

**CITY OF EMPORIA, KANSAS**

104 E. 5th Avenue  
Emporia, Kansas 66801

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

For the Year Ended December 31, 2015

**Prepared by the Finance Department  
Of the City of Emporia, Kansas**

**CITY OF EMPORIA, KANSAS**

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***INTRODUCTORY SECTION***



July 5, 2016

Honorable Mayor and City Commissioners  
City of Emporia  
Emporia, Kansas

Honorable Mayor and City Commissioners:

The Comprehensive Annual Financial Report of the City of Emporia, Kansas (the City) for the year ended December 31, 2015 is submitted herewith.

This report was prepared by the City's Finance Department. The report is published to provide to the Commission, to representatives of financial institutions, and to our citizens and other interested persons, detailed information concerning the financial condition of the city government. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. We believe the information, as presented, is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of operation of the City as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included. Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

## **GENERAL INFORMATION**

The City lies 110 miles southwest of Kansas City and 85 miles northeast of Wichita on the eastern edge of the Flint Hills area of Kansas. Emporia has a population of 24,799 based on the 2010 census. There are 11.82 square miles of land in the City's corporate boundary, while the "planning and protected" area covers approximately 63 square miles.

The City was incorporated in 1857. The City has a Commission-City Manager form of government. The Commission is comprised of five members elected at large for terms of two and four years, with three Commissioners being elected each odd-numbered year. The Mayor is elected by the Commission.

The City Manager is appointed by the Governing Body and acts as its primary agent in accordance with state statute. Other City officers and employees are appointed by the City Manager. The Governing Body is responsible for policy determination and the City Manager is responsible for the administration of the municipal government.

This report includes all of the funds of the City. The City is financially accountable for the Emporia Public Library, and the Library is included in the City's financial statements. The City Commission appoints all members of the seven-member Library Board. Because the Library is not a separate taxing entity by applicable state statutes, the City levies taxes for the Library's operations, which represent approximately 91 percent of the Library's total revenues. The operations of the Emporia Public Library are reported as a discretely presented component unit in the City's financial statements.

The City provides a full range of municipal services. The Public Safety program includes police and fire protection; an aquatic center, golf course, tennis courts, neighborhood parks and a community center provide a well-rounded, active recreation program; the Engineering Department provides essential street and highway construction and maintenance, surveying services and other technical assistance to the City; the Public Utilities provide water, sewer and refuse collection services. Additional services provided include building inspection, planning and zoning, as well as general

### **GENERAL INFORMATION (CONTINUED)**

In developing and altering the City's accounting system, consideration is given to the adequacy of the internal controls. The internal controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and the evaluation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within the above framework. We believe that the City's internal controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions. State law requires an annual audit of the books of accounts, financial records and transactions of all administrative departments of the City by independent Certified Public Accountants or Licensed Municipal Public Accountants selected by the City Commission. This requirement has been complied with and the auditor's opinion has been included in this report.

### **LOCAL ECONOMY**

Emporia is very fortunate to have a diversified economy. This diversity provides a cushion when particular market areas suffer from an economic downturn. Our major source of employment is in the field of food processing. This is an important link to our state's agricultural base, yet it is somewhat insulated from the periodic downturns. Strong employment in this sector is being maintained at Tyson's Fresh Meats which has approximately 950 employees. Simmons Pet Food employs approximately 420 employees and recently completed an addition to their Emporia Facility. Hill's Pet Nutrition continues to be strong in their employment growth and employes approximately 125 employees. Hostess Brands LLC opened the Emporia facility in 2012 and continues to be the largest baking facility in the company's system and employs more than 530 employees. In 2015, Detroit Diesel finished construction of a warehouse addition to their Emporia facility and employs approximately 130 employees. Fanestil Meats completed the construction of a new distribution facility in Industrial Park IV and is up to 90 employees. Vekttek Inc., a manufacturer of hydraulic clamping equipment, employs more than 100 employees and recently received the Governor's 2015 Exporter of the Year Award. Birch Communications continues to invest in their Emporia facility and now employs more than 230 employees. Additionally, many other local manufacturers continue to be strong and hired additional employees in 2015.

Emporia State University (ESU) is dependent on State funding and the poor fiscal condition of the State is affecting its operations of the Kansas Regents System. However, ESU continues to grow at a steady rate. In fact, ESU has a five-year goal of increasing enrollment on the Emporia campus by another 400 students. Attracting new students and retaining students is a very competitive business, but the momentum has been created as evidenced by increased enrollment for the past five semesters. Flint Hills Technical College has experienced record enrollment during the last few years and continues to serve the business community in a very important way. In 2015, Flint Hills Technical College opened a welding facility in order to help with the demand in this particular field. Due to Emporia's transportation center, trucking continues to be a very important piece of the local economy. Our access to modern highway systems and our geographical location in Kansas and the United States continues to make the region a very promising area for business.

### **LONG-TERM FINANCIAL PLANNING AND MAJOR INITIATIVES**

Unrestricted fund balance in the general fund was a negative \$5,992,007 as of December 31, 2015. Due to the implementation of GASB 68, unrestricted fund balance decreased \$12,586,636. This was below the 15 percent policy guidelines set by the Commission for budgetary and planning purposes, entirely due to the effects of GASB 68. The water fund unrestricted fund balance was 64 percent, the sewer fund unrestricted fund balance was 77.56 percent and the solid waste fund unrestricted fund balance was 53.60 percent. These amounts are above the 20 percent reserve policy set by the City Commission.

The City of Emporia collects approximately 2.2 million dollars a year from a 1 cent county wide sales tax. The City Commission has stated these dollars are to be spent on city infrastructure. During 2015, \$380,213 was spent on storm water repairs, \$1.8 million on street maintenance, \$90,703 on park and zoo improvements and \$302,600 on building repairs. This sales tax was set to expire in 2014 and the citizens of Lyon County voted on the 2013 ballot to extend until 2024. A five-year capital improvement plan is maintained which serves as a planning document to ensure that facilities, equipment and infrastructure are well maintained and operating in good condition. Property owners can participate in the Neighborhood Revitalization Program for property in the center part of Emporia. The downtown district received historical district certification in 2013, which provides additional grant opportunities to maintain the buildings.

July 5, 2016  
Honorable Mayor and City Commissioners  
City of Emporia

### RELEVANT FINANCIAL POLICIES

The adopted budgets are an integral part of the accounting system providing management control over expenditures in the general fund, special revenue funds, debt service fund and enterprise funds. Kansas statutes require that cash be on hand before expenditure can be authorized, that all expenditures be budgeted, and that the budget not exceed anticipated revenues including carry-forward balances. The adopted budget for any fund may be amended, using the same procedures as for adoption, if the increased expenditures are financed with non-tax revenues. Formal budgetary integration is not used for the capital projects funds because budgetary control is achieved through the resolution of authorization and funding. Encumbrance accounting is used for outstanding purchase orders, contracts and other commitments. Encumbrances outstanding at year-end are reported as assigned fund balance since they are not expenditures or liabilities.

Cash temporarily idle during the year was invested in time deposits in banks ranging from 30 to 150 days in maturity and in U.S. government obligations with variable maturities and in the Kansas Municipal Investment Pool. At December 31, 2015, the City's cash resources were divided between demand deposits and investments as follows: in demand deposits and cash on hand: 14 percent; and in interest bearing investments: 86 percent. The City's investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. Accordingly, deposits were either insured by federal depository insurance or collateralized.

The City performs limited risk management operations intended to maintain coverage at appropriate levels; manage claims; and monitor carrier performance. The City was self-insured for its workers' compensation insurance for the year ended December 31, 2015.

### CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the year ended December 31, 2014. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such comprehensive annual financial reports must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City has received a Certificate of Achievement for the last thirty consecutive years (fiscal years 1985-2014). We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to GFOA.

### ACKNOWLEDGEMENTS

The preparation of this report could not be accomplished without the efficient and dedicated services of the entire staff of the Finance Department. I should like to express my appreciation to all members of the department who assisted and contributed to its preparation. I should also like to thank the Mayor and City Commissioners for their interest and support in planning and conducting the financial operations of the City in a reasonable and progressive manner.

Respectfully submitted,



Janet Harrouff  
City Treasurer  
DATE



Mark McAnarney  
City Manager  
Date



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

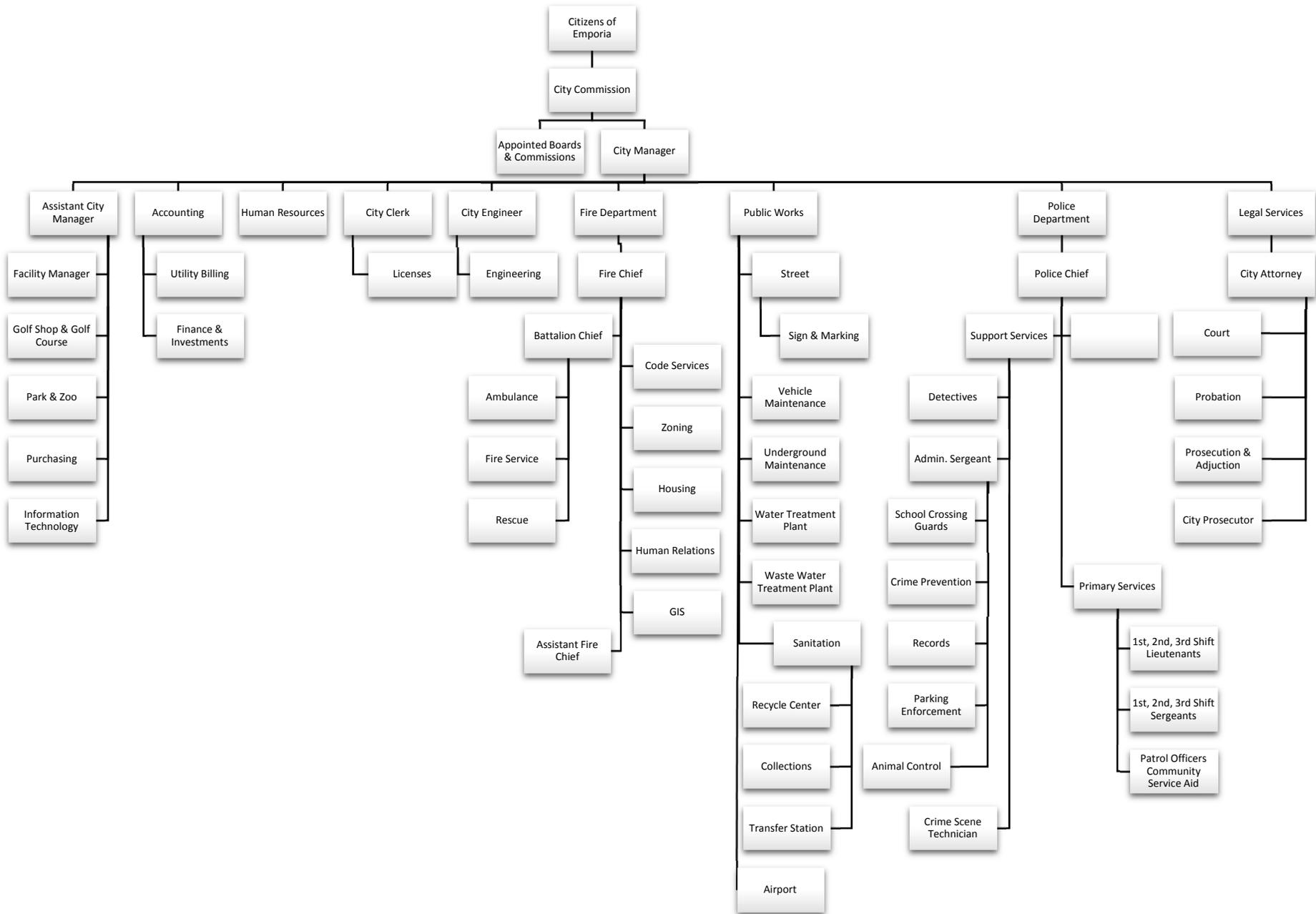
Presented to

**City of Emporia  
Kansas**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2014**

Executive Director/CEO



**CITY OF EMPORIA, KANSAS**  
**PRINCIPAL OFFICIALS**  
December 31, 2015

**GOVERNING BODY**

Mayor  
Vice-Mayor  
Commissioner  
Commissioner  
Commissioner

Danny Giefer  
Rob Gilligan  
Bobbi Mlynar  
Jon Geitz  
Steve Harmon

**ADMINISTRATIVE OFFICIALS**

City Manager  
Assistant City Manager  
City Clerk  
City Treasurer  
City Attorney - Outgoing  
City Attorney - Incoming

Mark McAnarney  
Jim Witt  
Kerry Sull  
Janet Harrouff  
Blaise Plummer  
Christina Montgomery

**DEPARTMENT HEADS**

Public Works Director  
City Engineer  
Fire Chief  
Police Chief

Frank Abart  
Gerald Menefee  
Jack Taylor  
Scott Cronk

***INDEPENDENT AUDITOR'S REPORT***



July 5, 2016

Mayor and City Commissioners  
City of Emporia, Kansas

## INDEPENDENT AUDITOR'S REPORT

### Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Emporia, Kansas (the City), as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

The City's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibilities

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Emporia Public Library, which represent 1.46% of the assets and 2.20% of the revenues of the City. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Emporia Public Library, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the applicable provisions of the *Kansas Municipal Audit and Accounting Guide*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, 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 statements 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 statements.

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

### Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof, and the respective budget comparisons for the General Fund and Multi-Year Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

July 5, 2016  
Mayor and City Commissioners  
City of Emporia, Kansas  
(Continued)

## **OTHER MATTERS**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a 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 for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual non-major fund financial statements and budgetary comparison schedules for the debt service fund and budgeted non-major governmental funds, and the other information, such as introductory and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements and budget comparison schedules for the debt service fund and budgeted nonmajor funds are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information in the combining and individual non-major fund statements and budget comparison schedules for the debt service fund and budgeted nonmajor funds is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

*Vannoy & Associates CPAs, LLC*

Certified Public Accountants  
Manhattan, Kansas

***MANAGEMENT'S DISCUSSION AND ANALYSIS***

**CITY OF EMPORIA, KANSAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

For the Year Ended December 31, 2015

Unaudited

Our discussion and analysis of the City of Emporia, Kansas financial performance provides an overview of the City's financial activities for the fiscal year ended December 31, 2015. The Emporia Public Library issues a complete financial statement that includes a discussion and analysis. The address for retrieval of this report is in Note 1. This narrative should be read in conjunction with the City's letter of transmittal, which begins on page i.

**Financial Highlights**

- The Government-wide net assets totaled \$63,700,692 at the end of the current fiscal year, a decrease of \$13,089,976 from the prior year.
- The Government-wide unrestricted current assets exceed the current liabilities by \$24,054,623, representing the City's ability to meet its current obligations when due.
- Total capital assets, net of accumulated depreciation at December 31, 2015, totaled \$80,664,989.
- During the year ended December 31, 2015, the City's total expenses exceeded total revenues (which include charges for services, local taxes and state and federal aid) by \$2,540,819.
- The City's total indebtedness showed a net increase of \$1,285,000. Payments totaling \$6,820,000 (including advance refunding) were made and new debt issued totaling \$8,105,000.
- The City's net capital assets decreased \$2,129,376 in the current fiscal year.
- The City implemented the Governmental Accounting Standards Board (GASB) Statement No. 68 regarding accounting and financial reporting for pensions, resulting in a material reduction to net position.

**Using this Financial Report**

This annual report consists of two distinct series of financial statements: government-wide and fund financial statements. In addition, the annual report includes budgetary-basis financial statement comparisons, in accordance with the State of Kansas cash basis and budget laws.

The government-wide statements are designed to provide information about the City's activities as a whole and provide a longer-term view of the City's finances. The fund financial statements tell how the City's services for both governmental and business-type activities were financed in the short term as well as what remains for future spending. Fund financial statements report the City's operations in greater detail than the government-wide statements by providing information about the City's most significant funds. In addition, combining statements included in the supplemental information show detail of all other governmental funds. The City also holds fiduciary funds on behalf of various parties. These funds are reported in a separate statement.

**Reporting on the City as a Whole (Government Wide)**

***Statement of Net Position and the Statement of Activities***

The view of the City as a whole looks at all financial transactions and asks the question, "Are we in a better financial position as a result of the current year's financial activities?" The Statement of Net Position and the Statement of Activities provide the basis for answering this question. The statements include all assets and all liabilities using the accrual basis of accounting, which is similar to the accounting method used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses, regardless of when cash is received or paid.

These two statements report the City's net position and current year change in the net position. The change in net position is important because it tells the reader whether the City, as a whole, has improved or diminished its financial position. Over time, increases or decreases in the City's net position are one indicator of whether its financial health is improving or deteriorating. Causes of these changes may be the result of many factors, some financial, some not. Non-financial factors include the City's property tax base, state mandates, and the financial condition of the State of Kansas general fund.

**CITY OF EMPORIA, KANSAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

For the Year Ended December 31, 2015

Unaudited

**Reporting on the City as a whole (Government Wide) (Continued)**

In the Statement of Net Position and the Statement of Activities, the City is divided into two distinct kinds of activities:

Governmental Activities — Most of the City's programs and services are reported here, including general government, public safety, highways and streets, culture and recreation, health and environment, building and maintenance, planning and development and airport operation.

Business-Type Activities — These services are provided on a charge for goods and services basis to recover all of the expenses of the goods or services provided. The city's solid waste disposal, sewer utility, and water utility are reported as business-type activities. In addition, the City's workers' compensation fund and the insurance fund are treated as internal service funds.

**Reporting the City's Most Significant Funds (Fund Financial Statements)**

Fund financial statements provide detailed information about the City's major funds. The City uses many funds to account for a multitude of financial transactions. The major fund financial statements focus on the City's most significant funds. Combining fund balance sheets and statements of revenues, expenditures and changes in fund balances provide detailed information about all of the City's non-major governmental funds.

Governmental Funds — Most of the City's activities are reported in the governmental funds, which focus on how money flows into and out of the funds and balances left over at fiscal year end available to be spent in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general operations and the basic services it provides. Governmental fund information helps the reader to decide where there are more or fewer financial resources that can be spent in the near term to finance the City's programs. Major differences between the City's governmental activities as reported in the Statement of Net Position and the Statement of Activities and its governmental funds are reconciled in the Governmental Funds financial statements.

Proprietary Funds — Proprietary funds (Solid Waste Disposal, Sewer Utility and Water Utility) are enterprise funds that use the same basis of accounting as business-type activities; therefore, these statements replicate the information provided in the government-wide financial statements.

**The City as a Whole**

***Government-Wide Net Position***

Net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Emporia, Kansas, assets exceeded liabilities by \$63,700,692 at the end of the current fiscal year.

By far the largest portion of the City of Emporia's net position (84.46 percent) reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The City of Emporia uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Emporia's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**CITY OF EMPORIA, KANSAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

For the Year Ended December 31, 2015

Unaudited

**The City as a Whole (Continued)**

The Statement of Net Assets provides the financial position of the City as a whole. The following is a summary of the City's Statement of Net Assets as of December 31, 2015 and 2014:

CITY OF EMPORIA, KANSAS  
CONDENSED STATEMENT OF NET POSITION

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
<b>ASSETS</b>						
Current	\$ 21,135,544	\$ 17,344,241	\$ 10,236,535	\$ 10,096,161	\$ 31,372,079	\$ 27,440,402
Net Capital Assets	47,416,750	53,277,667	33,248,239	29,516,698	80,664,989	82,794,365
<b>Total Assets</b>	<b>\$ 68,552,294</b>	<b>\$ 70,621,908</b>	<b>\$ 43,484,774</b>	<b>\$ 39,612,859</b>	<b>\$ 112,037,068</b>	<b>\$ 110,234,767</b>
Deferred Outflows	\$ 395,380	\$ -	\$ 35,101	\$ -	\$ 430,481	\$ -
<b>Total Assets and Deferred Outflows</b>	<b>\$ 68,947,674</b>	<b>\$ 70,621,908</b>	<b>\$ 43,519,875</b>	<b>\$ 39,612,859</b>	<b>\$ 112,467,549</b>	<b>\$ 110,234,767</b>
<b>Liabilities and Net Position</b>						
<b>Liabilities</b>						
Current	\$ 4,971,727	\$ 10,516,559	\$ 2,345,729	\$ 2,002,467	\$ 7,317,456	\$ 12,519,026
Non-Current	19,918,015	10,057,447	14,535,820	10,867,626	34,453,835	20,925,073
<b>Total Liabilities</b>	<b>\$ 24,889,742</b>	<b>\$ 20,574,006</b>	<b>\$ 16,881,549</b>	<b>\$ 12,870,093</b>	<b>\$ 41,771,291</b>	<b>\$ 33,444,099</b>
Deferred Inflows	\$ 6,899,412	\$ -	\$ 96,154	\$ -	\$ 6,995,566	\$ -
<b>Total Liabilities and Deferred Inflows</b>	<b>\$ 31,789,154</b>	<b>\$ 20,574,006</b>	<b>\$ 16,977,703</b>	<b>\$ 12,870,093</b>	<b>\$ 48,766,857</b>	<b>\$ 33,444,099</b>
<b>Net Position</b>						
Net investment in capital assets	\$ 35,731,750	\$ 40,402,667	\$ 18,898,239	\$ 17,398,655	\$ 54,629,989	\$ 57,801,322
Restricted	7,418,777	4,133,801	-	-	7,418,777	4,133,801
Unrestricted	(5,992,007)	5,511,434	7,643,933	9,344,111	1,651,926	14,855,545
<b>Total Net Position</b>	<b>\$ 37,158,520</b>	<b>\$ 50,047,902</b>	<b>\$ 26,542,172</b>	<b>\$ 26,742,766</b>	<b>\$ 63,700,692</b>	<b>\$ 76,790,668</b>
<b>Total</b>	<b>\$ 68,947,674</b>	<b>\$ 70,621,908</b>	<b>\$ 43,519,875</b>	<b>\$ 39,612,859</b>	<b>\$ 112,467,549</b>	<b>\$ 110,234,767</b>

The City implemented GASB 68, *Accounting and Financial Reporting for Pensions*, as of December 1, 2015. The standard's implementation is driving the increase in deferred outflows of resources, deferred inflows of resources and the noncurrent liability. The increase in the noncurrent liability related to the net pension liability is \$11,963,452. The implementation of GASB 68 also impacts the unrestricted net position, as can be seen in the change from 2014 to 2015. For more information on GASB 68, see page 44 in the Notes to the Basic Financial Statements.

At the end of the current fiscal year, the City of Emporia is able to report positive balances in all three categories of net position for the government as a whole and business-type activities. The unrestricted net position of the governmental activities is a negative balance, primarily due to the implementation of GASB 68.

The City's net position was decreased by \$13,089,976 during the current fiscal year. Governmental activities decreased \$12,889,382, while business-type activities net position decreased \$200,594. The current year governmental activities decrease was primarily due to implementation of GASB 68, accounting for \$12,067,814 of the decrease.

(Continued)

**CITY OF EMPORIA, KANSAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
For the Year Ended December 31, 2015  
Unaudited

**Governmental Activities (Continued)**

The following is a condensed statement of the City's change in net position for the years ended December 31, 2015 and 2014.

CITY OF EMPORIA, KANSAS  
CONDENSED STATEMENT OF ACTIVITIES

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
<b>Revenue</b>						
Functions/Program:						
Charges for services	\$ 3,293,971	\$ 3,875,853	\$ 13,105,211	\$ 12,279,495	\$ 16,399,182	\$ 16,155,348
Operating grants	3,487,896	1,049,663	-	-	3,487,896	1,049,663
Capital grants	-	-	6,051,805	-	6,051,805	-
General revenues						
Property tax	7,128,563	7,080,462	-	-	7,128,563	7,080,462
Other	10,313,198	10,109,382	208,103	220,360	10,521,301	10,329,742
<b>Total Revenues</b>	<b>\$ 24,223,628</b>	<b>\$ 22,115,360</b>	<b>\$ 19,365,119</b>	<b>\$ 12,499,855</b>	<b>\$ 43,588,747</b>	<b>\$ 34,615,215</b>
<b>Expenditures</b>						
General government	\$ 6,749,798	\$ 5,330,616	\$ -	\$ -	\$ 6,749,798	\$ 5,330,616
Public safety	11,219,337	8,959,986	-	-	11,219,337	8,959,986
Highway and streets	7,996,425	7,322,185	-	-	7,996,425	7,322,185
Culture and recreation	3,471,480	3,396,134	-	-	3,471,480	3,396,134
Health and environment	76,250	62,627	-	-	76,250	62,627
Building maintenance	1,430,348	1,438,188	-	-	1,430,348	1,438,188
Planning and development	1,421,747	549,491	-	-	1,421,747	549,491
Airport operations	450,953	1,082,280	-	-	450,953	1,082,280
Bond issuance costs	459,067	561,943	-	-	459,067	561,943
Solid waste disposal	-	-	4,547,019	3,233,494	4,547,019	3,233,494
Sewer utility	-	-	3,699,237	2,455,448	3,699,237	2,455,448
Water utility	-	-	4,607,905	4,184,420	4,607,905	4,184,420
<b>Total Expenses</b>	<b>\$ 33,275,405</b>	<b>\$ 28,703,450</b>	<b>\$ 12,854,161</b>	<b>\$ 9,873,362</b>	<b>\$ 46,129,566</b>	<b>\$ 38,576,812</b>
<b>Increase (decrease) in net position</b>						
<b>Before transfers</b>	<b>\$ (9,051,777)</b>	<b>\$ (6,588,090)</b>	<b>\$ 6,510,958</b>	<b>\$ 2,626,493</b>	<b>\$ (2,540,819)</b>	<b>\$ (38,576,812)</b>
Transfers	5,944,497	2,012,068	(5,944,497)	(2,012,068)	-	-
<b>Increase (decrease) in Net position</b>	<b>\$ (3,107,280)</b>	<b>\$ (4,576,022)</b>	<b>\$ 566,461</b>	<b>\$ 614,425</b>	<b>\$ (2,540,819)</b>	<b>\$ (38,576,812)</b>
<b>Ending net position</b>	<b>\$ 37,158,520</b>	<b>\$ 50,047,902</b>	<b>\$ 26,542,172</b>	<b>\$ 26,742,766</b>	<b>\$ 63,700,692</b>	<b>\$ 76,790,668</b>

**CITY OF EMPORIA, KANSAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

For the Year Ended December 31, 2015

Unaudited

**Business-Type Activities**

Business-type activities increased the City of Emporia's net position by \$566,461 in 2015, compared to an increase of \$614,425 in 2014. This change from 2014 to 2015 is attributed to increased utility sales in the enterprise funds.

**Financial Analysis of the City's Funds**

The City uses fund accounting to ensure and demonstrate compliance with state and federal finance related legal requirements. These funds are accounted for on the modified accrual basis of accounting.

The governmental funds of the City provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. Unreserved fund balances, in particular, measure the City's net resources available for spending at the end of the City's fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$12,344,793, an increase of \$3,412,300 in comparison with the prior year. A large portion of this total fund balance amount (\$4,678,754) constitutes capital project fund balances, which are available for spending on large capital projects. The remainders of fund balance amounts were as follows: \$2,740,023 restricted for various city functions and services; \$4,002,149 assigned for purchases on order and subsequent year's budget appropriations; and \$923,867 General Fund available for spending at the City's discretion.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund was \$923,867. The fund balance of the City's general fund was increased by \$127,324 during the current fiscal year, mainly due to strict limits on expenditures.

The Multi-Year Improvement Fund was established to receive funding for the purpose of making improvements to the City over an extended period of time. The fund balance decreased \$834,377 due to completed projects.

The Debt Service Fund has a total fund balance of \$471,327, all of which is reserved for the payment of debt service. The net increase in fund balance during the current year in the fund was \$23,031. The increase is due to receipts in excess of expenditures.

The City's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the enterprise funds is as follows: Water Fund net position increased \$915,615, ending at \$3,358,631; Sewer Fund net position decreased \$985,132, ending at \$2,825,225; and the Solid Waste Fund net position decreased \$803,742, ending at \$2,286,996. The factors concerning the finances of these funds have already been addressed in the discussion of the City's business type activities.

**CITY OF EMPORIA, KANSAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
For the Year Ended December 31, 2015  
Unaudited

**General Fund Budgeting Highlights**

The City's budgets are prepared in accordance with Kansas law and are based primarily on the basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund. The City's final General Fund budget was \$20,231,292. The revenues were higher than budgetary estimates by \$624,604 and the expenditures were less than budgetary estimates by \$1,723,330. The actual expenditures (before transfers) for the General Fund as of December 31, 2015 were \$15,166,872 compared to the final budget of \$17,127,472. The variance of actual expenditures to budget was \$1,960,600 under budget for the year ended December 31, 2015. This was due in part to management restriction of expenditures of department heads because of the current economic conditions.

**Capital Assets and Debt Administration**

The City's investment in capital assets for its governmental and business-type activities totaled \$80,664,989 (net of accumulated depreciation) as of December 31, 2015. This investment in capital assets includes land, buildings and systems, improvements, machinery and equipment, park facilities, roads, highways and bridges. The decrease in the City's investment in capital assets for the current fiscal year for governmental activities was 11.00% and there was an increase of 12.46% for business-type activities.

Major capital asset events during the current fiscal year included the following:

- Started replacement of Ozone water treatment project at a cost of \$52,760.
- Started water tower rehabilitation project at a cost of \$20,233.
- Repaired various streets, curbs, gutters, driveways, and sidewalks at a cost of \$793,117.
- Street resurfacing project on Prairie Street and South Ave at a cost of \$841,278.
- Resurfaced US 50 from Elm to Constitution Street at a cost of \$582,600.
- Started construction of a new street, Warren Way, at a cost of \$24,874.
- Constructed new storm drainage on south side of US 50 to 6th Ave at a cost of \$303,713.
- Hanger pavement extension at municipal airport at a cost of \$24,874.
- Replaced water main and paving on 12th Ave at a cost of \$166,418.
- Replaced water main along Graphic Arts Road at a cost of \$97,089.
- Installed new water and sanitary sewer mains at the Lyon County Fairgrounds at a cost of \$193,406.
- Various sewer main replacements at a cost of \$36,004.
- Construction of new parking lot in the 1000 block of Mechanic at a cost of \$533,645.
- Started storm water channel improvements on North Merchant Street at a cost of \$4,168.
- Started evaluation of storm water channel improvements through the Becker Addition at a cost of \$74,072.
- Completed construction of new water and sewer mains to Industrial Park IV at a cost of \$840,852.
- Replaced retaining wall at the Neosho River Intake site at a cost of \$241,785.
- Started new sidewalk on 30th Ave at a cost of \$2,206.
- Continued the hazardous sidewalk replacement program, replacing 11,787 LF of 4" sidewalk and 1,697 LF of 6" sidewalk, at a cost of \$129,962.

**CITY OF EMPORIA, KANSAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

For the Year Ended December 31, 2015

Unaudited

**Capital Assets and Debt Administration (Continued)**

Additional information on the City's capital assets can be found in Note 3 of the financial statements.

**Long-term Debt Activity**

At December 31, 2015, the City had total general obligation bond debt outstanding of \$26,035,000, backed by the full faith and credit of the City. Total general obligation long-term debt decreased for payments and refundings in the amount of \$6,820,000 for the fiscal year ended December 31, 2015, and increased \$8,105,000 for new debt issue. The City is rated by one of the three rating agencies (Standards & Poor's) and has a rating of A+. The ratio of bonded debt to assessed valuation for the City is 30.67%.

Additional information on the City's general long term debt can be found in Note 3 to the financial statements.

**Economic Factors and Next Year's Budgets and Rates**

The unemployment rate for the City of Emporia/Lyon County in December of 2015 was 4.8%, according to the Kansas Department of Labor. The unemployment rate is expected to stay in the same general area in the next 12 months, based on current economic conditions for local businesses and industries. The general revenue trends of the City of Emporia are expected to stay approximately the same or show a slight increase in assessed valuation and sales tax revenue. The City will continue to experience a slight decrease in revenue from the Multi-Year Sales Tax Fund, that is derived from a county-side sales tax based on the distribution formula used by the State of Kansas. The revenue and expenses are reviewed weekly by city management and monthly by the Mayor and Commission. The City's management also reviews the status of unencumbered cash report on a weekly basis.

The local economic outlook for major employers has been positive and is expected to continue so into 2016. Several local manufacturers/employers have added employees and expanded their Emporia facilities. Birch Communications now has more than 230 employees at their Emporia facility and Hostess now employs approximately 530 employees as of the end of 2015. Simmons Pet Food completed an addition to their facility and now employs more than 420 employees as of the end of 2015. Other employers, such as Detroit Diesel and Fanestil Meats completed plant improvements in 2015. Emporia State University continues to increase student population (both in total numbers and Emporia numbers) and is actively recruiting additional students. The Flint Hills Technical College continues to see strong enrollment and serves as an excellent resource to the local employers for their employee needs. The City of Emporia and the Regional Development Association of East-Central Kansas will continue to aggressively promote economic development in order to fill vacant storefronts, industrial parks, improve the quality of life and to further diversify the Emporia economy.

The occupancy rate in the downtown area continues to hold at approximately 80% and is expected to continue in the range in 2016. In March of 2014, the Community Initiated Development Plan (CID) for the area was approved by the Emporia City Commission, and the city expects to see continued positive events happening in downtown Emporia, Kansas. The first two phases of CID led to the creation of distinct districts within the downtown, including the Black and Gold District (focus is university uses); Arts District (arts and entertainment); Retail (retail); and Office (office uses surrounding the Lyon County Courthouse). Phase Three will identify specific types of uses and retailers, as well as the level of infrastructure that will be necessary to support these uses. There are also several projects in the downtown area that will have a positive impact on the downtown area. Private developers are working on a downtown Convention Center/Hotel that will help Emporia attract events and a mixed-use development is planned for the north end of Commercial Street, just south of Emporia State University. The development will feature ground floor commercial space and approximately 49 apartment units. This mixture will encourage people to live downtown and increase the population base for retailers. The development should be open to the public by May of 2016.

**CITY OF EMPORIA, KANSAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

For the Year Ended December 31, 2015

Unaudited

**Economic Factors and Next Year's Budgets and Rates (Continued)**

The City of Emporia continued to make improvements to city-owned infrastructure and facilities in 2015. The City of Emporia finished the extension water and sewer lines to Industrial Park #4 and Fanestil Meats finished the construction of a distribution facility in Industrial Park IV. In addition, the City of Emporia finished the installation of air conditioning in W.L. White Auditorium, continued to make significant improvements to the road network, water distribution system, storm water drainage, airport and park system. The City of Emporia will continue to use the Multi-Year Fund to improve city infrastructure in 2016 and beyond.

Each of the City's operating funds maintained unencumbered cash reserves at or above the reserve level set forth by City policy. The City Commission and management will continue to monitor revenues and expenses, as well as unencumbered cash reserves, to ensure the reserves do not fall below the target level. City management will take aggressive action, if necessary, to maintain the reserve levels. Some of these steps may include not filling vacant positions, eliminating capital purchases and monitoring projects to ensure they come in under budget. In 2014, City Commission implemented a five-year budget to better anticipate and manage long-term finances of the City.

The General Fund had an increase in unencumbered cash in the amount of \$62,178 for the 2015 fiscal year. The General Fund ended the 2015 fiscal year with reserves in excess of the target goal of 15%.

The Multi-Year Improvement Fund had an decrease in unencumbered cash of \$799,954 for the 2015 fiscal year. The increase was due to several projects being completed and funded. The City has no reserve target for this fund.

The Debt Service Fund had a decrease in unencumbered cash of \$23,031 for the 2015 fiscal year. The decrease was due to debt service payments. The City has no reserve target for this fund.

The Water Fund had an increase in unencumbered cash in the amount of \$1,096,003 for the 2015 fiscal year. The Water Fund ended the 2015 fiscal year with reserves above the 20% target reserve level.

The Sewer Fund had a decrease in unencumbered cash in the amount of \$752,943 for the 2015 fiscal year. The Sewer Fund ended the 2015 fiscal year with reserves above the 20% target reserve.

The Solid Waste Fund had a decrease in unencumbered cash in the amount of \$333,210 for the 2015 fiscal year. The Solid Waste Fund ended the 2015 fiscal year with reserves above the 20% target level.

Total unencumbered cash reserves in all funds increased \$3,670,202. This includes operational and restricted funds.

**Contacting the City**

This financial report is designed to provide a general overview of the City's finances. If you have questions about this report or need additional financial information, contact the City's Finance Department at 104 E 5th Avenue, Emporia, Kansas 66801.

***BASIC FINANCIAL STATEMENTS***

**CITY OF EMPORIA, KANSAS**  
**STATEMENT OF NET POSITION**

December 31, 2015

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Emporia Public Library
<b>Assets</b>				
Cash and investments	\$ 13,787,142	\$ 8,643,082	\$ 22,430,224	\$ 482,775
Accounts receivable - net of allowance	7,315,522	1,146,996	8,462,518	793,520
Inventory	32,880	382,589	415,469	-
Deferred charges	-	63,868	63,868	22,364
<b>Total current assets</b>	<b>\$ 21,135,544</b>	<b>\$ 10,236,535</b>	<b>\$ 31,372,079</b>	<b>\$ 1,298,659</b>
Capital assets not being depreciated:				
Land	\$ 1,910,493	\$ 210,525	\$ 2,121,018	\$ -
Capital assets, being depreciated:				
Capital assets	231,272,456	78,711,699	309,984,155	933,298
Accumulated depreciation	(185,766,199)	(45,673,985)	(231,440,184)	(611,680)
<b>Total capital assets</b>	<b>\$ 47,416,750</b>	<b>\$ 33,248,239</b>	<b>\$ 80,664,989</b>	<b>\$ 321,618</b>
<b>Total Assets</b>	<b>\$ 68,552,294</b>	<b>\$ 43,484,774</b>	<b>\$ 112,037,068</b>	<b>\$ 1,620,277</b>
<b>Deferred Outflows of Resources</b>				
Deferred outflows - pension	\$ 395,380	\$ 35,101	\$ 430,481	\$ 26,601
<b>Total Assets &amp; Deferred Outflows of Resources</b>	<b>\$ 68,947,674</b>	<b>\$ 43,519,875</b>	<b>\$ 112,467,549</b>	<b>\$ 1,646,878</b>
<b>Liabilities</b>				
Accounts payable	\$ 557,178	\$ 407,526	\$ 964,704	\$ 21,497
Accrued liabilities	869,244	280,886	1,150,130	-
Interest payable	125,175	109,442	234,617	-
Unpaid claims	127,454	-	127,454	-
Current portion of				
Compensation absences payable	117,676	17,875	135,551	20,388
General obligation bonds	3,175,000	1,530,000	4,705,000	-
<b>Total current liabilities</b>	<b>\$ 4,971,727</b>	<b>\$ 2,345,729</b>	<b>\$ 7,317,456</b>	<b>\$ 41,885</b>
Noncurrent liabilities:				
Compensated absences payable	\$ 235,352	\$ 35,750	\$ 271,102	\$ -
General obligation bonds and premium	8,510,000	13,646,919	22,156,919	-
Net OPEB obligation	62,362	-	62,362	-
Net pension liability	11,110,301	853,151	11,963,452	306,202
<b>Total noncurrent liabilities</b>	<b>\$ 19,918,015</b>	<b>\$ 14,535,820</b>	<b>\$ 34,453,835</b>	<b>\$ 306,202</b>
<b>Total Liabilities</b>	<b>\$ 24,889,742</b>	<b>\$ 16,881,549</b>	<b>\$ 41,771,291</b>	<b>\$ 348,087</b>
<b>Deferred Inflows of Resources</b>				
Deferred receivable - property taxes	\$ 5,941,899	\$ -	\$ 5,941,899	\$ 793,520
Deferred inflows - pension	957,513	96,154	1,053,667	41,798
<b>Total Deferred Inflows of Resources</b>	<b>\$ 6,899,412</b>	<b>\$ 96,154</b>	<b>\$ 6,995,566</b>	<b>\$ 835,318</b>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>\$ 31,789,154</b>	<b>\$ 16,977,703</b>	<b>\$ 48,766,857</b>	<b>\$ 1,183,405</b>
<b>Net Position</b>				
Net investment in capital assets	\$ 35,731,750	\$ 18,898,239	\$ 54,629,989	\$ 321,618
Restricted for				
Urban development	1,393,480	-	1,393,480	-
Public safety	157,334	-	157,334	-
Culture and recreation				
Expendable	288,160	-	288,160	199,685
Nonexpendable	-	-	-	187,969
Public works	428,602	-	428,602	-
Debt service	472,447	-	472,447	-
Capital projects	4,678,754	-	4,678,754	-
Unrestricted (deficit)	(5,992,007)	7,643,933	1,651,926	(245,799)
<b>Total Net Position</b>	<b>\$ 37,158,520</b>	<b>\$ 26,542,172</b>	<b>\$ 63,700,692</b>	<b>\$ 463,473</b>

See Independent Auditor's Report.

The accompanying notes are an integral part of these financial statements. Page 11

**CITY OF EMPORIA, KANSAS**  
**STATEMENT OF ACTIVITIES**  
For the Year Ended December 31, 2015

FUNCTIONS/PROGRAMS	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary government</b>				
Governmental activities:				
General government	\$ 6,749,798	\$ 569,628	\$ 1,858,311	\$ -
Public safety	11,219,337	1,898,231	13,153	-
Highway and streets	7,996,425	-	857,127	-
Culture and recreation	3,471,480	581,718	321,889	-
Health and environment	76,250	-	89,037	-
Building maintenance	1,430,348	-	-	-
Planning and development	1,421,747	-	-	-
Airport operations	450,953	244,394	348,379	-
Bond issuance costs	-	-	-	-
Interest on long-term debt	459,067	-	-	-
<b>Total Governmental Activities</b>	<b>\$ 33,275,405</b>	<b>\$ 3,293,971</b>	<b>\$ 3,487,896</b>	<b>\$ -</b>
Business-type activities:				
Solid waste disposal	\$ 4,547,019	\$ 4,245,596	\$ -	\$ 607,663
Sewer utility	3,699,237	3,640,068	-	4,488,155
Water utility	4,607,905	5,219,547	-	955,987
<b>Total Business-type Activities</b>	<b>\$ 12,854,161</b>	<b>\$ 13,105,211</b>	<b>\$ -</b>	<b>\$ 6,051,805</b>
<b>Total Primary Government</b>	<b>\$ 46,129,566</b>	<b>\$ 16,399,182</b>	<b>\$ 3,487,896</b>	<b>\$ 6,051,805</b>
<b>Component Unit:</b>				
Emporia Public Library				
Culture and recreation	\$ 1,044,723	\$ 25,374	\$ 47,782	\$ -
Capital outlay	-	-	-	-
<b>Total Component Unit</b>	<b>\$ 1,044,723</b>	<b>\$ 25,374</b>	<b>\$ 47,782</b>	<b>\$ -</b>

**General Revenues**

Property taxes levied for  
General purpose  
Debt service  
Franchise taxes  
Sales taxes  
Gasoline taxes  
Investment earnings  
Miscellaneous  
Transfers - net

**Total General Revenues and Transfers**

**Change in Net Position**

**Net Position - Beginning, as Previously Restated**

**Prior Period Adjustment**

**Net Position - Beginning, as Restated**

**Net Position - End of Year**

(continued)

Net (Expenses) Revenue and Changes in Net Position			Component
Primary Government			Unit
Governmental Activities	Business- Type Activities	Total	Emporia Public Library
\$ (4,321,859)	\$ -	\$ (4,321,859)	\$ -
(9,307,953)	-	(9,307,953)	-
(7,139,298)	-	(7,139,298)	-
(2,567,873)	-	(2,567,873)	-
12,787	-	12,787	-
(1,430,348)	-	(1,430,348)	-
(1,421,747)	-	(1,421,747)	-
141,820	-	141,820	-
-	-	-	-
(459,067)	-	(459,067)	-
<u>\$ (26,493,538)</u>	<u>\$ -</u>	<u>\$ (26,493,538)</u>	<u>\$ -</u>
\$ -	\$ 306,240	\$ 306,240	\$ -
-	4,428,986	4,428,986	-
-	1,567,629	1,567,629	-
<u>\$ -</u>	<u>\$ 6,302,855</u>	<u>\$ 6,302,855</u>	<u>\$ -</u>
<u>\$ (26,493,538)</u>	<u>\$ 6,302,855</u>	<u>\$ (20,190,683)</u>	<u>\$ -</u>
			\$ (971,567)
			-
			<u>\$ (971,567)</u>
\$ 4,079,939	\$ -	\$ 4,079,939	\$ 893,230
3,048,624	-	3,048,624	-
2,498,342	-	2,498,342	-
6,936,086	-	6,936,086	-
724,025	-	724,025	-
152,596	6,377	158,973	95
2,149	201,726	203,875	9,864
5,944,497	(5,944,497)	-	-
<u>\$ 23,386,258</u>	<u>\$ (5,736,394)</u>	<u>\$ 17,649,864</u>	<u>\$ 903,189</u>
<u>\$ (3,107,280)</u>	<u>\$ 566,461</u>	<u>\$ (2,540,819)</u>	<u>\$ (68,378)</u>
\$ 50,047,902	\$ 26,742,766	\$ 76,790,668	\$ 796,694
(9,782,102)	(767,055)	(10,549,157)	(264,843)
<u>\$ 40,265,800</u>	<u>\$ 25,975,711</u>	<u>\$ 66,241,511</u>	<u>\$ 531,851</u>
<u>\$ 37,158,520</u>	<u>\$ 26,542,172</u>	<u>\$ 63,700,692</u>	<u>\$ 463,473</u>

**CITY OF EMPORIA, KANSAS**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
December 31, 2015

	<u>General Fund</u>	<u>Multi-Year Improvement</u>	<u>Debt Service</u>
<b>ASSETS</b>			
Cash and investments	\$ 4,349,279	\$ 600,272	\$ 471,327
Receivables			
Accounts	1,352,531	5,100	-
Taxes	3,015,681	-	2,211,269
Due from other funds	205,560	-	-
Inventory	32,880	-	-
<b>Total Assets</b>	<u>\$ 8,955,931</u>	<u>\$ 605,372</u>	<u>\$ 2,682,596</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 160,506	\$ 59,547	\$ -
Accrued liabilities	853,728	-	-
Due to other funds	-	-	-
Deferred revenue	3,015,681	-	2,211,269
<b>Total Liabilities</b>	<u>\$ 4,029,915</u>	<u>\$ 59,547</u>	<u>\$ 2,211,269</u>
<b>FUND BALANCE</b>			
Restricted			
Urban development	\$ -	\$ 545,825	\$ -
Public safety	-	-	-
Culture and recreation	-	-	-
Public works	-	-	-
Debt service	-	-	471,327
Committed			
Capital projects	-	-	-
Assigned			
Purchases on order	46,957	-	-
Subsequent year's budget: appropriation of fund balances	3,955,192	-	-
Unassigned	923,867	-	-
<b>Total Fund Balance</b>	<u>\$ 4,926,016</u>	<u>\$ 545,825</u>	<u>\$ 471,327</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ 8,955,931</u>	<u>\$ 605,372</u>	<u>\$ 2,682,596</u>

(continued)

See Independent Auditor's Report.

The accompanying notes are an integral part of these financial statements.  
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<b>Other Nonmajor Funds</b>	<b>Total Governmental Funds</b>
\$ 6,943,514	\$ 12,364,392
15,992	1,373,623
714,949	5,941,899
-	205,560
-	32,880
<u>\$ 7,674,455</u>	<u>\$ 19,918,354</u>

\$ 337,125	\$ 557,178
15,196	868,924
205,560	205,560
714,949	5,941,899
<u>\$ 1,272,830</u>	<u>\$ 7,573,561</u>

\$ 847,655	\$ 1,393,480
157,334	157,334
288,160	288,160
428,602	428,602
1,120	472,447
4,678,754	4,678,754
-	46,957
-	3,955,192
-	923,867
<u>\$ 6,401,625</u>	<u>\$ 12,344,793</u>

<u>\$ 7,674,455</u>	<u>\$ 19,918,354</u>
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**CITY OF EMPORIA, KANSAS**  
**RECONCILIATION OF THE BALANCE SHEET OF THE GOVERNMENTAL**  
**FUNDS TO THE STATEMENT OF NET POSITION**  
**GOVERNMENTAL FUNDS**  
December 31, 2015

Total Governmental Fund Balances		\$ 12,344,793
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Amounts reported for governmental activities in the statement of net position are different because:

Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The assets and liabilities of certain internal service funds are included in governmental activities in the statement of net position.		1,294,976
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Deferred outflows represent a consumption of net position that applies to a future period and so will not be recognized as an expenditure of resources until then.		395,380
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Deferred inflows of resources represent an acquisition of net position that applies to a future period and so will not be recognized as a revenue until then.		(957,513)
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Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

The cost of capital assets is	\$ 233,182,949	
Accumulated depreciation is	<u>(185,766,199)</u>	47,416,750

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:

General obligation	\$ 11,685,000	
Interest payable	125,175	
Net pension liability	11,110,301	
Net OPEB obligation payable	62,362	
Compensated absences payable	<u>353,028</u>	<u>(23,335,866)</u>

<b>Net Position of Governmental Activities</b>		<b><u>\$ 37,158,520</u></b>
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**CITY OF EMPORIA, KANSAS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**

For the Year Ended December 31, 2015

	<u>General Fund</u>	<u>Multi-Year Improvement</u>	<u>Debt Service</u>
<b>REVENUES</b>			
Taxes	\$ 12,684,499	\$ -	\$ 3,048,624
Charges for services	2,155,983	-	-
Special assessments	-	-	97,541
Intergovernmental	343,606	-	-
Licenses and permits	141,639	-	-
Fines and fees	734,348	-	-
Use of money & property	144,335	1,062	1,042
Contributions	-	-	-
Miscellaneous	216,201	-	10,697
<b>Total Revenues</b>	<u>\$ 16,420,611</u>	<u>\$ 1,062</u>	<u>\$ 3,157,904</u>
<b>EXPENDITURES</b>			
General governmental	\$ 1,471,896	\$ 3,131,641	\$ -
Public safety	9,538,092	-	-
Highways and streets	336,408	-	-
Culture and recreation	1,848,626	-	-
Health and environment	-	-	-
Building maintenance	1,257,309	-	-
Planning and development	31,827	-	-
Airport operations	399,836	-	-
Appropriations	264,475	-	-
Capital outlay	-	-	-
Debt service			
Principal	-	-	3,145,000
Interest and other charges	-	-	486,504
<b>Total Expenditures</b>	<u>\$ 15,148,469</u>	<u>\$ 3,131,641</u>	<u>\$ 3,631,504</u>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<u>\$ 1,272,142</u>	<u>\$ (3,130,579)</u>	<u>\$ (473,600)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds for sale of bonds	\$ -	\$ -	\$ 2,518,712
Payment to refunding bonds escrow agent	-	-	(2,518,712)
Transfers in	2,196,272	2,309,182	496,631
Transfers out	(3,341,090)	(12,980)	-
<b>Total Other Financing Sources and Uses</b>	<u>\$ (1,144,818)</u>	<u>\$ 2,296,202</u>	<u>\$ 496,631</u>
<b>Net Change in Fund Balance</b>	\$ 127,324	\$ (834,377)	\$ 23,031
<b>Fund Balance - Beginning</b>	<u>4,798,692</u>	<u>1,380,202</u>	<u>448,296</u>
<b>Fund Balance - Ending</b>	<u>\$ 4,926,016</u>	<u>\$ 545,825</u>	<u>\$ 471,327</u>

(continued)

See Independent Auditor's Report.

The accompanying notes are an integral part of these financial statements.  
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<b>Other Nonmajor Funds</b>	<b>Total Governmental Funds</b>
\$ 1,456,352	\$ 17,189,475
-	2,155,983
-	97,541
2,498,053	2,841,659
-	141,639
-	734,348
3,397	149,836
108,887	108,887
310,452	537,350
<u>\$ 4,377,141</u>	<u>\$ 23,956,718</u>
\$ 616,831	\$ 5,220,368
226,930	9,765,022
625,778	962,186
785,593	2,634,219
76,250	76,250
-	1,257,309
1,381,538	1,413,365
-	399,836
-	264,475
3,214,381	3,214,381
-	3,145,000
-	486,504
<u>\$ 6,927,301</u>	<u>\$ 28,838,915</u>
<u>\$ (2,550,160)</u>	<u>\$ (4,882,197)</u>
\$ 2,350,000	\$ 4,868,712
-	(2,518,712)
5,260,821	10,262,906
(964,339)	(4,318,409)
<u>\$ 6,646,482</u>	<u>\$ 8,294,497</u>
\$ 4,096,322	\$ 3,412,300
<u>2,305,303</u>	<u>8,932,493</u>
<u>\$ 6,401,625</u>	<u>\$ 12,344,793</u>

**CITY OF EMPORIA, KANSAS**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE**  
**STATEMENT OF ACTIVITIES**

For the Year Ended December 31, 2015

Total Net Change in Fund Balances - Governmental Funds \$ 3,412,300

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

Capital outlays to purchase or build assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities. This is the amount by which capital outlays exceed depreciation in the period.

Capital outlays	\$ 2,134,973	
Depreciation expense	<u>(7,526,336)</u>	(5,391,363)

Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The revenues and expenses of certain internal service funds are included in governmental activities in the statement of activities. (40,424)

Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. This is the amount by which interest accrual changed. 27,437

Some expenses reported in the statement of activities, such as compensated absences and postemployment benefits do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. 74,770

Repayment of bond principal and transfers to escrow agent are expenditures in the governmental funds, but it reduces long-term liabilities in the statement of net position and does not affect the statement of activities. (1,190,000)

**Changes in Net Assets of Governmental Activities \$ (3,107,280)**

**CITY OF EMPORIA, KANSAS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - ACTUAL AND BUDGET**  
**GENERAL FUND**

For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 12,318,940	\$ 12,318,940	\$ 12,684,499	\$ 365,559
Intergovernmental	210,421	210,421	343,606	133,185
Licenses and permits	142,500	142,500	141,639	(861)
Charges for services	2,069,896	2,069,896	2,155,983	86,087
Fines and fees	684,600	684,600	734,348	49,748
Use of money and property	137,100	137,100	144,335	7,235
Reimbursements	130,350	130,350	22,550	(107,800)
Miscellaneous	102,200	102,200	193,651	91,451
<b>Total Revenues</b>	<u>\$ 15,796,007</u>	<u>\$ 15,796,007</u>	<u>\$ 16,420,611</u>	<u>\$ 624,604</u>
<b>EXPENDITURES</b>				
<b>Current:</b>				
<b>General Government</b>	<u>\$ 1,404,137</u>	<u>\$ 1,404,137</u>	<u>\$ 1,467,588</u>	<u>\$ (63,451)</u>
<b>Public Safety</b>				
Law enforcement	\$ 3,893,773	\$ 3,893,773	\$ 3,726,977	\$ 166,796
Animal control	125,628	125,628	132,737	(7,109)
Court services	570,586	570,586	608,497	(37,911)
Ambulance	2,294,699	2,294,699	2,313,401	(18,702)
Fire	2,702,767	2,702,767	2,736,391	(33,624)
<b>Total Public Safety</b>	<u>\$ 9,587,453</u>	<u>\$ 9,587,453</u>	<u>\$ 9,518,003</u>	<u>\$ 69,450</u>
<b>Highways and Streets</b>				
Maintenance				
Maintenance	\$ 21,000	\$ 21,000	\$ 27,687	\$ (6,687)
Snow removal	41,000	41,000	16,982	24,018
Street lighting	260,000	260,000	291,739	(31,739)
<b>Total Highways and Streets</b>	<u>\$ 322,000</u>	<u>\$ 322,000</u>	<u>\$ 336,408</u>	<u>\$ (14,408)</u>
<b>Culture and Recreation</b>				
Park	\$ 690,662	\$ 690,662	\$ 648,010	\$ 42,652
Swimming pool/Peter Pan Park	151,250	151,250	122,604	28,646
Golf course	357,013	357,013	357,659	(646)
Golf shop	244,937	244,937	261,650	(16,713)
Zoo	452,847	452,847	458,703	(5,856)
<b>Total Culture and Recreation</b>	<u>\$ 1,896,709</u>	<u>\$ 1,896,709</u>	<u>\$ 1,848,626</u>	<u>\$ 48,083</u>
<b>Building and Maintenance</b>				
Engineering	\$ 348,436	\$ 348,436	\$ 327,973	\$ 20,463
Grounds maintenance	135,365	135,365	126,056	9,309
Civic building	626,121	626,121	713,033	(86,912)
Library maintenance	59,860	59,860	59,379	481
Concessions	70,297	70,297	73,668	(3,371)
<b>Total Building and Maintenance</b>	<u>\$ 1,240,079</u>	<u>\$ 1,240,079</u>	<u>\$ 1,300,109</u>	<u>\$ (60,030)</u>
<b>Parking Facilities</b>	<u>\$ 31,765</u>	<u>\$ 31,765</u>	<u>\$ 31,827</u>	<u>\$ (62)</u>
<b>Airport Operations</b>	<u>\$ 598,045</u>	<u>\$ 598,045</u>	<u>\$ 399,836</u>	<u>\$ 198,209</u>
<b>Appropriations</b>	<u>\$ 135,900</u>	<u>\$ 135,900</u>	<u>\$ 264,475</u>	<u>\$ (128,575)</u>
<b>Salary Contingencies</b>	<u>\$ (307,742)</u>	<u>\$ (307,742)</u>	<u>\$ -</u>	<u>\$ (307,742)</u>
<b>Excess Carryover</b>	<u>\$ 2,219,126</u>	<u>\$ 2,219,126</u>	<u>\$ -</u>	<u>\$ 2,219,126</u>
<b>Total Expenditures</b>	<u>\$ 17,127,472</u>	<u>\$ 17,127,472</u>	<u>\$ 15,166,872</u>	<u>\$ 1,960,600</u>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<u>\$ (1,331,465)</u>	<u>\$ (1,331,465)</u>	<u>\$ 1,253,739</u>	<u>\$ 2,585,204</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ 2,216,383	\$ 2,216,383	\$ 2,196,272	\$ (20,111)
Transfers out	(3,103,820)	(3,103,820)	(3,341,090)	(237,270)
<b>Total Other Financing Sources (Uses)</b>	<u>\$ (887,437)</u>	<u>\$ (887,437)</u>	<u>\$ (1,144,818)</u>	<u>\$ (257,381)</u>
<b>Net Change in Fund Balance</b>	<u>\$ (2,218,902)</u>	<u>\$ (2,218,902)</u>	<u>\$ 108,921</u>	<u>\$ 2,327,823</u>
<b>Fund Balance - Beginning</b>			4,770,138	
<b>Fund Balance - Ending</b>			\$ 4,879,059	
<b>Adjustments to GAAP</b>				
Encumbrances			46,957	
<b>Fund Balance - GAAP Basis</b>			<u>\$ 4,926,016</u>	

See Independent Auditor's Report.

The accompanying notes are an integral part of these financial statements.

**CITY OF EMPORIA, KANSAS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - ACTUAL AND BUDGET**  
**MULTI-YEAR IMPROVEMENT FUND**  
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Use of money and property	\$ 1,100	\$ 1,100	\$ 1,062	\$ (38)
Miscellaneous	-	-	-	-
<b>Total Revenues</b>	<u>\$ 1,100</u>	<u>\$ 1,100</u>	<u>\$ 1,062</u>	<u>\$ (38)</u>
<b>EXPENDITURES</b>				
Planning and development	\$ -	\$ -	\$ -	\$ -
Capital Projects	2,725,450	3,350,000	3,335,901	14,099
<b>Total Expenditures</b>	<u>\$ 2,725,450</u>	<u>\$ 3,350,000</u>	<u>\$ 3,335,901</u>	<u>\$ 14,099</u>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<u>\$ (2,724,350)</u>	<u>\$ (3,348,900)</u>	<u>\$ (3,334,839)</u>	<u>\$ (14,137)</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	\$ 2,211,000	\$ 2,504,470	\$ 2,309,182	\$ (195,288)
Transfers out	-	-	(12,980)	(12,980)
<b>Total Other Financing Sources</b>	<u>\$ 2,211,000</u>	<u>\$ 2,504,470</u>	<u>\$ 2,296,202</u>	<u>\$ 85,202</u>
<b>Net Change in Fund Balance</b>	<u>\$ (513,350)</u>	<u>\$ (844,430)</u>	<u>\$ (1,038,637)</u>	<u>\$ 71,065</u>
<b>Fund Balance - Beginning</b>			1,380,202	
<b>Fund Balance - Ending</b>			\$ 341,565	
<b>Adjustments to GAAP</b>				
Encumbrances			204,260	
<b>Fund Balance - GAAP Basis</b>			<u>\$ 545,825</u>	

**CITY OF EMPORIA, KANSAS**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
December 31, 2015

	<b>Business-Type Activities - Enterprise Funds</b>				<b>Governmental</b>
	<b>Solid Waste Disposal</b>	<b>Sewer Utility</b>	<b>Water Utility</b>	<b>Total</b>	<b>Activities- Internal Service Funds</b>
<b>Assets</b>					
<b>Current Assets</b>					
Cash and investments	\$ 2,654,657	\$ 2,894,965	\$ 3,093,460	\$ 8,643,082	\$ 1,422,750
Receivables - Net of allowance for uncollectibles	380,604	321,185	445,207	1,146,996	-
Inventory	-	-	382,589	382,589	-
Other current assets	-	-	63,868	63,868	-
<b>Total Current Assets</b>	<b>\$ 3,035,261</b>	<b>\$ 3,216,150</b>	<b>\$ 3,985,124</b>	<b>\$ 10,236,535</b>	<b>\$ 1,422,750</b>
<b>Capital Assets</b>					
Land	\$ 102,625	\$ 7,702	\$ 100,198	\$ 210,525	\$ -
Capital assets	5,287,174	40,405,059	33,019,466	78,711,699	-
Less: Accumulated depreciation	(3,201,595)	(23,276,615)	(19,195,775)	(45,673,985)	-
<b>Total Capital Assets</b>	<b>\$ 2,188,204</b>	<b>\$ 17,136,146</b>	<b>\$ 13,923,889</b>	<b>\$ 33,248,239</b>	<b>\$ -</b>
<b>Total Assets</b>	<b>\$ 5,223,465</b>	<b>\$ 20,352,296</b>	<b>\$ 17,909,013</b>	<b>\$ 43,484,774</b>	<b>\$ 1,422,750</b>
<b>Deferred Outflows of Resources</b>					
Deferred outflows - pension	18,117	8,680	8,304	35,101	
<b>Total Assets &amp; Deferred Outflows of Resources</b>	<b>\$ 5,241,582</b>	<b>\$ 20,360,976</b>	<b>\$ 17,917,317</b>	<b>\$ 43,519,875</b>	<b>\$ 1,422,750</b>
<b>Liabilities</b>					
<b>Current Liabilities</b>					
Accounts payable	\$ 112,726	\$ 66,564	\$ 228,236	\$ 407,526	\$ -
Accrued liabilities	152,435	27,292	101,159	280,886	320
Interest payable	-	61,644	47,798	109,442	-
Unpaid claims	-	-	-	-	127,454
Current portion of Compensated absences payable	3,752	3,111	11,012	17,875	-
Notes payable	-	-	-	-	-
General obligation bonds payable	-	770,000	760,000	1,530,000	-
<b>Total Current Liabilities</b>	<b>\$ 268,913</b>	<b>\$ 928,611</b>	<b>\$ 1,148,205</b>	<b>\$ 2,345,729</b>	<b>\$ 127,774</b>
<b>Non-Current Liabilities</b>					
Compensated absences payable	\$ 7,505	\$ 6,220	\$ 22,025	\$ 35,750	\$ -
General obligation bonds payable	-	5,488,487	8,158,432	13,646,919	-
Net pension liability	440,336	210,994	201,821	853,151	
<b>Total Non-Current Liabilities</b>	<b>\$ 447,841</b>	<b>\$ 5,705,701</b>	<b>\$ 8,382,278</b>	<b>\$ 14,535,820</b>	<b>\$ -</b>
<b>Total Liabilities</b>	<b>\$ 716,754</b>	<b>\$ 6,634,312</b>	<b>\$ 9,530,483</b>	<b>\$ 16,881,549</b>	<b>\$ 127,774</b>
<b>Deferred Inflows of Resources</b>					
Deferred inflows - pension	49,628	23,780	22,746	96,154	
<b>Total Liabilities &amp; Deferred Inflows of Resources</b>	<b>\$ 766,382</b>	<b>\$ 6,658,092</b>	<b>\$ 9,553,229</b>	<b>\$ 16,977,703</b>	<b>\$ 127,774</b>
<b>Net Position</b>					
Net investment in capital assets	\$ 2,188,204	\$ 11,071,146	\$ 5,638,889	\$ 18,898,239	\$ -
Unrestricted	2,286,996	2,631,738	2,725,199	7,643,933	1,294,976
<b>Total Net Position</b>	<b>\$ 4,475,200</b>	<b>\$ 13,702,884</b>	<b>\$ 8,364,088</b>	<b>\$ 26,542,172</b>	<b>\$ 1,294,976</b>

See Independent Auditor's Report.

The accompanying notes are an integral part of these financial statements.

**CITY OF EMPORIA, KANSAS**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**

For the Year Ended December 31, 2015

	<b>Business-Type Activities - Enterprise Funds</b>				<b>Governmental</b>
	<b>Solid Waste Disposal</b>	<b>Sewer Utility</b>	<b>Water Utility</b>	<b>Total</b>	<b>Activities- Internal Service Funds</b>
<b>OPERATING REVENUES</b>					
Charges for services	\$ 4,245,596	\$ 3,640,068	\$ 5,219,547	\$ 13,105,211	\$ 262,001
Miscellaneous	19,054	2,347	28,164	49,565	2,149
<b>Total Operating Revenues</b>	<b>\$ 4,264,650</b>	<b>\$ 3,642,415</b>	<b>\$ 5,247,711</b>	<b>\$ 13,154,776</b>	<b>\$ 264,150</b>
<b>OPERATING EXPENSES</b>					
Personal services	\$ 1,415,042	\$ 688,759	\$ 650,756	\$ 2,754,557	\$ -
Contractual services	1,148,886	136,113	170,284	1,455,283	305,143
Commodities	479,701	1,136,385	1,603,484	3,219,570	-
Maintenance and repairs	979,104	518,351	306,825	1,804,280	-
Depreciation	434,473	966,133	919,660	2,320,266	-
Other	89,813	53,665	801,802	945,280	2,191
<b>Total Operating Expenses</b>	<b>\$ 4,547,019</b>	<b>\$ 3,499,406</b>	<b>\$ 4,452,811</b>	<b>\$ 12,499,236</b>	<b>\$ 307,334</b>
Operating income (loss)	\$ (282,369)	\$ 143,009	\$ 794,900	\$ 655,540	\$ (43,184)
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
Interest income	\$ 2,077	\$ 2,418	\$ 1,882	\$ 6,377	\$ 2,760
Interest expense	-	(199,831)	(155,094)	(354,925)	-
Sale of salvage	150,850	-	1,311	152,161	-
<b>Total Non-Operating Revenues (Expenses)</b>	<b>\$ 152,927</b>	<b>\$ (197,413)</b>	<b>\$ (151,901)</b>	<b>\$ (196,387)</b>	<b>\$ 2,760</b>
Income (loss) before operating transfers	\$ (129,442)	\$ (54,404)	\$ 642,999	\$ 459,153	\$ (40,424)
Capital contributions	\$ 607,663	\$ 4,488,155	\$ 955,987	\$ 6,051,805	\$ -
Transfers in	-	-	366,734	366,734	-
Transfers out	(712,873)	(948,338)	(4,650,020)	(6,311,231)	-
<b>Total</b>	<b>\$ (105,210)</b>	<b>\$ 3,539,817</b>	<b>\$ (3,327,299)</b>	<b>\$ 107,308</b>	<b>\$ -</b>
<b>Changes in Net Position</b>	<b>\$ (234,652)</b>	<b>\$ 3,485,413</b>	<b>\$ (2,684,300)</b>	<b>\$ 566,461</b>	<b>\$ (40,424)</b>
<b>Net Position - Beginning as Previously Stated</b>	<b>\$ 5,105,751</b>	<b>\$ 10,407,173</b>	<b>\$ 11,229,842</b>	<b>\$ 26,742,766</b>	<b>\$ 1,335,400</b>
<b>Prior Period Adjustment</b>	<b>\$ (395,899)</b>	<b>\$ (189,702)</b>	<b>\$ (181,454)</b>	<b>\$ (767,055)</b>	<b>\$ -</b>
<b>Net Position - Beginning as Restated</b>	<b>\$ 4,709,852</b>	<b>\$ 10,217,471</b>	<b>\$ 11,048,388</b>	<b>\$ 25,975,711</b>	<b>\$ 1,335,400</b>
<b>Net Position - Ending</b>	<b>\$ 4,475,200</b>	<b>\$ 13,702,884</b>	<b>\$ 8,364,088</b>	<b>\$ 26,542,172</b>	<b>\$ 1,294,976</b>

**CITY OF EMPORIA, KANSAS**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
For the Year Ended December 31, 2015

	<b>Business-Type Activities - Enterprise Funds</b>				
	<b>Solid Waste Disposal</b>	<b>Sewer Utility</b>	<b>Water Utility</b>	<b>Total Enterprise Funds</b>	<b>Internal Service Funds</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash received from customers and users	\$ 4,229,788	\$ 3,608,396	\$ 5,179,245	\$ 13,017,429	\$ 262,001
Cash received from reimbursements	-	-	-	-	2,149
Cash payments to employees	(1,390,126)	(683,422)	(647,971)	(2,721,519)	-
Cash payments to suppliers	(2,614,229)	(1,761,484)	(2,814,505)	(7,190,218)	(2,191)
Cash paid for services	-	-	-	-	(296,650)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>\$ 225,433</b>	<b>\$ 1,163,490</b>	<b>\$ 1,716,769</b>	<b>\$ 3,105,692</b>	<b>\$ (34,691)</b>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>					
Transfers from other funds	\$ -	\$ -	\$ 366,734	\$ 366,734	\$ -
Transfers (to) other funds	(712,873)	(948,338)	(4,650,020)	(6,311,231)	-
<b>Net Cash Provided by (Used in) Noncapital Financing Activities</b>	<b>\$ (712,873)</b>	<b>\$ (948,338)</b>	<b>\$ (4,283,286)</b>	<b>\$ (5,944,497)</b>	<b>\$ -</b>
<b>CASH FLOWS FORM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Purchase and construction of capital assets	\$ (607,663)	\$ (4,447,422)	\$ (974,769)	\$ (6,029,854)	\$ -
Proceeds from sale of capital assets	150,850	-	1,311	152,161	-
Contributed capital	608,966	4,429,190	1,575,040	6,613,196	-
Proceeds from sale of general obligation bonds	-	-	3,775,000	3,775,000	-
Principal paid on bonds and notes	-	(745,000)	(555,000)	(1,300,000)	-
Interest paid	-	(207,281)	(160,944)	(368,225)	-
<b>Net Cash Provided by (Used in) Capital and Related Financing Activities</b>	<b>\$ 152,153</b>	<b>\$ (970,513)</b>	<b>\$ 3,660,638</b>	<b>\$ 2,842,278</b>	<b>\$ -</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest on investments	\$ 2,077	\$ 2,418	\$ 1,882	\$ 6,377	\$ 2,760
Proceeds from sale of investments	-	-	-	-	-
<b>Net Cash Provided by (Used in) Investing Activities</b>	<b>\$ 2,077</b>	<b>\$ 2,418</b>	<b>\$ 1,882</b>	<b>\$ 6,377</b>	<b>\$ 2,760</b>
<b>Net Increase (Decrease) in Cash &amp; Cash Equivalents</b>	<b>\$ (333,210)</b>	<b>\$ (752,943)</b>	<b>\$ 1,096,003</b>	<b>\$ 9,850</b>	<b>\$ (31,931)</b>
<b>Cash &amp; Cash Equivalents - Beginning of Year</b>	<b>2,987,867</b>	<b>3,647,908</b>	<b>1,997,457</b>	<b>8,633,232</b>	<b>1,454,681</b>
<b>Cash &amp; Cash Equivalents - End of Year</b>	<b>\$ 2,654,657</b>	<b>\$ 2,894,965</b>	<b>\$ 3,093,460</b>	<b>\$ 8,643,082</b>	<b>\$ 1,422,750</b>
<b>Reconciliation of operating (loss) income to net cash provided by (used in) operating activities:</b>					
Operating income (loss)	\$ (282,369)	\$ 143,009	\$ 794,900	\$ 655,540	\$ (43,184)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	434,473	966,133	919,660	2,320,266	-
Change in assets and liabilities:					
(Increase) decrease in receivables	(34,862)	(34,019)	(68,466)	(137,347)	-
(Increase) decrease in inventory	-	-	6,823	6,823	-
(Increase) decrease in deferred outflows	(1,804)	(865)	(827)	(3,496)	-
Increase (decrease) in accounts payable	18,869	54,089	18,750	91,708	-
Increase (decrease) in claims payable	-	-	-	-	8,493
Increase (decrease) in accrued liabilities	13,374	(2,113)	10,293	21,554	-
Increase (decrease) in deferred inflows	49,628	23,780	22,746	96,154	-
Increase (decrease) in net pension liability	28,124	13,476	12,890	54,490	-
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>\$ 225,433</b>	<b>\$ 1,163,490</b>	<b>\$ 1,716,769</b>	<b>\$ 3,105,692</b>	<b>\$ (34,691)</b>
<b>Noncash investing, capital, and financing activities:</b>					
Capital assets acquired/donated through contributions from governmental funds	\$ -	\$ 52,000	\$ -	\$ 52,000	\$ -

See Independent Auditor's Report.

The accompanying notes are an integral part of these financial statements.

**CITY OF EMPORIA, KANSAS**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
December 31, 2015

	<b>Private Purpose Trust</b>	<b>Agency Funds</b>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and investments	\$ 1,126,979	\$ 9,806
Accrued interest receivable	19	-
<b>Total Current Assets</b>	<b>\$ 1,126,998</b>	<b>\$ 9,806</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ -	\$ 9,806
<b>Total Current Liabilities</b>	<b>\$ -</b>	<b>\$ 9,806</b>
<b>NET POSITION</b>		
Net assets held in trust	<b>\$ 1,126,998</b>	<b>\$ -</b>

**CITY OF EMPORIA, KANSAS**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
For the Year Ended December 31, 2015

	<b>Private Agency Funds</b>
<b>Addition</b>	
Interest income	\$ 808
<b>Deductions</b>	\$ -
<b>Change in Net Assets</b>	\$ 808
<b>Net Position - Beginning</b>	1,126,190
<b>Net Position - Ending</b>	\$ 1,126,998

***NOTES TO FINANCIAL STATEMENTS***

**CITY OF EMPORIA, KANSAS**  
**NOTES TO FINANCIAL STATEMENTS**

December 31, 2015

**Note 1: Summary of Significant Accounting Policies**

**Reporting Entity**

The City of Emporia is a municipal corporation governed by five elected commissioners. As required by accounting principles generally accepted in the United States of America, these financial statements present the City and its component units, entities for which the government is considered to be financially accountable. The discretely presented component unit is reported in a separate column in the combined financial statements to emphasize it is legally separated from the government. The discretely presented component unit has a December 31 year-end.

***Discretely Presented Component Unit***

Emporia Public Library – The Emporia Public Library (the Library) serves the citizens within the City's jurisdiction. The City appoints the entire governing body of the Library. Because the Library is not a separate taxing entity, the City levies tax for the Library's operations. The City appropriated \$746,875 to the Library in 2015, which included a special city allocation of \$25,000. Complete financial statements may be obtained at the Emporia Public Library, 110 E. 6th Avenue, Emporia, Kansas.

***Jointly Governed Organization***

Regional Development Association of East Central Kansas, Inc. – The Regional Development Association of East Central Kansas, Inc., (the RDA) is a not-for-profit corporation whose purpose is to benefit the public interest through the activity of business and economic development in the City and Lyon County, Kansas. The RDA's governing board consists of seven voting members, two of whom are appointed by the City. The City has entered into a contract under which the City appropriates funds to the RDA which are used for business and economic development. The City has no ongoing financial interest or responsibilities with respect to the RDA.

Emporia Recreation Commission – The Emporia Recreation Commission was established as a joint venture between the City of Emporia, Kansas and Unified School District Number 253, Emporia, Kansas. The governing board consists of one member from the Emporia City Commission, one member from the Unified School District Number 253 Board of Education, and one at large Board member appointed by the other four appointed members of the Recreation Commission Board.

***Government-Wide and Fund Financial Statements***

The statement of net position and the statement of activities report information on all of the non-fiduciary activities of the primary government and its component unit. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are charges between the City's governmental and business-type activities. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational requirements of a particular program. Taxes and other items which are not classified as program revenues are presented as general revenues of the City.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual funds are reported as separate columns in the fund financial statements. Non-major funds are aggregated and presented in a single column in the fund financial statements.

**CITY OF EMPORIA, KANSAS**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
December 31, 2015

**Note 1: Summary of Significant Accounting Policies (Continued)**  
**Reporting Entity (Continued)**

***Measurement Focus - Basis of Accounting and Basis of Presentation***

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied and collected within 60 days of the end of the current fiscal period. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to certain compensated absences and claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net position. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing goods and services in connection with a proprietary fund's ongoing operations. The principal operating revenues of the City's proprietary funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as non-operating revenues and expenses.

The internal service funds account for contributions made by the City to be used for paying claims for job related injuries as well as contributions made by the City, City employees and former City employees to be used for payment of medical claims of covered employee health care participants and additional health insurance premiums. The City is self insured for its workers' compensation insurance.

The private purpose trust funds are used to account for resources legally held in trust. Agency funds are custodial in nature and do not measure results of operations or have a measurement focus. Agency funds do, however, use the accrual basis of accounting. The following activities are accounted for in each fiduciary fund:

Tree Private Purpose Trust Fund – To account for monies provided by private donors to finance planting of trees.

Fremont Park Private Purpose Trust Fund – To account for the money donated to the City for the purpose of building a display shelter for the railroad engine and cabooses at Fremont Park.

Las Casitas Park Private Purpose Trust Fund - To account for monies provided by private donors to finance improvements to the Las Casitas Park.

Economic Development Private Purpose Trust Fund - To provide a financial resource which enhances the City's ability to attract new economic development projects by lending money to businesses that is repaid with interest.

**CITY OF EMPORIA, KANSAS**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
December 31, 2015

**Note 1: Summary of Significant Accounting Policies (Continued)**

**Reporting Entity (Continued)**

***Measurement Focus - Basis of Accounting and Basis of Presentation (Continued)***

Fire Insurance Proceeds Agency Fund – To account for a portion of insurance proceeds from fire and casualty losses to structures within the City. Proceeds are returned to property owners upon substantial completion of repairs or demolition of structure.

The City reports the following major governmental funds:

The General Fund is used to account for resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund.

The Multi-year Improvement Fund is used to account for the 1% county sales tax which is used to make improvements to the City of Emporia.

The Debt Service Fund is used to account for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources.

The City reports the following major proprietary funds:

Solid Waste Disposal Fund accounts for funds derived from customer service charges for solid waste disposal. All activities necessary to provide such services are accounted for in this fund.

Sewer Utility Fund is used to account for all sewer operations including administration, maintenance, and financing and related debt service and billing collection. All operations are financed by means of customer user fees which are established by the governing body.

Water Utility Fund is used to account for the provision of water service to the residents of the City and some customers outside the City. All activities necessary to provide water service are accounted for in this fund, including administration, operations, maintenance, financing and related debt service and billing collection.

**Pooled Cash and Investments**

The City maintains a cash and investment pool that is available for use by all funds managed by the City (except for investments of the employees' health insurance trust and workers' compensation fund). The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are stated at fair value. Cash balances from all funds are invested to the extent available in certificates of deposit and other authorized investments. Investments with maturity dates greater than three months are stated separately. Earnings from these investments, unless specifically designated, are allocated monthly to the investing fund based on the percentage of funds invested to total investments.

**CITY OF EMPORIA, KANSAS**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
December 31, 2015

**Note 1: Summary of Significant Accounting Policies (Continued)**

**Receivables and Payables**

Transactions between funds that are representative of lending / borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund receivables / payables" (i.e., the current portion of interfund loans) or "advances to / from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to / from other funds". Any residual balances outstanding between governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

All trade receivables are shown net of an allowance for uncollectibles, if applicable.

Property taxes receivable – The determination of assessed valuations and the collections of property taxes for all political subdivisions in the State of Kansas is the responsibility of the various counties. The office of the County Appraiser annually determines assessed valuations on January 1 and the County Clerk spreads the annual assessment on the tax rolls. The County Treasurer is the tax collection agent for all taxing entities within the county. In accordance with state statutes, property taxes levied during the current year are a revenue source to be used to finance the budget of the ensuing year. Property taxes are levied and liens against property are placed on November 1 of the year prior to the fiscal year for which they are budgeted. Payments are due December 20, becoming delinquent, with penalty, December 21. Payments of 50% are accepted through December 20, with the second 50% then being due on or before May 10 of the following year. The City Treasurer draws down all available funds from the County Treasurer's office in two-month intervals. Taxes remaining due and unpaid at February 15 and July 1 are subject to collection procedures prescribed in state statutes.

Collection of current year property tax by the County Treasurer is not completed, apportioned nor distributed to the various subdivisions until the succeeding year, such procedure being in conformity with governing state statutes. Consequently, current year property taxes receivable are not available as a resource that can be used to finance the current year operations of the City. Accruals of uncollected current year property taxes are offset by deferred revenue and are identical to the adopted budget for 2016 in the governmental fund financial statements. It is not practicable to apportion delinquent taxes held by the County Treasurer and, further, the amounts thereof are not material in relationship to the financial statements taken as a whole.

**Inventories**

Inventories are valued at cost using the first-in / first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when purchased rather than when consumed.

**Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

**Restricted Assets**

Cash in the Debt Service Fund held with the fiscal agent are restricted for payment of principal and interest on general obligation bonds.

**Capital Assets**

Capital assets, which include property, plant, equipment and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Capital assets used in governmental funds types of the City are recorded at cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their estimated fair value at the date of donation.

**CITY OF EMPORIA, KANSAS**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
December 31, 2015

**Note 1: Summary of Significant Accounting Policies (Continued)**

**Capital Assets (Continued)**

The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type is included in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

Property, plant and equipment of the primary government are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	20-75
Land improvements	20-75
Building improvements	20-75
Machinery and equipment	5-10
Office equipment	5-10
Infrastructure	20-75

**Compensated Absences**

It is the City's policy to permit employees to accumulate earned but unused vacation, compensatory and sick pay benefits. No liability is reported for unpaid accumulated sick leave, as sick leave is not payable upon termination. Vacation pay is accrued when incurred in the government-wide and proprietary funds and reported as a fund liability. Vacation pay that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Compensated absences are reported in governmental funds only if they have matured (i.e. unused reimbursable leave still outstanding following an employee's termination). The General Fund has been used to liquidate the governmental funds compensated absences in prior years.

**Long-Term Obligations**

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**CITY OF EMPORIA, KANSAS**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
December 31, 2015

**Note 1: Summary of Significant Accounting Policies (Continued)**

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government only has one item that qualifies for reporting in this category. It is the deferred outflows related to pensions, including change in proportion and contributions subsequent to measurement date.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has two items of this type that qualify for reporting in this category. Accordingly, the items, unavailable revenue and deferred inflows pension, including difference between expected and actual experience, net difference between projected and actual earnings, changes of assumptions and changes in proportion, are reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source: property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

**Net position Flow Assumption**

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted – net position to have been depleted before restricted – net position is applied.

**Fund Balance Flow Assumptions**

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

**Fund Balance Policies**

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The City itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City's highest level of decision-making authority. The governing commission is the highest level of decision-making authority for the City that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

**CITY OF EMPORIA, KANSAS**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

December 31, 2015

**Note 1: Summary of Significant Accounting Policies (Continued)**

**Fund Balance Policies (Continued)**

Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria as committed. The commission may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

**Landfill Post-Closure Care Liability**

State and federal laws and regulations required the City to place a final cover on its landfill site, which was closed during 1994, and to perform certain maintenance and monitoring activities at the site for thirty years after closure. The amount reported as landfill post-closure care liability at December 31, 2015 represents what it would cost to perform all post-closure care in 2015. The actual costs may be higher due to inflation, changes in technology or changes in regulations. The City intends to fund these costs internally.

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Net Assets**

Net assets represent the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those asset. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or law or regulations of other governments.

**Note 2: Stewardship, Compliance and Accountability**

**Budgetary Information**

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special revenue funds (unless specifically exempted from statute), debt service funds and enterprise funds. 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 15th of each year.
- b. Publication in a local newspaper of the proposed budget and the notice of public hearing on the budget on or before August 5th.
- c. Public hearing on or before August 15th of each year, but at least ten days after publication of the notice of hearing.
- d. 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 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 ten days after publication the hearing may be held and the governing body may amend the budget at that time. For 2015, there was one budget amendment affecting the following funds: Multi Year Fund, Drug Forfeiture Fund, Waste Water Fund, Library Employee Benefit Fund and the Industrial Development Sales Tax Fund.

**CITY OF EMPORIA, KANSAS**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
December 31, 2015

**Note 2: Stewardship, Compliance and Accountability (Continued)**  
**Budgetary Information (Continued)**

The statutes permit management to transfer budgeted amounts between line items and departments 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 governmental fund with a legal budget, showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the statutory basis of accounting, in which revenues are recognized when cash is received, and expenditures include disbursements, 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 projects funds, trust funds, and the following special revenue funds: Wireless 911 Tax, Telephone Tax 911, Housing Study RDA, Emergency Shelter, Law Enforcement Block Grants, DARE Crime Prevention, 2009 NSP, 2009 Home Buyer and Repair, 2014 Housing, 2011 Home Rehabilitation, 911 Land Wire Fees, Lake Kahola, TDD, TIF, CID, and Emporia Home Repair. Spending in funds which are not subject to the legal annual operating budget requirements are controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

By statute, the City prepares its annual budget on a non-GAAP basis of accounting as described above. A reconciliation of these budgetary statements to the GAAP statements for the major governmental funds is as follows:

	<b>Major Governmental Funds</b>			<b>Other Nonmajor Budgeted Funds</b>
	<b>General Fund</b>	<b>Multi-Year Improvement</b>	<b>Debt Service Fund</b>	
Revenues - Budgetary basis	\$ 16,420,611	\$ 1,062	\$ 3,157,904	\$ 2,473,115
Canceled encumbrances	-	-	-	-
<b>Revenues - GAAP Basis</b>	<b>\$ 16,420,611</b>	<b>\$ 1,062</b>	<b>\$ 3,157,904</b>	<b>\$ 2,473,115</b>
Expenditures - budgetary basis	\$ 18,507,962	\$ 3,348,881	\$ 3,631,504	\$ 2,887,743
Encumbrances, beginning of year	(28,554)	(535,449)	-	(10,709)
Encumbrances, end of year	46,957	204,260	-	-
<b>Expenditures - GAAP Basis</b>	<b>\$ 18,526,365</b>	<b>\$ 3,017,692</b>	<b>\$ 3,631,504</b>	<b>\$ 2,877,034</b>
Fund balances - budgetary basis	\$ 4,879,059	\$ 341,565	\$ 471,327	\$ 1,664,504
Encumbrances, end of year	46,957	204,260	-	-
<b>Fund Balance - GAAP Basis</b>	<b>\$ 4,926,016</b>	<b>\$ 545,825</b>	<b>\$ 471,327</b>	<b>\$ 1,664,504</b>

**Restatement of Beginning Net Position**

On January 1, 2015, the City changed its method of accounting to adopt Government Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*. The effects on net position are as follows:

	<b>Governmental Activities</b>	<b>Business Type Activities</b>	<b>Public Library</b>
Net position - beginning	\$ 50,047,902	\$ 26,742,766	\$ 796,694
GASB No. 68 implementation	(9,782,102)	(767,055)	(264,843)
Net position - beginning, restated	<b>\$ 40,265,800</b>	<b>\$ 25,975,711</b>	<b>\$ 531,851</b>

**CITY OF EMPORIA, KANSAS**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
December 31, 2015

**Note 2: Stewardship, Compliance and Accountability (Continued)**  
**Compliance with Kansas Statutes**

The following funds had deficit fund equities as of December 31, 2015: Law Enforcement Block Grant \$2,647; 2009 Home Buyer and Repair \$3,751, and 2014 Housing \$57,402.

These deficits will be recovered from the receipt of grant monies.

**Note 3: Detailed Notes on All Funds**  
**Deposits and Investments**

The City's cash is considered to be active funds by management and is invested according to KSA 9-1401. The statute requires that banks eligible to hold active funds have a main or branch bank in the county in which the City is located and the banks provide an acceptable rate for active funds.

Various City investments are considered to be idle funds by management and are invested according to KSA 12-1675. The statute requires that the City invest its idle funds in only temporary notes of the City, bank certificates of deposit, repurchase agreements, and if eligible banks do not offer an acceptable rate for the funds: U.S. Treasury bills or notes, or the Kansas Municipal Investment Pool (KMIP). Maturities of the above investments may not exceed two years by statute.

Some of the City's investments are of bond proceeds invested pursuant to KSA 10-131. This statute allows additional investment authority beyond that of KSA 12-1675. Investments of bond proceeds may follow KSA 12-1675 or include other investments such as the KMIP, direct obligations of the US government or any agency thereof, investment agreements with a financial institution the obligations of which at the time of investment are rated in either of the three highest rating categories by Moody's investors service or Standard and Poor's corporation, and various other investments as specified in KSA 10-131.

At December 31, 2015, the City has the following Investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Rating</u>	<u>Weighted Rate</u>
Kansas Municipal Investment Pool	\$ 17,894,861	S&P AAf/S1+	0.010%

The municipal investment pool is under the oversight of the Pooled Money Investment Board. The board is comprised of the State Treasurer and four additional members appointed by the State Governor. The board reports annually to the Kansas legislature. State pooled monies may be invested in direct obligations of, or obligations that are insured as to principal and interest by the US government or any agency thereof, with maturities up to four years. No more than 10 percent of those funds may be invested in mortgage-backed securities. In addition, the State pool may invest in repurchase agreements with Kansas banks or with primary government securities dealers. The fair value of the City's position in the municipal investment pool is substantially the same as the value of the pool shares.

The City does not have any formal investment policies that would further limit concentration of credit risk, interest rate risk or custodial credit risks beyond state statutes.

**CITY OF EMPORIA, KANSAS**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
December 31, 2015

**Note 3: Detailed Notes on All Funds**

**Deposits and Investments (Continued)**

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's deposit policy for custodial credit risk require that the depository banks will maintain 100% security in the form of FDIC coverage and pledged collateral according to KSA 9-1402. At year-end, the carrying amount of the cash, including certificates of deposit and cash on hand, was \$23,023,634 and the bank balance was \$23,514,379. The difference between the carrying amount and the bank balance was outstanding checks, deposits in transit and cash on hand. Of the bank balance, \$250,000 was covered by federal depository insurance and the remaining \$23,264,379 was collateralized by pledged securities held under joint custody receipts issued by a third-party bank in the city's name. The third-party bank holding the pledged securities is independent of the pledging bank. The pledged securities are held under a tri-party custodial agreement signed by all three parties: the City, the pledging bank, and the independent third-party bank holding the pledged securities.

Component Unit - At year-end, the carrying amount of the Library's cash, including certificates of deposit and cash on hand, was \$482,775 and the bank balance was \$541,872. The difference between the carrying amount and the bank balance was outstanding checks, deposits in transit and cash on hand. Of the bank balance, \$431,265 was covered by federal depository insurance and the remaining \$110,607 was collateralized by pledged securities held under joint custody receipts issued by a third-party bank in the Library's name. The third-party bank holding the pledged securities is independent of the pledging bank. The pledged securities are held under a tri-party custodial agreement signed by all three parties: the Library, the pledging bank, and the independent third-party bank holding the pledged securities.

**CITY OF EMPORIA, KANSAS**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
December 31, 2015

**Note 3: Detailed Notes on All Funds (Continued)**  
**Receivables**

Receivables as of year end, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Debt Service</u>	<u>Multi-Year Improvement</u>	<u>Solid Waste Disposal</u>	<u>Sewer Utility</u>	<u>Water Utility</u>	<u>Other Governmental</u>	<u>Total</u>
Receivables								
Accounts	\$ 1,446,335	\$ -	\$ 5,100	\$ 403,430	\$ 349,604	\$ 468,687	\$ 15,992	\$ 2,689,148
Taxes	3,015,681	2,211,269	-	-	-	-	714,949	5,941,899
<b>Gross Receivables</b>	<b>\$ 4,462,016</b>	<b>\$ 2,211,269</b>	<b>\$ 5,100</b>	<b>\$ 403,430</b>	<b>\$ 349,604</b>	<b>\$ 468,687</b>	<b>\$ 730,941</b>	<b>\$ 8,631,047</b>
Less: Allowance for uncollectible	93,804	-	-	22,826	28,419	23,480	-	168,529
<b>Total Receivables</b>	<b>\$ 4,368,212</b>	<b>\$ 2,211,269</b>	<b>\$ 5,100</b>	<b>\$ 380,604</b>	<b>\$ 321,185</b>	<b>\$ 445,207</b>	<b>\$ 730,941</b>	<b>\$ 8,462,518</b>

**Interfund Receivables and Payables**

The composition of interfund balances as of December 31, 2015, is as follows:

<u>Fund Types</u>	<u>Due From</u>	<u>Due To</u>
General fund	\$ 205,560	\$ -
Special revenue		
Law Enforcement Block Grants	-	2,612
2009 Home Buyer and Repair	-	3,751
2014 Housing	-	57,344
Paving Projects	-	141,853
	<b>\$ 205,560</b>	<b>\$ 205,560</b>

The City uses interfund receivables and payables as needed when pooled cash is negative within a fund until investments mature or grant proceeds are received. All payables are cleared in less than one year.

**CITY OF EMPORIA, KANSAS**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

December 31, 2015

**Note 3: Detailed Notes on All Funds (Continued)**

**Capital Assets**

Capital asset activity for the year ended December 31, 2015, was as follows:

	<u>Balance January 1, 2015</u>	<u>Additions/ Restatements</u>	<u>Retirements</u>	<u>Balance December 31, 2015</u>
<b>City Governmental Activities</b>				
Capital assets - Not being depreciated				
Land	\$ 1,683,849	\$ 226,644	\$ -	\$ 1,910,493
Capital assets - Being depreciated				
Land improvements	206,232,132	560,667	98,942	206,693,857
Buildings and improvements	15,144,648	544,108	75,650	15,613,106
Vehicles	3,267,162	84,074	90,135	3,261,101
Equipment, furniture and fixtures	5,613,601	290,658	199,867	5,704,392
Total capital assets being depreciated	<u>\$ 230,257,543</u>	<u>\$ 1,479,507</u>	<u>\$ 464,594</u>	<u>\$ 231,272,456</u>
<b>Total Capital Assets</b>	<u>\$ 231,941,392</u>	<u>\$ 1,706,151</u>	<u>\$ 464,594</u>	<u>\$ 233,182,949</u>
<b>Less: Accumulated Depreciation for</b>				
Land improvements	\$ 160,664,114	\$ 6,605,298	\$ 98,943	\$ 167,170,469
Buildings and improvements	10,532,973	512,921	75,650	10,970,244
Vehicles	2,509,427	234,917	90,135	2,654,209
Equipment, furniture and fixtures	4,957,211	173,200	159,134	4,971,277
<b>Total Accumulated Depreciation</b>	<u>\$ 178,663,725</u>	<u>\$ 7,526,336</u>	<u>\$ 423,862</u>	<u>\$ 185,766,199</u>
<b>Governmental Activities</b>				
<b>Capital Assets - Net</b>	<u>\$ 53,277,667</u>	<u>\$ (5,820,185)</u>	<u>\$ 40,732</u>	<u>\$ 47,416,750</u>
<b>Business-Type Activities</b>				
Capital assets - Not being depreciated				
Land	\$ 210,525	\$ -	\$ -	\$ 210,525
Capital assets - Being depreciated				
Land improvements	\$ 41,125,393	\$ 5,369,886	\$ -	\$ 46,495,279
Buildings and improvements	19,538,422	-	-	19,538,422
Vehicles	2,368,206	647,094	42,700	2,972,600
Equipment, furniture and fixtures	9,842,067	64,877	201,545	9,705,399
Total capital assets being depreciated	<u>\$ 72,874,088</u>	<u>\$ 6,081,857</u>	<u>\$ 244,245</u>	<u>\$ 78,711,700</u>
<b>Total Capital Assets</b>	<u>\$ 73,084,613</u>	<u>\$ 6,081,857</u>	<u>\$ 244,245</u>	<u>\$ 78,922,225</u>
<b>Less: Accumulated Depreciation for</b>				
Land improvements	\$ 22,433,379	\$ 1,146,501	\$ -	\$ 23,579,880
Buildings and improvements	11,021,572	522,318	-	11,543,890
Vehicles	1,783,444	310,435	23,918	2,069,961
Equipment, furniture and fixtures	8,329,520	341,012	190,277	8,480,255
<b>Total Accumulated Depreciation</b>	<u>\$ 43,567,915</u>	<u>\$ 2,320,266</u>	<u>\$ 214,195</u>	<u>\$ 45,673,986</u>
<b>Business-Type Activities</b>				
<b>Capital Assets - Net</b>	<u>\$ 29,516,698</u>	<u>\$ 3,761,591</u>	<u>\$ 30,050</u>	<u>\$ 33,248,239</u>

**CITY OF EMPORIA, KANSAS**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
December 31, 2015

**Note 3: Detailed Notes on All Funds (Continued)**  
**Capital Assets (Continued)**

The City's depreciation expense was charged as follows:

<b>Governmental Activities</b>		
General government		\$ 178,745
Public safety		291,146
Highways and streets		6,354,426
Culture and recreation		476,906
Building and maintenance		180,819
Airport operations		35,912
Planning and development		8,382
<b>Total Depreciation</b>		<u>\$ 7,526,336</u>
<b>Business-Type Activities</b>		
Solid waste disposal		\$ 434,473
Sewer utility		966,133
Water utility		919,660
<b>Total Depreciation</b>		<u>\$ 2,320,266</u>

**Long-Term Debt**

During the year ended December 31, 2015, the following changes, including the reallocation of the general obligation bonds outstanding between governmental and business-type activities, occurred in long term liabilities:

	<u>Balance January 1, 2015</u>	<u>Additions/ Adjustments</u>	<u>Reductions</u>	<u>Balance December 31, 2015</u>	<u>Amounts Due Within One Year</u>
<b>Governmental Activities</b>					
General obligation	\$ 12,875,000	\$ 4,330,000	\$ 5,520,000	\$ 11,685,000	\$ 3,175,000
Compensated absences	427,798	-	74,770	353,028	117,676
	<u>\$ 13,302,798</u>	<u>\$ 4,330,000</u>	<u>\$ 5,594,770</u>	<u>\$ 12,038,028</u>	<u>\$ 3,292,676</u>
<b>Business-Type Activities</b>					
General obligation	\$ 11,875,000	\$ 3,775,000	\$ 1,300,000	\$ 14,350,000	\$ 1,530,000
Compensated absences	74,374	-	20,750	53,624	17,876
	<u>\$ 11,949,374</u>	<u>\$ 3,775,000</u>	<u>\$ 1,320,750</u>	<u>\$ 14,403,624</u>	<u>\$ 1,547,876</u>

**Advance Refunding**

During the year ended December 31, 2015, the City issued Series 2015 General Obligation Bonds. A portion of these bonds were used to advance refund the Series 2008 General Obligation Bonds. The Series 2015 GO Bond issue has a 3.5% average stated rate of interest, with a maturity date of September 1, 2030. The aggregate difference in debt service between the refunding debt and the refunded debt was: debt service for Series 2008 GO Bonds - \$3,351,390; debt service for the 2015 GL Bonds - \$2,721,689. The difference between the present value (PV) of the cash flows of the refunding debt and the refunded debt was: PV of cash flows for 2005 GO Bond - \$3,229,633; PV of cash flows for the 2015 GO Bond - \$2,644,470. The economic gain on the refunding transaction was \$585,163.

**CITY OF EMPORIA, KANSAS**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
December 31, 2015

**Note 3: Detailed Notes on All Funds (Continued)**  
**Long-Term Debt (Continued)**

**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 proprietary activities. These bonds are reported in the proprietary funds if they are expected to be repaid from proprietary fund revenues. In addition, general obligation bonds have been issued to refund both general obligation and revenue bonds.

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

<u>Issue</u>	<u>Interest Rates</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Date of Final Maturity</u>	<u>Bonds Outstanding</u>
<b>Governmental Activities</b>					
2007A Internal Improvements	5.00% - 5.60%	10/10/2007	3,610,000	9/1/2018	\$ 660,000
2007B Internal Improvements	3.50% - 5.25%	12/27/2007	5,120,000	9/1/2019	510,000
2008 Internal Improvements	3.05% - 4.60%	9/1/2008	5,500,000	9/1/2028	400,000
2009A Internal Improvements	2.6% - 4.5%	9/1/2009	770,000	9/1/2029	530,000
2010A Internal Improvements	3.00% - 4.00%	9/1/2009	8,450,000	9/1/2022	1,705,000
2011 Internal Improvements	3.00% - 4.00%	6/3/2011	2,490,000	9/1/2021	1,850,000
2011B Internal Improvements	1.50% - 2.125%	12/22/2011	690,000	9/1/2021	295,000
2013 Internal Improvements	3.00%	12/30/2013	1,835,000	9/1/2023	1,405,000
2015 Internal Improvements	2.38%	7/30/2015	4,330,000	9/1/2030	4,330,000
<b>Total Governmental Activities</b>					<u>\$ 11,685,000</u>
<b>Business-Type Activities</b>					
2010A Internal Improvements	3.00% - 4.00%	9/1/2009	4,270,000	9/1/2022	\$ 720,000
2011 Internal Improvements	3.00% - 4.00%	6/3/2011	5,400,000	9/1/2021	3,080,000
2012A Refunding Issue	2.00% - 3.50%	1/4/2012	6,420,000	9/1/2029	4,650,000
2013 Internal Improvements	3.00%	12/30/2013	2,445,000	9/1/2023	2,125,000
2015 Internal Improvements	2.38%	7/30/2015	3,775,000	9/1/2030	3,775,000
<b>Total Business-Type Activities</b>					<u>\$ 14,350,000</u>
					<u>\$ 26,035,000</u>

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

<u>Year</u>	<u>Business-Type Activities</u>		<u>Governmental Activities</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2016	\$ 1,530,000	\$ 465,813	\$ 3,175,000	\$ 395,304	\$ 5,566,117
2017	1,585,000	410,013	2,390,000	276,136	4,661,149
2018	1,625,000	364,513	1,505,000	181,389	3,675,902
2019	1,690,000	315,763	1,400,000	133,189	3,538,952
2020	1,715,000	258,569	655,000	93,469	2,722,038
2021 - 2025	4,295,000	675,775	2,485,000	157,274	7,613,049
2026 - 2030	1,910,000	209,463	75,000	17,425	2,211,888
	<u>\$ 14,350,000</u>	<u>\$ 2,699,909</u>	<u>\$ 11,685,000</u>	<u>\$ 1,254,186</u>	<u>\$ 29,989,095</u>

**CITY OF EMPORIA, KANSAS**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
December 31, 2015

**Note 3: Detailed Notes on All Funds (Continued)**  
**Long-Term Debt (Continued)**

*Special assessments* - As provided by Kansas statutes, projects financed in part by special assessments are financed through general obligation bonds of the City and are retired from the Debt Service Fund. Special assessments paid prior to the issuance of bonds are recorded as revenue in the appropriate project. Special assessments received after the issuance of bonds are recorded as revenue in the Debt Service Fund. The special assessments receivable are not recorded as revenue when levied against the respective property owners as such amounts are not available to finance current year operations. The special assessment debt is a contingent liability of the City to the extent of property owner defaults, which have historically been immaterial.

*Conduit Debt* - The City has entered into several conduit debt arrangements wherein the City issues industrial revenue bonds to finance a portion of the construction of facilities by private enterprises. In return, the private enterprises have executed mortgage notes or leases with the City. The City is not responsible for payment of the original bonds, but rather the debt is secured only by the cash payments agreed to be paid by the private enterprises under the terms of the mortgage or lease agreements. Generally, the conduit debt is arranged so that payments required by the private enterprises are equal to the mortgage payment schedule related to the original debt. As of December 31, 2015, total outstanding conduit debt was \$925,000.

**CITY OF EMPORIA, KANSAS**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

December 31, 2015

**Note 3: Detailed Notes on All Funds (Continued)**

**Reconciliation of Transfers**

A reconciliation of interfund transfers follows:

	<u>To</u>	<u>From</u>
Major Funds		
General	\$ 2,196,272	\$ 3,341,090
Multi-year improvement	2,309,182	12,980
Debt service	496,631	-
Water utility	366,734	4,650,020
Sewer utility	-	948,338
Solid waste utility	-	712,873
Other governmental funds	5,260,821	964,339
	<u>\$ 10,629,640</u>	<u>\$ 10,629,640</u>

**Capital Projects**

At December 31, 2015, the City had contractual commitments for the construction of the following projects:

	<u>Expenditures to Date</u>	<u>Amount Authorized</u>
Air Conditioner - Auditorium	\$ 491,710	\$ 362,434
Water Main to Industrial Park IV	648,410	552,495
Sewer Main to Industrial Park IV Phase II	271,265	258,279
Sewer Relining	497,239	410,424

**CITY OF EMPORIA, KANSAS**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
December 31, 2015

**Note 3: Detailed Notes on All Funds (Continued)**

**Net Assets**

The amounts reported on the statement of net position identified as net investment in capital assets are comprised of the following:

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Primary Government Total</b>
Total net capital assets	\$ 47,416,750	\$ 33,248,239	\$ 80,664,989
Less:			
Current portion of general obligation bonds and temporary notes payable	3,175,000	1,530,000	4,705,000
Non-current portion of general obligation bonds and temporary notes payable	8,510,000	12,820,000	21,330,000
<b>Net Investment in Capital Assets</b>	<b>\$ 35,731,750</b>	<b>\$ 18,898,239</b>	<b>\$ 54,629,989</b>

**Note 4: Other Information**

**Defined Benefit Pension Plan**

*Description of Pension Plan.* The City participates in a cost-sharing multiple-employer pension plan (Pension Plan), as defined in Governmental Accounting Standards Board Statement No. 67, *Financial Reporting for Pension Plans*. The Pension Plan is administered by the Kansas Public Employees Retirement System (KPERs), a body corporate and an instrumentality of the State of Kansas. KPERs provides benefit provisions to the following statewide pension groups under one plan, as provided by K.S.A. 74, article 49:

- Public employees, which includes:
  - State/School employees
  - Local employees
  - Police and Firemen
  - Judges

Substantially all public employees in Kansas are covered by the Pension Plan. Participation by local political subdivisions is optional, but irrevocable once elected.

Those employees participating in the Pension Plan for the City are included in the Local employees group and the Kansas Police and Firemen group.

KPERs issues a stand-alone comprehensive annual financial report, which is available on the KPERs website at [www.kpers.org](http://www.kpers.org).

*Benefits.* Benefits are established by statute and may only be changed by the State Legislature. Members (except Police and Firemen) with ten or more years of credited service, may retire as early as age 55 (Police and Firemen may be age 50 with 20 years of credited service), with an actuarially reduced monthly benefit. Normal retirement is at age 65, age 62 with ten years of credited service, or whenever a member's combined age and years of service equal 85. Police and Firemen normal retirement ages are age 60 with 15 years of credited service, age 55 with 20 years, age 50 with 25 years, or any age with 36 years of service.

**CITY OF EMPORIA, KANSAS**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

December 31, 2015

**Note 4: Other Information**

**Defined Benefit Pension Plan (Continued)**

Monthly retirement benefits are based on a statutory formula that includes final average salary and years of service. When ending employment, members may withdraw their contributions from their individual accounts, including interest. Members who withdraw their accumulated contributions lose all rights and privileges of membership. For all pension coverage groups, the accumulated contributions and interest are deposited into and disbursed from the membership accumulated reserve fund as established by K.S.A. 74-4922.

Members choose one of seven payment options for their monthly retirement benefits. At retirement a member may receive a lump-sum payment of up to 50% of the actuarial present value of the member's lifetime benefit. His or her monthly retirement benefit is then permanently reduced based on the amount of the lump sum. Benefit increases, including ad hoc post-retirement benefit increases, must be passed into law by the Kansas Legislature. Benefit increases are under the authority of the Legislature and the Governor of the State of Kansas.

The 2012 Legislature made changes affecting new hires, current members and employers. A new KPERS 3 cash balance retirement plan for new hires starting January 1, 2015, was created. Normal retirement age for KPERS 3 is 65 with five years of service or 60 with 30 years of service. Early retirement is available at age 55 with ten years of service, with a reduced benefit. Monthly benefit options are an annuity benefit based on the account balance at retirement.

For all pension coverage groups, the retirement benefits are disbursed from the retirement benefit payment reserve fund as established by K.S.A. 74-4922.

*Contributions.* Member contributions are established by state law, and are paid by the employee according to the provisions of Section 414(h) of the Internal Revenue Code. State law provides that the employer contribution rates are determined based on the results of an annual actuarial valuation. The contributions and assets of all groups are deposited in the Kansas Public Employees Retirement Fund established by K.S.A. 74-4921. All of the retirement systems are funded on an actuarial reserve basis.

For fiscal years beginning in 1995, Kansas legislation established statutory limits on increases in contribution rates for KPERS employers. Annual increases in the employer contribution rates related to subsequent benefit enhancements are not subject to these limitations. The statutory cap increase over the prior year contribution rate is 1.0% of total payroll for the fiscal year ended June 30, 2015.

The actuarially determined employer contribution rates (not including the 0.85% contribution rate for the Death and Disability Program) and the statutory contribution rates are as follows:

	<b>Actuarial Employer Rate</b>	<b>Statutory Employer Capped Rate</b>
Local government employees	9.48%	9.48%
Police and Firemen	21.36%	21.36%

Member contribution rates as a percentage of eligible compensation for the fiscal year 2015 are 5.00% or 6.00% for Local employees and 7.15% for Police and Firemen.

**CITY OF EMPORIA, KANSAS**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
December 31, 2015

**Note 4: Other Information**

**Defined Benefit Pension Plan (Continued)**

*Employer Allocations.* Although KPERS administers one cost-sharing multiple-employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense are determined separately for each of the following groups of the plan:

- State/School
- Local
- Police and Firemen
- Judges

To facilitate the separate (sub) actuarial valuations, KPERS maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer and nonemployer allocations are applied to amounts presented in the schedules of pension amounts by employer and nonemployer.

The allocation percentages for the City's share of the collective pension amounts as of December 31, 2015, are based on the ratio of its contributions to the total of the employer and nonemployer contributions of the group for the fiscal years ended December 31, 2015.

The contributions used exclude contributions made for prior service, excess benefits and irregular payments. At June 30, 2015, the City's proportion for the Local employees group was 0.349%, which was an increase of .106% from its proportion measured at June 30, 2014. At June 30, 2015, the City's proportion for the Police and Firemen group was 1.016%, which was an increase of .010% from its proportion measured at June 30, 2014.

*Net Pension Liability.* At December 31, 2015, the City reported a liability of \$11,963,452 for its total proportionate share of the net pension liability for the Local and Police and Firemen groups. The Emporia Public Library, a discretely presented component unit, reported a liability of \$306,202 for its proportionate share.

*Actuarial Assumptions.* The total pension liability was determined by an actuarial valuation as of December 31, 2014, which was rolled forward to June 30, 2015, using the following actuarial assumptions:

<u>Assumption</u>	<u>Rate</u>
Price inflation	3%
Wage inflation	4%
Salary increases, including wage increases	4 to 16.00%, including inflation
Long-term rate of return - Net of investment expense, and including price inflation	8%

Mortality rates were based on the RP-2000 Healthy Annuitant Mortality Table for Males and Females, with adjustments to better match actual experience. Separate tables apply for males and females as well as each group (State, School, Local, KP&F and Judges).

The actuarial assumptions used in the December 31, 2014 valuation were based on the results of an actuarial experience study conducted for three years ending December 31, 2012.

**CITY OF EMPORIA, KANSAS**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

December 31, 2015

**Note 4: Other Information**

**Defined Benefit Pension Plan (Continued)**

The long-term expected rate of return of pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage.

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset</u>	<u>Long-Term Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global equity	47%	6.30%
Fixed income	13%	0.80%
Yield driven	8%	4.20%
Real return	11%	1.70%
Real estate	11%	5.40%
Alternatives	8%	9.40%
Short-term investment	2%	-0.50%
	<u>100%</u>	

*Discount Rate.* The discount rate used to measure the total pension liability was 8.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the contractually required rate. The State, School and Local employers do not necessarily contribute the full actuarial determined rate. Based on legislation passed in 1993, the employer contribution rates certified by the System's Board of Trustees for these groups may not increase by more than the statutory cap. The expected KPERS employer statutory contribution was modeled for future years, assuming all actuarial assumptions are met in future years. Employers contribute the full actuarial determined rate for Police & Firemen, and Judges. Future employer contribution rates were also modeled for Police & Firemen and Judges, assuming all actuarial assumptions are met in future years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**CITY OF EMPORIA, KANSAS**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

December 31, 2015

**Note 4: Other Information**

**Defined Benefit Pension Plan (Continued)**

*Sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate.* The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 8.00%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (7.00%) or 1-percentage point higher (9.00%) than the current rate:

	<u>1% Decrease (7.00%)</u>	<u>Discount Rate (8.00%)</u>	<u>1% Increase (9.00%)</u>
Local	\$ 6,511,250	\$ 4,586,831	\$ 2,955,302
Police and Firemen	10,712,144	7,376,621	4,559,245
<b>Total</b>	<u>\$ 17,223,394</u>	<u>\$ 11,963,452</u>	<u>\$ 7,514,547</u>

*Pension Expense.* For the year ended December 31, 2015, the City recognized Local pension expense of \$1,386,613 and Police and Firemen pension expense of \$2,245,395, which includes the changes in the collective net pension liability, projected earnings on pension plan investments, and the amortization of deferred outflows of resources and deferred inflows of resources for the current period.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* At December 31, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions for Local and Police and Firemen groups from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
City contributions subsequent to the measurement date	\$ 364,024	\$ -
Differences between actual and expected experience	-	253,320
Net differences between projected and actual earnings on investments	-	412,810
Changes of assumptions	-	137,870
Changes in proportion	66,459	333,826
<b>Total</b>	<u>\$ 430,483</u>	<u>\$ 1,137,826</u>

The City reported \$364,024 as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date, which will be recognized as a reduction of the net pension liability in the year ended December 31, 2016. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	<u>Local Group Deferred (Inflows) Outflows Amount</u>	<u>Police and Firemen Group Deferred (Inflows) Outflows Amount</u>
2016	\$ 7,762	\$ (28,924)
2017	(175,279)	(209,907)
2018	(175,279)	(209,907)
2019	28,748	158,005
2020	(14,187)	(21,059)
<b>Total</b>	<u>\$ (328,235)</u>	<u>\$ (311,792)</u>

**CITY OF EMPORIA, KANSAS**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

December 31, 2015

**Note 4: Other Information (Continued)**

**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; and natural disasters for which the City carries commercial insurance. Settlements of claims have not exceeded available coverage for the years ended December 31, 2015, 2014, and 2013.

*Workers' compensation* - The City established a limited risk management program for workers' compensation. The program covers all City employees. Premiums are paid into the workers' compensation reserve fund by all other funds and are available to pay claims, claim reserves and administrative costs of the program.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. An excess coverage insurance policy covers individual claims over a certain amount. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). Claims liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts and other economic and social factors. The liability for claims and judgments is reported in the Workers' Compensation Fund because it is expected to be liquidated with expendable available financial resources. Changes in the balances of claims liabilities during the past year are as follows:

	<b>2015</b>	<b>2014</b>
<b>Unpaid claims - January 1</b>	\$ 74,088	\$ 56,019
Incurred claims (including IBNRs)	35,013	32,978
Claim payments	<u>(26,520)</u>	<u>(14,909)</u>
<b>Unpaid claims - December 31</b>	<u><u>\$ 82,581</u></u>	<u><u>\$ 74,088</u></u>

**Contingent Liabilities**

The City receives significant financial assistance from numerous federal and state governmental agencies in the form of grants and state pass-through aid. The disbursement of funds received under these programs generally requires compliance with the terms and conditions specified in the grant agreements and is subject to audit. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims would not have a material effect on any of the financial statements of the City at December 31, 2015.

The City is a party in various pending claims. Although the outcome of these pending claims is not presently determinable, it is the opinion of the City's legal counsel that resolution of these matters will not have a material adverse effect on the financial condition of the City.

**CITY OF EMPORIA, KANSAS**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

December 31, 2015

**Note 4: Other Information (Continued)**

**New Governmental Accounting Standards**

The Governmental Accounting Standards Board (GASB) has issued the following statements which will or may affect the City:

GASB Statement No. 72, "Fair Value Measurement and Application", was issued in February 2015 and is effective for financial statements for periods beginning after June 15, 2015.

GASB Statement No. 73, "Accounting and Financial Reporting for Pensions and Related Assets", was issued in June 2015, and is effective for financial statements for fiscal years beginning after June 15, 2016, and the requirements of this Statement that address financial reporting for assets accumulated for purposes of providing those pensions are effective for fiscal years beginning after June 30, 2015.

GASB Statement No. 74, "Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans", was issued in June 2015 and is effective for fiscal years beginning after June 15, 2016.

GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions", was issued in June 2015 and is effective for fiscal years beginning after June 15, 2017.

GASB Statement No. 76, "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments", was issued in June 2015 and is effective for reporting periods beginning after June 15, 2015.

GASB Statement No. 77, "Tax Abatement Disclosure", was issued in August 2015 and is effective for reporting periods beginning after December 2015.

GASB Statement No. 78, "Pensions Provided through Certain Multiple-Employer Defined Benefit Pensions Plans", was issued in December 2015 and is effective for reporting periods beginning after December 15, 2015.

GASB Statement No. 79, "Certain External Investment Pools and Pool Participants", was issued December 2015 and is effective for reporting periods beginning after June 15, 2015.

GASB Statement No. 80, "Blending Requirements for Certain Component Units", was issued January 2016 and is effective for reporting periods beginning after June 15, 2016.

GASB Statement No. 81, "Irrevocable Split-Interest Agreements", was issued March 2016 and is effective for periods beginning after December 15, 2016.

GASB Statement No. 82, "Pension Issues", was issued March 2016 and is effective for reporting periods beginning after June 15, 2016.

**CITY OF EMPORIA, KANSAS**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
December 31, 2015

**Note 4: Other Information (Continued)**  
**Postemployment Benefits Other Than Pensions**

*Plan Description*

As required by Kansas statutes, the City provides postemployment healthcare benefits to electing retired employees who have met age and/or service eligibility requirements until the individuals become eligible for Medicare coverage at age 65. The health insurance benefit provides the same coverage for retirees and their dependents as for active employees and their dependents. The plan is a single-employer plan.

*Funding Policy*

The City provides medical, prescription drug, and dental benefits (healthcare benefits) to retirees and their dependents in accordance with Kansas law (K.S.A. 12-5040). This statute, which may be amended by the state legislature, establishes that participating retirees may be required to contribute to the employee group health benefits plan, including administrative costs at an amount not to exceed 125% of the premium cost for other similarly situated employees. The City requires participating retirees to contribute 120% of the premium cost of active employee.

The City provides funding for the expenditures on a pay-as-you-go basis through the Health Care Fund. In 2015, active and retired plan members contributed \$497,002 to the plan and the City contributed \$732,895 to the plan.

*Annual OPEB Cost and Net OPEB Obligation*

The City's annual OPEB (other postemployment benefit) cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period of not to exceed 30 years. The following table presents the components of the City's annual OPEB cost for the year, the amount contributed to the plan, and changes in the City net OPEB obligation:

Annual required contribution (ARC)	\$	44,616
Interest on net OPEB obligation		3,118
Adjustment to ARC		(4,057)
Annual OPEB Cost (Expense)	\$	<u>43,677</u>
Contributions made		<u>37,838</u>
Increase in Net OPEB Obligation	\$	5,839
Net OPEB Obligation - January 1, 2013		<u>62,362</u>
Net OPEB Obligation - December 31, 2015*	\$	<u><u>68,201</u></u>

\* Based on valuation dated April 1, 2016

**CITY OF EMPORIA, KANSAS**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
December 31, 2015

**Note 4: Other Information (Continued)**  
**Postemployment Benefits Other Than Pensions (Continued)**

*Annual OPEB Cost and Net OPEB Obligation*

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation are as follows in the table below:

Fiscal Year Ended	OPEB Cost	% of Annual OPEB Cost Contributed	Net OPEB Obligation
December 31, 2011	\$ 60,353	47.4%	\$ 34,610
December 31, 2012	57,522	61.5%	22,134
December 31, 2013	41,690	51.8%	42,248
December 31, 2014	41,690	51.8%	62,362
December 31, 2015	43,677	86.6%	68,201

*Funded Status and Funding Progress*

As of January 1, 2016, the most recent actuarial valuation date, the plan was 0% funded. The actuarial accrued liability for benefits was \$440,854. The City's policy is to fund the benefits on a pay-as-you-go basis, resulting in an unfunded actuarial accrued liability (UAAL) of \$440,854. As of January 1, 2009, the first actuarial valuation date, the plan was 0% funded. The UAAL as of January 1, 2009 was \$585,945. The covered payroll (annual payroll of active employees of active employees covered by the plan) in 2015 was \$9,833,117 and the ratio of the UAAL to covered payroll was 4.5%. Actuarial analysis is required every two years.

*Actuarial Methods and Assumptions*

The cost of the plan is derived by making certain specific assumptions as to rates of interest, mortality, turnover, etc., which are assumed to hold for many years into the future. Since actual experience may differ somewhat from the long-term assumptions, the cost determined by the valuation must be regarded as estimates of the true costs of the plan. Actuarially determined amounts reflect a long-term view and are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. Actuarial liabilities and comparative costs were computed using the Projected Unit Credit Actuarial Cost Method and the following assumptions:

Amortization method	Level dollar amount on open basis over 30 years
Discount rate	5%
Mortality rate	RP-2000 mortality tables for healthy annuitants and employees for males and females with generational projection, ages set forward on year
Withdrawal rates	Past history of City used to established rates
Retirement rates	Past history of City used to established rates
Marriage and family assumptions	Wives are assumed to be three years younger than husbands and 20% of members are assumed to have spouses who will elect coverage
Price inflation	3% per year
Payroll growth	3% per year
Healthcare cost trend rate	8% grading down to 5%
Participant rate	30% of members are assumed to elect coverage upon retirement

***REQUIRED SUPPLEMENTARY INFORMATION (RSI)***

**CITY OF EMPORIA, KANSAS**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
December 31, 2015

**TREND DATA ON POSTEMPLOYMENT BENEFITS**

( a ) Actuarial Valuation Date	( b ) Actuarial Value of Assets	( c ) Actuarial Accrued Liability	( d ) Unfunded Actuarial Liability ( b ) - ( c )
12/31/2007	\$ -	\$ 950,929	\$ 950,929
12/31/2009	-	585,945	585,945
12/31/2011	-	593,820	593,820
12/31/2012	-	413,955	413,955
12/31/2015	-	440,854	440,854

( e ) Funded Ratio ( b )/( c )	( f ) Annual Covered Payroll	( g ) Unfunded Actuarial Liability as % of Covered Payroll
-	\$ 9,154,091	10.40%
-	9,608,556	6.10%
-	9,357,230	6.30%
-	8,807,954	4.70%
-	8,807,954	4.70%
-	9,833,117	4.50%

**KPERS AND KP&F PENSION PLAN**

**Schedule of the City's Proportionate Share of the Net Pension Liability**

Last Ten Fiscal Years \*

	Local 12/31/2015	Police and Firemen 12/31/2015
City's percentage share of the net pension liability	0.349%	1.016%
City's proportionate share of the net pension liability	\$ 4,586,831	\$ 7,376,621
City's covered employee payroll	\$ 5,601,674	\$ 4,636,234
City's proportionate share of the net pension liability as a percentage of covered payroll	81.88%	159.11%
Plan fiduciary net position as a percentage of the total pension liability	64.00%	74.60%

**Schedule of City's Contributions**

Last Ten Fiscal Years \*

Contractually required contribution	\$ 595,493	\$ 999,035
Contributions in relation to the contractually required contribution	595,493	999,035
Contribution Excess (Deficiency)	-	-
City's covered employee payroll	\$ 6,281,572	\$ 4,677,130
Contributions as a percentage of covered employee payroll	9.48%	21.36%

\* Data became first available with the inception of GASB Statement 68 during fiscal year 2015; therefore, 10 years of data is unavailable.

***OTHER FINANCIAL INFORMATION***

**CITY OF EMPORIA, KANSAS**  
**COMBINING STATEMENTS - NON-MAJOR FUNDS**  
December 31, 2015

**Non-Major Special Revenue Funds**

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

**Budgeted Funds**

*Library Fund* - To account for the collection of tax levy money, which is appropriated to the Emporia Public Library for its operations.

*Library Employee Benefits Fund* - To account for the collection of tax levy money, which is appropriated to the Emporia Public Library specifically for employee benefits.

*Convention and Tourism Promotion Fund* - To account for the promotion of convention and tourism. Financing is provided by a 6% tax on gross rental receipts collected from hotels and motels within the City limits.

*Industrial Fund* - To account for the promotion of industrial development. The majority of this fund is used to assist in the acquisition of land for the industrial parks. Financing is provided by a property tax levy not to exceed 1 mill. This is the maximum amount that can be levied per Kansas statutes.

*Special Alcohol Program Fund* - To account for costs for the establishment, maintenance and/or expansion of services or programs related to substance abuse prevention and education, or treatment of persons who are substance abusers or are in danger of becoming substance abusers. Financing is provided by tax on the sale of alcoholic liquor by private clubs. State law requires 1/3 of this liquor tax to be used for a special alcohol program.

*Special Park and Recreation Fund* - To account for the costs of enhancing the area of recreation or parks. Financing is provided by tax on the sale of alcoholic liquor by private clubs. State law requires 1/3 of this liquor tax to be used for a special park and recreation fund.

*Special Street Fund* - To account for a portion of costs of maintaining the street system. Financing is provided by a proportionate share of the Special City and County Highway Fund distributed by the State Treasurer.

*Drug Money Forfeiture Fund* - To account for the receipt and expenditure of funds seized by the police in connection with the arrest and conviction of individuals for illegal drug activities.

*Industrial Development Sales Tax Fund* - To account for the sales tax receipts, other revenues and expenditures related to industrial development. Receipts of retail sales taxes are deposited in the General Fund, and the portion related to this activity is transferred to this fund.

**Non-Budgeted Funds**

*Wireless 911 Tax* - To account for the cost of implementing a "911" emergency response for the wireless telephone system.

*Telephone Tax - 911 Fund* - To account for the cost of implementing a "911" emergency response telephone system.

*Housing Study RDA Fund* - To account for a county-wide study to identify the current and future needs and solutions to housing problems within the county.

*Emergency Shelter Fund* - To account for grant funds appropriated to a local women's shelter.

**CITY OF EMPORIA, KANSAS**  
**COMBINING STATEMENTS - NON-MAJOR FUNDS**  
December 31, 2015

**Non-Major Special Revenue Fund (Continued)**

**Non-Budgeted Funds**

*Law Enforcement Block Grants Fund* - to account for receipts and expenditures of police department related grant funds.

*DARE Crime Prevention Fund* - To account for funds expended in connection with the DARE program.

*2009 NSP Fund* - (Neighborhood Stabilization Program) to account for the funds used to purchase homes to rehabilitate and then resell.

*2009 Home Buyer and Repair Fund* - To account for the funds used to rehabilitate homes of first- time home owners.

*2014 Housing Fund* - to account for the housing grant funds.

*2011 Home Rehabilitation Funds* - To account for the funds used in the owner-occupied rehabilitation grant program.

*911 Land Wire Fees Fund* - To account for fees collected and expenditures made.

*Lake Kahola Fund* - To account for the funds received in the sale of Lake Kahola to the Lake Kahola cabin owners.

*TDD Fund* - To account for funds associated with the Transportation Development District.

*CID Fund* - To account for funds associated with the Community Improvement District.

*TIF Fund* - To account for funds associated with the Tax Incremental Financing District.

*Emporia Home Repair Fund* - To account for the funds used in the home repair program.

**Non-Major Capital Project Funds**

Capital project funds are used to account for acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

*Internal Improvements Fund* - To account for various City infrastructure improvement projects. Financing is provided through temporary notes and special assessments.

*Airport Improvements Fund* - To account for the costs of new airport improvements.

*Recreation Center Improvements Fund* - To account for the costs of improvements to the recreation center.

*Construction Projects Fund* - To account for the funds appropriated for various construction projects of the City of Emporia.

*Chelsea Parking Fund* - To account for the Chelsea Parking improvements.

*Park Improvements Fund* - To account for the costs of improving existing parks.

*Bridge Projects Fund* - To account for the costs of bridge improvements.

*Traffic Signals Fund* - To account for the cost of new traffic control devices.

*Paving Projects Fund* - To account for the costs of new paving projects.

*Water Treatment Plant Improvements Fund* - to account for the costs of the water treatment plant improvements.

**CITY OF EMPORIA, KANSAS**  
**COMBINING BALANCE SHEET**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
December 31, 2015

	<u>Total Non-Major Special Revenue Funds</u>	<u>Total Non-Major Capital Project Funds</u>	<u>Total Non-Major Governmental Funds</u>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and investments	\$ 2,119,361	\$ 4,824,153	\$ 6,943,514
Receivables			
Accounts	3,992	12,000	15,992
Taxes	714,949	-	714,949
	<u>714,949</u>	<u>-</u>	<u>714,949</u>
<b>Total Assets</b>	<u><u>\$ 2,838,302</u></u>	<u><u>\$ 4,836,153</u></u>	<u><u>\$ 7,674,455</u></u>
 <b>LIABILITIES AND FUND BALANCE</b>			
<b>Liabilities</b>			
Due to other funds	\$ 63,707	\$ 141,853	\$ 205,560
Accounts payable	315,643	21,482	337,125
Accrued liabilities	15,196	-	15,196
Unearned revenue	714,949	-	714,949
	<u>714,949</u>	<u>-</u>	<u>714,949</u>
<b>Total Liabilities</b>	<u><u>\$ 1,109,495</u></u>	<u><u>\$ 163,335</u></u>	<u><u>\$ 1,272,830</u></u>
 <b>Fund Balance</b>			
Restricted:			
Urban development and housing	\$ 847,655	\$ -	\$ 847,655
General government	-	-	-
Capital projects	-	-	-
Public safety	157,334	-	157,334
Culture and recreation	288,160	-	288,160
Public works	428,602	-	428,602
Debt service	1,120	-	1,120
Committed:			
Capital projects	5,936	4,672,818	4,678,754
	<u>5,936</u>	<u>4,672,818</u>	<u>4,678,754</u>
<b>Total Fund Balance</b>	<u><u>\$ 1,728,807</u></u>	<u><u>\$ 4,672,818</u></u>	<u><u>\$ 6,401,625</u></u>
 <b>Total Liabilities and Fund Balance</b>	 <u><u>\$ 2,838,302</u></u>	 <u><u>\$ 4,836,153</u></u>	 <u><u>\$ 7,674,455</u></u>

**CITY OF EMPORIA, KANSAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
For the Year Ended December 31, 2015

	<b>Total Non-Major Special Revenue Funds</b>	<b>Total Non-Major Capital Project Funds</b>	<b>Total Non-Major Governmental Funds</b>
<b>REVENUES</b>			
Taxes	\$ 1,456,352	\$ -	\$ 1,456,352
Intergovernmental	1,153,989	1,344,064	2,498,053
Use of money and property	1,468	1,929	3,397
Contributions	1,290	107,597	108,887
Miscellaneous	260,452	50,000	310,452
<b>Total Revenues</b>	<b>\$ 2,873,551</b>	<b>\$ 1,503,590</b>	<b>\$ 4,377,141</b>
<b>EXPENDITURES</b>			
Current			
General government	\$ 616,831	\$ -	\$ 616,831
Law enforcement	226,930	-	226,930
Highways and streets	625,778	-	625,778
Culture and recreation	785,593	-	785,593
Health and environment	76,250	-	76,250
Planning and development	1,381,538	-	1,381,538
Capital outlay	-	3,214,381	3,214,381
Bond issuance costs	-	-	-
Debt service	-	-	-
<b>Total Expenditures</b>	<b>\$ 3,712,920</b>	<b>\$ 3,214,381</b>	<b>\$ 6,927,301</b>
Excess (deficiency) of revenues over (under) expenditures	\$ (839,369)	\$ (1,710,791)	\$ (2,550,160)
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from the sale of bonds	\$ -	\$ 2,350,000	\$ 2,350,000
Transfers in	932,820	4,328,001	5,260,821
Transfers out	(422,275)	(542,064)	(964,339)
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 510,545</b>	<b>\$ 6,135,937</b>	<b>\$ 6,646,482</b>
<b>Net Change in Fund Balance</b>	<b>\$ (328,824)</b>	<b>\$ 4,425,146</b>	<b>\$ 4,096,322</b>
<b>Fund Balance - Beginning</b>	<b>2,057,631</b>	<b>247,672</b>	<b>2,305,303</b>
<b>Fund Balance - Ending</b>	<b>\$ 1,728,807</b>	<b>\$ 4,672,818</b>	<b>\$ 6,401,625</b>

**CITY OF EMPORIA, KANSAS**  
**COMBINING BALANCE SHEET**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
December 31, 2015

	<u>Library</u>	<u>Library Employee Benefits</u>	<u>Convention and Tourism Promotion</u>	<u>Industrial</u>	<u>Special Alcohol Program</u>
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash and investments	\$ 14,329	\$ -	\$ 290,642	\$ 35,966	\$ 54,236
Receivables					
Accounts	-	-	-	-	-
Taxes	713,949	-	-	1,000	-
<b>Total Assets</b>	<u>\$ 728,278</u>	<u>\$ -</u>	<u>\$ 290,642</u>	<u>\$ 36,966</u>	<u>\$ 54,236</u>
<b>LIABILITIES AND FUND BALANCE</b>					
<b>Liabilities</b>					
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	11,250
Accrued liabilities	-	-	-	-	-
Unearned revenue	713,949	-	-	1,000	-
<b>Total Liabilities</b>	<u>\$ 713,949</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,000</u>	<u>\$ 11,250</u>
<b>Fund Balance</b>					
Restricted:					
Urban development and housing	\$ -	\$ -	\$ 290,642	\$ 35,966	\$ -
General government	-	-	-	-	-
Capital projects	-	-	-	-	-
Public safety	-	-	-	-	42,986
Culture and recreation	14,329	-	-	-	-
Public works	-	-	-	-	-
Debt service	-	-	-	-	-
Committed:					
Urban development and housing	-	-	-	-	-
<b>Total Fund Balance (Deficit)</b>	<u>\$ 14,329</u>	<u>\$ -</u>	<u>\$ 290,642</u>	<u>\$ 35,966</u>	<u>\$ 42,986</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ 728,278</u>	<u>\$ -</u>	<u>\$ 290,642</u>	<u>\$ 36,966</u>	<u>\$ 54,236</u>

<u>Special Park and Recreation</u>	<u>Special Street</u>	<u>Drug Money Forfeiture</u>	<u>Industrial Development Sales Tax</u>	<u>Wireless 911 Tax</u>	<u>Telephone Tax-911</u>	<u>Housing Study RDA</u>
\$ 274,111	\$ 448,332	\$ 81	\$ 604,638	\$ 88,246	\$ 104,097	\$ 1,694
-	3,992	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 274,111</u>	<u>\$ 452,324</u>	<u>\$ 81</u>	<u>\$ 604,638</u>	<u>\$ 88,246</u>	<u>\$ 104,097</u>	<u>\$ 1,694</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
300	8,526	-	30,473	88,246	104,097	-
-	15,196	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 300</u>	<u>\$ 23,722</u>	<u>\$ -</u>	<u>\$ 30,473</u>	<u>\$ 88,246</u>	<u>\$ 104,097</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ 574,165	\$ -	\$ -	\$ 1,694
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	81	-	-	-	-
273,811	-	-	-	-	-	-
-	428,602	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 273,811</u>	<u>\$ 428,602</u>	<u>\$ 81</u>	<u>\$ 574,165</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,694</u>
<u>\$ 274,111</u>	<u>\$ 452,324</u>	<u>\$ 81</u>	<u>\$ 604,638</u>	<u>\$ 88,246</u>	<u>\$ 104,097</u>	<u>\$ 1,694</u>

**CITY OF EMPORIA, KANSAS**  
**COMBINING BALANCE SHEET**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
December 31, 2015

	<u>Emergency Shelter</u>	<u>Law Enforcement Block Grants</u>	<u>DARE Crime Prevention</u>	<u>2009 NSP Fund</u>	<u>2009 Home Buyer and Repair</u>	<u>2014 Housing</u>
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and investments	\$ -	\$ -	\$ 1,687	\$ 487	\$ -	\$ -
Receivables						-
Accounts	-	-	-	-	-	-
Taxes	-	-	-	-	-	-
<b>Total Assets</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,687</u>	<u>\$ 487</u>	<u>\$ -</u>	<u>\$ -</u>
<b>LIABILITIES AND FUND BALANCE</b>						
<b>Liabilities</b>						
Due to other funds	\$ -	\$ 2,612	\$ -	\$ -	\$ 3,751	\$ 57,344
Accounts payable	-	35	-	-	-	58
Accrued liabilities	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-
<b>Total Liabilities</b>	<u>\$ -</u>	<u>\$ 2,647</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,751</u>	<u>\$ 57,402</u>
<b>Fund Balance</b>						
Restricted						
Urban development and housing	\$ -	\$ -	\$ -	\$ 487	\$ (3,751)	\$ (57,402)
General government	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-
Public safety	-	(2,647)	1,687	-	-	-
Culture and recreation	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Committed:						
Urban development and housing	-	-	-	-	-	-
<b>Total Fund Balance (deficit)</b>	<u>\$ -</u>	<u>\$ (2,647)</u>	<u>\$ 1,687</u>	<u>\$ 487</u>	<u>\$ (3,751)</u>	<u>\$ (57,402)</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,687</u>	<u>\$ 487</u>	<u>\$ -</u>	<u>\$ -</u>

<b>2011 Home Rehab</b>	<b>911 Land Wire Fees</b>	<b>Lake Kahola</b>	<b>TDD Fund</b>	<b>CID Fund</b>	<b>TIF Fund</b>	<b>Emporia Home Repair</b>	<b>Totals</b>
\$ 3,990	\$ 187,885	\$ 20	\$ 1,120	\$ 3,433	\$ 2,503	\$ 1,864	\$ 2,119,361
-	-	-	-	-	-	-	3,992
-	-	-	-	-	-	-	714,949
<u>\$ 3,990</u>	<u>\$ 187,885</u>	<u>\$ 20</u>	<u>\$ 1,120</u>	<u>\$ 3,433</u>	<u>\$ 2,503</u>	<u>\$ 1,864</u>	<u>\$ 2,838,302</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 63,707
-	72,658	-	-	-	-	-	315,643
-	-	-	-	-	-	-	15,196
-	-	-	-	-	-	-	714,949
<u>\$ -</u>	<u>\$ 72,658</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,109,495</u>
\$ 3,990	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,864	\$ 847,655
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	115,227	-	-	-	-	-	157,334
-	-	20	-	-	-	-	288,160
-	-	-	-	-	-	-	428,602
-	-	-	1,120	-	-	-	1,120
-	-	-	-	3,433	2,503	-	5,936
<u>\$ 3,990</u>	<u>\$ 115,227</u>	<u>\$ 20</u>	<u>\$ 1,120</u>	<u>\$ 3,433</u>	<u>\$ 2,503</u>	<u>\$ 1,864</u>	<u>\$ 1,728,807</u>
<u>\$ 3,990</u>	<u>\$ 187,885</u>	<u>\$ 20</u>	<u>\$ 1,120</u>	<u>\$ 3,433</u>	<u>\$ 2,503</u>	<u>\$ 1,864</u>	<u>\$ 2,838,302</u>

**CITY OF EMPORIA, KANSAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
For the Year Ended December 31, 2015

	<u>Library</u>	<u>Library Employee Benefits</u>	<u>Convention and Tourism Promotion</u>	<u>Industrial</u>	<u>Special Alcohol Program</u>
<b>REVENUES</b>					
Taxes	\$ 644,461	\$ 86,580	\$ -	\$ 1,286	\$ -
Intergovernmental	-	-	576,046	-	89,037
Use of money and property	-	-	103	26	29
Donations	-	-	-	-	-
Miscellaneous	-	-	52,203	-	-
<b>Total Revenues</b>	<u>\$ 644,461</u>	<u>\$ 86,580</u>	<u>\$ 628,352</u>	<u>\$ 1,312</u>	<u>\$ 89,066</u>
<b>EXPENDITURES</b>					
General government	\$ -	\$ -	\$ 436,250	\$ -	\$ -
Law enforcement	-	-	-	-	-
Highways and streets	-	-	-	-	-
Culture and recreation	634,593	87,282	-	-	-
Health and environment	-	-	-	-	76,250
Planning and development	-	-	-	36	-
<b>Total Expenditures</b>	<u>\$ 634,593</u>	<u>\$ 87,282</u>	<u>\$ 436,250</u>	<u>\$ 36</u>	<u>\$ 76,250</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>\$ 9,868</u>	<u>\$ (702)</u>	<u>\$ 192,102</u>	<u>\$ 1,276</u>	<u>\$ 12,816</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers out	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Net Change in Fund Balance</b>	\$ 9,868	\$ (702)	\$ 192,102	\$ 1,276	\$ 12,816
<b>Fund Balance - Beginning</b>	<u>4,461</u>	<u>702</u>	<u>98,540</u>	<u>34,690</u>	<u>30,170</u>
<b>Fund Balance - End</b>	<u><u>\$ 14,329</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 290,642</u></u>	<u><u>\$ 35,966</u></u>	<u><u>\$ 42,986</u></u>

Special Park and Recreation	Special Street	Drug Money Forfeiture	Industrial Development Sales Tax	Wireless 911 Tax	Telephone Tax-911	Housing Study RDA
\$ -	\$ 724,025	\$ -	\$ -	\$ -	\$ -	\$ -
89,037	-	9,386	-	-	-	-
275	326	13	427	55	65	-
1,200	-	-	-	-	-	-
-	28,830	-	169,658	-	-	-
<u>\$ 90,512</u>	<u>\$ 753,181</u>	<u>\$ 9,399</u>	<u>\$ 170,085</u>	<u>\$ 55</u>	<u>\$ 65</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 104,097	\$ -
-	-	23,726	-	88,246	-	-
-	625,778	-	-	-	-	-
63,718	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	933,323	-	-	-
<u>\$ 63,718</u>	<u>\$ 625,778</u>	<u>\$ 23,726</u>	<u>\$ 933,323</u>	<u>\$ 88,246</u>	<u>\$ 104,097</u>	<u>\$ -</u>
\$ 26,794	\$ 127,403	\$ (14,327)	\$ (763,238)	\$ (88,191)	\$ (104,032)	\$ -
\$ -	\$ -	\$ -	\$ 892,820	\$ -	\$ -	\$ -
(140,000)	-	(10,000)	(272,275)	-	-	-
<u>\$ (140,000)</u>	<u>\$ -</u>	<u>\$ (10,000)</u>	<u>\$ 620,545</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ (113,206)	\$ 127,403	\$ (24,327)	\$ (142,693)	\$ (88,191)	\$ (104,032)	\$ -
387,017	301,199	24,408	716,858	88,191	104,032	1,694
<u>\$ 273,811</u>	<u>\$ 428,602</u>	<u>\$ 81</u>	<u>\$ 574,165</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,694</u>

**CITY OF EMPORIA, KANSAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
For the Year Ended December 31, 2015

	<u>Emergency Shelter</u>	<u>Law Enforcement Block Grants</u>	<u>DARE Crime Prevention</u>	<u>2009 NSP Fund</u>	<u>2009 Home Buyer and Repair</u>	<u>2014 Housing</u>
<b>REVENUES</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	67,866	3,677	-	1,382	-	277,492
Use of money and property	-	-	-	-	-	-
Donations	-	90	-	-	-	-
Miscellaneous	-	-	-	-	-	-
<b>Total Revenues</b>	<u>\$ 67,866</u>	<u>\$ 3,767</u>	<u>\$ -</u>	<u>\$ 1,382</u>	<u>\$ -</u>	<u>\$ 277,492</u>
<b>EXPENDITURES</b>						
General government	\$ 66,449	\$ -	\$ -	\$ -	\$ -	\$ -
Law enforcement	-	7,899	-	-	-	-
Highways and streets	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Health and environment	-	-	-	-	-	-
Planning and development	-	-	-	309	-	418,967
<b>Total Liabilities</b>	<u>\$ 66,449</u>	<u>\$ 7,899</u>	<u>\$ -</u>	<u>\$ 309</u>	<u>\$ -</u>	<u>\$ 418,967</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>\$ 1,417</u>	<u>\$ (4,132)</u>	<u>\$ -</u>	<u>\$ 1,073</u>	<u>\$ -</u>	<u>\$ (141,475)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 40,000
Transfers out	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,000</u>
<b>Net Change in Fund Balance</b>	<u>\$ 1,417</u>	<u>\$ (4,132)</u>	<u>\$ -</u>	<u>\$ 1,073</u>	<u>\$ -</u>	<u>\$ (101,475)</u>
<b>Fund Balance - Beginning</b>	<u>(1,417)</u>	<u>1,485</u>	<u>1,687</u>	<u>(586)</u>	<u>(3,751)</u>	<u>44,073</u>
<b>Fund Balance - Ending</b>	<u>\$ -</u>	<u>\$ (2,647)</u>	<u>\$ 1,687</u>	<u>\$ 487</u>	<u>\$ (3,751)</u>	<u>\$ (57,402)</u>

2011 Home Rehab	911 Land Wire Fees	Lake Kahola	TDD Fund	CID Fund	TIF Fund	Emporia Home Repair	Totals
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,456,352
-	-	-	-	1,200	-	38,866	1,153,989
-	146	-	-	2	1	-	1,468
-	-	-	-	-	-	-	1,290
-	-	-	-	-	9,761	-	260,452
<u>\$ -</u>	<u>\$ 146</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,202</u>	<u>\$ 9,762</u>	<u>\$ 38,866</u>	<u>\$ 2,873,551</u>
\$ -	\$ -	\$ -	\$ -	\$ 274	\$ 9,761	\$ -	\$ 616,831
-	107,059	-	-	-	-	-	226,930
-	-	-	-	-	-	-	625,778
-	-	-	-	-	-	-	785,593
-	-	-	-	-	-	-	76,250
-	-	-	-	-	-	28,903	1,381,538
<u>\$ -</u>	<u>\$ 107,059</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 274</u>	<u>\$ 9,761.00</u>	<u>\$ 28,903</u>	<u>\$ 3,712,920</u>
\$ -	\$ (106,913)	\$ -	\$ -	\$ 928	\$ 1	\$ 9,963	\$ (839,369)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 932,820
-	-	-	-	-	-	-	(422,275)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 510,545</u>
\$ -	\$ (106,913)	\$ -	\$ -	\$ 928	\$ 1	\$ 9,963	\$ (328,824)
3,990	222,140	20	1,120	2,505	2,502	(8,099)	2,057,631
<u>\$ 3,990</u>	<u>\$ 115,227</u>	<u>\$ 20</u>	<u>\$ 1,120</u>	<u>\$ 3,433</u>	<u>\$ 2,503</u>	<u>\$ 1,864</u>	<u>\$ 1,728,807</u>

**CITY OF EMPORIA, KANSAS**  
**COMBINING BALANCE SHEET**  
**NON-MAJOR CAPITAL PROJECTS FUNDS**  
December 31, 2015

	<u>Internal Improvements</u>	<u>Airport Improvements</u>	<u>Recreation Center Improvements</u>	<u>Construction Projects</u>
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and investments	\$ 111,094	\$ -	\$ 28,030	\$ 1,617,582
Accounts receivables	12,000	-	-	-
<b>Total Assets</b>	<u>\$ 123,094</u>	<u>\$ -</u>	<u>\$ 28,030</u>	<u>\$ 1,617,582</u>
<b>LIABILITIES AND FUND BALANCE</b>				
<b>Liabilities</b>				
Due to other funds	\$ -	\$ -	\$ -	\$ -
Accounts payable	565	-	10,328	-
<b>Total Liabilities</b>	<u>\$ 565</u>	<u>\$ -</u>	<u>\$ 10,328</u>	<u>\$ -</u>
<b>Fund Balance</b>				
Committed				
Capital projects	\$ 122,529	\$ -	\$ 17,702	\$ 1,617,582
<b>Total Fund Balance (Deficit)</b>	<u>\$ 122,529</u>	<u>\$ -</u>	<u>\$ 17,702</u>	<u>\$ 1,617,582</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ 123,094</u>	<u>\$ -</u>	<u>\$ 28,030</u>	<u>\$ 1,617,582</u>

<u>Chelsea Parking</u>	<u>Park Improvements</u>	<u>Bridge Projects</u>	<u>Traffic Signals</u>	<u>Paving Projects</u>	<u>Water Treatment Plant Improvements</u>	<u>Totals</u>
\$ 160,678	\$ 348,046	\$ -	\$ -	\$ -	\$ 2,558,723	\$ 4,824,153
-	-	-	-	-	-	12,000
<u>\$ 160,678</u>	<u>\$ 348,046</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,558,723</u>	<u>\$ 4,836,153</u>
\$ -	\$ -	\$ -	\$ -	\$ 141,853	\$ -	\$ 141,853
-	-	-	-	60	10,529	21,482
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 141,913</u>	<u>\$ 10,529</u>	<u>\$ 163,335</u>
\$ 160,678	\$ 348,046	\$ -	\$ -	\$ (141,913)	\$ 2,548,194	\$ 4,672,818
\$ 160,678	\$ 348,046	\$ -	\$ -	\$ (141,913)	\$ 2,548,194	\$ 4,672,818
<u>\$ 160,678</u>	<u>\$ 348,046</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,558,723</u>	<u>\$ 4,836,153</u>

**CITY OF EMPORIA, KANSAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NON-MAJOR CAPITAL PROJECTS FUNDS**  
For the Year Ended December 31, 2015

	<u>Internal Improvements</u>	<u>Airport Improvements</u>	<u>Recreation Center Improvements</u>	<u>Construction Projects</u>
<b>REVENUES</b>				
Intergovernmental	\$ 26,358	\$ 348,379	\$ -	\$ -
Use of money and property	86	-	12	657
Miscellaneous	-	-	-	50,000
Contributions	16,975	-	-	-
<b>Total Revenues</b>	<u>\$ 43,419</u>	<u>\$ 348,379</u>	<u>\$ 12</u>	<u>\$ 50,657</u>
<b>EXPENDITURES</b>				
Capital outlay				
Contract costs	\$ 718,916	12,456	\$ 237,585	\$ 564,348
Bond issuance costs	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
<b>Total Expenditures</b>	<u>\$ 718,916</u>	<u>\$ 12,456</u>	<u>\$ 237,585</u>	<u>\$ 564,348</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>\$ (675,497)</u>	<u>\$ 335,923</u>	<u>\$ (237,573)</u>	<u>\$ (513,691)</u>
<b>OTHER FINANCING RESOURCES (USES)</b>				
Proceeds from the sale of bonds	\$ 615,000	\$ -	\$ 450,000	\$ 585,000
Transfers in	10,000	-	-	1,514,959
Transfers out	(30,883)	-	-	(366,734)
<b>Total Other Financing Resources (Uses)</b>	<u>\$ 594,117</u>	<u>\$ -</u>	<u>\$ 450,000</u>	<u>\$ 1,733,225</u>
<b>Net Change in Fund Balance</b>	\$ (81,380)	\$ 335,923	\$ 212,427	\$ 1,219,534
<b>Fund Balance (Deficit) - Beginning</b>	<u>203,909</u>	<u>(335,923)</u>	<u>(194,725)</u>	<u>398,048</u>
<b>Fund Balance (Deficit) - Ending</b>	<u>\$ 122,529</u>	<u>\$ -</u>	<u>\$ 17,702</u>	<u>\$ 1,617,582</u>

<u>Chelsea Parking</u>	<u>Park Improvements</u>	<u>Bridge Projects</u>	<u>Traffic Signals</u>	<u>Paving Projects</u>	<u>Water Treatment Plant Improvements</u>	<u>Totals</u>
\$ -	\$ 141,030	\$ -	\$ -	\$ 828,297	\$ -	\$ 1,344,064
118	93	9	-	-	954	1,929
-	-	-	-	-	-	50,000
-	90,622	-	-	-	-	107,597
<u>\$ 118</u>	<u>\$ 231,745</u>	<u>\$ 9</u>	<u>\$ -</u>	<u>\$ 828,297</u>	<u>\$ 954</u>	<u>\$ 1,503,590</u>
\$ 539,440	\$ 126,991	\$ -	\$ -	\$ 961,885	\$ 52,760	\$ 3,214,381
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 539,440</u>	<u>\$ 126,991</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 961,885</u>	<u>\$ 52,760</u>	<u>\$ 3,214,381</u>
\$ (539,322)	\$ 104,754	\$ 9	\$ -	\$ (133,588)	\$ (51,806)	\$ (1,710,791)
\$ 700,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,350,000
-	190,062	-	-	12,980	2,600,000	4,328,001
-	-	(144,447)	-	-	-	(542,064)
<u>\$ 700,000</u>	<u>\$ 190,062</u>	<u>\$ (144,447)</u>	<u>\$ -</u>	<u>\$ 12,980</u>	<u>\$ 2,600,000</u>	<u>\$ 6,135,937</u>
\$ 160,678	\$ 294,816	\$ (144,438)	\$ -	\$ (120,608)	\$ 2,548,194	\$ 4,425,146
-	53,230	144,438	-	(21,305)	-	247,672
<u>\$ 160,678</u>	<u>\$ 348,046</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (141,913)</u>	<u>\$ 2,548,194</u>	<u>\$ 4,672,818</u>

**CITY OF EMPORIA, KANSAS**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - ACTUAL AND BUDGET**  
**INDUSTRIAL DEVELOPMENT SALES TAX FUND**  
For the Year Ended December 31, 2015

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Use of money & property	\$ 300	\$ 300	\$ 427	\$ 127
Miscellaneous	140,603	140,603	169,658	29,055
<b>Total Revenues</b>	<b>\$ 140,903</b>	<b>\$ 140,903</b>	<b>\$ 170,085</b>	<b>\$ 29,182</b>
<b>EXPENDITURES</b>				
Planning and development				
Contractual services	\$ 912,852	\$ 1,533,571	\$ 933,323	\$ 600,248
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>\$ (912,552)</b>	<b>\$ (1,533,271)</b>	<b>\$ (763,238)</b>	<b>\$ 600,375</b>
<b>OTHER FINANCING RESOURCES (USES)</b>				
Transfers in	\$ 892,820	\$ 594,344	\$ 892,820	\$ (298,476)
Transfers out	(272,275)	(272,275)	(272,275)	-
<b>Total Other Financing Sources</b>	<b>\$ 620,545</b>	<b>\$ 322,069</b>	<b>\$ 620,545</b>	<b>\$ (298,476)</b>
<b>Net Change in Fund Balance</b>	<b>\$ (292,007)</b>	<b>\$ (1,211,202)</b>	<b>\$ (142,693)</b>	<b>\$ 301,899</b>
<b>Fund Balance - Beginning</b>			716,858	
<b>Fund Balance - Ending</b>			\$ 574,165	
<b>Adjustments to GAAP</b>				
Encumbrances			-	
<b>Fund Balance - GAAP</b>			<b>\$ 574,165</b>	

**CITY OF EMPORIA, KANSAS**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - ACTUAL AND BUDGET**  
**LIBRARY FUND**

For the Year Ended December 31, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes	\$ 651,554	\$ 651,554	\$ 644,461	\$ (7,093)
Miscellaneous	-	-	-	-
<b>Total Revenues</b>	<u>\$ 651,554</u>	<u>\$ 651,554</u>	<u>\$ 644,461</u>	<u>\$ (7,093)</u>
<b>EXPENDITURES</b>				
Culture and recreation	\$ 634,593	\$ 634,593	\$ 634,593	\$ -
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<u>\$ 16,961</u>	<u>\$ 16,961</u>	<u>\$ 9,868</u>	<u>\$ (7,093)</u>
<b>OTHER FINANCING RESOURCES (USES)</b>				
Transfers in	\$ -	\$ -	\$ -	\$ -
Transfers out	-	-	-	-
<b>Total Other Financing Sources</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Net Change in Fund Balance</b>			\$ 9,868	
<b>Fund Balance - Beginning</b>			<u>4,461</u>	
<b>Fund Balance - Ending</b>			\$ 14,329	
<b>Adjustments to GAAP</b>			<u>-</u>	
<b>Fund Balance - GAAP</b>			<u>\$ 14,329</u>	

**CITY OF EMPORIA, KANSAS**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - ACTUAL AND BUDGET**  
**LIBRARY EMPLOYEE BENEFITS FUND**  
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 88,047	\$ 88,047	\$ 86,580	\$ (1,467)
<b>EXPENDITURES</b>				
Culture and recreation	\$ 85,661	\$ 87,731	\$ 87,282	\$ 449
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<u>\$ 2,386</u>	<u>\$ 316</u>	<u>\$ (702)</u>	<u>\$ (2,485)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ -	\$ -	\$ -	\$ -
Transfers out	-	-	-	-
<b>Total Other Financing Sources</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Net Change in Fund Balance</b>	<u>\$ 2,386</u>	<u>\$ 316</u>	<u>\$ (702)</u>	<u>\$ (2,485)</u>
<b>Fund Balance - Beginning</b>			<u>702</u>	
<b>Fund Balance - Ending</b>			\$ -	
<b>Adjustments to GAAP</b>				
Encumbrances			<u>-</u>	
<b>Fund Balances - GAAP</b>			<u>\$ -</u>	

**CITY OF EMPORIA, KANSAS**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - ACTUAL AND BUDGET**  
**CONVENTION AND TOURISM PROMOTION FUND**  
For the Year Ended December 31, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Intergovernmental	\$ 410,000	\$ 410,000	\$ 576,046	\$ 166,046
Use of money and property	50	50	103	53
Miscellaneous	-	-	52,203	52,203
<b>Total Revenues</b>	<u>\$ 410,050</u>	<u>\$ 410,050</u>	<u>\$ 628,352</u>	<u>\$ 218,302</u>
<b>EXPENDITURES</b>				
General government				
Appropriations	\$ 569,771	\$ 569,771	\$ 436,250	\$ 133,521
<b>Net Change in Fund Balances</b>	<u>\$ (159,721)</u>	<u>\$ (159,721)</u>	<u>\$ 192,102</u>	<u>\$ 84,781</u>
<b>Fund Balance - Beginning</b>			<u>98,540</u>	
<b>Fund Balance - Ending</b>			\$ 290,642	
<b>Adjustments to GAAP</b>				
Encumbrances			<u>-</u>	
<b>Fund Balance - GAAP</b>			<u>\$ 290,642</u>	

**CITY OF EMPORIA, KANSAS**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - ACTUAL AND BUDGET**  
**INDUSTRIAL FUND**  
For the Year Ended December 31, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Intergovernmental	\$ 1,158	\$ 1,158	\$ 1,286	\$ 128
Use of money and property	32	32	26	(6)
<b>Total Revenues</b>	<u>\$ 1,190</u>	<u>\$ 1,190</u>	<u>\$ 1,312</u>	<u>\$ 122</u>
<b>EXPENDITURES</b>				
Planning and development				
Contractual services	\$ 32,701	\$ 32,701	\$ 36	\$ 32,665
<b>Net Change in Fund Balance</b>	<u>\$ (31,511)</u>	<u>\$ (31,511)</u>	\$ 1,276	<u>\$ 32,787</u>
<b>Fund Balance - Beginning</b>			<u>34,690</u>	
<b>Fund Balance - Ending</b>			\$ 35,966	
<b>Adjustments to GAAP</b>				
Encumbrances			<u>-</u>	
<b>Fund Balance - GAAP</b>			<u>\$ 35,966</u>	

**CITY OF EMPORIA, KANSAS**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - ACTUAL AND BUDGET**  
**SPECIAL ALCOHOL PROGRAM FUND**  
For the Year Ended December 31, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Intergovernmental	\$ 72,000	\$ 72,000	\$ 89,037	\$ 17,037
Use of money and property	5	5	29	24
<b>Total Revenues</b>	<u>\$ 72,005</u>	<u>\$ 72,005</u>	<u>\$ 89,066</u>	<u>\$ 17,061</u>
<b>EXPENDITURES</b>				
Health and environment Appropriations	<u>\$ 93,004</u>	<u>\$ 93,004</u>	<u>\$ 76,250</u>	<u>\$ 16,754</u>
<b>Net Change in Fund Balance</b>	<u>\$ (20,999)</u>	<u>\$ (20,999)</u>	<u>\$ 12,816</u>	<u>\$ 307</u>
<b>Fund Balance - Beginning</b>			<u>30,170</u>	
<b>Fund Balance - ending</b>			\$ 42,986	
<b>Adjustments to GAAP</b>				
Encumbrances			<u>-</u>	
<b>Fund Balance - GAAP</b>			<u>\$ 42,986</u>	

**CITY OF EMPORIA, KANSAS**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - ACTUAL AND BUDGET**  
**SPECIAL PARK AND RECREATION FUND**  
For the Year Ended December 31, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Intergovernmental	\$ 72,000	\$ 72,000	\$ 89,037	\$ 17,037
Use of money and property	150	150	275	125
Donations	-	-	1,200	1,200
<b>Total Revenues</b>	<u>\$ 72,150</u>	<u>\$ 72,150</u>	<u>\$ 90,512</u>	<u>\$ 18,362</u>
<b>EXPENDITURES</b>				
General government				
Contractual	\$ -	\$ -	\$ -	\$ -
Commodities	-	-	899	(899)
Capital outlay	459,406	459,406	62,819	396,587
<b>Total Expenditures</b>	<u>\$ 459,406</u>	<u>\$ 459,406</u>	<u>\$ 63,718</u>	<u>\$ 395,688</u>
<b>Net Change in Fund Balance</b>	<u>\$ (387,256)</u>	<u>\$ (387,256)</u>	<u>\$ 26,794</u>	<u>\$ (378,225)</u>
<b>OTHER FINANCING RESOURCES (USES)</b>				
Transfers out	\$ -	\$ -	\$ (140,000)	\$ (140,000)
Transfers in	-	-	-	-
<b>Total Other Financing Resources (Uses)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (140,000)</u>	<u>\$ (140,000)</u>
<b>Net Change in Fund Balance</b>	<u>\$ (387,256)</u>	<u>\$ (387,256)</u>	<u>\$ (113,206)</u>	<u>\$ (518,225)</u>
<b>Fund Balance - Beginning</b>			<u>\$ 387,017</u>	
<b>Fund Balance - Ending</b>			\$ 273,811	
<b>Adjustments to GAAP</b>				
Encumbrances			-	
<b>Fund Balance - GAAP</b>			<u>\$ 273,811</u>	

**CITY OF EMPORIA, KANSAS**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - ACTUAL AND BUDGET**  
**SPECIAL STREET FUND**  
For the Year Ended December 31, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes	\$ 694,000	\$ 694,000	\$ 724,025	\$ 30,025
Use of money and property	200	200	326	126
Miscellaneous	5,000	5,000	28,830	23,830
<b>Total Revenues</b>	<u>\$ 699,200</u>	<u>\$ 699,200</u>	<u>\$ 753,181</u>	<u>\$ 53,981</u>
<b>EXPENDITURES</b>				
Highway and streets				
Personal services	\$ 418,089	\$ 418,089	\$ 390,640	\$ 27,449
Contractual	14,500	14,500	11,285	3,215
Commodities	190,610	190,610	201,972	(11,362)
Other charges	29,405	29,405	28,668	737
Capital outlay	15,000	15,000	-	15,000
Special projects	218,318	218,318	-	218,318
<b>Total Expenditures</b>	<u>\$ 885,922</u>	<u>\$ 885,922</u>	<u>\$ 632,565</u>	<u>\$ 253,357</u>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<u>\$ (186,722)</u>	<u>\$ (186,722)</u>	<u>\$ 120,616</u>	<u>\$ 307,338</u>
<b>OTHER FINANCING RESOURCES (USES)</b>				
Transfers in	\$ -	\$ -	\$ -	\$ -
Transfers out	-	-	-	-
<b>Total Other Financing Resources (Uses)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Net Change in Fund Balance</b>	<u>\$ (186,722)</u>	<u>\$ (186,722)</u>	<u>\$ 120,616</u>	<u>\$ 307,338</u>
<b>Fund Balance - Beginning</b>			<u>307,986</u>	
<b>Fund Balances - Ending</b>			\$ 428,602	
<b>Adjustments to GAAP</b>				
Encumbrances			<u>-</u>	
<b>Fund Balance - GAAP</b>			<u>\$ 428,602</u>	

**CITY OF EMPORIA, KANSAS**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - ACTUAL AND BUDGET**  
**DRUG MONEY FORFEITURE FUND**  
For the Year Ended December 31, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Intergovernmental	\$ 5,000	\$ 14,000	\$ 9,386	\$ (4,614)
Use of money and property	7	7	13	6
<b>Total Revenues</b>	<u>\$ 5,007</u>	<u>\$ 14,007</u>	<u>\$ 9,399</u>	<u>\$ (4,608)</u>
<b>EXPENDITURES</b>				
Law enforcement				
Contractual	\$ -	\$ -	\$ 185	\$ (185)
Commodities	18,666	25,000	23,541	1,459
<b>Total Expenditures</b>	<u>\$ 18,666</u>	<u>\$ 25,000</u>	<u>\$ 23,726</u>	<u>\$ 1,274</u>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<u>\$ (13,659)</u>	<u>\$ (10,993)</u>	<u>\$ (14,327)</u>	<u>\$ (3,334)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ -	\$ -	\$ -	\$ -
Transfers out	-	(10,000)	(10,000)	-
<b>Total Other Financing Sources</b>	<u>\$ -</u>	<u>\$ (10,000)</u>	<u>\$ (10,000)</u>	<u>\$ -</u>
<b>Net Change in Fund Balance</b>			\$ (24,327)	
<b>Fund Balance - Beginning</b>			<u>24,408</u>	
<b>Fund Balance - Ending</b>			\$ 81	
<b>Adjustments to GAAP</b>				
Encumbrances			<u>-</u>	
<b>Fund Balance - GAAP</b>			<u>\$ 81</u>	

**CITY OF EMPORIA, KANSAS**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - ACTUAL AND BUDGET**  
**DEBT SERVICE FUND**  
For the Year Ended December 31, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes	\$ 2,991,518	\$ 2,991,518	\$ 3,048,624	\$ 57,106
Special assessments	97,542	97,542	97,541	(1)
Use of money and property	1,197	1,197	1,042	(155)
Miscellaneous	-	-	10,697	10,697
<b>Total Revenues</b>	<u>\$ 3,090,257</u>	<u>\$ 3,090,257</u>	<u>\$ 3,157,904</u>	<u>\$ 56,950</u>
<b>EXPENDITURES</b>				
Debt service				
Principal	\$ 3,145,000	\$ 3,145,000	\$ 3,145,000	\$ -
Interest and other charges	486,504	486,504	486,504	-
<b>Total Expenditures</b>	<u>\$ 3,631,504</u>	<u>\$ 3,631,504</u>	<u>\$ 3,631,504</u>	<u>\$ -</u>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<u>\$ (541,247)</u>	<u>\$ (541,247)</u>	<u>\$ (473,600)</u>	<u>\$ 56,950</u>
<b>OTHER FINANCING RESOURCES (USES)</b>				
Proceeds from sale of bonds	\$ -	\$ -	\$ 2,518,712	\$ (2,518,712)
Payment to refunding bonds escrow agent	-	-	(2,518,712)	2,518,712
Transfers in	321,302	321,302	496,631	175,329
<b>Total Other Financing Sources</b>	<u>\$ 321,302</u>	<u>\$ 321,302</u>	<u>\$ 496,631</u>	<u>\$ 175,329</u>
<b>Net Change in Fund Balance</b>	<u>\$ (219,945)</u>	<u>\$ (219,945)</u>	<u>\$ 23,031</u>	<u>\$ 232,279</u>
<b>Fund Balance - Beginning</b>			<u>448,296</u>	
<b>Fund Balance - Ending</b>			\$ 471,327	
<b>Adjustments to GAAP</b>				
Encumbrances			<u>-</u>	
<b>Fund Balance - GAAP</b>			<u>\$ 471,327</u>	

**CITY OF EMPORIA, KANSAS**  
**INTERNAL SERVICE FUNDS**

December 31, 2015

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City and to other government units on a cost reimbursement basis.

*Workers' Compensation Fund* - To account for contributions made by the City to be used for paying claims for job-related injuries.

*Employee Health Care Fund* - To account for contributions made by the City, city employees and former city employees to be used for payment of medical claims of covered patients.

**CITY OF EMPORIA, KANSAS**  
**COMBINING STATEMENT OF NET POSITION**  
**INTERNAL SERVICE FUNDS**  
December 31, 2015

	<b>Workers'</b>	<b>Employee</b>	<b>Total</b>
	<b>Compensation</b>	<b>Health Care</b>	
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	\$ 1,232,506	\$ 190,244	\$ 1,422,750
<b>TOTAL ASSETS</b>	<b>\$ 1,232,506</b>	<b>\$ 190,244</b>	<b>\$ 1,422,750</b>
<b>LIABILITIES</b>			
<b>Liabilities</b>			
Unpaid claims	\$ 127,454	\$ 320	\$ 127,774
<b>TOTAL LIABILITIES</b>	<b>\$ 127,454</b>	<b>\$ 320</b>	<b>\$ 127,774</b>
<b>NET POSITION</b>			
Unrestricted	\$ 1,105,052	\$ 189,924	\$ 1,294,976
<b>Total Net Position</b>	<b>\$ 1,105,052</b>	<b>\$ 189,924</b>	<b>\$ 1,294,976</b>
<b>TOTAL NET POSITION</b>	<b>\$ 1,232,506</b>	<b>\$ 190,244</b>	<b>\$ 1,422,750</b>

**CITY OF EMPORIA, KANSAS**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**INTERNAL SERVICE FUNDS**  
For the Year Ended December 31, 2015

	<u>Workers'</u> <u>Compensation</u>	<u>Employee</u> <u>Health Care</u>	<u>Total</u>
<b>OPERATING REVENUES</b>			
Charges for services	\$ 262,001	\$ -	\$ 262,001
Miscellaneous	2,149	-	2,149
<b>Total Operating Revenues</b>	<u>\$ 264,150</u>	<u>\$ -</u>	<u>\$ 264,150</u>
<b>OPERATING EXPENSES</b>			
Cost of services	\$ 305,143	\$ -	\$ 305,143
Other	-	2,191	2,191
<b>Total Operating Expenses</b>	<u>\$ 305,143</u>	<u>\$ 2,191</u>	<u>\$ 307,334</u>
Operating income (loss)	<u>\$ (40,993)</u>	<u>\$ (2,191)</u>	<u>\$ (43,184)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Interest income	<u>\$ 2,400</u>	<u>\$ 360</u>	<u>\$ 2,760</u>
Transfers from (to) other funds			
Transfers out	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Change in Net Position</b>	<u>\$ (38,593)</u>	<u>\$ (1,831)</u>	<u>\$ (40,424)</u>
<b>Net Position - Beginning</b>	<u>1,143,645</u>	<u>191,755</u>	<u>1,335,400</u>
<b>Net Position - Ending</b>	<u><u>\$ 1,105,052</u></u>	<u><u>\$ 189,924</u></u>	<u><u>\$ 1,294,976</u></u>

**CITY OF EMPORIA, KANSAS**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
For the Year Ended December 31, 2015

	<u>Workers'</u> <u>Compensation</u>	<u>Employee</u> <u>Health Care</u>	<u>Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from participants	\$ 262,001	\$ -	\$ 262,001
Cash received from reimbursements	2,149	-	2,149
Cash paid for services	(296,650)	-	(296,650)
Cash payments to suppliers	-	(2,191)	(2,191)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<u>\$ (32,500)</u>	<u>\$ (2,191)</u>	<u>\$ (34,691)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers (to) other funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received	<u>\$ 2,400</u>	<u>\$ 360</u>	<u>\$ 2,760</u>
<b>Net Cash Provided by (Used in) Investing Activities</b>	<u>\$ 2,400</u>	<u>\$ 360</u>	<u>\$ 2,760</u>
Net Increase (Decrease) in Cash and Cash Equivalents	\$ (30,100)	\$ (1,831)	\$ (31,931)
<b>Cash and cash equivalents, beginning of year</b>	<u>1,262,606</u>	<u>192,075</u>	<u>1,454,681</u>
<b>Cash and cash equivalents, end of year</b>	<u><u>\$ 1,232,506</u></u>	<u><u>\$ 190,244</u></u>	<u><u>\$ 1,422,750</u></u>

**RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES**

Operating income (loss)	\$ (40,993)	\$ (2,191)	\$ (43,184)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities			
Changes in assets and liabilities			
Increase (decrease) in unpaid claims	<u>8,493</u>	<u>-</u>	<u>8,493</u>
<b>Net Cash Provided by (Used in) Operating Activities</b>	<u><u>\$ (32,500)</u></u>	<u><u>\$ (2,191)</u></u>	<u><u>\$ (34,691)</u></u>

**CITY OF EMPORIA, KANSAS  
TRUST AND AGENCY FUNDS**

December 31, 2015

Trust funds are used to account for assets held by the City in a trustee capacity. Agency funds are used to account for assets held by the City as an agent for individuals, private organizations, other governments and/or other funds.

*Tree Private Purpose Trust Fund* - To account for monies provided by private donors to finance planting of trees.

*Fremont Park Private Purpose Trust Fund* - To account for the money donated to the City for the purpose of building a display shelter for the railroad engine and caboose at Fremont Park.

*Las Casitas Park Private Purpose Trust Fund* - To account for monies provided by private donors to finance improvements to the Las Casitas Park.

*Economic Development Private Purpose Trust Fund* - To provide a financial resource which enhances the City's ability to attract new economic development projects by lending money to businesses that is repaid with interest.

*Fire Insurance Proceeds Agency Fund* - To account for a portion of insurance proceeds from fire and casualty losses to structures within the City. Proceeds are returned to property owners upon substantial completion of repairs or demolition of structure.

**CITY OF EMPORIA, KANSAS**  
**COMBINING STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS - PRIVATE PURPOSE TRUST**  
December 31, 2015

	Private Purpose Trust				Total
	Tree	Fremont Park	Las Casitas Park	Economic Development	
<b>ASSETS</b>					
Cash and investments	\$ 1,672	\$ 89	\$ 413	\$ 1,124,805	\$ 1,126,979
Accrued interest receivable	-	-	-	19	19
<b>TOTAL ASSETS</b>	<b>\$ 1,672</b>	<b>\$ 89</b>	<b>\$ 413</b>	<b>\$ 1,124,824</b>	<b>\$ 1,126,998</b>
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
<b>NET POSITION</b>					
Held in trust for various purposes	<b>\$ 1,672</b>	<b>\$ 89</b>	<b>\$ 413</b>	<b>\$ 1,124,824</b>	<b>\$ 1,126,998</b>

**CITY OF EMPORIA, KANSAS**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS - AGENCY FUND**  
December 31, 2015

	<u>Fire Insurance Proceeds</u>
<b>ASSETS</b>	
Cash and cash equivalents	<u>\$ 9,806</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 9,806</u></u>
<b>LIABILITIES</b>	
Accounts payable	<u>\$ 9,806</u>
<b>TOTAL LIABILITIES</b>	<u><u>\$ 9,806</u></u>

**CITY OF EMPORIA, KANSAS**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS - PRIVATE PURPOSE TRUST**  
For the Year Ended December 31, 2015

	Private Purpose Trust				Total
	Tree	Fremont Park	Las Casitas Park	Economic Development	
<b>ADDITIONS</b>					
Interest income	\$ 2	\$ -	\$ -	\$ 806	\$ 808
<b>Total Additions</b>	<u>\$ 2</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 806</u>	<u>\$ 808</u>
<b>DEDUCTIONS</b>					
Change in net position	\$ 2	\$ -	\$ -	\$ 806	\$ 808
<b>NET POSITION - BEGINNING OF YEAR</b>	1,670	89	413	1,124,018	1,126,190
<b>NET POSITION - END OF YEAR</b>	<u>\$ 1,672</u>	<u>\$ 89</u>	<u>\$ 413</u>	<u>\$ 1,124,824</u>	<u>\$ 1,126,998</u>

**CITY OF EMPORIA, KANSAS**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUND**

For the Year Ended December 31, 2015

	<u>Balance - January 1, 2015</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance - December 31, 2015</u>
Cash and cash equivalents	\$ 15,648	\$ 8	\$ 5,850	\$ 9,806
<b>TOTAL ASSETS</b>	<u>\$ 15,648</u>	<u>\$ 8</u>	<u>\$ 5,850</u>	<u>\$ 9,806</u>
Accounts payable	\$ 15,648	\$ 8	\$ 5,850	\$ 9,806
<b>TOTAL LIABILITIES</b>	<u>\$ 15,648</u>	<u>\$ 8</u>	<u>\$ 5,850</u>	<u>\$ 9,806</u>

***STATISTICAL SECTION***

**CITY OF EMPORIA, KANSAS**  
**STATISTICAL SECTION**  
**(UNAUDITED)**  
December 31, 2015

This part of the City of Emporia's *Comprehensive Annual Financial Report (CAFR)* presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

**Contents**

**Financial Trends**

*These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.*

**Revenue Capacity**

*These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.*

**Debt Capacity**

*These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.*

**Demographic and Economical Information**

*These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.*

**Operating Information**

*These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.*

*Source - Unless otherwise noted, the information in these schedules is derived from the Annual Financial Report for the relevant year. The City implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year*

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**CITY OF EMPORIA, KANSAS**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
*(accrual basis of accounting)*

	Fiscal Year			
	2006	2007	2008	2009
<b>Governmental Activities</b>				
Net investment in capital assets	\$ 75,354,567	\$ 66,616,597	\$ 66,752,347	\$ 55,981,334
Restricted	249,058	227,184	467,128	443,006
Unrestricted	8,871,611	9,091,918	8,942,071	6,981,419
<b>Total Net Position</b>	<b>\$ 84,475,236</b>	<b>\$ 75,935,699</b>	<b>\$ 76,161,546</b>	<b>\$ 63,405,759</b>
<b>Business-Type Activities</b>				
Net investment in capital assets	\$ 19,704,708	\$ 19,415,639	\$ 18,842,735	\$ 18,327,412
Unrestricted	2,814,926	4,310,519	5,324,738	6,371,697
<b>Total Net Position</b>	<b>\$ 22,519,634</b>	<b>\$ 23,726,158</b>	<b>\$ 24,167,473</b>	<b>\$ 24,699,109</b>
<b>Primary Government</b>				
Net investment in capital assets	\$ 95,059,275	\$ 86,032,236	\$ 80,595,082	\$ 74,308,746
Restricted	249,058	227,184	467,127	443,006
Unrestricted	11,686,537	13,402,437	14,266,809	13,353,116
<b>Total Net Position</b>	<b>\$ 106,994,870</b>	<b>\$ 99,661,857</b>	<b>\$ 95,329,018</b>	<b>\$ 88,104,868</b>

Source: City of Emporia, Kansas Basic Financial Statements.

Fiscal Year					
2010	2011	2012	2013	2014	2015
\$ 51,512,139	\$ 49,963,992	\$ 46,489,682	\$ 43,616,768	\$ 40,402,667	\$ 35,731,750
210,861	8,865,752	8,649,753	8,971,882	4,133,801	7,418,777
8,029,041	1,959,948	1,830,380	2,035,274	5,511,434	(5,992,007)
<u>\$ 59,752,041</u>	<u>\$ 60,789,692</u>	<u>\$ 56,969,815</u>	<u>\$ 54,623,924</u>	<u>\$ 50,047,902</u>	<u>\$ 37,158,520</u>
\$ 18,844,682	\$ 19,544,388	\$ 18,844,645	\$ 16,712,412	\$ 17,398,655	\$ 18,898,239
7,321,467	6,907,985	7,573,049	9,415,929	9,344,111	7,643,933
<u>\$ 26,166,149</u>	<u>\$ 26,452,373</u>	<u>\$ 26,417,694</u>	<u>\$ 26,128,341</u>	<u>\$ 26,742,766</u>	<u>\$ 26,542,172</u>
\$ 70,356,821	\$ 69,508,380	\$ 65,334,327	\$ 60,329,180	\$ 57,801,322	\$ 54,629,989
210,861	8,865,752	8,649,753	8,971,882	4,133,801	7,418,777
15,535,354	8,867,933	9,403,429	11,451,203	14,855,545	1,651,926
<u>\$ 86,103,036</u>	<u>\$ 87,242,065</u>	<u>\$ 83,387,509</u>	<u>\$ 80,752,265</u>	<u>\$ 76,790,668</u>	<u>\$ 63,700,692</u>

**CITY OF EMPORIA, KANSAS**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
*(accrual basis of accounting)*

	Fiscal Year			
	2006	2007	2008	2009
<b>Expenses</b>				
Governmental activities:				
General government	\$ 4,646,991	\$ 6,205,113	\$ 4,580,920	\$ 4,149,676
Public safety	7,995,365	8,680,772	9,318,358	10,037,060
Highways and streets	8,099,622	8,218,813	8,122,190	8,601,094
Culture and recreation	2,315,915	2,774,693	2,772,761	2,942,303
Health and environment	61,205	72,475	72,475	89,901
Building maintenance	893,474	939,756	1,114,909	1,213,665
Planning and development	1,264,408	4,447,332	1,503,737	1,191,179
Airport operations	384,315	634,334	688,806	414,202
Appropriation	-	-	-	-
Capital outlay	-	-	-	-
Bond issuance costs	-	-	-	-
Interest on long-term debt	1,100,521	1,014,796	1,924,572	1,777,794
<b>Total Governmental Activities Expense</b>	<u>\$ 26,761,816</u>	<u>\$ 32,988,084</u>	<u>\$ 30,098,728</u>	<u>\$ 30,416,874</u>
Business-Type Activities:				
Solid waste disposal	\$ 2,200,552	\$ 2,629,336	\$ 2,712,201	\$ 2,764,437
Sewer utility	2,929,858	2,959,294	2,969,314	3,233,827
Water utility	3,580,339	3,564,058	3,255,744	3,357,695
<b>Total Business-Type Activities Expense</b>	<u>\$ 8,710,749</u>	<u>\$ 9,152,688</u>	<u>\$ 8,937,259</u>	<u>\$ 9,355,959</u>
<b>Total Primary Government Expenses</b>	<u>\$ 35,472,565</u>	<u>\$ 42,140,772</u>	<u>\$ 39,035,987</u>	<u>\$ 39,772,833</u>
<b>Program Revenues</b>				
Governmental activities:				
Charges for services				
General government	\$ 3,281,319	\$ 2,006,903	\$ 2,182,061	\$ 2,534,303
Public safety	949,660	1,889,173	2,687,503	1,143,799
Highways and streets	-	69,299	-	-
Culture and recreation	-	460,230	586,483	-
Building maintenance	-	-	-	-
Airport operations	-	291,138	373,230	-
Operating grants and contributions	2,551,256	2,275,621	2,369,355	2,035,167
Capital grants and contributions	-	-	258,611	4,645
<b>Total Governmental Activities Program Revenues</b>	<u>\$ 6,782,235</u>	<u>\$ 6,992,364</u>	<u>\$ 8,457,243</u>	<u>\$ 5,717,914</u>
Business-Type Activities:				
Charges for services:				
Solid waste disposal	\$ 3,021,910	\$ 3,060,494	\$ 3,140,333	\$ 3,487,385
Sewer utility	3,245,787	3,682,590	3,880,277	3,962,051
Water utility	4,535,342	4,592,153	3,870,716	4,258,991
Capital grants and contributions	205,002	-	-	-
<b>Total Business-Type Activities Program Revenues</b>	<u>\$ 11,008,041</u>	<u>\$ 11,335,237</u>	<u>\$ 10,891,326</u>	<u>\$ 11,708,427</u>
<b>Total Primary Government Program Revenues</b>	<u>\$ 17,790,276</u>	<u>\$ 18,327,601</u>	<u>\$ 19,348,569</u>	<u>\$ 17,426,341</u>
<b>Net (expense)/revenue</b>				
Governmental activities	\$ (19,979,581)	\$ (25,995,720)	\$ (21,641,485)	\$ (24,698,960)
Business-type activities	2,297,292	2,182,549	1,954,067	2,352,468
<b>Total Primary Government Net Expense</b>	<u>\$ (17,682,289)</u>	<u>\$ (23,813,171)</u>	<u>\$ (19,687,418)</u>	<u>\$ (22,346,492)</u>

**Fiscal Year**

<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
\$ 4,046,255	\$ 3,779,829	\$ 4,387,457	\$ 5,237,185	\$ 5,168,925	\$ 6,749,798
10,058,340	10,267,119	9,208,224	10,102,881	8,959,986	11,219,337
8,432,872	7,656,949	7,443,498	6,417,951	7,322,185	7,996,425
2,829,141	2,822,262	2,909,189	3,666,390	3,396,134	3,471,480
85,400	105,500	197,099	106,788	62,627	76,250
1,204,027	1,374,742	1,320,425	1,503,430	1,438,188	1,430,348
1,393,341	656,439	608,747	649,666	549,491	1,421,747
516,378	584,990	617,829	1,618,281	1,082,280	450,953
58,543	86,583	81,010	123,121	161,691	-
257,491	-	-	209,145	-	-
39,003	46,235	17,853	673,671	561,943	459,067
950,408	1,006,166	830,402	-	-	-
<u>\$ 29,871,199</u>	<u>\$ 28,386,814</u>	<u>\$ 27,621,733</u>	<u>\$ 30,308,509</u>	<u>\$ 28,703,450</u>	<u>\$ 33,275,405</u>
\$ 2,570,915	\$ 2,979,111	\$ 3,020,758	\$ 3,098,193	\$ 3,233,494	\$ 4,547,019
3,111,908	3,233,859	3,511,678	3,115,167	2,455,448	3,699,237
3,657,273	4,327,855	4,495,878	3,643,768	4,184,420	4,607,905
<u>\$ 9,340,096</u>	<u>\$ 10,540,825</u>	<u>\$ 11,028,314</u>	<u>\$ 9,857,128</u>	<u>\$ 9,873,362</u>	<u>\$ 12,854,161</u>
<u>\$ 39,211,295</u>	<u>\$ 38,927,639</u>	<u>\$ 38,650,047</u>	<u>\$ 40,165,637</u>	<u>\$ 38,576,812</u>	<u>\$ 46,129,566</u>
\$ -	\$ 1,767,827	\$ 1,133,029	\$ 1,328,031	\$ 1,299,336	\$ 569,628
3,346,050	2,342,449	1,240,326	2,698,754	1,584,552	1,898,231
-	208,007	-	97,237	13,792	-
773,188	127,222	581,032	442,056	644,794	581,718
-	10,465	-	-	-	-
-	353,204	454,203	136,854	333,379	244,394
1,757,275	731,493	476,479	1,551,979	1,049,663	3,487,896
112,716	760,984	-	321,941	-	-
<u>\$ 5,989,229</u>	<u>\$ 6,301,651</u>	<u>\$ 3,885,069</u>	<u>\$ 6,576,852</u>	<u>\$ 4,925,516</u>	<u>\$ 6,781,867</u>
\$ 3,879,922	\$ 3,984,198	\$ 3,907,206	\$ 3,951,538	\$ 3,961,186	\$ 4,245,596
3,850,725	3,838,061	3,721,099	3,526,764	3,453,685	3,640,068
5,236,720	5,318,217	5,331,334	4,865,176	4,864,624	5,219,547
-	-	-	-	-	-
<u>\$ 12,967,367</u>	<u>\$ 13,140,476</u>	<u>\$ 12,959,639</u>	<u>\$ 12,343,478</u>	<u>\$ 12,279,495</u>	<u>\$ 13,105,211</u>
<u>\$ 18,956,596</u>	<u>\$ 19,442,127</u>	<u>\$ 16,844,708</u>	<u>\$ 18,920,330</u>	<u>\$ 17,205,011</u>	<u>\$ 19,887,078</u>
\$ (23,697,122)	\$ (22,846,147)	\$ (23,736,664)	\$ (23,731,657)	\$ (23,777,934)	\$ (26,493,538)
3,627,271	3,360,635	1,931,325	2,486,350	2,406,133	6,302,855
<u>\$ (20,069,851)</u>	<u>\$ (19,485,512)</u>	<u>\$ (21,805,339)</u>	<u>\$ (21,245,307)</u>	<u>\$ (21,371,801)</u>	<u>\$ (20,190,683)</u>

**CITY OF EMPORIA, KANSAS**  
**CHANGES IN NET POSITION (continued)**  
**LAST TEN FISCAL YEARS**  
*(accrual basis of accounting)*

	Fiscal Year			
	2006	2007	2008	2009
<b>General Revenue and Other Changes in Net Position</b>				
Governmental activities:				
Taxes				
Property taxes, levied for general purposes *	\$ 3,940,447	\$ 3,918,248	\$ 7,608,716	\$ 4,332,379
Property taxes, levied for debt service	2,279,791	2,399,191	2,588,050	2,637,470
Franchise taxes	1,372,059	1,891,288	2,023,685	2,028,528
Sales taxes	4,032,795	4,104,469	716,102	4,789,449
Gasoline taxes	765,606	774,019	760,128	668,649
Investment earnings	433,320	713,477	414,246	205,596
Miscellaneous	472,137	1,811,021	898,272	275,803
Transfers	1,950,840	1,971,420	1,858,133	2,005,299
<b>Total Governmental Activities</b>	<u>\$ 15,246,995</u>	<u>\$ 17,583,133</u>	<u>\$ 16,867,332</u>	<u>\$ 16,943,173</u>
Business-Type Activities:				
Investment earnings	\$ 64,197	\$ 496,647	\$ 159,667	\$ 30,019
Miscellaneous	107,922	248,217	185,714	154,448
Transfers	(1,950,840)	(1,971,420)	(1,858,133)	(2,005,299)
<b>Total Business-Type Activities</b>	<u>\$ (1,778,721)</u>	<u>\$ (1,226,556)</u>	<u>\$ (1,512,752)</u>	<u>\$ (1,820,832)</u>
<b>Total Primary Government</b>	<u>\$ 13,468,274</u>	<u>\$ 16,356,577</u>	<u>\$ 15,354,580</u>	<u>\$ 15,122,341</u>
<b>Change in Net Position</b>				
Governmental activities	\$ (4,732,586)	\$ (8,412,587)	\$ (4,774,153)	\$ (7,755,787)
Business-type activities	518,571	955,993	441,315	531,636
<b>Total Primary Government</b>	<u>\$ (4,214,015)</u>	<u>\$ (7,456,594)</u>	<u>\$ (4,332,838)</u>	<u>\$ (7,224,151)</u>

\* This amount will not trace directly into the Statement of Activities for years 2006 through 2010. In 2011, additional revenue breakdowns were added. Those breakdowns have been used for all years on this statistical comparison.

**Fiscal Year**

<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$ 4,526,733	\$ 4,451,177	\$ 4,021,932	\$ 3,946,914	\$ 4,382,587	4,079,939
2,739,128	2,773,776	3,009,020	2,927,142	2,697,875	3,048,624
2,175,501	2,233,692	2,211,034	2,332,231	2,567,742	2,498,342
6,263,665	6,658,352	6,442,595	6,665,421	6,656,976	6,936,086
764,278	649,585	646,213	702,059	717,930	724,025
154,506	141,480	153,676	162,932	158,849	152,596
552,592	994,852	1,211,917	1,397,464	7,885	2,149
3,051,850	3,425,288	2,220,400	3,251,603	2,012,068	5,944,497
<u>\$ 20,228,253</u>	<u>\$ 21,328,202</u>	<u>\$ 19,916,787</u>	<u>\$ 21,385,766</u>	<u>\$ 19,201,912</u>	<u>23,386,258</u>
\$ 14,286	\$ 7,348	\$ 5,187	\$ 5,357	\$ 5,196	\$ 6,377
877,331	343,531	249,209	470,543	215,164	201,726
(3,051,850)	(3,425,288)	(2,220,400)	(3,251,603)	(2,012,068)	(5,944,497)
<u>\$ (2,160,233)</u>	<u>\$ (3,074,409)</u>	<u>\$ (1,966,004)</u>	<u>\$ (2,775,703)</u>	<u>\$ (1,791,708)</u>	<u>\$ (5,736,394)</u>
<u>\$ 18,068,020</u>	<u>\$ 18,253,793</u>	<u>\$ 17,950,783</u>	<u>\$ 18,610,063</u>	<u>\$ 17,410,204</u>	<u>\$ 17,649,864</u>
\$ (3,468,870)	\$ (1,517,945)	\$ (3,819,877)	\$ (2,345,891)	\$ (4,576,022)	\$ (3,107,280)
1,467,038	286,226	(34,679)	(289,353)	614,425	566,461
<u>\$ (2,001,832)</u>	<u>\$ (1,231,719)</u>	<u>\$ (3,854,556)</u>	<u>\$ (2,635,244)</u>	<u>\$ (3,961,597)</u>	<u>\$ (2,540,819)</u>

**CITY OF EMPORIA, KANSAS**  
**GOVERNMENTAL ACTIVITIES, TAX REVENUES BY SOURCE**  
**LAST TEN FISCAL YEARS**  
*(accrual basis of accounting)*

<b>Fiscal Year</b>	<b>Property Tax</b>	<b>Sales Tax</b>	<b>Franchise Tax</b>	<b>Motor Vehicle Tax</b>	<b>Total</b>
2006	\$ 6,218,970	\$ 4,032,795	\$ 1,372,059	\$ 766,874	\$ 12,390,698
2007	6,320,568	4,104,469	1,905,311	756,867	13,087,215
2008	6,646,981	4,161,025	2,108,211	780,464	13,696,681
2009	6,773,224	4,875,570	2,028,528	779,153	14,456,475
2010	6,600,005	6,263,664	2,873,074	778,083	16,514,826
2011	6,410,581	6,658,352	2,233,692	768,230	16,070,855
2012	6,152,090	6,442,595	2,211,034	769,244	15,574,963
2013	6,129,697	6,665,421	2,332,231	684,936	15,812,285
2014	6,244,499	6,656,975	2,534,607	784,154	16,220,235
2015	6,323,119	6,936,086	2,446,941	746,067	16,452,213

Source: City of Emporia, Kansas Basic Financial Statements.

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**CITY OF EMPORIA, KANSAS**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
(modified accrual basis of accounting)

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b>General Fund</b>					
<b>Pre-GASB 54 *</b>					
Reserved	\$ 53,991	\$ 81,152	\$ -	\$ 46,433	\$ 37,900
Unreserved	1,346,381	2,234,807	3,038,285	2,633,634	4,096,582
<b>Post-GASB 54 *</b>					
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
<b>Total General Fund</b>	<u>\$ 1,400,372</u>	<u>\$ 2,315,959</u>	<u>\$ 3,038,285</u>	<u>\$ 2,680,067</u>	<u>\$ 4,134,482</u>
<b>All Other Governmental Funds</b>					
<b>Pre-GASB 54 *</b>					
Reserved	\$ -	\$ 115,753	\$ -	\$ 232,543	\$ 296,680
Unreserved - Reported in:					
Special revenue funds	1,919,585	1,453,126	1,143,544	822,672	1,375,903
Debt service funds	249,058	227,184	467,128	443,006	210,861
Capital projects funds	5,427,142	6,467,716	5,332,192	2,884,947	2,170,952
<b>Post-GASB 54 *</b>					
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
<b>Total All Other Governmental Funds</b>	<u>\$ 7,595,785</u>	<u>\$ 8,263,779</u>	<u>\$ 6,942,864</u>	<u>\$ 4,383,168</u>	<u>\$ 4,054,396</u>

The City implemented GASB 54, Fund Balance Reporting and Governmental Fund Type Definitions ("GASB 54") in 2011. GASB 54 established new fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in the governmental funds. The City has elected to apply GASB 54 prospectively and thus has provided fund balance information before ("Pre") and after ("Post") its implementation.

<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
2,688,478	3,001,385	3,172,762	3,363,829	4,002,149
<u>1,632,647</u>	<u>1,108,698</u>	<u>1,298,251</u>	<u>1,434,863</u>	<u>923,867</u>
<u>\$ 4,321,125</u>	<u>\$ 4,110,083</u>	<u>\$ 4,471,013</u>	<u>\$ 4,798,692</u>	<u>\$ 4,926,016</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
2,337,849	2,427,983	3,098,780	3,882,539	2,740,023
3,839,425	3,220,385	2,700,340	251,262	4,678,754
-	-	-	-	-
-	-	-	-	-
<u>\$ 6,177,274</u>	<u>\$ 5,648,368</u>	<u>\$ 5,799,120</u>	<u>\$ 4,133,801</u>	<u>\$ 7,418,777</u>

**CITY OF EMPORIA, KANSAS**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
*(modified accrual basis of accounting)*

	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
<b>Revenues</b>					
Taxes	\$ 12,324,809	\$ 13,018,554	\$ 13,630,703	\$ 14,365,740	\$ 16,469,305
Charges for services	1,744,253	1,725,796	2,602,820	2,534,303	2,933,242
Special assessments	65,889	68,661	65,978	90,735	46,141
Intergovernmental	2,442,244	2,091,977	2,508,944	2,035,167	1,711,134
Licenses and permits	287,456	310,062	219,877	325,369	192,138
Fines and fees	663,204	701,957	918,706	818,430	581,050
Use of money and property	359,238	639,281	382,330	205,596	151,412
Contributions	825	183,644	296,791	4,645	112,716
Miscellaneous	472,137	1,811,021	390,107	275,803	552,592
<b>Total Revenues</b>	<b>\$ 18,360,055</b>	<b>\$ 20,550,953</b>	<b>\$ 21,016,256</b>	<b>\$ 20,655,788</b>	<b>\$ 22,749,730</b>
<b>Expenditures</b>					
General governmental	\$ 1,892,612	\$ 1,986,354	\$ 2,309,225	\$ 3,242,791	\$ 3,012,853
Public safety	7,523,946	8,414,431	9,044,346	9,728,384	9,774,290
Highways and streets	1,357,344	1,479,746	1,473,524	1,902,728	1,770,603
Culture and recreation	2,054,308	2,233,824	2,287,583	2,477,137	2,341,315
Health and environment	61,205	72,475	72,475	89,901	85,400
Building maintenance	827,882	939,756	1,114,909	1,213,665	1,204,027
Planning and development	1,164,397	4,447,332	1,694,637	1,191,179	1,393,341
Airport operations	384,316	463,628	517,569	401,438	448,770
Appropriations	-	-	-	58,820	58,543
Capital outlay	2,250,940	4,166,044	2,140,096	1,761,441	4,292,416
Bond issuance costs	-	-	-	26,585	39,917
Debt service					
Principal	1,848,559	1,948,203	7,330,674	4,131,434	3,105,474
Interest and other charges	1,078,698	1,086,649	1,520,013	1,304,501	1,090,228
<b>Total Expenditures</b>	<b>\$ 20,444,207</b>	<b>\$ 27,238,442</b>	<b>\$ 29,505,051</b>	<b>\$ 27,530,004</b>	<b>\$ 28,617,177</b>
Excess of Revenues Over/(Under) Expenditures	<u>\$ (2,084,152)</u>	<u>\$ (6,687,489)</u>	<u>\$ (8,488,795)</u>	<u>\$ (6,874,216)</u>	<u>\$ (5,867,447)</u>
<b>Other Financing Sources (Uses)</b>					
Transfers in	\$ 3,860,551	\$ 3,510,358	\$ 3,585,034	\$ 5,893,119	\$ 7,549,523
Transfers out	(1,909,711)	(1,538,938)	(1,194,828)	(3,887,820)	(4,005,818)
Payment to refund bonds	-	(3,720,000)	-	-	-
Payment to escrow agent	-	(156,988)	-	-	-
Bond premium	-	103,588	-	-	-
Sale of bonds	4,820,000	10,200,000	5,500,000	1,945,000	3,449,385
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 6,770,840</b>	<b>\$ 8,398,020</b>	<b>\$ 7,890,206</b>	<b>\$ 3,950,299</b>	<b>\$ 6,993,090</b>
<b>Net Change in Fund Balances</b>	<b>\$ 4,686,688</b>	<b>\$ 1,710,531</b>	<b>\$ (598,589)</b>	<b>\$ (2,923,917)</b>	<b>\$ 1,125,643</b>
<b>Debt service as a percentage of non-capital expenditures</b>	16.09%	13.15%	32.34%	21.10%	16.74%

<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
\$ 16,720,440	\$ 16,284,653	\$ 16,525,626	\$ 16,943,835	\$ 17,189,475
2,650,519	1,079,812	2,149,867	1,023,912	2,155,983
46,142	46,141	48,141	79,275	97,541
1,553,271	1,641,667	3,168,296	1,851,581	2,841,659
232,105	158,756	121,720	158,506	141,639
545,244	589,334	725,420	779,135	734,348
138,446	150,177	159,715	156,043	149,836
222,672	28,739	71,257	532,156	108,887
813,070	595,735	1,080,172	266,822	537,350
<u>\$ 22,921,909</u>	<u>\$ 20,575,014</u>	<u>\$ 24,050,214</u>	<u>\$ 21,791,265</u>	<u>\$ 23,956,718</u>
\$ 3,712,908	\$ 3,644,674	\$ 4,547,136	\$ 3,456,297	\$ 5,220,368
9,887,398	8,638,708	9,892,795	8,703,836	9,765,022
1,031,166	932,739	916,948	1,008,076	962,186
2,522,506	2,504,164	2,478,568	2,535,555	2,634,219
105,500	197,099	106,788	62,627	76,250
1,361,933	1,194,393	1,345,428	1,286,695	1,257,309
656,439	595,823	636,741	537,702	1,413,365
517,009	548,013	480,604	463,568	399,836
86,583	81,010	123,121	161,691	264,475
444,203	1,110,759	2,122,112	3,143,259	3,214,381
79,086	5,773	32,100	-	-
3,818,800	3,525,000	4,385,410	3,200,000	3,145,000
977,084	868,613	750,291	581,667	486,504
<u>\$ 25,200,615</u>	<u>\$ 23,846,768</u>	<u>\$ 27,818,042</u>	<u>\$ 25,140,973</u>	<u>\$ 28,838,915</u>
<u>\$ (2,278,706)</u>	<u>\$ (3,271,754)</u>	<u>\$ (3,767,828)</u>	<u>\$ (3,349,708)</u>	<u>\$ (4,882,197)</u>
\$ 9,112,902	\$ 7,265,046	\$ 9,069,474	\$ 5,839,854	\$ 10,262,906
(5,108,296)	(4,767,395)	(5,562,947)	(3,827,786)	(4,318,409)
-	-	(1,288,607)	-	-
(2,936,865)	-	1,288,607	-	(2,518,712)
340,484	-	226,590	-	-
3,180,000	34,155	546,393	-	4,868,712
<u>\$ 4,588,225</u>	<u>\$ 2,531,806</u>	<u>\$ 4,279,510</u>	<u>\$ 2,012,068</u>	<u>\$ 3,412,300</u>
<u>\$ 2,309,519</u>	<u>\$ (739,948)</u>	<u>\$ 511,682</u>	<u>\$ (1,337,640)</u>	<u>\$ 8,932,493</u>
19.40%	19.09%	19.78%	17.19%	13.59%

**CITY OF EMPORIA, KANSAS  
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
 LAST TEN FISCAL YEARS**

<b>Fiscal Year Ended December 31,</b>	<b>Real Property</b>		<b>Personal Property</b>	
	<b>Residential Property - 1</b>	<b>Commercial Property - 1</b>	<b>Motor Vehicles - 2</b>	<b>Other - 1</b>
2006	\$ 106,044,300	\$ 22,987,100	\$ 21,849,600	\$ 2,773,000
2007	106,900,000	22,411,800	21,617,400	838,000
2008(3)	113,779,300	46,140,400	20,997,600	1,117,000
2009(3)	118,624,000	49,029,200	17,141,600	1,008,000
2010(3)	78,139,590	53,007,200	18,521,600	123,800
2011	78,018,189	47,819,500	19,279,593	59,970
2012	76,301,740	52,872,743	18,695,592	147,657
2013	75,023,705	52,084,968	18,187,200	144,114
2014	76,585,623	52,477,545	15,590,202	139,671
2015	77,859,774	52,602,363	19,562,617	93,042

Note 1 - Lyon County Appraiser

Note 2 - Lyon County Clerk's Office

Note 3 - Abstract of Appraised Value with Appropriate Assessment Values Applied; does not reflect appealed valuation Changes

<b>Less: Tax Exempt Real Property - 1</b>	<b>Total Taxable Assessed Value</b>	<b>Total Direct Tax Rate - 2</b>	<b>Estimated Actual Taxable Value</b>	<b>Assessed Value as a Percentage of Actual Value</b>
\$ 4,772,000	\$ 148,882,000	41.014	\$ 890,406,000	16.72%
4,568,000	147,199,200	42.033	895,502,100	16.44%
30,136,000	151,898,300	41.848	920,785,600	16.50%
29,021,000	156,781,800	41.571	919,786,500	17.05%
26,898,000	122,894,190	41.776	892,382,500	13.77%
24,883,140	120,294,112	41,559	870,540,100	13.80%
23,559,970	124,457,762	41.560	876,067,600	14.20%
23,585,880	121,854,107	41.582	869,676,580	14.00%
24,846,450	119,946,591	41.606	884,296,490	13.60%
23,507,710	126,610,085	41.531	895,803,330	14.10%

**CITY OF EMPORIA, KANSAS  
DIRECT AND OVERLAPPING GOVERNMENTS  
LAST TEN FISCAL YEARS**

<b>Fiscal Year Ended December 31,</b>	<b>City of Emporia, Kansas</b>			<b>Lyon County</b>		
	<b>Operating Mileage</b>	<b>Debt Service Mileage</b>	<b>Total City Mileage</b>	<b>Operating Mileage</b>	<b>Debt Service Mileage</b>	<b>Total County Mileage</b>
2006	28.453	12.503	40.956	49.656	0.890	50.546
2007	28.699	13.334	42.033	50.998	0.641	51.639
2008	28.573	13.275	41.848	46.437	-	46.437
2009	26.999	14.572	41.571	49.407	-	49.407
2010	26.205	15.571	41.776	52.810	-	52.810
2011	23.588	17.971	41.559	57.304	-	57.304
2012	24.477	17.082	41.559	63.972	-	63.972
2013	26.715	14.867	41.582	56.501	-	56.501
2014	23.982	17.624	41.606	54.513	-	54.513
2015	26.075	15.456	41.531	58.676	-	58.676

<b>Fiscal Year Ended December 31,</b>	<b>USD 253</b>			<b>Total Direct &amp; Overlapping Rates</b>
	<b>Operating Mileage</b>	<b>Debt Service Mileage</b>	<b>Total USD Mileage</b>	
2006	44.849	9.986	54.835	146.337
2007	45.248	8.876	54.124	147.796
2008	46.260	7.788	54.048	142.333
2009	45.655	9.887	55.542	146.520
2010	49.564	10.852	60.416	155.002
2011	51.325	9.112	60.437	159.300
2012	50.404	10.033	60.437	165.968
2013	51.796	9.585	61.381	159.464
2014	47.977	13.409	61.386	157.505
2015	53.380	8.040	61.420	161.627

Overlapping rates are those of local and county government that apply to property owners within the City of Emporia. Not all overlapping rates apply to all Emporia property owners.

Source: Lyon County Clerk's Office

**CITY OF EMPORIA, KANSAS**  
**PRINCIPAL PROPERTY TAXPAYERS**  
For the Years Ended December 31,

Taxpayer	2015			2006		
	Taxpayer Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxpayer Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Westar Energy (Electric Div)	\$ 5,734,530	1	4.360%	\$ 4,067,597	2	3.637%
Iowa Beef Processors	2,069,650	3	1.574%	4,330,340	1	3.637%
Kansas Gas Service	1,607,729	5	1.222%	1,374,260	7	1.229%
Emporia ROS/WalMart	1,808,313	4	1.375%	2,042,211	5	1.826%
Tyson Fresh Meats	1,240,262	8	0.943%			
Emporia Partners	1,271,648	7	0.967%	1,170,673	9	1.047%
Camoplast Rockland, LTD	1,143,586	9	0.869%	-		
Southwestern Bell	-			2,301,621	4	2.058%
Bunge North America	-			1,762,317	6	
Flint Hills Mall LLC	1,494,078	6	1.136%			1.199%
Interstate Brands	-			1,341,440	8	2.891%
Menu Pet Food	3,173,080	2	2.412%	3,233,419	3	2.891%
Emporia Wholesale Coffee	-			1,132,592	10	2.891%
AHIP Emporia Properties	1,098,585	10	0.835%	-		
<b>Total</b>	<u>\$ 20,641,461</u>		<u>15.693%</u>	<u>\$ 22,756,470</u>		<u>23.306%</u>
Total Assessed Value	\$ 131,527,004			\$ 136,952,491		

(1) County Clerk's Budget Information for 2014

**CITY OF EMPORIA, KANSAS  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS**

<u>Fiscal Year Ended December 31,</u>	<u>Total Tax Levy for Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy</u>		<u>Collections in Subsequent Years</u>	<u>Total Collections to Date</u>	
		<u>Amount</u>	<u>Percentage of Levy</u>		<u>Amount</u>	<u>Percentage of Levy</u>
2006	\$ 6,054,145	\$ 5,624,603	92.905%	\$ 148,472	\$ 5,773,075	95.357%
2007	6,324,371	5,779,655	91.387%	80,454	5,860,109	92.659%
2008	6,313,570	6,148,270	97.382%	110,117	6,258,387	99.126%
2009	6,444,697	6,161,870	95.611%	184,226	6,346,096	98.470%
2010	6,683,675	5,939,418	88.865%	219,062	6,158,480	92.142%
2011	5,964,427	5,783,102	96.959%	228,161	6,011,263	99.850%
2012	5,947,380	5,697,522	96.960%	136,198	5,833,720	98.089% *
2013	6,036,427	5,737,032	95.040%	119,274	5,856,306	97.016%
2014	6,059,909	5,832,238	96.243%	164,184	5,996,422	98.952%
2015	6,120,357	5,921,454	96.75%	105,704	6,027,158	98.477%

Data from City of Emporia Treasurer

\* This percentage was incorrect in the prior CAFR.

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**CITY OF EMPORIA, KANSAS  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS**

<u>Fiscal Year Ended December 31,</u>	<u>Governmental Activities</u>			
	<u>General Obligation Bonds</u>	<u>Temporary Notes</u>	<u>Loans Payable</u>	<u>Capital Leases</u>
2006	23,961,309	4,820,000	143,630	-
2007	27,151,654	6,290,000	118,670	-
2008	30,345,709	1,470,000	94,202	-
2009	28,454,275	1,175,000	67,243	-
2010	27,793,800	1,005,000	40,748	-
2011	23,060,000	175,000	-	-
2012	19,710,000	-	-	-
2013	16,075,000	-	-	-
2014	12,875,000	-	-	-
2015	11,685,000	-	-	-

Note 1 - See the Schedule of Demographic and Economic Statistics at pg 112 for personal income and population data.

Note - Details regarding the City's outstanding debt can be found in the notes to the financial statements.

<b>Business-type Activities</b>				
<b>General Obligation Bonds</b>	<b>Notes Payable</b>	<b>Total Primary Government</b>	<b>Percentage of Personal Income</b>	<b>Per Capita - 1</b>
4,928,691	13,650,842	47,504,472	8.13%	1,775
4,406,935	12,963,791	50,931,050	8.73%	1,903
3,864,291	12,253,185	48,027,387	8.44%	1,795
3,305,726	11,518,203	44,520,447	6.68%	1,789
2,726,200	14,295,379	45,861,127	11.00%	1,943
8,150,000	6,566,169	37,951,169	9.20%	1,526
12,895,000	-	32,605,000	7.97%	1,984
13,680,000	-	29,755,000	6.69%	1,192
11,875,000	-	24,750,000	5.04%	998
14,350,000	-	26,035,000	5.68%	1,060

**CITY OF EMPORIA, KANSAS**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
December 31, 2015

<b>Governmental Unit</b>	<b>Debt Outstanding - Paid with <u>Property Taxes</u></b>	<b>Percentage Applicable to City of Emporia</b>	<b>Amount Applicable to City of Emporia</b>
Unified School District #253 - Overlapping	\$ 18,180,000	87.197%	\$ 15,852,415
Lyon County, Kansas - Overlapping	11,238,120	63.085%	<u>7,089,568</u>
Subtotal, Overlapping Debt			\$ 22,941,983
City of Emporia - Direct Debt			<u>25,675,000</u>
Total Direct and Overlapping Debt			<u><u>\$ 48,616,983</u></u>
Population			24,560
Overlapping debt per capita			\$ 934
Direct and overlapping debt per capita			\$ 1,980

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the overlapping debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident and therefore responsible for repaying the debt, of each overlapping government.

For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the City's boundaries and dividing it by each unit's total taxable assessed value. This approach was also applied to the other debt of the overlapping governmental units.

Source: Lyon County Clerk

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**CITY OF EMPORIA, KANSAS**  
**LEGAL DEBT MARGIN INFORMATION**  
**LAST TEN FISCAL YEARS**  
For the Years Ended December 31,

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Debt limit *	\$ 44,225,583	\$ 44,855,183	\$ 44,639,313	\$ 46,155,021
Total net debt applicable to limit	<u>23,707,435</u>	<u>26,924,470</u>	<u>30,345,709</u>	<u>28,011,269</u>
<b>Legal Debt Margin</b>	<u>\$ 20,518,148</u>	<u>\$ 17,930,713</u>	<u>\$ 14,293,604</u>	<u>\$ 18,143,752</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	53.61%	60.03%	67.98%	60.69%

\* According to Kansas law, the debt limitation is 30% of assessed valuation.

Source: Assessed Valuation from Lyon County Appraiser

<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
\$ 44,855,183	\$ 42,716,032	\$ 42,830,893	\$ 38,484,038	\$ 39,049,578	\$ 39,458,101
26,924,470	23,074,579	19,013,762	15,474,324	12,426,704	12,102,702
<u>\$ 17,930,713</u>	<u>\$ 19,641,453</u>	<u>\$ 23,817,131</u>	<u>\$ 23,009,714</u>	<u>\$ 26,622,874</u>	<u>\$ 27,355,399</u>
60.03%	54.02%	44.39%	40.21%	31.82%	30.67%

**Legal Debt margin Calculation for the Fiscal Year 2015**

	<b>2015</b>
Assessed Value	<u>\$ 131,527,004</u>
Debt Limit Ratio	30%
December 31, 2015 Debt Limit	\$ 39,458,101
Outstanding Debt Subject to Debt Limit	* <u>12,102,702</u>
Debt Authority Remaining December 31, 2015	<u>\$ 27,355,399</u>
December 31, 2015 GO Bonds Outstanding	\$ 11,685,000
Less: amount set aside for repayment of general obligation debt	<u>417,702</u>
Total Outstanding Debt Subject to Debt Limit December 31, 2015	* <u>\$ 12,102,702</u>

**CITY OF EMPORIA, KANSAS  
RATIOS OF GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>Governmental Activities General Obligation Bonds</b>	<b>Business-Type Activities General Obligation Bonds</b>	<b>Less: Amounts Available in Debt Service Fund</b>	<b>Net Bonded Debt</b>	<b>Percentage Estimated Annual Taxable Value of Property - 1</b>	<b>Per Capita - 2</b>
2006	23,961,309	4,928,691	253,874	28,636,126	3.22%	1,070
2007	27,151,654	4,406,935	227,184	31,331,405	3.50%	1,171
2008	30,345,709	3,864,291	467,128	33,742,872	3.66%	1,261
2009	28,454,275	3,305,726	443,006	31,316,995	3.40%	1,170
2010	27,793,800	2,726,200	210,861	30,309,139	3.40%	1,219
2011	23,060,000	8,150,000	160,421	31,049,579	3.57%	1,249
2012	19,710,000	12,895,000	733,388	31,871,612	3.64%	1,280
2013	16,075,000	13,680,000	600,676	29,154,324	3.61%	1,256
2014	12,875,000	11,875,000	448,296	24,301,704	2.75%	1,228
2015	11,685,000	14,350,000	471,327	25,563,673	2.85%	1,369

Note - Detail regarding the City's outstanding debt can be found in the notes to the financial statements.

Note 1 - See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data.

Note 2 - Population data can be found in the Schedule of Demographic and Economic Statistics.

**CITY OF EMPORIA, KANSAS  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS**

<b>Fiscal Year Ended December 31,</b>	<b>Population Income (amounts expressed in thousands)</b>	<b>Per Capita Personal Income - 2</b>	<b>Median Age - 2</b>	<b>Education Level in Years of Formal Schooling - 2</b>	<b>School Enrollment - 3</b>	<b>Unemployment Rate - 2</b>	
<b>Population - 1</b>							
2006	26,760	584,438	21,840	37.1	15.0	6,201	3.6%
2007	26,760	583,475	21,804	37.4	14.9	6,257	4.8%
2008	26,760	569,373	21,277	38.1	14.2	6,167	6.3%
2009	26,760	665,575	24,872	28.4	14.1	6,156	6.7%
2010	24,868	483,260	19,433	28.4	12.2	6,833	8.3%
2011	24,868	408,656	19,433	28.4	12.1	7,067	8.3%
2012	24,891	409,034	16,433	29.0	12.1	7,123	7.1%
2013	24,958	444,901	17,826	29.0	12.2	11,301	5.5%
2014	24,799	490,747	19,789	29.0	12.2	11,268	4.2%
2015	24,560	458,732	18,678	29.0	12.2	11,024	4.00%

Note 1 - Data from U.S. Census Information

Note 2 - Data from Kansas Department of Labor Lyon County Statistics

Note 3 - Data obtained from USD 253 Board of Ed, Flint Hills Technical College and Emporia State University

**CITY OF EMPORIA, KANSAS  
PRINCIPAL EMPLOYERS**  
December 31, 2015 and Ten Years Ago

Taxpayer	2015			2005		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Tyson Fresh Meats	964	1	3.93%	2,600	1	9.72%
USD #253	788	2	3.21%	775	2	2.90%
Emporia State University	737	3	3.00%	757	3	2.83%
Newman Regional Health	396	5	1.61%	549	5	2.05%
Hostess Brands, LLC	412	4	1.68%	732	4	2.74%
Simmons Pet Food	360	6	1.47%			
Lyon County	257	7	1.05%	290	9	1.08%
City of Emporia, Kansas	225	10	0.92%	295	10	1.10%
Hopkins Manufacturing	240	8	0.98%	300	8	1.12%
Norfolk Iron & Metal						
Menu Foods Midwest				330	7	1.23%
Wal-Mart Super Center				375	6	1.40%
Birch Telecom	226	9	0.92%			
<b>Total</b>	<u>4,605</u>		<u>18.77%</u>	<u>7,003</u>		<u>26.17%</u>

Data from Emporia Chamber of Commerce

**CITY OF EMPORIA, KANSAS  
 FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION  
 LAST TEN FISCAL YEARS**

<b>Function</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
General Government	37	35	34	33	34	34	34	36	36	34
Public Safety										
Officers	48	44	46	47	47	49	49	44	44	45
Civilians	23	23	23	23	25	24	24	20	21	7
Fire										
Firefighters and Officers	48	48	48	49	49	49	49	49	49	49
Civilians	1	1	1	1	1	1	1	1	1	1
Highways and Streets										
Engineering	7	8	5	5	5	5	7	7	6	6
Maintenance	11	9	7	7	8	8	9	10	8	9
Sanitation	31	30	30	31	32	33	33	30	29	30
Culture and Recreation	28	30	19	20	20	21	22	18	19	19
Water	18	17	21	21	21	20	22	19	19	17
Sewer	12	12	13	13	13	13	13	12	8	8
<b>Total</b>	<b>257</b>	<b>247</b>	<b>250</b>	<b>255</b>	<b>257</b>	<b>263</b>	<b>246</b>	<b>240</b>	<b>240</b>	<b>225</b>

(1) Data received from the Human Resources Department

**CITY OF EMPORIA, KANSAS  
OPERATING INDICATORS BY FUNCTION  
LAST TEN FISCAL YEARS**

<b>Function</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
<b>Police</b>										
Physical arrests (1)	1,859	1,823	1,306	890	996	1,290	1,141	1,323	1,241	1,190
Parking violations (1)	6,355	6,609	7,130	9,044	7,253	5,249	5,285	4,934	4,537	4,424
Traffic violations (1)	4,969	4,879	3,725	3,010	2,309	2,237	3,231	4,308	3,842	4,162
<b>Fire</b>										
Number of calls answered (2)	1,333	1,435	1,267	3,154	3,065	3,047	3,481	3,408	3,708	3,716
Inspections (2)	980	1,023	1,127	1,338	1,287	1,272	1,157	1,224	1,097	755
<b>Highways and Streets</b>										
Street resurfacing (miles) (3)	4.82	4.81	3.53	3.60	8.56	3.08	3.77	4	2	3
Potholes repaired (4)	100	150	201	304	399	427	451	700	750	750
<b>Sanitation</b>										
Refuse collected (tons/day) (5)	94.21	92.11	87.62	81.46	80.00	79.78	78.73	85	76	78
Recyclables collected (tons/day) (5)	6.71	6.57	5.61	6.45	5.03	4.76	5.40	5	6	4
<b>Water</b>										
New connections (6)	173	169	177	36	16	27	25	19	23	28
Water main breaks (6)	63	72	69	35	49	47	52	34	25	41
Average daily consumption (thousands of gallons) (7)	9,472	8,460	6,629	6,292	6,334	5,524	6,464	5,458	5,656	5,230
<b>Wastewater</b>										
Average daily treatment capacity (thousands of gallons) (8)	2,200	3,190	2,400	2,357	2,400	2,700	2,300	2,000	2,000	2,500

(1) Data received from the Human Resources Department

(2) Data received from the fire department

(3) Data received from the engineering department

(4) Data received from the street department

(5) Data received from the solid waste department

(6) Data received from the public works department

(7) Data recovered from the water department

(8) Data received from the wastewater department

**CITY OF EMPORIA, KANSAS  
CAPITAL ASSET STATISTICS BY FUNCTION  
LAST TEN FISCAL YEARS**

<b>Function</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
<b>Public Safety</b>										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units (1)	23	23	23	23	23	30	30	28	22	22
Fire Stations	2	2	2	2	2	2	2	2	2	2
<b>Sanitation</b>										
Collection Trucks (2)	11	11	11	11	10	10	10	10	10	12
<b>Highways and Streets</b>										
Street (miles) (3)	167	167	168	168	168	168	168	168	168	168
Traffic signals (4)	75	76	77	78	80	81	81	89	101	101
<b>Culture and Recreation</b>										
Parks acreage (5)	325.16	325.16	325.16	325.16	325.16	325.16	325.16	325.16	325.16	325.16
Parks (5)	18	18	18	18	18	18	18	18	18	18
Swimming pools	2	2	2	2	2	2	2	2	2	2
Tennis courts	6	6	6	6	6	6	6	6	6	6
Community centers	1	1	1	1	1	1	1	1	1	1
<b>Water</b>										
Water main (miles) (3)	173.00	178.60	179.20	180.63	180.63	180.63	180.63	180.63	180.63	183.38
Fire hydrants (6)	902	916	918	920	908	911	912	906	910	913
Maximum daily capacity thousands of gallons (7)	14,115	13,116	9,217	9,355	9,220	12,204	11,732	9456	7843	6820
<b>Sewer</b>										
Sanitary sewers (miles) (3)	138.00	138.50	138.70	139.10	139.10	139.10	139.98	139.98	141.55	143.59
Storm sewers (miles) (3)	56.00	56.50	56.60	67.50	67.50	67.69	67.69	67.69	67.69	67.69
Maximum daily treatment capacity (thousands of gallons) (8)	6,130	7,640	7,520	7,520	7,400	7,200	7,000	4,500	4,500	4,500

- (1) Data received from the Human Resources Department
- (2) Data received from the fire department
- (3) Data received from the engineering department
- (4) Data received from the street department
- (5) Data received from the solid waste department
- (6) Data received from the public works department
- (7) Data received from the water department
- (8) Data received from the wastewater department