE 7 - Interfund Transfers

A reconciliation of transfers for 2021 follows:

<u>From</u>	<u>To</u>	<u>Amount</u>	<u>Regulatory Authority</u>
Refuse Utility	General	\$ 30,000	K.S.A. 12-825d
Electric Utility	General	767,000	K.S.A. 12-825d
Water Utility	General	142,000	K.S.A. 12-825d
Sewer Utility	General	142,000	K.S.A. 12-825d
General	Capital Improvement	205,520	K.S.A. 12-1,118
Storm Drainage Utility	Special Highway	75,000	K.S.A. 12-1,119
Capital Improvement	Special Highway	205,000	K.S.A. 12-1,118
Capital Improvement	KDOT 10th Street Sidewalk Grant	135,412	K.S.A. 12-1,118
		<u>\$1,701,932</u>	

NOTE 8 - Promissory Note

On September 28, 2020, the City entered into an agreement with Legacy Restaurant Group, LLC to sell certain real estate located within City limits, the location of which is a portion of the Southwest corner of Church Street and East 15th Street, known as, or to be known as the Nottingham Development. The purchase price was \$520,000. The Buyer paid \$10,000 as a down payment, \$190,000 at closing and \$181,010 on June 1, 2021. The Promissory Note obtained by Legacy Restaurant Group, LLC carries an interest rate of 4.50% and the balance remaining as of December 31, 2021 is \$138,990.

NOTE 9 - Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters, for which the City has carried commercial insurance. Settled claims resulting from these risks have not exceeded commercial insurance in any of the past three fiscal years.

NOTE 10 - Commitments and Contingencies

The City receives significant financial assistance from numerous federal and state governmental agencies in the form of grants and state pass-through aid. The disbursements of funds received under these programs generally require compliance with terms and conditions specified in the grant agreements and are subject to audit. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on the financial statements of the City as of December 31, 2021.

NOTE 11 - Other Long-Term Obligations from Operations

Other Post-Employment Benefits. 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 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.

Death and Disability Other Post-Employment Benefits. As provided by K.S.A. 74-4927, disabled members in the Kansas Public Employees Retirement System (KPERs) receive long-term disability benefits and life insurance benefits. The plan is administered through a trust held by KPERs that is funded to pay annual benefit payments. The employer contribution rate is set at 1% for the year ended December 31, 2021.

This page intentionally left blank

CITY OF EUDORA, KANSAS
 Summary of Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2021

<u>Funds</u>	<u>Certified Budget</u>	<u>Adjustment for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance Positive [Negative]</u>
General Fund	\$ 5,954,418	\$ -	\$ 5,954,418	\$ 4,575,892	\$ [1,378,526]
Special Purpose Funds:					
Special Street Maintenance	1,037,148	75,196	1,112,344	581,419	[530,925]
Bond and Interest Fund:					
Bond and Interest	596,758	138,826	735,584	528,216	[207,368]
Business Funds:					
Water Utility	1,700,834	300,000	2,000,834	1,621,267	[379,567]
Sewer Utility	1,784,734	2,185,560	3,970,294	1,270,854	[2,699,440]
Electric Utility	7,603,122	-	7,603,122	5,398,479	[2,204,643]
Refuse Utility	756,812	-	756,812	539,646	[217,166]
Storm Drainage Utility	167,127	-	167,127	85,885	[81,242]

See independent auditor's report on the financial statements.

SCHEDULE 2-1

CITY OF EUDORA, KANSAS
 General Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2021

	<u>Actual</u>	<u>Budget</u>	Variance Positive [Negative]
Receipts			
Taxes	\$ 3,041,587	\$ 3,145,914	\$ [104,327]
Franchise tax	100,903	143,398	[42,495]
Licenses	54,966	79,781	[24,815]
Recreation and aquatic center fees	124,441	246,977	[122,536]
Fines and fees	92,847	178,700	[85,853]
Interest	20,857	19,130	1,727
Use of property	43,846	-	43,846
Transfers in	1,081,000	1,081,000	-
Miscellaneous	<u>218,028</u>	<u>48,585</u>	<u>169,443</u>
Total Receipts	<u>4,778,475</u>	<u>\$ 4,943,485</u>	<u>\$ [165,010]</u>
Expenditures			
General Government	1,011,682	\$ 2,163,462	\$ [1,151,780]
Planning and Zoning	277,248	362,194	[84,946]
Streets and Cemetery	322,858	361,570	[38,712]
Fire/EMS Department	530,830	528,450	2,380
Police Department/Municipal Court	1,645,775	1,784,639	[138,864]
Recreation	581,979	754,103	[172,124]
Transfer Out	<u>205,520</u>	<u>-</u>	<u>205,520</u>
Total Expenditures	<u>4,575,892</u>	<u>\$ 5,954,418</u>	<u>\$ [1,378,526]</u>
Receipts Over [Under] Expenditures	202,583		
Unencumbered Cash, Beginning	<u>1,898,021</u>		
Unencumbered Cash, Ending	<u>\$ 2,100,604</u>		

See independent auditor's report on the financial statements.

CITY OF EUDORA, KANSAS
Special Street Maintenance Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021

	<u>Actual</u>	<u>Budget</u>	Variance Positive [Negative]
Receipts			
Taxes	\$ 185,818	\$ 143,050	\$ 42,768
Intergovernmental	14,853	11,850	3,003
Federal aid	75,196	60,000	15,196
Miscellaneous	2,750	-	2,750
Transfers in	<u>280,000</u>	<u>280,520</u>	<u>[520]</u>
Total Receipts	<u>558,617</u>	<u>\$ 495,420</u>	<u>\$ 63,197</u>
Expenditures			
Commodities	68,776	\$ -	\$ 68,776
Capital outlay	512,546	557,818	[45,272]
Contractual	97	-	97
Reserves	-	479,330	[479,330]
Adjustment for qualifying budget credits	-	75,196	[75,196]
Total Expenditures	<u>581,419</u>	<u>\$ 1,112,344</u>	<u>\$ [530,925]</u>
Receipts Over [Under] Expenditures	[22,802]		
Unencumbered Cash, Beginning	<u>181,685</u>		
Unencumbered Cash, Ending	<u>\$ 158,883</u>		

See independent auditor's report on the financial statements.

SCHEDULE 2-3

CITY OF EUDORA, KANSAS
 Capital Improvement Fund
 Schedule of Receipts and Expenditures - Actual*
 Regulatory Basis
 For the Year Ended December 31, 2021

Receipts		
Taxes		\$ 435,978
Interest		2,330
Loan proceeds		173,818
Transfers in		<u>205,520</u>
 Total Receipts		 <u>817,646</u>
 Expenditures		
Capital outlay		192,047
Contractual		37
Transfers out		<u>340,412</u>
 Total Expenditures		 <u>532,496</u>
 Receipts Over [Under] Expenditures		 285,150
 Unencumbered Cash, Beginning		 <u>726,402</u>
 Unencumbered Cash, Ending		 <u>\$ 1,011,552</u>

* This fund is not required to be budgeted.

CITY OF EUDORA, KANSAS
 Special Park Fees Fund
 Schedule of Receipts and Expenditures - Actual*
 Regulatory Basis
 For the Year Ended December 31, 2021

Receipts		
Impact fees		\$ 2,355
Taxes		<u>12,558</u>
 Total Receipts		 <u>14,913</u>
 Expenditures		
Capital outlay		<u>-</u>
 Total Expenditures		 <u>-</u>
 Receipts Over [Under] Expenditures		 14,913
 Unencumbered Cash, Beginning		 <u>76,378</u>
 Unencumbered Cash, Ending		 <u>\$ 91,291</u>

* This fund is not required to be budgeted.

SCHEDULE 2-5

CITY OF EUDORA, KANSAS
 Public Assistance Fund
 Schedule of Receipts and Expenditures - Actual*
 Regulatory Basis
 For the Year Ended December 31, 2021

Receipts		
Miscellaneous		<u>\$ 242</u>
Total Receipts		<u>242</u>
Expenditures		
Miscellaneous		<u>-</u>
Total Expenditures		<u>-</u>
Receipts Over [Under] Expenditures		242
Unencumbered Cash, Beginning		<u>-</u>
Unencumbered Cash, Ending		<u>\$ 242</u>

* This fund is not required to be budgeted.

CITY OF EUDORA, KANSAS
 Equipment Reserve Fund
 Schedule of Receipts and Expenditures - Actual*
 Regulatory Basis
 For the Year Ended December 31, 2021

Receipts		
Miscellaneous		<u>\$ 80,189</u>
Total Receipts		<u>80,189</u>
Expenditures		
Capital outlay		<u>8,076</u>
Total Expenditures		<u>8,076</u>
Receipts Over [Under] Expenditures		72,113
Unencumbered Cash, Beginning		<u>67,633</u>
Unencumbered Cash, Ending		<u>\$ 139,746</u>

* This fund is not required to be budgeted.

SCHEDULE 2-7

CITY OF EUDORA, KANSAS
 Energy Management Grant Fund
 Schedule of Receipts and Expenditures - Actual*
 Regulatory Basis
 For the Year Ended December 31, 2021

Receipts			
Intergovernmental		\$	<u>-</u>
Total Receipts			<u>-</u>
Expenditures			
Personnel			<u>-</u>
Total Expenditures			<u>-</u>
Receipts Over [Under] Expenditures			-
Unencumbered Cash, Beginning			<u>207</u>
Unencumbered Cash, Ending		\$	<u>207</u>

* This fund is not required to be budgeted.

CITY OF EUDORA, KANSAS
 Efficiency Kansas Loan Program Fund
 Schedule of Receipts and Expenditures - Actual*
 Regulatory Basis
 For the Year Ended December 31, 2021

Receipts		
Intergovernmental		<u>\$ 48</u>
Total Receipts		<u>48</u>
Expenditures		
Loan payments		<u>-</u>
Total Expenditures		<u>-</u>
Receipts Over [Under] Expenditures		48
Unencumbered Cash, Beginning		<u>483</u>
Unencumbered Cash, Ending		<u>\$ 531</u>

* This fund is not required to be budgeted.

SCHEDULE 2-9

CITY OF EUDORA, KANSAS
ARPA Fund
Schedule of Receipts and Expenditures - Actual*
Regulatory Basis
For the Year Ended December 31, 2021

Receipts	
Grants	<u>\$ 489,189</u>
Total Receipts	<u>489,189</u>
Expenditures	
Contractual	<u>-</u>
Total Expenditures	<u>-</u>
Receipts Over [Under] Expenditures	489,189
Unencumbered Cash, Beginning	<u>-</u>
Unencumbered Cash, Ending	<u>\$ 489,189</u>

* This fund is not required to be budgeted.

CITY OF EUDORA, KANSAS
 Bond and Interest Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2021

	<u>Actual</u>	<u>Budget</u>	Variance Positive [Negative]
Receipts			
Taxes	\$ 510,273	\$ 437,944	\$ 72,329
Bond premium	8,248	35,000	[26,752]
Bond proceeds	<u>138,826</u>	<u>-</u>	<u>138,826</u>
Total Receipts	<u>657,347</u>	<u>\$ 472,944</u>	<u>\$ 184,403</u>
Expenditures			
Contractual	26,906	\$ -	26,906
Debt service	501,310	475,789	25,521
Reserves	-	120,969	[120,969]
Adjustment for qualifying budget credits	<u>-</u>	<u>138,826</u>	<u>[138,826]</u>
Total Expenditures	<u>528,216</u>	<u>\$ 735,584</u>	<u>\$ [207,368]</u>
Receipts Over [Under] Expenditures	129,131		
Unencumbered Cash, Beginning	<u>219,301</u>		
Unencumbered Cash, Ending	<u>\$ 348,432</u>		

See independent auditor's report on the financial statements.

SCHEDULE 2-11

CITY OF EUDORA, KANSAS
 Nottingham & Church Street Project Fund
 Schedule of Receipts and Expenditures - Actual*
 Regulatory Basis
 For the Year Ended December 31, 2021

Receipts	
Sale of properties	\$ 949,496
Grants	<u>449,785</u>
 Total Receipts	 <u>1,399,281</u>
 Expenditures	
Contractual	371,957
Capital outlay	<u>3,745,742</u>
 Total Expenditures	 <u>4,117,699</u>
 Receipts Over [Under] Expenditures	 [2,718,418]
 Unencumbered Cash, Beginning	 <u>4,496,720</u>
 Unencumbered Cash, Ending	 <u>\$ 1,778,302</u>

* This fund is not required to be budgeted.

CITY OF EUDORA, KANSAS
 KDOT 10th Street Sidewalk Grant Fund
 Schedule of Receipts and Expenditures - Actual*
 Regulatory Basis
 For the Year Ended December 31, 2021

Receipts		
Transfers in		<u>\$ 135,412</u>
Total Receipts		<u>135,412</u>
Expenditures		
Contractual		<u>112,645</u>
Total Expenditures		<u>112,645</u>
Receipts Over [Under] Expenditures		22,767
Unencumbered Cash, Beginning		<u>-</u>
Unencumbered Cash, Ending		<u>\$ 22,767</u>

* This fund is not required to be budgeted.

SCHEDULE 2-13

CITY OF EUDORA, KANSAS
 Water Utility Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2021

	<u>Actual</u>	<u>Budget</u>	Variance Positive [Negative]
Receipts			
Charges to customers	\$ 1,399,563	\$ 1,324,623	\$ 74,940
Licenses and permits	8,072	21,038	[12,966]
Impact fees	39,050	-	39,050
Bond proceeds	283,176	-	283,176
Bond premium	16,824	-	16,824
Use of money and property	<u>99</u>	<u>112</u>	<u>[13]</u>
 Total Receipts	 <u>1,746,784</u>	 <u>\$ 1,345,773</u>	 <u>\$ 401,011</u>
Expenditures			
Personnel	365,324	\$ 369,478	\$ [4,154]
Contractual	259,208	252,037	7,171
Commodities	145,891	414,477	[268,586]
Capital outlay	667,054	-	667,054
Sales tax	10,373	7,062	3,311
Debt service	23,000	197,360	[174,360]
Miscellaneous	8,417	-	8,417
Transfers out	142,000	142,000	-
Reserves	-	318,420	[318,420]
Adjustment for qualifying budget credits	<u>-</u>	<u>300,000</u>	<u>[300,000]</u>
 Total Expenditures	 <u>1,621,267</u>	 <u>\$ 2,000,834</u>	 <u>\$ [379,567]</u>
 Receipts Over [Under] Expenditures	 125,517		
 Unencumbered Cash, Beginning	 <u>592,768</u>		
 Unencumbered Cash, Ending	 <u>\$ 718,285</u>		

See independent auditor's report on the financial statements.

CITY OF EUDORA, KANSAS
Sewer Utility Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021

	<u>Actual</u>	<u>Budget</u>	Variance Positive [Negative]
Receipts			
Charges to customers	\$ 1,266,098	\$ 1,238,461	\$ 27,637
Use of money and property	618	676	[58]
Impact fees	35,800	-	35,800
Bond proceeds	2,062,997	-	2,062,997
Bond premium	<u>122,563</u>	<u>-</u>	<u>122,563</u>
Total Receipts	<u>3,488,076</u>	<u>\$ 1,239,137</u>	<u>\$ 2,248,939</u>
Expenditures			
Personnel	205,151	\$ 349,423	\$ [144,272]
Contractual	327,205	179,308	147,897
Commodities	81,585	192,011	[110,426]
Capital outlay	324,257	-	324,257
Debt service	190,656	405,745	[215,089]
Transfers out	142,000	142,000	-
Reserves	-	516,247	[516,247]
Adjustment for qualifying budget credits	<u>-</u>	<u>2,185,560</u>	<u>[2,185,560]</u>
Total Expenditures	<u>1,270,854</u>	<u>\$ 3,970,294</u>	<u>\$ [2,699,440]</u>
Receipts Over [Under] Expenditures	2,217,222		
Unencumbered Cash, Beginning	<u>1,250,535</u>		
Unencumbered Cash, Ending	<u>\$ 3,467,757</u>		

See independent auditor's report on the financial statements.

CITY OF EUDORA, KANSAS
 Electric Utility Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2021

	<u>Actual</u>	<u>Budget</u>	Variance Positive [Negative]
Receipts			
Charges to customers	\$ 5,333,065	\$ 5,189,989	\$ 143,076
Licenses and permits	38,616	12,700	25,916
Use of money and property	<u>9,224</u>	<u>19,863</u>	<u>[10,639]</u>
Total Receipts	<u>5,380,905</u>	<u>\$ 5,222,552</u>	<u>\$ 158,353</u>
Expenditures			
Personnel	527,834	\$ 679,198	\$ [151,364]
Contractual	3,354,832	3,463,226	[108,394]
Commodities	111,878	148,780	[36,902]
Capital outlay	230,363	224,800	5,563
Sales tax	333,397	-	333,397
Debt service	73,175	193,005	[119,830]
Transfers out	767,000	767,000	-
Reserves	<u>-</u>	<u>2,127,113</u>	<u>[2,127,113]</u>
Total Expenditures	<u>5,398,479</u>	<u>\$ 7,603,122</u>	<u>\$ [2,204,643]</u>
Receipts Over [Under] Expenditures	[17,574]		
Unencumbered Cash, Beginning	<u>2,793,228</u>		
Unencumbered Cash, Ending	<u>\$ 2,775,654</u>		

See independent auditor's report on the financial statements.

CITY OF EUDORA, KANSAS
 Refuse Utility Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2021

	<u>Actual</u>	<u>Budget</u>	Variance Positive [Negative]
Receipts			
Charges to customers	\$ 547,094	\$ 537,668	\$ 9,426
Total Receipts	<u>547,094</u>	<u>\$ 537,668</u>	<u>\$ 9,426</u>
Expenditures			
Contractual	509,036	\$ 521,974	\$ [12,938]
Commodities	-	16	[16]
Reserves	-	204,822	[204,822]
Capital outlay	610	-	610
Transfers out	<u>30,000</u>	<u>30,000</u>	<u>-</u>
Total Expenditures	<u>539,646</u>	<u>\$ 756,812</u>	<u>\$ [217,166]</u>
Receipts Over [Under] Expenditures	7,448		
Unencumbered Cash, Beginning	<u>163,549</u>		
Unencumbered Cash, Ending	<u>\$ 170,997</u>		

See independent auditor's report on the financial statements.

SCHEDULE 2-17

CITY OF EUDORA, KANSAS
 Storm Drainage Utility Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2021

	<u>Actual</u>	<u>Budget</u>	Variance Positive [Negative]
Receipts			
Charges to customers	\$ 135,643	\$ 102,968	\$ 32,675
Total Receipts	<u>135,643</u>	<u>\$ 102,968</u>	<u>\$ 32,675</u>
Expenditures			
Capital outlay	2,495	\$ -	\$ 2,495
Commodities	8,390	10,000	[1,610]
Transfers out	75,000	75,000	-
Reserves	<u>-</u>	<u>82,127</u>	<u>[82,127]</u>
Total Expenditures	<u>85,885</u>	<u>\$ 167,127</u>	<u>\$ [81,242]</u>
Receipts Over [Under] Expenditures	49,758		
Unencumbered Cash, Beginning	<u>110,831</u>		
Unencumbered Cash, Ending	<u>\$ 160,589</u>		

See independent auditor's report on the financial statements.

CITY OF EUDORA, KANSAS
 Summary of Receipts and Disbursements
 Agency Funds
 Regulatory Basis
 For the Year Ended December 31, 2021

<u>FUNDS</u>	Beginning Cash <u>Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	Ending Cash <u>Balance</u>
Payroll clearing	\$ 15,272	\$ -	\$ 1,409	\$ 13,863
FSA fund	5,300	3,818	-	9,118
Municipal court bonds fund	18,495	-	-	18,495
CDBG	<u>-</u>	<u>89,011</u>	<u>89,011</u>	<u>-</u>
Total Agency Funds	<u>\$ 39,067</u>	<u>\$ 92,829</u>	<u>\$ 90,420</u>	<u>\$ 41,476</u>