CITY OF HOLYROOD, KANSAS

Financial Statement With Independent Auditors' Report

For the Year Ended December 31, 2023

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INDEPENDENT AUDITORS' REPORT

To the City Council
City of Holyrood, Kansas
Holyrood, Kansas

Adverse and Unmodified Opinions

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of **City of Holyrood, Kansas**, 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 matters 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 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 Auditors' Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse and unmodified audit opinions.

Matter Giving Rise to Adverse Opinion on U.S. Generally Accepted Accounting Principles
As discussed in Note 1 of the financial statement, the financial statement is prepared by the City on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Responsibilities of Management for the Financial Statement

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

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

Auditors' Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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, and summary of regulatory basis receipts and disbursements – agency funds (Schedules 1, 2 and 3 as listed in the table of contents) are presented for purposes of additional analysis and are not a required part of the basic financial statement; however, are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of the City as of and for the year ended December 31, 2022 (not presented herein), and have issued our report thereon dated February 22, 2023, which contained an unmodified opinion on the basic financial statement. The 2022 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link https://admin.ks.gov/offices/accounts-reports/local-government/municipal-services/municipal-audits. The 2022 actual column (2022 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures – actual and budget for the year ended December 31, 2023 (Schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2022 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2022 basic financial statement. The 2022 comparative information was subjected to the auditing procedures applied in the audit of the 2022 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 2022 basic financial statement or to the 2022 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 2022 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended December 31, 2022, on the basis of accounting described in Note 1.

Adams Brown, LLC

ADAMSBROWN, LLC
Certified Public Accountants
Great Bend, Kansas

February 19, 2024

CITY OF HOLYROOD, KANSAS
Summary Statement of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended December 31, 2023

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	**Ending Unencumbered Cash Balance**	Add Encumbrances and Accounts Payable	**Ending Cash Balance**
Regulatory Basis Fund Types							
General Fund	$ 10,607	-	379,324	297,923	**92,008**	1,476	**93,484**
Special Purpose Funds							
Special Highway Fund	1,621	-	10,771	12,319	**73**	-	**73**
Recreation Fund	9,682	-	9,605	9,391	**9,896**	77	**9,973**
Capital Improvement Fund	54,230	-	32,000	30,225	**56,005**	-	**56,005**
Medical Building Fund	69,189	-	4,200	6,570	**66,819**	-	**66,819**
Equipment Reserve Fund	72,607	-	77,980	73,152	**77,435**	-	**77,435**
Park Refurbish Fund	5,326	-	1,206	571	**5,961**	-	**5,961**
Holyrood Lake Fund	3,038	-	2,610	1,904	**3,744**	-	**3,744**
ARPA Fund	31,666	-	-	31,666	**-**	-	**-**
Business Funds							
Electric Utility Fund	76,745	-	450,452	417,692	**109,505**	524	**110,029**
Electric Reserve Fund	20,922	-	2,500	-	**23,422**	-	**23,422**
Water Utility Fund	26,444	-	109,257	101,103	**34,598**	923	**35,521**
Sewer Fund	77,904	-	77,449	77,100	**78,253**	-	**78,253**
Sewer Reserve Fund	67,268	-	5,640	-	**72,908**	-	**72,908**
Trash Fund	3,373	-	56,259	53,887	**5,745**	-	**5,745**
Total Reporting Entity (Excluding Agency Funds)	$ 530,622	-	1,219,253	1,113,503	**636,372**	3,000	**639,372**

Composition of Cash		
Checking Accounts	$	**571,906**
Money Market and Savings Account		**169,707**
Total Reporting Entity		**741,613**
Agency Funds per Schedule 3		**(102,241)**
Total Reporting Entity (Excluding Agency Funds)	$	**639,372**

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

City of Holyrood, Kansas has established a uniform system of accounting maintained to reflect compliance with the applicable laws of the State of Kansas. The accompanying financial statement is presented to conform to the cash basis and budget laws of the State of Kansas, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The following is a summary of such significant policies.

Financial Reporting Entity

The City is a municipal corporation governed by an elected six-member council. A related municipal entity is an entity established to benefit the City and/or its constituents. The City has no related municipal entities.

Basis of Presentation – Fund Accounting

The accounts of the City are organized and operated on the basis of funds. In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The following types of funds comprise the financial activities of the City for the year ended December 31, 2023.

Regulatory Basis Fund Types

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

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

Business Fund – fund financed in whole or in part by fees charged to users of the goods or services (enterprise and internal service funds).

Agency Fund – fund used to report assets held by the municipal reporting entity in a purely custodial capacity (payroll clearing fund, county treasurer tax collection accounts, etc.).

Basis of Accounting

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

The 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.

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 of accounting.

NOTE 2 – 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:

a. Preparation of the budget for the succeeding calendar year on or before August 1st.

b. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.

c. Public hearing on or before August 15th, but at least 10 days after publication of notice of hearing.

d. 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 did hold a revenue neutral rate hearing 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 10 days after publication the hearing may be held and the governing body may amend the budget at that time. There was a budget amendment for the Trash Fund 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 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 Fund, Equipment Reserve Fund, Park Refurbish Fund, Holyrood Lake Fund and ARPA Fund.

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

NOTE 3 – DEPOSITS AND INVESTMENTS

City of Holyrood, Kansas follows the practice of pooling cash and investments of all funds. Each fund's portion of total cash and investments is summarized by fund category in the summary statement of receipts, expenditures, and unencumbered cash.

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 investments of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The City has no investment policy that would further limit its investment choices.

Concentration of Credit Risk
State statutes place no limit on the amount the City may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and K.S.A. 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 does not use "peak periods". All deposits were legally secured at December 31, 2023.

At December 31, 2023, the City's carrying amount of deposits was $741,613 and the bank balance was $799,514. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, $250,000 was covered by federal depository insurance and $549,514 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 at December 31, 2023.

NOTE 4 – INTERFUND TRANSFERS

Interfund transfers within the reporting entity are substantially for the purpose of subsidizing operating functions, funding capital projects and asset acquisitions or maintaining debt service on a routine basis as authorized by Kansas statutes. **City of Holyrood, Kansas'** interfund transfers and regulatory authority for the year ended December 31, 2023 were as follows:

From	To	Regulatory Authority		Amount
Sewer Fund	General Fund	K.S.A. 12-825d	$	5,000
Sewer Fund	Sewer Reserve Fund	K.S.A. 12-631o		5,640
Electric Utility Fund	Electric Reserve Fund	K.S.A. 12-825d		2,500
Electric Utility Fund	General Fund	K.S.A. 12-825d		75,000
Electric Utility Fund	Equipment Reserve Fund	K.S.A. 12-1,117		10,000
Sewer Fund	Equipment Reserve Fund	K.S.A. 12-1,117		20,000
Water Utility Fund	General Fund	K.S.A. 12-825d		5,000
Water Utility Fund	Equipment Reserve Fund	K.S.A. 12-1,117		5,000
Medical Building Fund	Equipment Reserve Fund	K.S.A. 12-1,117		5,000
General Fund	Capital Improvement Fund	K.S.A. 12-1,118		32,000
General Fund	Equipment Reserve Fund	K.S.A. 12-1,117		37,980

NOTE 5 – LITIGATION

City of Holyrood, Kansas is party to various legal proceedings which normally occur in governmental operations. These legal proceedings are not likely to have a material financial impact on the affected funds of the City.

NOTE 6 – RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; damage to and destruction of assets; business interruptions; errors and omissions; employee injuries and illnesses; natural disasters; and employee health, dental and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters other than related to employee health benefits. Settled claims have not exceeded this commercial coverage in any of the three preceding years. There have not been significant reductions in coverage from prior years.

NOTE 7 – GRANTS AND SHARED REVENUES

City of Holyrood, Kansas participates in numerous state and federal grant programs, which are governed by various rules and regulations for the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the City has not complied with the rules and regulations governing the grants, refunds of any money received may be required. In the opinion of the City, any liability for reimbursement, which may arise as the result of the audit, is not believed to be material.

NOTE 8 – DEFINED BENEFIT PENSION PLAN

Plan Description

City of Holyrood, Kansas 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 Annual Comprehensive Financial Report which can be found on the KPERS website at www.kpers.org or by writing to KPERS (611 S 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 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 $12,677 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 $146,245. 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 on the website at www.kpers.org or can be obtained as described above.

NOTE 9 – OTHER POST EMPLOYMENT BENEFITS

As provided by K.S.A. 12-5040, **City of Holyrood, Kansas** 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.

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.

NOTE 10 – COMPENSATED ABSENCES

Comp Time

Comp time is earned at a rate of 1 ½ hours per every hour worked over 40 hours during a one week period. Comp time must be taken as time off within a 60 day time period of the date earned.

Vacation

City of Holyrood, Kansas' policy regarding vacation is as follows:

After 1 year	5 days
2 - 10 years	10 days
11 and over	15 days

Employees are allowed to carryover one week of vacation.

Sick Leave

The City's policy regarding sick leave is that employees are eligible for sick leave after six months. Employees can earn one day of sick leave per month. Sick leave can be accumulated up to 480 hours. Sick leave is not paid upon termination of employment.

Full-time City employees have the option to voluntarily contribute unused sick leave to a sick leave bank. The purpose of the sick leave bank is to allow employees to contribute unused sick leave and allow participating members with a qualifying illness or injury, who have exhausted all compensation time, personal days and sick leave benefits, to draw from the pool and avoid having their pay reduced. There is a maximum of 80 hours donated leave per request. Currently, there are no hours donated in the sick leave bank.

Personal Leave

The City's full-time employees earn two personal days a year.

NOTE 11 – COMMITMENTS

City of Holyrood, Kansas entered into a Water Tank Maintenance Contract with Utility Service Co., Inc. on September 19, 2002 for the repairs, renovation and continued service of the water tank. The City has the right to continue the contract for an indefinite period of time providing the annual fee is paid. The contract started with a base fee of $4,858 in 2002 and in year 2005 and each third year thereafter, the annual fee is adjusted to reflect the current cost of service but is limited to a maximum of 5% annually. Payments totaling $9,414 were made in 2023.

NOTE 12 – DEBT RESTRICTIONS AND COVENANTS

City of Holyrood, Kansas entered into a loan agreement with the Kansas Department of Health and Environment to fund certain improvements for the wastewater collection system in the amount of $397,236. The loan agreement requires that the City provide for the repayment of this loan by providing dedicated funds. The City is in compliance with this requirement as of December 31, 2023 as it is providing dedicated funds through a combination of water rates and fees charged.

KDHE Public Water Supply Revolving Loan
City of Holyrood, Kansas entered into a loan agreement with the Kansas Department of Health and Environment to fund certain improvements for the water supply in the amount of $262,259. The loan agreement requires that the City provide for the repayment of this loan by providing dedicated funds. The City is in compliance with this requirement as of December 31, 2023 as it is providing dedicated funds through a combination of water rates and fees charged.

NOTE 13 – LONG-TERM DEBT

City of Holyrood, Kansas has the following types of long-term debt.

KDHE Revolving Loans
The City entered into a $262,259 revolving loan agreement with the Kansas Department of Health and Environment on February 3, 2005 for the purpose of the installation of PVC pipe, flushing hydrants, ventilation system and all related connections and appurtenances.

The City entered into a $525,000 revolving loan agreement with the Kansas Department of Health and Environment on June 19, 2018, for the purpose of adding a wetland cell to the existing three cell wastewater treatment system. The final amendment on September 7, 2021, reduced the amount of the loan to $397,236.

Changes in long-term liabilities for the City for the year ended December 31, 2023, were as follows:

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	**Balance End of Year**	Interest Paid
KDHE Loans									
Kansas Public Water Supply Revolving Loan Fund - Water	3.58%	2/3/2005	$ 262,259	2/1/2026	$ 60,250	-	(16,458)	**43,792**	1,814
Kansas Water Pollution Control Revolving Loan Fund - Sewer	2.33%	10/23/2019	397,236	9/1/2040	356,307	-	(16,140)	**340,167**	881
Total Contractual Indebtedness					$ **416,557**	**-**	**(32,598)**	**383,959**	**2,695**

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

	YEAR								
	2024	2025	2026	2027	2028	2029 - 2033	2034 - 2038	2039 - 2040	**Total**
Principal									
Kansas Public Water Supply Revolving Loan Fund - Water	$ 17,052	17,668	9,072	-	-	-	-	-	**43,792**
Kansas Water Pollution Control Revolving Loan Fund - Sewer	16,518	16,905	17,302	17,707	18,122	97,184	109,118	47,311	**340,167**
Total Principal	**33,570**	**34,573**	**26,374**	**17,707**	**18,122**	**97,184**	**109,118**	**47,311**	**383,959**
Interest									
Kansas Public Water Supply Revolving Loan Fund - Water	1,278	722	147	-	-	-	-	-	**2,147**
Kansas Water Pollution Control Revolving Loan Fund - Sewer	840	6,645	6,291	5,929	5,558	21,924	11,270	1,237	**59,694**
Total Interest	**2,118**	**7,367**	**6,438**	**5,929**	**5,558**	**21,924**	**11,270**	**1,237**	**61,841**
Total Principal and Interest	$ **35,688**	**41,940**	**32,812**	**23,636**	**23,680**	**119,108**	**120,388**	**48,548**	**445,800**

CITY OF HOLYROOD, KANSAS

Regulatory-Required Supplementary Information

Schedule 1

CITY OF HOLYROOD, KANSAS
Summary of Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023

Funds	Certified Budget	Adjustments for Qualifying Budget Credits	Total Budget for Comparison	**Expenditures Chargeable to Current Year**	Variance Over (Under)
Regulatory Basis Funds Types					
General Fund	$ 332,300	-	332,300	**297,923**	(34,377)
Special Purpose Funds					
Special Highway Fund	13,460	-	13,460	**12,319**	(1,141)
Recreation Fund	12,975	-	12,975	**9,391**	(3,584)
Medical Building Fund	56,924	-	56,924	**6,570**	(50,354)
Business Funds					
Electric Utility Fund	463,500	-	463,500	**417,692**	(45,808)
Water Utility Fund	114,497	-	114,497	**101,103**	(13,394)
Sewer Fund	137,079	-	137,079	**77,100**	(59,979)
Trash Fund	56,547	-	56,547	**53,887**	(2,660)

CITY OF HOLYROOD, KANSAS
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance Over (Under)
Receipts				
Taxes and Shared Revenues				
Ad Valorem Property Tax	$ 138,754	**150,111**	155,962	(5,851)
Delinquent Tax	4,062	**6,533**	4,000	2,533
Motor Vehicle Tax	16,803	**23,006**	18,860	4,146
Recreational Vehicle Tax	814	**1,027**	1,196	(169)
Sales Tax	21,124	**20,939**	18,000	2,939
Fines	3,123	**3,975**	750	3,225
Rent	-	**-**	550	(550)
Beer Licenses	225	**225**	200	25
Gas and Cable Franchise	4,502	**6,029**	4,000	2,029
Dog Tags	165	**130**	500	(370)
Van Reimbursements	1,625	**1,940**	-	1,940
Other Income	3,713	**39,619**	5,000	34,619
Interest Income	2,035	**2,915**	2,000	915
Reimbursed Expenses	33,178	**32,070**	500	31,570
State Grant	9,021	**5,805**	7,500	(1,695)
Transfers In	6,500	**85,000**	77,000	8,000
Total Receipts	245,644	**379,324**	296,018	83,306
Expenditures				
Salaries	64,867	**51,308**	96,000	(44,692)
Employee Benefits	69,026	**62,058**	85,800	(23,742)
Insurance	13,605	**7,973**	11,200	(3,227)
Utilities	6,780	**7,172**	8,000	(828)
Accounting	12,030	**12,265**	12,500	(235)
Legal and Publishing	3,567	**1,472**	4,500	(3,028)
Animal	129	**154**	500	(346)
Repairs	5,217	**1,615**	10,000	(8,385)
Supplies	9,347	**9,396**	8,500	896
Fuel	3,796	**3,489**	5,500	(2,011)
Van	4,536	**5,865**	7,000	(1,135)
Fire	20,760	**20,640**	21,000	(360)
Police	14,432	**14,318**	15,000	(682)
Street and Alley	20,565	**9,436**	20,000	(10,564)
Miscellaneous	9,734	**8,261**	10,500	(2,239)
Capital Outlay	4,817	**5,443**	7,750	(2,307)
Law Enforcement	186	**186**	1,000	(814)
Economic Development	3,600	**3,600**	1,550	2,050
Noxious Weeds	7,362	**2,639**	4,000	(1,361)
Municipal Court	1,306	**653**	2,000	(1,347)
Transfers Out	32,000	**69,980**	-	69,980
Total Expenditures	307,662	**297,923**	332,300	(34,377)
Receipts Over (Under) Expenditures	(62,018)	**81,401**		
Unencumbered Cash - Beginning	72,625	**10,607**		
Unencumbered Cash - Ending	$ 10,607	**92,008**		

CITY OF HOLYROOD, KANSAS
Special Highway Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Over (Under)
Receipts				
State of Kansas - Gasoline Tax	$ 11,061	**10,771**	11,540	(769)
Expenditures				
Salaries	11,120	**12,319**	13,460	(1,141)
Receipts Over (Under) Expenditures	(59)	**(1,548)**		
Unencumbered Cash - Beginning	1,680	**1,621**		
Unencumbered Cash - Ending	$ 1,621	**73**		

CITY OF HOLYROOD, KANSAS
Recreation Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Over (Under)
Receipts				
Taxes and Shared Revenues				
Ad Valorem Property Tax	$ 5,859	**5,861**	6,060	(199)
Delinquent Tax	145	**168**	150	18
Motor Vehicle Tax	702	**968**	793	175
Recreational Vehicle Tax	34	**43**	50	(7)
Other Grant	13,928	**-**	-	-
Miscellaneous	2,530	**2,565**	1,000	1,565
Total Receipts	23,198	**9,605**	8,053	1,552
Expenditures				
Utilities	1,417	**1,480**	1,400	80
Supplies	-	**-**	2,250	(2,250)
Miscellaneous	3,374	**1,324**	500	824
Contractual Services	-	**1,399**	1,000	399
Capital Outlay	14,987	**3,110**	4,325	(1,215)
Recreational Dues - Claflin Rec Center	1,525	**2,078**	3,500	(1,422)
Total Expenditures	21,303	**9,391**	12,975	(3,584)
Receipts Over (Under) Expenditures	1,895	**214**		
Unencumbered Cash - Beginning	7,787	**9,682**		
Unencumbered Cash - Ending	$ 9,682	**9,896**		

CITY OF HOLYROOD, KANSAS
Capital Improvement Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

		Prior Year Actual	**Current Year Actual**
Receipts			
Transfers In	$	32,000	**32,000**
Expenditures			
Capital Outlay		-	**30,225**
Receipts Over (Under) Expenditures		32,000	**1,775**
Unencumbered Cash - Beginning		22,230	**54,230**
Unencumbered Cash - Ending	$	54,230	**56,005**

CITY OF HOLYROOD, KANSAS
Medical Building Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Over (Under)
Receipts				
Rent	$ 3,850	**3,850**	4,200	(350)
Miscellaneous	350	**350**	-	350
Total Receipts	4,200	**4,200**	4,200	-
Expenditures				
Maintenance	-	**-**	5,000	(5,000)
Salaries	1,500	**1,500**	3,000	(1,500)
Contractual Services	-	**-**	100	(100)
Miscellaneous	235	**70**	100	(30)
Transfers Out	-	**5,000**	48,724	(43,724)
Total Expenditures	1,735	**6,570**	56,924	(50,354)
Receipts Over (Under) Expenditures	2,465	**(2,370)**		
Unencumbered Cash - Beginning	66,724	**69,189**		
Unencumbered Cash - Ending	$ 69,189	**66,819**		

CITY OF HOLYROOD, KANSAS
Equipment Reserve Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	Prior Year Actual	**Current Year Actual**
Receipts		
Transfers In	$ 10,000	**77,980**
Expenditures		
Capital Outlay	-	**64,874**
Contractual Services	-	**8,278**
Total Expenditures	-	**73,152**
Receipts Over (Under) Expenditures	10,000	**4,828**
Unencumbered Cash - Beginning	62,607	**72,607**
Unencumbered Cash - Ending	$ 72,607	**77,435**

CITY OF HOLYROOD, KANSAS
Park Refurbish Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

		Prior Year Actual	**Current Year Actual**
Receipts			
Donations	$	2,213	**1,206**
Expenditures			
Capital Outlay		-	**571**
Receipts Over (Under) Expenditures		2,213	**635**
Unencumbered Cash - Beginning		3,113	**5,326**
Unencumbered Cash - Ending	$	5,326	**5,961**

CITY OF HOLYROOD, KANSAS
Holyrood Lake Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

		Prior Year Actual	**Current Year Actual**
Receipts			
Donations	$	2,734	**2,610**
Expenditures			
Contractual		1,803	**1,904**
Receipts Over (Under) Expenditures		931	**706**
Unencumbered Cash - Beginning		2,107	**3,038**
Unencumbered Cash - Ending	$	3,038	**3,744**

CITY OF HOLYROOD, KANSAS
ARPA Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

		Prior Year Actual	**Current Year Actual**
Receipts			
Federal Funds	$	31,666	**-**
Expenditures			
Contractual		31,666	**31,666**
Receipts Over (Under) Expenditures		-	**(31,666)**
Unencumbered Cash - Beginning		31,666	**31,666**
Unencumbered Cash - Ending	$	31,666	**-**

Schedule 2-10

CITY OF HOLYROOD, KANSAS
Electric Utility Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Over (Under)
Receipts				
Sales to Customers	$ 499,902	**440,462**	435,000	5,462
Penalties	6,673	**6,697**	6,000	697
Reimbursed Expenses	164	**186**	500	(314)
Other Income	8,850	**729**	1,500	(771)
Connection Fee	2,845	**2,378**	2,000	378
Total Receipts	518,434	**450,452**	445,000	5,452
Expenditures				
Salaries	53,774	**53,157**	53,000	157
Utilities	4,976	**6,156**	7,000	(844)
Supplies	15,998	**4,758**	11,500	(6,742)
Fuel	2,397	**1,166**	3,000	(1,834)
Miscellaneous	4,487	**13,448**	11,000	2,448
Power	358,201	**231,631**	290,000	(58,369)
Sales Tax	10,010	**7,651**	9,000	(1,349)
Insurance	6,259	**6,215**	5,500	715
Capital Outlay	6,212	**5,978**	5,500	478
Bad Debt	96	**32**	-	32
Testing	-	**-**	500	(500)
Transfers Out	2,500	**87,500**	67,500	20,000
Total Expenditures	464,910	**417,692**	463,500	(45,808)
Receipts Over (Under) Expenditures	53,524	**32,760**		
Unencumbered Cash - Beginning	23,221	**76,745**		
Unencumbered Cash - Ending	$ 76,745	**109,505**		

CITY OF HOLYROOD, KANSAS
Electric Reserve Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

		Prior Year Actual	**Current Year Actual**
Receipts			
Transfers In	$	2,500	**2,500**
Expenditures		-	**-**
Receipts Over (Under) Expenditures		2,500	**2,500**
Unencumbered Cash - Beginning		18,422	**20,922**
Unencumbered Cash - Ending	$	20,922	**23,422**

CITY OF HOLYROOD, KANSAS
Water Utility Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Over (Under)
Receipts				
Sales to Customers	$ 101,944	**106,623**	96,000	10,623
Connection Fees	955	**848**	500	348
Penalties	1,675	**1,677**	1,000	677
Reimbursed Expense	95	**109**	-	109
Dividend Revenue	-	**-**	700	(700)
Other Income	27	**-**	100	(100)
Total Receipts	104,696	**109,257**	98,300	10,957
Expenditures				
Salaries	32,380	**35,198**	34,000	1,198
Utilities	10,578	**10,706**	10,500	206
Supplies	4,551	**3,891**	6,500	(2,609)
Fuel	41	**-**	50	(50)
Miscellaneous	1,172	**2,013**	1,000	1,013
Sales Tax	663	**518**	1,500	(982)
Bad Debt	44	**9**	-	9
Maintenance	664	**433**	12,000	(11,567)
Insurance	5,700	**6,421**	5,000	1,421
Testing	721	**1,764**	3,500	(1,736)
Revolving Loan Principal	15,883	**16,458**	16,458	-
Revolving Loan Interest	2,332	**1,814**	1,814	-
Revolving Loan Fee	253	**197**	253	(56)
Capital Outlay	8,186	**11,681**	11,922	(241)
Transfers Out	5,000	**10,000**	10,000	-
Total Expenditures	88,168	**101,103**	114,497	(13,394)
Receipts Over (Under) Expenditures	16,528	**8,154**		
Unencumbered Cash - Beginning	9,916	**26,444**		
Unencumbered Cash - Ending	$ 26,444	**34,598**		

CITY OF HOLYROOD, KANSAS
Sewer Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Over (Under)
Receipts				
Sales to Customers	$ 76,902	**77,371**	77,000	371
Reimbursed Expenses	68	**78**	-	78
Dividend Income	-	**-**	600	(600)
Total Receipts	76,970	**77,449**	77,600	(151)
Expenditures				
Salaries	8,957	**10,837**	11,000	(163)
Insurance	3,055	**3,404**	2,500	904
Utilities	8,529	**7,558**	10,000	(2,442)
Supplies	2,280	**49**	250	(201)
Miscellaneous	320	**218**	300	(82)
Bad Debt	79	**45**	-	45
Maintenance	3,121	**-**	6,500	(6,500)
Revolving Loan Principal	10,799	**-**	-	-
Revolving Loan Interest	170	**-**	-	-
Revolving Loan Fee	13	**-**	-	-
KDHE Loan Principal	15,771	**16,140**	16,140	-
KDHE Loan Interest	920	**881**	881	-
KDHE Loan Fee	7,658	**7,328**	7,328	-
Testing	-	**-**	5,500	(5,500)
Contractual	-	**-**	25,000	(25,000)
Capital Outlay	-	**-**	41,040	(41,040)
Transfers Out	15,640	**30,640**	10,640	20,000
Total Expenditures	77,312	**77,100**	137,079	(59,979)
Receipts Over (Under) Expenditures	(342)	**349**		
Unencumbered Cash - Beginning	78,246	**77,904**		
Unencumbered Cash - Ending	$ 77,904	**78,253**		

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CITY OF HOLYROOD, KANSAS
Sewer Reserve Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

		Prior Year Actual	**Current Year Actual**
Receipts			
Transfers In	$	5,640	**5,640**
Expenditures		-	**-**
Receipts Over (Under) Expenditures		5,640	**5,640**
Unencumbered Cash - Beginning		61,628	**67,268**
Unencumbered Cash - Ending	$	67,268	**72,908**

Schedule 2-15

CITY OF HOLYROOD, KANSAS
Trash Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Over (Under)
Receipts				
Sales to Customers	$ 45,899	**56,259**	55,000	1,259
Expenditures				
Salaries	6,177	**6,501**	6,500	1
Collections	37,530	**47,322**	47,500	(178)
Miscellaneous	116	**64**	547	(483)
Transfers Out	1,500	**-**	2,000	(2,000)
Total Expenditures	45,323	**53,887**	56,547	(2,660)
Receipts Over (Under) Expenditures	576	**2,372**		
Unencumbered Cash - Beginning	2,797	**3,373**		
Unencumbered Cash - Ending	$ 3,373	**5,745**		

Schedule 3

CITY OF HOLYROOD, KANSAS
Agency Funds
Summary of Receipts and Disbursements
Regulatory Basis
For the Year Ended December 31, 2023

Funds	Beginning Cash Balance	Receipts	Disbursements	**Ending Cash Balance**
Fire Fund	$ 71,259	155,827	124,845	**102,241**