

CITY OF EUDORA, KANSAS
Financial Statements
For the Year Ended December 31, 2019

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CITY OF EUDORA, KANSAS
Financial Statements
For the Year Ended December 31, 2019

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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, 2019 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, 2019, 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, 2019, 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

June 2, 2020

CITY OF EUDORA, KANSAS
Summary Statement of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended December 31, 2019

<u>Funds</u>	<u>Beginning Unencumbered Cash Balance</u>	<u>Prior Year Cancelled Encumbrances</u>	<u>Receipts</u>	<u>Expenditures</u>	<u>Ending Unencumbered Cash Balance</u>	<u>Add: Outstanding Encumbrances and Accounts Payable</u>	<u>Ending Cash Balance</u>
General Fund	\$ 1,673,107	\$ -	\$ 4,376,043	\$ 4,231,769	\$ 1,817,381	\$ 97,779	\$ 1,915,160
Special Purpose Funds:							
Special Street Maintenance	176,326	-	319,373	211,098	284,601	4,823	289,424
Capital Improvement	744,817	-	562,411	744,886	562,342	44,594	606,936
Special Park Fees	50,612	-	15,220	-	65,832	-	65,832
Public Assistance	333	-	-	26	307	-	307
Hamlin Scholarship	1,155	-	-	1,155	-	-	-
Equipment Reserve	84,496	-	78,038	46,320	116,214	-	116,214
Energy Management Grant	207	-	-	-	207	-	207
Efficiency Kansas Loan Program	431	-	44	40	435	-	435
Bond and Interest Fund:							
Bond and Interest	111,241	-	1,478,555	1,479,990	109,806	-	109,806
Business Funds:							
Water Utility	370,603	-	1,195,062	1,134,992	430,673	38,827	469,500
Sewer Utility	800,425	-	1,284,261	1,030,163	1,054,523	15,823	1,070,346
Electric Utility	2,050,537	-	5,142,527	4,853,196	2,339,868	255,384	2,595,252
Refuse Utility	294,945	-	542,085	531,585	305,445	39,111	344,556
Storm Drainage Utility	41,093	-	114,196	65,480	89,809	-	89,809
Total Reporting Entity (Excluding Agency Funds)	<u>\$ 6,400,328</u>	<u>\$ -</u>	<u>\$ 15,107,815</u>	<u>\$ 14,330,700</u>	<u>\$ 7,177,443</u>	<u>\$ 496,341</u>	<u>\$ 7,673,784</u>

Composition of Cash:

Kaw Valley Bank	Demand Account	\$ 6,075,561
	Time Deposit	1,319,725
	Municipal Court	18,649
	Total Kaw Valley Bank	<u>7,413,935</u>
Mutual Savings Association	Time Deposit	<u>188,008</u>
	Total Mutual Savings Association	<u>188,008</u>
Central Bank of the Midwest	Time Deposit	<u>110,000</u>
	Total Central Bank of the Midwest	<u>110,000</u>
	Total Cash	7,711,943
	Less: Agency Funds (Schedule 3)	<u>[38,159]</u>
	Total Reporting Entity (Excluding Agency Funds)	<u>\$ 7,673,784</u>

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

CITY OF EUDORA, KANSAS
Notes to the Financial Statements
For the Year Ended December 31, 2019

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 municipality has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the municipality to use the regulatory basis of accounting.

Regulatory Basis Fund Types

The following types of funds comprise the financial activities of the City for the year ended December 31, 2019:

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.

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, 2019

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, 2019 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, Hamlin Scholarship, 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, 2019, the City held no such investments.

CITY OF EUDORA, KANSAS
Notes to the Financial Statements
For the Year Ended December 31, 2019

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, 2019.

At December 31, 2019, the City's carrying amount of deposits was \$7,714,598 and the bank balance was \$7,707,801. 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 \$7,159,792 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 - 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 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 8.89% for KPERS and 22.13% for KP&F for the fiscal year ended December 31, 2019. Contributions to the pension plan from the City were \$142,639 for KPERS and \$172,591 for KP&F for the year ended December 31, 2019.

CITY OF EUDORA, KANSAS
Notes to the Financial Statements
For the Year Ended December 31, 2019

NOTE 3 - Defined Benefit Pension Plan (Continued)

Net Pension Liability. At December 31, 2019, the City's proportionate share of the collective net pension liability reported by KPERS was \$1,445,721 and \$1,440,774 for KP&F. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018, which was rolled forward to June 30, 2019. 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 or can be obtained as described above.

NOTE 4 - Long-Term Debt

Changes in Long-term Debt. During the year ended December 31, 2019, the following changes occurred in long-term liabilities:

	Balance January 1, <u>2019</u>	<u>Additions</u>	<u>Retirements</u>	Balance December 31, <u>2019</u>	Interest <u>Paid</u>
Paid for by taxes:					
General obligation debt -					
Governmental funds	\$ 5,195,000	\$ 995,000	\$ 490,000	\$ 5,700,000	\$110,976
Temporary notes	950,000	-	950,000	-	21,375
Paid for by revenues:					
General obligation debt -					
Enterprise funds	1,830,000	-	155,000	1,675,000	56,906
State agency loans	1,767,783	56,382	176,323	1,647,842	44,882
Totals	<u>\$ 9,742,783</u>	<u>\$ 1,051,382</u>	<u>\$ 1,771,323</u>	<u>\$ 9,022,842</u>	<u>\$ 234,139</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.

CITY OF EUDORA, KANSAS
Notes to the Financial Statements
For the Year Ended December 31, 2019

NOTE 4 - Long-Term Debt (Continued)

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, 2019
Paid for by taxes:					
General Obligation Improvement Bonds, Series 2012-A	9/1/2012	9/1/2032	2.00-3.00%	\$ 2,840,000	\$ 1,970,000
General Obligation Refunding Bonds, Series 2013-A	2/14/2013	9/1/2026	2.00-2.125%	3,180,000	1,625,000
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	190,000
General Obligation Refunding Bonds, Series 2013-B	6/26/2013	9/1/2028	2.00-3.125%	2,290,000	1,485,000
General Obligation, Series 2016-A	9/15/2016	9/1/2031	2.50-2.00%	1,410,000	1,110,000
				<u>\$ 11,015,000</u>	<u>\$ 7,375,000</u>

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

Year Ending December 31,	Governmental Funds	Business Funds	Total
2020	\$ 633,701	\$ 213,606	\$ 847,307
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 - 2029	2,284,670	880,200	3,164,870
2030 - 2034	1,222,025	21,000	1,243,025
2035 - 2039	521,738	-	521,738
Total principal and interest	7,034,940	1,968,230	9,003,170
Less: interest	[1,334,940]	[293,230]	[1,628,170]
Total principal	<u>\$ 5,700,000</u>	<u>\$ 1,675,000</u>	<u>\$ 7,375,000</u>

On August 29, 2019, the City issued Series 2019-A General Obligation Bonds in the amount of \$995,000. Proceeds from the sale of the bonds were used to pay the principal balance of the City's Series 2015-A Temporary Notes. The 2019-A bonds have an interest rate of 4.75% and a final maturity scheduled for September 1, 2039.

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:

Purpose	Issuance Date	Maturity Date	Interest Rate	Original Amount	Balance December 31, 2019
Water and Sewer - KDHE loan, 2005	8/2/2005	3/1/2028	2.57%	\$ 2,767,450	\$ 1,528,919
Water - KDHE loan, 2017	5/10/2017	2/1/2038	2.33%	755,690	118,923
				<u>\$ 3,523,140</u>	<u>\$ 1,647,842</u>

CITY OF EUDORA, KANSAS
Notes to the Financial Statements
For the Year Ended December 31, 2019

NOTE 4 - Long-Term Debt (Continued)

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.

The debt service requirements to maturity are as follows:

Year Ending December 31,	
2020	\$ 201,402
2021	201,402
2022	201,402
2023	201,402
2024	201,402
2025 - 2028	<u>704,908</u>
Total principal, interest, and service fees	1,711,918
Less: Interest and service fees	<u>[182,999]</u>
Total principal	<u>\$ 1,528,919</u>

The second loan agreement provides for a maximum principal of \$601,309 which includes \$1,503 of capitalized interest and loan service fees. 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, 2019.

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, 2019 totaled \$163,554.

NOTE 6 - 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 7 - 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, 2019, the following changes occurred in capital leases:

	Balance January 1, <u>2019</u>	<u>Additions</u>	<u>Retirements</u>	Balance December 31, <u>2019</u>	Interest <u>Paid</u>
Capital lease obligations -					
Governmental funds	\$ 72,475	\$ -	\$ 23,259	\$ 49,216	\$ 2,765
Business funds	1,312,376	-	94,714	1,217,662	32,926
Totals	<u>\$1,384,851</u>	<u>\$ -</u>	<u>\$ 117,973</u>	<u>\$ 1,266,878</u>	<u>\$ 35,691</u>

CITY OF EUDORA, KANSAS
Notes to the Financial Statements
For the Year Ended December 31, 2019

NOTE 7 - Capital Leases of Equipment (Continued)

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2019, are as follows:

<u>Year Ending December 31,</u>	<u>Governmental Funds</u>	<u>Business Funds</u>	<u>Total</u>
2020	26,025	127,639	153,664
2021	26,025	127,639	153,664
2022	-	127,639	127,639
2023	-	127,639	127,639
2024	-	127,639	127,639
2025 - 2029	-	638,200	638,200
2030	-	127,639	127,639
Less: amount representing interest	[2,834]	[186,372]	[189,206]
Present value of minimum lease payments	<u>\$ 49,216</u>	<u>\$ 1,217,662</u>	<u>\$ 1,266,878</u>

NOTE 8 - Interfund Transfers

A reconciliation of all transfers for 2019 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	600,000	K.S.A. 12-825d
Water Utility	General	75,000	K.S.A. 12-825d
Sewer Utility	General	75,000	K.S.A. 12-825d
General	Capital Improvement	177,064	K.S.A. 12-1,118
Storm Drainage Utility	Special Street	65,000	K.S.A. 12-825d
		<u>\$ 1,022,064</u>	

NOTE 9 - 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, 2019.

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CITY OF EUDORA, KANSAS
Summary of Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2019

<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	\$ 5,336,630	\$ -	\$ 5,336,630	\$ 4,231,769	\$ 1,104,861
Special Purpose Funds:					
Special Street Maintenance	437,083	-	437,083	211,098	225,985
Bond and Interest Fund:					
Bond and Interest	521,201	1,049,078	1,570,279	1,479,990	90,289
Business Funds:					
Water Utility	1,457,021	-	1,457,021	1,134,992	322,029
Sewer Utility	1,461,844	-	1,461,844	1,030,163	431,681
Electric Utility	6,821,678	-	6,821,678	4,853,196	1,968,482
Refuse Utility	781,585	-	781,585	531,585	250,000
Storm Drainage Utility	125,025	-	125,025	65,480	59,545

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, 2019

	<u>Actual</u>	<u>Budget</u>	Variance Positive [Negative]
Receipts			
Taxes	\$ 2,776,836	\$ 2,664,603	\$ 112,233
Franchise tax	118,831	145,400	[26,569]
Licenses	72,630	45,700	26,930
Recreation and aquatic center fees	302,956	299,136	3,820
Fines and fees	105,889	122,700	[16,811]
Interest	18,294	7,500	10,794
Use of property	33,312	-	33,312
Transfers in	780,000	780,000	-
Grant proceeds	4,355	-	4,355
Miscellaneous	<u>162,940</u>	<u>12,800</u>	<u>150,140</u>
Total Receipts	<u>4,376,043</u>	<u>\$ 4,077,839</u>	<u>\$ 298,204</u>
Expenditures			
General Government	770,269	\$ 1,702,415	\$ 932,146
Planning and Zoning	288,734	326,196	37,462
Streets and Cemetery	298,483	395,403	96,920
Fire/EMS Department	514,121	532,473	18,352
Police Department/Municipal Court	1,512,595	1,488,301	[24,294]
Recreation	670,503	714,778	44,275
Transfer Out	<u>177,064</u>	<u>177,064</u>	<u>-</u>
Total Expenditures	<u>4,231,769</u>	<u>\$ 5,336,630</u>	<u>\$ 1,104,861</u>
Receipts Over [Under] Expenditures	144,274		
Unencumbered Cash, Beginning	<u>1,673,107</u>		
Unencumbered Cash, Ending	<u>\$ 1,817,381</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, 2019

	<u>Actual</u>	<u>Budget</u>	Variance Positive [Negative]
Receipts			
Taxes	\$ 174,126	\$ 165,500	\$ 8,626
Intergovernmental	14,634	14,000	634
Federal aid	62,863	55,000	7,863
Miscellaneous	2,750	3,500	[750]
Transfers in	<u>65,000</u>	<u>65,000</u>	<u>-</u>
Total Receipts	<u>319,373</u>	<u>\$ 303,000</u>	<u>\$ 16,373</u>
Expenditures			
Commodities	62,903	\$ 5,000	\$ [57,903]
Capital outlay	126,349	432,083	305,734
Contractual	<u>21,846</u>	<u>-</u>	<u>[21,846]</u>
Total Expenditures	<u>211,098</u>	<u>\$ 437,083</u>	<u>\$ 225,985</u>
Receipts Over [Under] Expenditures	108,275		
Unencumbered Cash, Beginning	<u>176,326</u>		
Unencumbered Cash, Ending	<u>\$ 284,601</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, 2019

Receipts	
Taxes	\$ 326,060
Interest	2,905
Loan proceeds	56,382
Transfers in	<u>177,064</u>
Total Receipts	<u>562,411</u>
Expenditures	
Contractual	26,557
Capital outlay	<u>718,329</u>
Total Expenditures	<u>744,886</u>
Receipts Over [Under] Expenditures	[182,475]
Unencumbered Cash, Beginning	<u>744,817</u>
Unencumbered Cash, Ending	<u>\$ 562,342</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, 2019

Receipts	
Impact fees	\$ 2,200
Taxes	12,733
Miscellaneous	<u>287</u>
Total Receipts	<u>15,220</u>
Expenditures	
Capital outlay	<u>-</u>
Total Expenditures	<u>-</u>
Receipts Over [Under] Expenditures	15,220
Unencumbered Cash, Beginning	<u>50,612</u>
Unencumbered Cash, Ending	<u>\$ 65,832</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, 2019

Receipts	
Miscellaneous	\$ <u> -</u>
Total Receipts	<u> -</u>
Expenditures	
Miscellaneous	<u> 26</u>
Total Expenditures	<u> 26</u>
Receipts Over [Under] Expenditures	[26]
Unencumbered Cash, Beginning	<u> 333</u>
Unencumbered Cash, Ending	<u>\$ 307</u>

* This fund is not required to be budgeted.

CITY OF EUDORA, KANSAS
 Hamlin Scholarship Fund
 Schedule of Receipts and Expenditures - Actual*
 Regulatory Basis
 For the Year Ended December 31, 2019

Receipts	
Donations	\$ <u> -</u>
Total Receipts	<u> -</u>
Expenditures	
Scholarships	<u> 1,155</u>
Total Expenditures	<u> 1,155</u>
Receipts Over [Under] Expenditures	[1,155]
Unencumbered Cash, Beginning	<u> 1,155</u>
Unencumbered Cash, Ending	<u>\$ <u> -</u></u>

* This fund is not required to be budgeted.

SCHEDULE 2-7

CITY OF EUDORA, KANSAS
Equipment Reserve Fund
Schedule of Receipts and Expenditures - Actual*
Regulatory Basis
For the Year Ended December 31, 2019

Receipts	
Miscellaneous	<u>\$ 78,038</u>
Total Receipts	<u>78,038</u>
Expenditures	
Capital outlay	<u>46,320</u>
Total Expenditures	<u>46,320</u>
Receipts Over [Under] Expenditures	31,718
Unencumbered Cash, Beginning	<u>84,496</u>
Unencumbered Cash, Ending	<u>\$ 116,214</u>

* This fund is not required to be budgeted.

CITY OF EUDORA, KANSAS
 Energy Management Grant Fund
 Schedule of Receipts and Expenditures - Actual*
 Regulatory Basis
 For the Year Ended December 31, 2019

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.

SCHEDULE 2-9

CITY OF EUDORA, KANSAS
Efficiency Kansas Loan Program Fund
Schedule of Receipts and Expenditures - Actual*
Regulatory Basis
For the Year Ended December 31, 2019

Receipts	
Intergovernmental	\$ <u>44</u>
Total Receipts	<u>44</u>
Expenditures	
Loan payments	<u>40</u>
Total Expenditures	<u>40</u>
Receipts Over [Under] Expenditures	4
Unencumbered Cash, Beginning	<u>431</u>
Unencumbered Cash, Ending	<u>\$ 435</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, 2019

	<u>Actual</u>	<u>Budget</u>	Variance Positive [Negative]
Receipts			
Taxes	\$ 429,477	\$ 425,478	\$ 3,999
Bond proceeds	<u>1,049,078</u>	<u>-</u>	<u>1,049,078</u>
Total Receipts	<u>1,478,555</u>	<u>\$ 425,478</u>	<u>\$ 1,053,077</u>
Expenditures			
Contractual	34,789	\$ 26,000	[8,789]
Debt service	1,445,201	495,201	[950,000]
Adjustment for qualifying budget credits	<u>-</u>	<u>1,049,078</u>	<u>1,049,078</u>
Total Expenditures	<u>1,479,990</u>	<u>\$ 1,570,279</u>	<u>\$ 90,289</u>
Receipts Over [Under] Expenditures	[1,435]		
Unencumbered Cash, Beginning	<u>111,241</u>		
Unencumbered Cash, Ending	<u>\$ 109,806</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, 2019

	<u>Actual</u>	<u>Budget</u>	Variance Positive [Negative]
Receipts			
Charges to customers	\$ 1,176,282	\$ 1,182,600	\$ [6,318]
Licenses and permits	4,100	27,000	[22,900]
Impact fees	5,500	-	5,500
Use of money and property	112	100	12
Miscellaneous	<u>9,068</u>	<u>-</u>	<u>9,068</u>
Total Receipts	<u>1,195,062</u>	<u>\$ 1,209,700</u>	<u>\$ [14,638]</u>
Expenditures			
Personnel	395,914	\$ 417,106	\$ 21,192
Contractual	236,388	247,371	10,983
Commodities	163,864	184,544	20,680
Capital outlay	227,274	387,749	160,475
Sales tax	8,703	6,400	[2,303]
Debt service	19,000	138,851	119,851
Miscellaneous	8,849	-	[8,849]
Transfers out	<u>75,000</u>	<u>75,000</u>	<u>-</u>
Total Expenditures	<u>1,134,992</u>	<u>\$ 1,457,021</u>	<u>\$ 322,029</u>
Receipts Over [Under] Expenditures	60,070		
Unencumbered Cash, Beginning	<u>370,603</u>		
Unencumbered Cash, Ending	<u>\$ 430,673</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, 2019

	<u>Actual</u>	<u>Budget</u>	Variance Positive [Negative]
Receipts			
Charges to customers	\$ 1,147,878	\$ 1,152,508	\$ [4,630]
Use of money and property	655	350	305
Impact fees	39,050	-	39,050
Miscellaneous	<u>96,678</u>	<u>-</u>	<u>96,678</u>
Total Receipts	<u>1,284,261</u>	<u>\$ 1,152,858</u>	<u>\$ 131,403</u>
Expenditures			
Personnel	271,132	\$ 383,553	\$ 112,421
Contractual	176,999	181,610	4,611
Commodities	43,111	107,376	64,265
Capital outlay	267,024	313,510	46,486
Debt service	192,906	400,795	207,889
Miscellaneous	3,991	-	[3,991]
Transfers out	<u>75,000</u>	<u>75,000</u>	<u>-</u>
Total Expenditures	<u>1,030,163</u>	<u>\$ 1,461,844</u>	<u>\$ 431,681</u>
Receipts Over [Under] Expenditures	254,098		
Unencumbered Cash, Beginning	<u>800,425</u>		
Unencumbered Cash, Ending	<u>\$ 1,054,523</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, 2019

	<u>Actual</u>	<u>Budget</u>	Variance Positive [Negative]
Receipts			
Charges to customers	\$ 5,112,518	\$ 5,185,702	\$ [73,184]
Licenses and permits	10,376	9,700	676
Use of money and property	<u>19,633</u>	<u>8,080</u>	<u>11,553</u>
Total Receipts	<u>5,142,527</u>	<u>\$ 5,203,482</u>	<u>\$ [60,955]</u>
Expenditures			
Personnel	598,557	\$ 726,317	\$ 127,760
Contractual	3,198,002	3,316,958	118,956
Commodities	128,429	128,500	71
Capital outlay	103,515	1,780,126	1,676,611
Sales tax	149,118	154,510	5,392
Debt service	75,575	115,267	39,692
Transfers out	<u>600,000</u>	<u>600,000</u>	<u>-</u>
Total Expenditures	<u>4,853,196</u>	<u>\$ 6,821,678</u>	<u>\$ 1,968,482</u>
Receipts Over [Under] Expenditures	289,331		
Unencumbered Cash, Beginning	<u>2,050,537</u>		
Unencumbered Cash, Ending	<u>\$ 2,339,868</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, 2019

	<u>Actual</u>	<u>Budget</u>	Variance Positive [Negative]
Receipts			
Charges to customers	\$ 542,085	\$ 511,300	\$ 30,785
Total Receipts	<u>542,085</u>	<u>\$ 511,300</u>	<u>\$ 30,785</u>
Expenditures			
Contractual	501,570	\$ 485,000	\$ [16,570]
Commodities	15	-	[15]
Capital outlay	-	266,585	266,585
Transfers out	<u>30,000</u>	<u>30,000</u>	<u>-</u>
Total Expenditures	<u>531,585</u>	<u>\$ 781,585</u>	<u>\$ 250,000</u>
Receipts Over [Under] Expenditures	10,500		
Unencumbered Cash, Beginning	<u>294,945</u>		
Unencumbered Cash, Ending	<u>\$ 305,445</u>		

See independent auditor's report on the financial statements.

CITY OF EUDORA, KANSAS
Storm Drainage Utility Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2019

	<u>Actual</u>	<u>Budget</u>	Variance Positive [Negative]
Receipts			
Charges to customers	\$ 114,196	\$ 87,000	\$ 27,196
Total Receipts	<u>114,196</u>	<u>\$ 87,000</u>	<u>\$ 27,196</u>
Expenditures			
Capital outlay	463	\$ 55,025	\$ 54,562
Commodities	17	5,000	4,983
Transfers out	<u>65,000</u>	<u>65,000</u>	<u>-</u>
Total Expenditures	<u>65,480</u>	<u>\$ 125,025</u>	<u>\$ 59,545</u>
Receipts Over [Under] Expenditures	48,716		
Unencumbered Cash, Beginning	<u>41,093</u>		
Unencumbered Cash, Ending	<u>\$ 89,809</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, 2019

<u>FUNDS</u>	Beginning Cash <u>Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	Ending Cash <u>Balance</u>
Payroll clearing	\$ 14,505	\$ 458	\$ -	\$ 14,963
FSA fund	-	5,000	453	4,547
Municipal court bonds fund	<u>19,557</u>	<u>97</u>	<u>1,005</u>	<u>18,649</u>
Total Agency Funds	<u>\$ 34,062</u>	<u>\$ 5,555</u>	<u>\$ 1,458</u>	<u>\$ 38,159</u>