

CITY OF EVARTS
Evarts, Kentucky

BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

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Cloyd & Associates, PSC

*Certified Public Accountants
and
Business Advisors*

To the City Council and Mayor
City of Evarts, Kentucky

Management is responsible for the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Evarts, Kentucky, as of and for the year ended June 30, 2022, which collectively comprise the City's basic financial statements as listed in the table of contents, in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any assurance on these financial statements.

Management has elected to omit all the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the City's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

Accounting principles generally accepted in the United States of America require that the budgetary schedules are presented to supplement the basic financial statements. Such information is presented for purposes of additional analysis and, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical context. Such information is the responsibility of management. The required supplementary information was subject to our compilation engagement. We have not audited or reviewed the required supplementary information and do not express an opinion, a conclusion, nor provide any assurance on such information.

CLOYD & ASSOCIATES, PSC

Corbin, Kentucky

November 27, 2023



CITY OF EVARTS, KENTUCKY

STATEMENT OF NET POSITION

June 30, 2022

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents - unrestricted	\$ 69,126	\$ 298,789	\$ 367,915
Restricted cash and cash equivalents	-	83,322	83,322
Taxes receivable:			
Property tax	32,053	-	32,053
Other receivables (net of allowance for uncollectible accounts)	-	6,777	6,777
Due from other funds	85,717	70,936	156,653
Prepaid expense	297	-	297
Investment in fixed assets, net			
Depreciable	<u>80,583</u>	<u>3,412,682</u>	<u>3,493,265</u>
Total assets	<u>267,776</u>	<u>3,872,506</u>	<u>4,140,282</u>
LIABILITIES			
Accounts payable	9,237	37,600	46,837
Accrued expenses	23,058	86,926	109,984
Current portion of note payables	-	9,668	9,668
Current portion of bond payables	-	58,333	58,333
Other current liabilities	-	83,322	83,322
Due to other funds	-	156,653	156,653
Non-current portion of note payables	-	186,984	186,984
Non-current portion of bond payables	-	410,834	410,834
Other long-term liabilities	<u>18,889</u>	<u>-</u>	<u>18,889</u>
Total liabilities	<u>51,184</u>	<u>1,030,320</u>	<u>1,081,504</u>
NET POSITION			
Net investment in capital assets	80,583	3,412,682	3,493,265
Unrestricted	<u>136,009</u>	<u>(570,496)</u>	<u>(434,487)</u>
Total net position	<u>\$ 216,592</u>	<u>\$ 2,842,186</u>	<u>\$ 3,058,778</u>

CITY OF EVARTS, KENTUCKY

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2022

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents - unrestricted	\$ 69,126	\$ 22,676	\$ 69,126
Taxes receivable			
Property tax	32,053	-	32,053
Prepaid expenses	297	-	297
Due (to)/from other funds	85,717	-	85,717
Total assets	<u>187,193</u>	<u>22,676</u>	<u>187,193</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	9,237	3,787	9,237
Accrued expenses	41,947	-	41,947
Total liabilities	<u>51,184</u>	<u>3,787</u>	<u>51,184</u>
Fund balances			
Unassigned	136,009	18,889	154,898
Total fund balances	<u>136,009</u>	<u>18,889</u>	<u>154,898</u>
Total liabilities and fund balances	<u>\$ 187,193</u>	<u>\$ 22,676</u>	<u>\$ 209,869</u>

CITY OF EVARTS, KENTUCKY

**RECONCILIATION OF THE BALANCE SHEET -GENERAL FUND TO
THE STATEMENT OF NET ASSETS**

June 30, 2022

Total fund balances - Governmental funds \$ 154,898

Amounts reported for governmental activities in the statement of net
assets are different because:

Capital assets used in governmental activities are not current financial
resources and, therefore, are not reported as assets in governmental funds.

The capital assets net of depreciation are: 80,583

Interest payable is not reported in the governmental fund balance sheet
because it is not due and payable in the current period, but it is presented
in the statement of net assets.

(18,889)

Total net assets - governmental activities

\$ 216,592

CITY OF EVARTS, KENTUCKY

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year ended June 30, 2022**

	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues			
Taxes:			
Property	\$ 64,322	\$ -	\$ 64,322
Municipal insurance	74,321	-	74,321
Other	-	34,684	34,684
Franchise fees	38,236	-	38,236
Licenses and permits	10,709	-	10,709
Intergovernmental revenues	20,549	13,041	33,590
Other	61,220	-	61,220
Total revenues	<u>269,357</u>	<u>47,725</u>	<u>317,082</u>
Expenditures			
General Government	98,905	-	98,905
Police Department	170,289	-	170,289
Fire Department	21,633	-	21,633
Street	13,064	13,416	26,480
Tourism and convention	-	25,799	25,799
Miscellaneous	189	-	189
Total expenditures	<u>304,080</u>	<u>39,215</u>	<u>343,295</u>
Excess (deficit) of revenues over (under) expenditures	(34,723)	8,510	(26,213)
Other financing sources (uses)			
Transfer in/(out)	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balance	(34,723)	8,510	(26,213)
Fund balances, June 30, 2022	<u>170,732</u>	<u>10,379</u>	<u>181,111</u>
Fund balances, June 30, 2023	<u>\$ 136,009</u>	<u>\$ 18,889</u>	<u>\$ 154,898</u>

CITY OF EVARTS, KENTUCKY

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
Year ended June 30, 2022**

Net change in total fund balances - governmental funds	(26,213)
Amounts reported for governmental activities in the statement of activities are different because:	
Capital outlays are reported as expenditures in the governmental fund financial statements because they use current financial resources, but they are treated as assets in the statement of activities and depreciated over their estimated economic lives. The difference is the amount by which depreciation expense exceeds capital outlay for the year.	<u>(10,421)</u>
Change in net position - governmental activities	<u>\$ (36,634)</u>

CITY OF EVARTS, KENTUCKY

STATEMENT OF NET POSITION - PROPRIETARY FUNDS
June 30, 2022

	Water	Sewer	Sanitation	Total Proprietary Funds
Current Assets				
Cash	\$ 216,308	\$ 40,777	\$ 41,704	\$ 298,789
Accounts receivable, net	-	-	6,777	6,777
Due from other funds	70,936	-	-	70,936
Total Current Assets	<u>287,244</u>	<u>40,777</u>	<u>48,481</u>	<u>376,502</u>
Noncurrent Assets				
Restricted cash	83,322	-	-	83,322
Capital assets, net of accumulated depreciation	2,952,889	459,793	-	3,412,682
Total Noncurrent Assets	<u>3,036,211</u>	<u>459,793</u>	<u>-</u>	<u>3,496,004</u>
Total Assets	<u>\$ 3,323,455</u>	<u>\$ 500,570</u>	<u>\$ 48,481</u>	<u>\$ 3,872,506</u>
Current Liabilities				
Accounts payable	\$ 22,512	\$ 10,851	\$ 4,237	\$ 37,600
Notes payable	9,668	-	-	9,668
Bonds payable	58,333	-	-	58,333
Deposits	83,322	-	-	83,322
Accrued expenses	81,302	5,624	-	86,926
Due to other funds	-	127,615	29,038	156,653
Total Current Liabilities	<u>255,137</u>	<u>144,090</u>	<u>33,275</u>	<u>432,502</u>
Noncurrent Liabilities				
Note payable	186,984	-	-	186,984
Bond payable	222,748	188,086	-	410,834
Total Noncurrent Liabilities	<u>409,732</u>	<u>188,086</u>	<u>-</u>	<u>597,818</u>
Total Liabilities	664,869	332,176	33,275	1,030,320
Net Position				
Invested in capital assets, net of related debt	2,720,473	271,707	-	2,992,180
Restricted for debt service	-	-	-	-
Unrestricted	(61,887)	(103,313)	15,206	(149,994)
Total Net Position	<u>\$ 2,658,586</u>	<u>\$ 168,394</u>	<u>\$ 15,206</u>	<u>\$ 2,842,186</u>

CITY OF EVARTS, KENTUCKY

**STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION
PROPRIETARY FUNDS**

June 30, 2022

	<u>Water</u>	<u>Sewer</u>	<u>Santitation</u>	<u>Total Proprietary Funds</u>
Operating Revenues				
Charges for services	\$ 557,533	\$ 157,606	\$ 91,279	\$ 806,418
Intergovernmental revenue	211,716	-	-	211,716
Other income	31,099	-	-	31,099
Total Operating Revenue	<u>800,348</u>	<u>157,606</u>	<u>91,279</u>	<u>1,049,233</u>
Operating Expense				
Salaries	199,850	48,682	40,706	289,238
Dues	3,419	-	-	3,419
Depreciation	140,366	26,288	-	166,654
Repairs & Maintenance	172,203	45,410	4,767	222,380
Utilities	77,132	36,260	249	113,641
Contractual services	145,131	15,764	44,860	205,755
Supplies	6,588	6,331	1,201	14,120
Fuel	18,943	2,048	4,175	25,166
Uniforms	5,791	2,795	841	9,427
Travel	367	-	-	367
Taxes	13,276	-	-	13,276
Other operating expenses	11,157	1,905	3,594	16,656
Other general expenses	26,233	690	5,491	32,414
Total Operating Expenses	<u>820,456</u>	<u>186,173</u>	<u>105,884</u>	<u>1,112,513</u>
Operating Income (Loss)	<u>(20,108)</u>	<u>(28,567)</u>	<u>(14,605)</u>	<u>(63,280)</u>
Other Revenues (Expenses)				
Interest expense	6,401	-	-	6,401
Total Other Revenues (Expenses)	<u>6,401</u>	<u>-</u>	<u>-</u>	<u>6,401</u>
Income (loss) before transfers	<u>(13,707)</u>	<u>(28,567)</u>	<u>(14,605)</u>	<u>(56,879)</u>
Transfers (to) / from governmental activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Income (Loss)	<u>(13,707)</u>	<u>(28,567)</u>	<u>(14,605)</u>	<u>(56,879)</u>
Restated Net Position , July 1, 2021	<u>2,672,293</u>	<u>196,961</u>	<u>29,811</u>	<u>2,899,065</u>
Net Position, June 30, 2022	<u>\$ 2,658,586</u>	<u>\$ 168,394</u>	<u>\$ 15,206</u>	<u>\$ 2,842,186</u>

CITY OF EVARTS, KENTUCKY

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS

June 30, 2022

	Water	Sewer	Sanitation	Total Proprietary Funds
Cash Flows From Operating Activities				
Receipts from customers	\$ 795,348	\$ 157,606	\$ 96,279	\$ 1,049,233
Payments for goods and services	<u>(789,147)</u>	<u>(152,519)</u>	<u>(108,212)</u>	<u>(1,049,878)</u>
Net Cash Provided (Used) by Operating Activities	<u>6,201</u>	<u>5,087</u>	<u>(11,933)</u>	<u>(645)</u>
Cash Flows From Noncapital Financing Activities				
Transfers (to) from restricted funds	-	-	-	-
Net Cash Provided (Used) by Noncapital Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash Flows From Capital Financing Activities				
Capital asset activity	34,053	-	-	34,053
Principal and interest paid on debt	<u>(50,429)</u>	<u>-</u>	<u>-</u>	<u>(50,429)</u>
Net Cash Used by Capital Financing Activities	(16,376)	-	-	(16,376)
Cash Flows From Investing Activities				
Interest	-	-	-	-
Net Cash Provided by Investing Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Decrease in Cash	(10,175)	5,087	(11,933)	(17,021)
Cash - July 1, 2021	<u>226,483</u>	<u>35,690</u>	<u>53,637</u>	<u>315,810</u>
Cash - June 30, 2022	<u>\$ 216,308</u>	<u>\$ 40,777</u>	<u>\$ 41,704</u>	<u>\$ 298,789</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	\$ (20,108)	\$ (28,567)	\$ (14,605)	\$ (63,280)
Adjustments to reconcile operating income (loss) to net cash from operating activities:				
Depreciation	140,366	26,288	-	166,654
(Increase) Decrease in:				
Interfund receivables	(5,000)	-	5,000	-
Increase (Decrease) in:				
Accounts payable	(25,874)	7,366	(2,328)	(20,836)
Accrued expenses	(72,451)	-	-	(72,451)
Customer deposits	<u>(10,732)</u>	<u>-</u>	<u>-</u>	<u>(10,732)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 6,201</u>	<u>\$ 5,087</u>	<u>\$ (11,933)</u>	<u>\$ (645)</u>

CITY OF EVARTS, KENTUCKY

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
GENERAL FUND
Year Ended June 30, 2022**

	General Fund			
	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES	\$ 350,370	\$ 350,370	\$ 269,357	\$ (81,013)
EXPENDITURES				
General government	110,390	110,390	98,905	(11,485)
Police department	108,740	108,740	170,289	61,549
Fire department	7,790	7,790	21,633	13,843
Street department	4,850	4,850	13,064	8,214
Parks and Recreation	830	830	-	(830)
Other	-	-	189	189
Total expenditures	<u>232,600</u>	<u>232,600</u>	<u>304,080</u>	<u>71,480</u>
OTHER FINANCING SOURCES				
Proceeds from debt	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING USES				
Transfer in/(out)	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	117,770	117,770	(34,723)	(152,493)
Fund balance, July 1, 2021	<u>128,800</u>	<u>128,800</u>	<u>170,732</u>	<u>-</u>
Fund balance June 30, 2022	<u>\$ 246,570</u>	<u>\$ 246,570</u>	<u>\$ 136,009</u>	<u>\$ (152,493)</u>