

CITY OF EUDORA, KANSAS  
For the Year Ended December 31, 2020

CITY OF EUDORA, KANSAS  
 Summary Statement of Receipts, Expenditures and Unencumbered Cash  
 Regulatory Basis  
 For the Year Ended December 31, 2020

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	\$ 1,817,381	\$ -	\$ 4,527,224	\$ 4,446,584	\$ 1,898,021	\$ 76,808	\$ 1,974,829
Special Purpose Funds:							
Special Street Maintenance	284,601	-	375,671	478,587	181,685	478	182,163
Capital Improvement	562,342	-	1,172,166	1,008,106	726,402	7,290	733,692
Special Park Fees	65,832	-	10,546	-	76,378	-	76,378
Public Assistance	307	-	-	307	-	184	184
Equipment Reserve	116,214	-	9,370	57,951	67,633	3,940	71,573
Energy Management Grant	207	-	-	-	207	-	207
Efficiency Kansas Loan Program	435	-	48	-	483	-	483
Capital Project Fund:							
Nottingham & Church Street Project	-	-	5,716,791	1,220,070	4,496,721	420,597	4,917,318
Bond and Interest Fund:							
Bond and Interest	109,806	-	618,146	508,651	219,301	-	219,301
Business Funds:							
Water Utility	430,673	-	1,428,603	1,266,508	592,768	23,002	615,770
Sewer Utility	1,054,523	-	1,338,948	1,142,936	1,250,535	41,545	1,292,080
Electric Utility	2,339,868	-	5,320,610	4,867,252	2,793,226	219,031	3,012,257
Refuse Utility	305,445	-	543,598	685,494	163,549	52,527	216,076
Storm Drainage Utility	89,809	-	141,602	120,580	110,831	7,870	118,701
Total Reporting Entity (Excluding Agency Funds)	<u>\$ 7,177,443</u>	<u>\$ -</u>	<u>\$ 21,203,323</u>	<u>\$ 15,803,026</u>	<u>\$ 12,577,740</u>	<u>\$ 853,272</u>	<u>\$ 13,431,012</u>

Composition of Cash:

Kaw Valley Bank	Demand Account	\$ 11,833,850
	Time Deposit	1,319,725
	Municipal Court	18,495
	<u>Total Kaw Valley Bank</u>	<u>13,172,070</u>
Mutual Savings Association	Time Deposit	188,009
	<u>Total Mutual Savings Association</u>	<u>188,009</u>
Central Bank of the Midwest	Time Deposit	110,000
	<u>Total Central Bank of the Midwest</u>	<u>110,000</u>
Total Cash		13,470,079
Less: Agency Funds (Schedule 3)		<u>[39,067]</u>
Total Reporting Entity (Excluding Agency Funds)		<u>\$ 13,431,012</u>

CITY OF EUDORA, KANSAS  
 Summary of Expenditures - Actual and Budget  
 Regulatory Basis  
 For the Year Ended December 31, 2020

<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	\$ 5,779,512	\$ -	\$ 5,779,512	\$ 4,446,584	\$ 1,332,928
Special Purpose Funds:					
Special Street Maintenance	433,614	115,401	549,015	478,587	70,428
Bond and Interest Fund:					
Bond and Interest	487,126	98,209	585,335	508,651	76,684
Business Funds:					
Water Utility	1,585,315	81,186	1,666,501	1,266,508	399,993
Sewer Utility	1,660,202	-	1,660,202	1,142,936	517,266
Electric Utility	6,990,777	332,374	7,323,151	4,867,252	2,455,899
Refuse Utility	650,055	-	650,055	685,494	[35,439]
Storm Drainage Utility	145,293	-	145,293	120,580	24,713

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, 2020

	<u>Actual</u>	<u>Budget</u>	Variance Positive [Negative]
Receipts			
Taxes	\$ 2,893,224	\$ 2,812,448	\$ 80,776
Franchise tax	118,333	136,190	[17,857]
Licenses	89,680	55,600	34,080
Recreation and aquatic center fees	93,401	295,500	[202,099]
Fines and fees	113,749	189,298	[75,549]
Interest	17,716	11,000	6,716
Use of property	29,436	-	29,436
Transfers in	981,000	981,000	-
Miscellaneous	<u>190,685</u>	<u>13,900</u>	<u>176,785</u>
Total Receipts	<u>4,527,224</u>	<u>\$ 4,494,936</u>	<u>\$ 32,288</u>
Expenditures			
General Government	896,314	\$ 1,908,543	\$ 1,012,229
Planning and Zoning	317,923	368,665	50,742
Streets and Cemetery	287,318	394,664	107,346
Fire/EMS Department	601,783	591,542	[10,241]
Police Department/Municipal Court	1,465,697	1,585,830	120,133
Recreation	615,774	738,493	122,719
Transfer Out	<u>261,775</u>	<u>191,775</u>	<u>[70,000]</u>
Total Expenditures	<u>4,446,584</u>	<u>\$ 5,779,512</u>	<u>\$ 1,332,928</u>
Receipts Over [Under] Expenditures	80,640		
Unencumbered Cash, Beginning	<u>1,817,381</u>		
Unencumbered Cash, Ending	<u>\$ 1,898,021</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, 2020

	<u>Actual</u>	<u>Budget</u>	Variance Positive [Negative]
Receipts			
Taxes	\$ 166,421	\$ 170,000	\$ [3,579]
Intergovernmental	13,849	14,000	[151]
Federal aid	115,401	50,000	65,401
Miscellaneous	5,000	1,500	3,500
Transfers in	<u>75,000</u>	<u>65,000</u>	<u>10,000</u>
Total Receipts	<u>375,671</u>	<u>\$ 300,500</u>	<u>\$ 75,171</u>
Expenditures			
Commodities	28,190	\$ -	\$ [28,190]
Capital outlay	430,690	433,614	2,924
Contractual	19,707	-	[19,707]
Adjustment for qualifying budget credits	<u>-</u>	<u>115,401</u>	<u>115,401</u>
Total Expenditures	<u>478,587</u>	<u>\$ 549,015</u>	<u>\$ 70,428</u>
Receipts Over [Under] Expenditures	[102,916]		
Unencumbered Cash, Beginning	<u>284,601</u>		
Unencumbered Cash, Ending	<u>\$ 181,685</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, 2020

Receipts	
Taxes	\$ 342,837
Interest	2,588
Loan proceeds	634,966
Transfers in	<u>191,775</u>
 Total Receipts	 <u>1,172,166</u>
 Expenditures	
Capital outlay	<u>1,008,106</u>
 Total Expenditures	 <u>1,008,106</u>
 Receipts Over [Under] Expenditures	 164,060
 Unencumbered Cash, Beginning	 <u>562,342</u>
 Unencumbered Cash, Ending	 <u>\$ 726,402</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, 2020

Receipts		
Impact fees		\$ 4,306
Taxes		6,040
Donations		<u>200</u>
Total Receipts		<u>10,546</u>
Expenditures		
Capital outlay		<u>-</u>
Total Expenditures		<u>-</u>
Receipts Over [Under] Expenditures		10,546
Unencumbered Cash, Beginning		<u>65,832</u>
Unencumbered Cash, Ending		<u>\$ 76,378</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, 2020

Receipts	
Miscellaneous	<u>\$ -</u>
Total Receipts	<u>-</u>
Expenditures	
Miscellaneous	<u>307</u>
Total Expenditures	<u>307</u>
Receipts Over [Under] Expenditures	[307]
Unencumbered Cash, Beginning	<u>307</u>
Unencumbered Cash, Ending	<u>\$ -</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, 2020

Receipts		
Miscellaneous		<u>\$ 9,370</u>
Total Receipts		<u>9,370</u>
Expenditures		
Capital outlay		42,465
Miscellaneous		<u>15,486</u>
Total Expenditures		<u>57,951</u>
Receipts Over [Under] Expenditures		[48,581]
Unencumbered Cash, Beginning		<u>116,214</u>
Unencumbered Cash, Ending		<u>\$ 67,633</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, 2020

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, 2020

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>435</u>
Unencumbered Cash, Ending		<u>\$ 483</u>

\* This fund is not required to be budgeted.

SCHEDULE 2-9

CITY OF EUDORA, KANSAS  
Nottingham & Church Street Project Fund  
Schedule of Receipts and Expenditures - Actual\*  
Regulatory Basis  
For the Year Ended December 31, 2020

Receipts	
Temporary note proceeds	<u>\$ 5,716,791</u>
Total Receipts	<u>5,716,791</u>
Expenditures	
Contractual Services	595,347
Capital Outlay	<u>624,723</u>
Total Expenditures	<u>1,220,070</u>
Receipts Over [Under] Expenditures	4,496,721
Unencumbered Cash, Beginning	<u>          -</u>
Unencumbered Cash, Ending	<u>\$ 4,496,721</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, 2020

	<u>Actual</u>	<u>Budget</u>	Variance Positive [Negative]
Receipts			
Taxes	\$ 449,937	\$ 440,843	\$ 9,094
Transfer In	70,000	-	70,000
Bond proceeds	<u>98,209</u>	<u>-</u>	<u>98,209</u>
Total Receipts	<u>618,146</u>	<u>\$ 440,843</u>	<u>\$ 177,303</u>
Expenditures			
Contractual	-	\$ 26,000	26,000
Debt service	508,651	461,126	[47,525]
Adjustment for qualifying budget credits	<u>-</u>	<u>98,209</u>	<u>98,209</u>
Total Expenditures	<u>508,651</u>	<u>\$ 585,335</u>	<u>\$ 76,684</u>
Receipts Over [Under] Expenditures	109,495		
Unencumbered Cash, Beginning	<u>109,806</u>		
Unencumbered Cash, Ending	<u>\$ 219,301</u>		

See independent auditor's report on the financial statements.

SCHEDULE 2-11

CITY OF EUDORA, KANSAS  
 Water Utility Fund  
 Schedule of Receipts and Expenditures - Actual and Budget  
 Regulatory Basis  
 For the Year Ended December 31, 2020

	<u>Actual</u>	<u>Budget</u>	Variance Positive [Negative]
Receipts			
Charges to customers	\$ 1,332,765	\$ 1,230,730	\$ 102,035
Licenses and permits	4,290	18,500	[14,210]
Impact fees	10,250	-	10,250
Lease proceeds	81,186	-	81,186
Use of money and property	112	100	12
Miscellaneous	<u>-</u>	<u>3,500</u>	<u>[3,500]</u>
 Total Receipts	 <u>1,428,603</u>	 <u>\$ 1,252,830</u>	 <u>\$ 175,773</u>
Expenditures			
Personnel	340,835	\$ 355,990	\$ 15,155
Contractual	261,696	256,940	[4,756]
Commodities	151,224	194,100	42,876
Capital outlay	337,339	432,591	95,252
Sales tax	9,750	6,800	[2,950]
Debt service	23,600	196,894	173,294
Miscellaneous	64	-	[64]
Transfers out	142,000	142,000	-
Adjustment for qualifying budget credits	<u>-</u>	<u>81,186</u>	<u>81,186</u>
 Total Expenditures	 <u>1,266,508</u>	 <u>\$ 1,666,501</u>	 <u>\$ 399,993</u>
 Receipts Over [Under] Expenditures	 162,095		
 Unencumbered Cash, Beginning	 <u>430,673</u>		
 Unencumbered Cash, Ending	 <u>\$ 592,768</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, 2020

	<u>Actual</u>	<u>Budget</u>	Variance Positive [Negative]
Receipts			
Charges to customers	\$ 1,227,017	\$ 1,226,958	\$ 59
Use of money and property	803	350	453
Impact fees	74,250	-	74,250
Miscellaneous	<u>36,878</u>	<u>-</u>	<u>36,878</u>
Total Receipts	<u>1,338,948</u>	<u>\$ 1,227,308</u>	<u>\$ 111,640</u>
Expenditures			
Personnel	276,848	\$ 350,780	\$ 73,932
Contractual	215,458	204,500	[10,958]
Commodities	64,171	82,000	17,829
Capital outlay	254,389	475,824	221,435
Debt service	190,006	405,098	215,092
Miscellaneous	64	-	[64]
Transfers out	<u>142,000</u>	<u>142,000</u>	<u>-</u>
Total Expenditures	<u>1,142,936</u>	<u>\$ 1,660,202</u>	<u>\$ 517,266</u>
Receipts Over [Under] Expenditures	196,012		
Unencumbered Cash, Beginning	<u>1,054,523</u>		
Unencumbered Cash, Ending	<u>\$ 1,250,535</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, 2020

	<u>Actual</u>	<u>Budget</u>	Variance Positive [Negative]
Receipts			
Charges to customers	\$ 4,951,931	\$ 5,140,095	\$ [188,164]
Licenses and permits	18,530	10,000	8,530
Use of money and property	17,775	9,000	8,775
Lease proceeds	<u>332,374</u>	<u>-</u>	<u>332,374</u>
 Total Receipts	 <u>5,320,610</u>	 <u>\$ 5,159,095</u>	 <u>\$ 161,515</u>
Expenditures			
Personnel	491,542	\$ 670,880	\$ 179,338
Contractual	3,051,180	3,321,350	270,170
Commodities	61,482	152,800	91,318
Capital outlay	372,066	1,829,975	1,457,909
Sales tax	149,607	156,000	6,393
Debt service	74,375	192,772	118,397
Transfers out	667,000	667,000	-
Adjustment for qualifying budget credits	<u>-</u>	<u>332,374</u>	<u>332,374</u>
 Total Expenditures	 <u>4,867,252</u>	 <u>\$ 7,323,151</u>	 <u>\$ 2,455,899</u>
 Receipts Over [Under] Expenditures	 453,358		
 Unencumbered Cash, Beginning	 <u>2,339,868</u>		
 Unencumbered Cash, Ending	 <u>\$ 2,793,226</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, 2020

	<u>Actual</u>	<u>Budget</u>	Variance Positive [Negative]
Receipts			
Charges to customers	\$ 543,598	\$ 520,800	\$ 22,798
Total Receipts	<u>543,598</u>	<u>\$ 520,800</u>	<u>\$ 22,798</u>
Expenditures			
Contractual	655,494	\$ 477,190	\$ [178,304]
Commodities	-	300	300
Capital outlay	-	142,565	142,565
Transfers out	<u>30,000</u>	<u>30,000</u>	<u>-</u>
Total Expenditures	<u>685,494</u>	<u>\$ 650,055</u>	<u>\$ [35,439]</u>
Receipts Over [Under] Expenditures	[141,896]		
Unencumbered Cash, Beginning	<u>305,445</u>		
Unencumbered Cash, Ending	<u>\$ 163,549</u>		

See independent auditor's report on the financial statements.

SCHEDULE 2-15

CITY OF EUDORA, KANSAS  
 Storm Drainage Utility Fund  
 Schedule of Receipts and Expenditures - Actual and Budget  
 Regulatory Basis  
 For the Year Ended December 31, 2020

	<u>Actual</u>	<u>Budget</u>	Variance Positive [Negative]
Receipts			
Charges to customers	\$ 141,602	\$ 98,000	\$ 43,602
Total Receipts	<u>141,602</u>	<u>\$ 98,000</u>	<u>\$ 43,602</u>
Expenditures			
Capital outlay	6,629	\$ 45,293	\$ 38,664
Commodities	38,951	35,000	[3,951]
Transfers out	<u>75,000</u>	<u>65,000</u>	<u>[10,000]</u>
Total Expenditures	<u>120,580</u>	<u>\$ 145,293</u>	<u>\$ 24,713</u>
Receipts Over [Under] Expenditures	21,022		
Unencumbered Cash, Beginning	<u>89,809</u>		
Unencumbered Cash, Ending	<u>\$ 110,831</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, 2020

<u>FUNDS</u>	Beginning Cash <u>Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	Ending Cash <u>Balance</u>
Payroll clearing	\$ 14,963	\$ 309	\$ -	\$ 15,272
FSA fund	4,547	753	-	5,300
Municipal court bonds fund	18,649	-	154	18,495
CDBG	<u>-</u>	<u>130,000</u>	<u>130,000</u>	<u>-</u>
Total Agency Funds	<u>\$ 38,159</u>	<u>\$ 131,062</u>	<u>\$ 130,154</u>	<u>\$ 39,067</u>

See independent auditor's report on the financial statements.

**CITY OF EUDORA, KANSAS**

**Financial Statements**

**For the Year Ended December 31, 2020**

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CITY OF EUDORA, KANSAS  
Financial Statements  
For the Year Ended December 31, 2020

Table of Contents

	<u>Page Number</u>
<u>INTRODUCTORY SECTION</u>	
Table of Contents	i
<u>FINANCIAL STATEMENTS SECTION</u>	
Independent Auditor's Report	1 - 2
Summary Statement of Receipts, Expenditures and Unencumbered Cash	3
Notes to the Financial Statements	4 - 10
<u>REGULATORY REQUIRED SUPPLEMENTARY INFORMATION</u>	
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
Nottingham & Church Street Project Fund	20
Bond and Interest Fund	21
Water Utility Fund	22
Sewer Utility Fund	23
Electric Utility Fund	24
Refuse Utility Fund	25
Storm Drainage Utility Fund	26
SCHEDULE 3	
Summary of Receipts and Disbursements - Agency Funds	27

**INDEPENDENT AUDITOR'S REPORT**

Mayor and City Commission  
City of Eudora, Kansas

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, 2020 and the related notes to the financial statement.

*Management's Responsibility 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.

*Auditor's Responsibility*

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the *Kansas Municipal Audit and Accounting Guide*. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles*

As described 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.

*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 Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the 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, 2020, 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 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, 2020, 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.

*Report on Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, the individual fund schedules of regulatory basis receipts and expenditures-actual and budget and the summary of regulatory basis 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

April 15, 2021



CITY OF EUDORA, KANSAS  
Notes to the Financial Statements  
For the Year Ended December 31, 2020

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 City 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, 2020:

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 receipts sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

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.

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.

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 treasurer tax collection accounts, etc.).

CITY OF EUDORA, KANSAS  
Notes to the Financial Statements  
For the Year Ended December 31, 2020

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.

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, 2020 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 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, regulatory receipts are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for capital project funds, and the following special purpose funds: Capital Improvement, Special Park Fees, Public Assistance, Equipment Reserve, Energy Management Grant and Efficiency Kansas Loan Program.

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

NOTE 2 - Deposits

*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, 2020, the City held no such investments.

CITY OF EUDORA, KANSAS  
Notes to the Financial Statements  
For the Year Ended December 31, 2020

NOTE 2 - Deposits (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." All deposits were legally secured at December 31, 2020.

At December 31, 2020, the City's carrying amount of deposits was \$13,470,079 and the bank balance was \$13,561,403. 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 the balance of \$13,013,394 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.

NOTE 3 - Statutory Violation

Actual exceeded budgeted expenditures in the Refuse Utility Fund, which is a violation of K.S.A. 79-2935.

The City was in violation of K.S.A. 10-130, which requires bond payments to be remitted to the Office of the State Treasurer no less than 20 days before the redemption date of such bonds and the payment of interest thereon. Six bond payments made during the year ended December 31, 2020, were received by the Office of the State Treasurer fewer than 20 days before the redemption date.

NOTE 4 - Defined Benefit 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, et. seq. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at [www.kpers.org](http://www.kpers.org) or by writing to KPERS (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

*Contributions.* K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. K.S.A. 74-4975 establishes the KP&F member-employee contribution rate at 7.15% of covered salary. 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 8.61% for KPERS and 21.93% for KP&F for the fiscal year ended December 31, 2020. Contributions to the pension plan from the City were \$152,952 for KPERS and \$175,923 for KP&F for the year ended December 31, 2020.

CITY OF EUDORA, KANSAS  
Notes to the Financial Statements  
For the Year Ended December 31, 2020

**NOTE 4 - Defined Benefit Pension Plan (Continued)**

*Net Pension Liability.* At December 31, 2020, the City's proportionate share of the collective net pension liability reported by KPERs was \$1,747,697 and \$1,751,141 for KP&F. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019, which was rolled forward to June 30, 2020. 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 these financial statements.

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

**NOTE 5 - Long-Term Debt**

*Changes in Long-term Debt.* During the year ended December 31, 2020, the following changes occurred in long-term liabilities:

	Balance January 1, 2020	Additions	Retirements	Balance December 31, 2020	Interest Paid
Paid for by taxes:					
General obligation debt -					
Governmental funds	\$ 5,700,000	\$ -	\$ 485,000	\$ 5,215,000	\$ 148,701
Temporary notes	-	5,815,000	-	5,815,000	-
Paid for by revenues:					
General obligation debt -					
Enterprise funds	1,675,000	-	160,000	1,515,000	53,606
State agency loans	1,647,842	634,966	196,953	2,085,855	42,214
Totals	<u>\$ 9,022,842</u>	<u>\$ 6,449,966</u>	<u>\$ 841,953</u>	<u>\$ 14,630,855</u>	<u>\$ 244,521</u>

*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 issued 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 been issued to refund both general obligation and revenue bonds.

General Obligation Bonds are direct obligations and pledge the full faith and credit of the City. These bonds generally are issued with equal amounts of principal maturing each year. General Obligation Bonds currently outstanding are as follows:

Purpose	Issuance Date	Maturity Date	Interest Rate	Original Amount	Balance December 31, 2020
Paid for by taxes:					
General Obligation Improvement Bonds, Series 2012-A	9/1/2012	9/1/2032	2.00-3.00%	\$ 2,840,000	\$ 1,840,000
General Obligation Refunding Bonds, Series 2013-A	2/14/2013	9/1/2026	2.00-2.125%	3,180,000	1,375,000
General Obligation, Series 2019-A	9/1/2019	9/1/2039	4.75%	995,000	995,000
Paid for by revenues:					
General Obligation Bonds, Series 2010-A	10/1/2010	9/1/2030	3.25-5.00%	300,000	175,000
General Obligation Refunding Bonds, Series 2013-B	6/26/2013	9/1/2028	2.00-3.125%	2,290,000	1,340,000
General Obligation, Series 2016-A	9/15/2016	9/1/2031	2.50-2.00%	1,410,000	1,005,000
				<u>\$ 11,015,000</u>	<u>\$ 6,730,000</u>

CITY OF EUDORA, KANSAS  
Notes to the Financial Statements  
For the Year Ended December 31, 2020

NOTE 5 - Long-Term Debt (Continued)

Annual debt service requirements to maturity for the general obligation bonds are as follows:

Year Ending December 31,	Governmental Funds	Business Funds	Total
2021	\$ 598,739	\$ 213,656	\$ 812,395
2022	590,064	213,556	803,620
2023	586,389	213,306	799,695
2024	597,614	212,906	810,520
2025	603,489	212,356	815,845
2026 - 2030	2,043,444	688,846	2,732,290
2031 - 2035	966,375	-	966,375
2036 - 2039	415,123	-	415,123
Total principal and interest	6,401,237	1,754,626	8,155,863
Less: interest	[1,186,237]	[239,626]	[1,425,863]
Total principal	<u>\$ 5,215,000</u>	<u>\$ 1,515,000</u>	<u>\$ 6,730,000</u>

*Temporary Notes.* On October 6, 2020, the City issued Series 2020-A Taxable General Obligation Temporary Notes in the amount of \$5,815,000. Proceeds from the sale of the notes will be used to pay for the Nottingham & Church Street Project. The 2020-A temporary notes have an interest rate of 0.5%. Interest in the amount of \$29,075 is due annually and the notes have a final maturity scheduled for September 1, 2024.

*State Agency Loans.* The City has also obtained two loans from the State of Kansas (KDHE) to finance costs of water and sewer improvements. The loans outstanding at year end are as follows:

<u>Purpose</u>	<u>Issuance Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Original Amount</u>	<u>Balance December 31, 2020</u>
Water and Sewer - KDHE loan, 2005	8/2/2005	3/1/2028	2.57%	\$ 2,767,450	\$ 1,365,788
Water - KDHE loan, 2017	5/10/2017	2/1/2038	2.33%	1,050,000	720,067
				<u>\$ 3,817,450</u>	<u>\$ 2,085,855</u>

The first loan agreement provides for a maximum principal of \$2,767,450 which includes \$2,098 of capitalized interest and loan service fees. The loan carries a gross interest rate of 2.57% and is payable in semi-annual installments beginning September 1, 2008 and ending March 1, 2028. Beginning September 1, 2014, the semi-annual installments are \$100,701 through March 1, 2028. Prior to September 1, 2014, the semi-annual installments varied between \$32,691 and \$91,455.

CITY OF EUDORA, KANSAS  
Notes to the Financial Statements  
For the Year Ended December 31, 2020

NOTE 5 - Long-Term Debt (Continued)

The debt service requirements to maturity are as follows:

Year Ending December 31,	
2021	\$ 201,383
2022	201,383
2023	201,383
2024	201,383
2025	201,383
2026 - 2028	<u>503,457</u>
Total principal, interest, and service fees	1,510,372
Less: Interest and service fees	<u>[144,584]</u>
Total principal	<u>\$ 1,365,788</u>

The second loan agreement provides for a maximum principal of \$1,050,000. The loan carries a gross interest rate of 2.33% and is payable in semi-annual installments beginning August 1, 2018 and ending February 1, 2038. An amortization schedule for the loan is not yet available since the loan has not been finalized as of December 31, 2020.

NOTE 6 - 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, 2020 totaled \$165,966.

NOTE 7 - 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. The City carries commercial insurance for risks of loss with the exception of certain losses from damage to or destruction of the electrical distribution system, including related lost income. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 8 - Capital Leases of Equipment

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

During the year ended December 31, 2020, the following changes occurred in capital leases:

	January 1, <u>2020</u>	<u>Additions</u>	<u>Retirements</u>	December 31, <u>2020</u>	Interest <u>Paid</u>
Capital lease obligations -					
Governmental funds	\$ 49,216	\$ -	\$ 24,147	\$ 25,069	\$ 1,878
Business funds	<u>1,217,662</u>	<u>413,560</u>	<u>97,150</u>	<u>1,534,073</u>	<u>30,490</u>
Totals	<u>\$ 1,266,878</u>	<u>\$ 413,560</u>	<u>\$ 121,297</u>	<u>\$ 1,559,142</u>	<u>\$ 32,367</u>

CITY OF EUDORA, KANSAS  
Notes to the Financial Statements  
For the Year Ended December 31, 2020

NOTE 8 - Capital Leases of Equipment (Continued)

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2020, are as follows:

Year Ending <u>December 31,</u>	Governmental <u>Funds</u>	Business <u>Funds</u>	<u>Total</u>
2021	26,026	229,377	255,403
2022	-	229,377	229,377
2023	-	229,377	229,377
2024	-	200,577	200,577
2025	-	200,577	200,577
2026 - 2030	-	638,197	638,197
Less: amount representing interest	<u>[956]</u>	<u>[193,409]</u>	<u>[194,366]</u>
Present value of minimum lease payments	<u>\$ 25,069</u>	<u>\$ 1,534,073</u>	<u>\$ 1,559,142</u>

NOTE 9 - Interfund Transfers

A reconciliation of all transfers for 2020 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	667,000	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	191,775	K.S.A. 12-1,118
Storm Drainage Utility	Special Highway	75,000	K.S.A. 12-825d
		<u>\$ 1,247,775</u>	

NOTE 10 - 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. There is no cost to the City under this program.

*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, 2020.

NOTE 11 - Contingencies

The City is a party to various claims, none of which is expected to have material financial impact on the City.