

**CITY OF EMPORIA, KANSAS**  
**COMPREHENSIVE ANNUAL FINANCIAL**  
**REPORT**

**YEAR ENDED DECEMBER 31, 2019**

CITY OF EMPORIA, KANSAS  
Comprehensive Annual Financial Report  
Year Ended December 31, 2019

Prepared by  
Janet Harrouff  
Director of Administrative Services

**CITY OF EMPORIA, KANSAS**  
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## **INTRODUCTORY SECTION**



June 18, 2020

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 for the year ended December 31, 2019 is submitted herewith.

This report was prepared by the City's Finance Department. The report is published to provide to the Commission, 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 – CITY OF EMPORIA**

The City of Emporia 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 24,868 based on the 2010 census. There are 12.13 square miles of land in the City's corporate boundary, while the "planning and protected" area covers approximately 63 square miles.

The City of Emporia was incorporated in 1857. The City has 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 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, zoo 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 administrative services.

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 account, financial record and transactions of all administrative departments of the City by independent Certified Public Accountants or Licensed Municipal Public Accounts 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 one particular sector of the economy suffers an economic downturn. Our major source of employment is in the field of food processing and is an important link to our state's agricultural base. It is also somewhat insulated from the periodic downturns associated with other sectors of the economy. Strong employment in the food processing sector is being maintained at Tyson's Fresh Meats which has approximately 975 employees. Simmons Pet Food employs approximately more than 850 employees and completed the construction of a \$38 million-dollar manufacturing facility in 2019. It is anticipated Simmons Pet Food will add an additional 100 employees. Cargill, Inc. also completed the construction of a 50,500 square foot warehouse at an approximate cost of \$4,500,000 in 2019. 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 700 employees. Glendo Corporation started the construction of a 40,000 square foot addition at an estimated cost of \$4,300,000. Hill's Pet Nutrition employs 125 employees and other employers such as Vektek, Inc., Fanestil's Meats, and Camso Manufacturing continue to add employees. Like the rest of the country, one issue that our employers face is the ability to attract employees. The Emporia Chamber of Commerce and the Regional Development Association of East Central Kansas (RDA) are developing tools to help attract potential employees to our community.

Emporia State University is dependent on State funding and the fiscal condition of the State is affecting its operation of the Kansas Regents System. Emporia State University continues to aggressively seek new students and it appears that the upcoming freshmen class will be larger than previous years. Flint Hills Technical College has experienced record enrollment in recent years and continues to serve the business community in a very important way. The trucking industry is also a very important piece of the local economy due to Emporia's access to a modern highway system and our geographical location in Kansas and the United States.

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

Unrestricted fund balance in the general fund at year end was 25.12 percent of total general fund revenues. This amount was above the 15 percent policy guidelines set by the Commission for budgetary and planning purposes. The water fund unrestricted fund balance was 24.02 percent, the sewer fund unrestricted fund balance was 37.70 percent and the Solid Waste fund unrestricted fund balance was 77.16 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 2019, \$239,800 was spent on storm water repairs, \$1.40 million on street maintenance, \$340,000 on public/private partnership building improvements and \$223,000 on building repairs. This sales tax is set to expire in 2024.

A five year capital improvement plan is maintained which serves as its 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 to provide additional grant opportunities to maintain the buildings.

## 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 180 days in maturity and in U.S. Government obligations with variable maturities and in the Kansas Municipal Investment Pool. At December 31, 2019, the City's cash resources were divided between demand deposits and investments as follows: in demand deposits and cash on hand, 11 percent; and in interest bearing investments, 89 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, 2019.

## 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 of Emporia for its comprehensive annual financial report for the year ended December 31, 2018. 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 of Emporia, Kansas, has received a Certificate of Achievement for the last thirty-three consecutive years (fiscal years 1985-2018). We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to GFOA.

## ACKNOWLEDGMENTS

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,

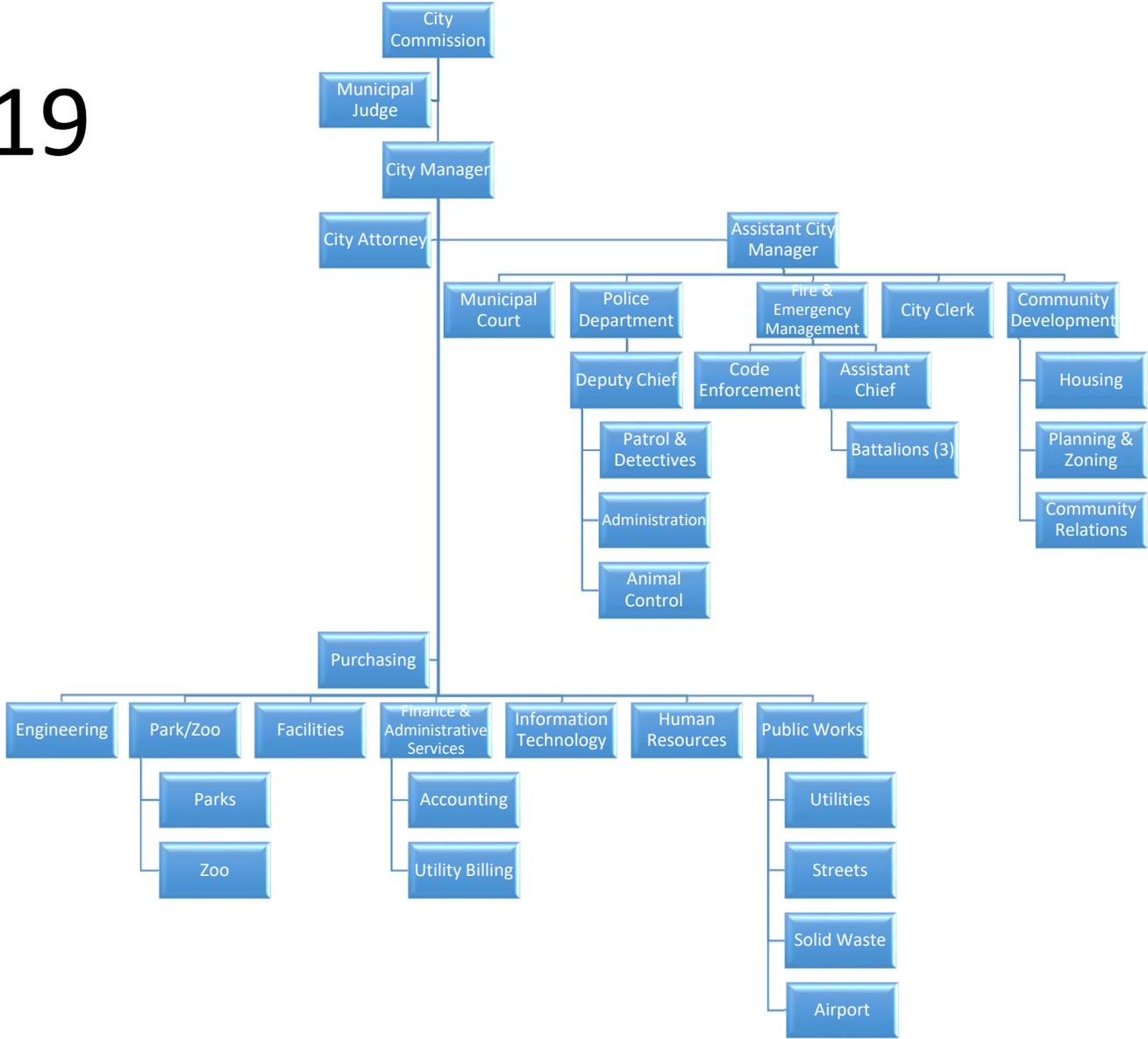


Janet Harrouff  
City Treasurer



Mark McAnarney  
City Manager

2019



**CITY OF EMPORIA, KANSAS**

**PRINCIPAL OFFICIALS**

December 31, 2019

**GOVERNING BODY**

Mayor  
Vice-Mayor  
Commissioner  
Commissioner  
Commissioner

Jon Geitz  
Danny Giefer  
Becky Smith  
Rob Gilligan  
Bobbi Mlynar

**ADMINISTRATIVE OFFICIALS**

City Manager  
Assistant City Manager  
City Clerk  
City Treasurer  
City Attorney

Mark McAnarney  
Lane Massey  
Kerry Sull  
Janet Harrouff  
Christina Montgomery

**DEPARTMENT HEADS**

Public Works Director  
City Engineer  
Fire Chief  
Chief of Police

Dean Grant  
Jim Ubert  
Jack Taylor  
Scott Cronk



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, 2018**

*Christopher P. Morrell*

Executive Director/CEO

## **FINANCIAL SECTION**



**COCHRAN HEAD VICK & CO., P.A.**

**& Co**

*Certified Public Accountants*

7255 West 98<sup>th</sup> Terrace  
Suite 100  
Overland Park, KS 66212  
(913) 378-1100  
(913) 378-1177 FAX

Other offices in Kansas and  
Missouri

## INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and  
City Commissioners  
City of Emporia, Kansas

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Emporia, Kansas, as of and for the year ended December 31, 2019, 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

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 Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the discretely presented component unit, which represent 1.42 percent, 1.22 percent, and 2.37 percent, respectively of the assets, net position, and 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 the discretely presented component unit 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, the Kansas *Municipal Audit and Accounting Guide*, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 the 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, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information listed in the table of contents 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 introductory section, combining and individual nonmajor fund financial statements and schedules, 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 nonmajor fund financial statements and schedules are the responsibility of management and were derived from and related 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 combining and individual nonmajor fund financial statements and schedules are 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.

## Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated June 18, 2020 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City's internal control over financial reporting and compliance.

*Cochran Head Viced & Co. P.A.*

Overland Park, Kansas  
June 18, 2020

**City of Emporia, Kansas**  
**Management's Discussion and Analysis**  
**For the Year Ended December 31, 2019**

As management of the City of Emporia, Kansas (the City), we offer readers this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2019. We encourage readers to consider the information presented here, in conjunction with the transmittal letter at the beginning of this report, and the City's financial statements, which follow this section.

**Financial Highlights**

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows as of December 31, 2019, by \$57,738,578 (net position). Of this amount \$7,535,601 is unrestricted and may be used to meet future obligations of the City.
- The City's total net position increased by \$299,086 during the fiscal year as a result of current year activities. The City's governmental activities decreased by \$3,042,079 and the City's business activities increased by \$3,341,165 for the year.

**Overview of the Financial Statements**

This discussion and analysis is provided as an introduction to the basic financial statements. The basic financial statements consist of three components: government-wide financial statements, fund financial statements, and notes to the basic financial statements. This report also contains required and other supplementary information in addition to the basic financial statements.

**Government-wide financial statements.** The *government-wide financial statements* are a broad overview of the City's finances presented in a manner similar to a private business. These statements provide both long-term and short-term information about the City's overall financial status.

The *statement of net position* presents all the City's assets, liabilities, and deferred inflows/outflows of resources with the difference reported as *net position*. Net position is an important measure of the City's overall financial health. The increases and decreases in net position can be monitored to determine whether the City's financial position is improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flow. Thus, revenues and expenses are reported in this statement for certain items that will only result in cash flows in future fiscal periods.

The government-wide financial statements report governmental activities of the City, which are principally supported by taxes and intergovernmental revenues, and business-type activities of the City, which are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities for the City include general government, public safety, highway and streets, culture and recreation, health and environment, building maintenance, planning and development, and airport operations. The business-type activities for the City include solid waste disposal, sewer utility, and water utility. The City includes the Emporia Public Library as a component unit.

**Fund financial statements.** *Fund financial statements* focus on individual parts of the City's government. These statements report the City's operations in more detail than the government-wide financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to ensure compliance with finance-related legal requirements. These funds are divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. This information may be useful in evaluating the City's near-term financing requirements.

**City of Emporia, Kansas**  
**Management's Discussion and Analysis**  
**For the Year Ended December 31, 2019**

The focus of governmental funds is narrower than that of the government-wide financial statements, thus it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. This may enable the reader to better understand the long-term impact of the City's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

**Proprietary funds.** The City has two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. *Internal service funds* are an accounting mechanism used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its worker's compensation and health insurance risk management activities. Because these services predominately benefit governmental rather than business-type functions, they have been included within the *governmental activities* in the government-wide financial statements.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statements, since the resources of those funds are not available to support the City's operations. The accounting used for fiduciary funds is much like that used for proprietary funds.

**Notes to the basic financial statements.** The notes provide additional information that is essential to obtain a full understanding of the data provided in the government-wide and fund financial statements.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also contains certain *required supplementary information* that further explains and supports the information in the financial statements. This report also contains *other supplementary information* that provides certain combining and individual fund statements and schedules.

**City of Emporia, Kansas  
Management's Discussion and Analysis  
For the Year Ended December 31, 2019**

**Government-Wide Financial Analysis**

Our analysis below focuses on net position (Figure 1) and changes in net position (Figure 2) of the governmental and business-type activities.

**Figure 1 – Statement of Net Position**

	Governmental Activities		Business-type Activities		Total	
	2019	2018 *	2019	2018 *	2019	2018 *
Current and other assets	\$ 24,967,297	\$ 22,382,965	\$ 9,523,334	\$ 13,141,001	\$ 34,490,631	\$ 35,523,966
Capital assets	24,374,939	31,156,180	70,921,502	63,493,911	95,296,441	94,650,091
Total assets	<u>49,342,236</u>	<u>53,539,145</u>	<u>80,444,836</u>	<u>76,634,912</u>	<u>129,787,072</u>	<u>130,174,057</u>
Deferred outflow s - pension and opeb	2,405,920	2,570,228	280,743	285,375	2,686,663	2,855,603
Total deferred outflow s of resources	<u>2,405,920</u>	<u>2,570,228</u>	<u>280,743</u>	<u>285,375</u>	<u>2,686,663</u>	<u>2,855,603</u>
Long-term debt	18,850,403	20,038,981	46,035,457	44,484,481	64,885,860	64,523,462
Other liabilities	1,114,104	1,452,584	1,130,758	2,015,343	2,244,862	3,467,927
Total liabilities	<u>19,964,507</u>	<u>21,491,565</u>	<u>47,166,215</u>	<u>46,499,824</u>	<u>67,130,722</u>	<u>67,991,389</u>
Deferred inflow s - property taxes	7,068,845	6,648,888	-	-	7,068,845	6,648,888
Deferred inflow s - pension and opeb	422,028	634,065	113,562	146,779	535,590	780,844
Total deferred inflow s of resources	<u>7,490,873</u>	<u>7,282,953</u>	<u>113,562</u>	<u>146,779</u>	<u>7,604,435</u>	<u>7,429,732</u>
Net position:						
Net investment in capital assets	19,899,939	25,051,180	27,023,181	21,116,169	46,923,120	46,167,349
Restricted	3,279,857	3,129,380	-	-	3,279,857	3,129,380
Unrestricted (deficit)	1,112,980	(845,705)	6,422,621	8,988,468	7,535,601	8,142,763
Total net position	<u>\$ 24,292,776</u>	<u>\$ 27,334,855</u>	<u>\$ 33,445,802</u>	<u>\$ 30,104,637</u>	<u>\$ 57,738,578</u>	<u>\$ 57,439,492</u>

\* As restated

As indicated earlier, net position may serve as a useful indicator of the City's financial position. As of December 31, 2019, assets and deferred outflows of resources exceeded liabilities by \$57,738,578. The largest portion of the City's net position, \$46,923,120 (81.3 percent), reflects its investment in capital assets (e.g., land, construction in progress, buildings, improvements, machinery and equipment, and infrastructure) less any related outstanding debt that was used to acquire those assets. The City uses capital assets to provide services to citizens; therefore, these assets are not available for future spending. An additional portion of the City's net position, \$3,279,857 (5.68 percent), represents resources that are subject to external restrictions on their uses. The remaining balance of the City's net position, \$7,535,601, represents the unrestricted net position that may be used to meet the City's ongoing obligations to citizens and creditors.

**City of Emporia, Kansas**  
**Management's Discussion and Analysis**  
**For the Year Ended December 31, 2019**

**Figure 2 – Statement of Changes in Net Position**

	Governmental		Business-type		Total	
	Activities		Activities			
	2019	2018*	2019	2018*	2019	2018*
Revenues:						
Program revenues:						
Charges for services	\$ 5,727,983	\$ 5,519,167	\$ 16,498,141	\$ 14,672,478	\$ 22,226,124	\$ 20,191,645
Operating grants and contributions	2,525,721	2,727,310	-	-	2,525,721	2,727,310
Capital grants and contributions	954,591	-	1,668,918	1,540,335	2,623,509	1,540,335
General revenues:						
Property taxes:						
General purposes	5,843,035	5,582,179	-	-	5,843,035	5,582,179
Debt service	1,928,042	2,030,791	-	-	1,928,042	2,030,791
Sales taxes	7,407,601	7,343,794	-	-	7,407,601	7,343,794
Franchise taxes	2,584,253	2,713,868	-	-	2,584,253	2,713,868
Gasoline taxes	677,776	753,580	-	-	677,776	753,580
Use of money and property	514,837	346,465	198,893	162,797	713,730	509,262
Other	241,913	152,943	-	345,058	241,913	498,001
	<u>28,405,752</u>	<u>27,170,097</u>	<u>18,365,952</u>	<u>16,720,668</u>	<u>46,771,704</u>	<u>43,890,765</u>
Expenses:						
General government	1,789,395	1,967,057	-	-	1,789,395	1,967,057
Public safety	11,145,934	11,721,517	-	-	11,145,934	11,721,517
Highway and streets	9,909,293	9,272,215	-	-	9,909,293	9,272,215
Culture and recreation	4,299,067	3,472,162	-	-	4,299,067	3,472,162
Health and environment	86,900	119,697	-	-	86,900	119,697
Building maintenance	1,610,690	1,651,821	-	-	1,610,690	1,651,821
Planning and development	949,755	742,750	-	-	949,755	742,750
Airport operations	606,750	613,891	-	-	606,750	613,891
Interest on long-term debt	377,684	315,641	-	-	377,684	315,641
Solid waste disposal	-	-	4,861,522	4,484,342	4,861,522	4,484,342
Sewer utility	-	-	5,080,214	3,617,900	5,080,214	3,617,900
Water utility	-	-	5,755,414	5,995,742	5,755,414	5,995,742
Total expenses	<u>30,775,468</u>	<u>29,876,751</u>	<u>15,697,150</u>	<u>14,097,984</u>	<u>46,472,618</u>	<u>43,974,735</u>
Transfers	<u>(672,363)</u>	<u>(670,744)</u>	<u>672,363</u>	<u>670,744</u>	<u>-</u>	<u>-</u>
Change in net position	(3,042,079)	(3,377,398)	3,341,165	3,293,428	299,086	(83,970)
Net position, beginning, as restated	<u>27,334,855</u>	<u>30,712,253</u>	<u>30,104,637</u>	<u>26,811,209</u>	<u>57,439,492</u>	<u>57,523,462</u>
Net position, ending	<u>\$ 24,292,776</u>	<u>\$ 27,334,855</u>	<u>\$ 33,445,802</u>	<u>\$ 30,104,637</u>	<u>\$ 57,738,578</u>	<u>\$ 57,439,492</u>

**Governmental Activities**

Governmental activities decreased the net position of the City by \$3,042,079. Tax revenues for the City were \$18,440,707, which represents 64.9% of the funding of these activities. Program revenues for the functions totaled \$9,208,295 or 32.4% of the funding. The following table shows the cost of the City's programs as well as each programs' net cost (total costs less revenues generated by the activities). The net cost shows the financial burden that was placed on the taxpayers by each of these functions.

**City of Emporia, Kansas  
Management's Discussion and Analysis  
For the Year Ended December 31, 2019**

**NET COST OF THE CITY'S GOVERNMENTAL ACTIVITIES**

	Total Cost of Services	Net Cost of Services
General government	\$ 1,789,395	\$ 1,438,065
Public safety	11,145,934	(8,912,896)
Highway and streets	9,909,293	(8,897,661)
Culture and recreation	4,299,067	(3,060,631)
Health and environment	86,900	(86,900)
Building maintenance	1,610,690	(1,610,690)
Planning and development	949,755	187,236
Airport operations	606,750	(246,012)
Interest on long-term debt	377,684	(377,684)
	\$ 30,775,468	\$ (21,567,173)

As previously noted, expenses from governmental activities total \$30,775,468. However, the net costs of these services were \$21,567,173. The difference represents direct revenue received from charges for services of over \$5,727,983, operating grants and contributions of \$2,525,721, and capital grants and contributions of \$954,951. Taxes and other revenues of \$19,197,457 were collected to cover these net costs.

**Business-Type Activities**

Business-type activities increased the City's net position by \$3,341,165. Total charges for services revenue increased \$1,825,663 over 2018 primarily from increased rates in the solid waste, sewer, and water funds. Expenses increased \$1,599,166 over the prior year mostly due to increases in contractual services, repair and maintenance, and losses on disposal of capital assets that were replaced with the new treatment plant.

**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.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$14,210,942, an increase of \$2,246,893 in comparison with the prior year. The ending fund balance amounts were as follows: \$3,279,857 restricted for various City functions and services; \$5,054,306 assigned for capital outlay; \$44,116 nonspendable, and \$5,832,663 available for spending at the City's discretion.

Fund balance of the City's General Fund increased \$564,062 from December 31, 2018, primarily due to increases in property taxes and intergovernmental grants and contributions. At the end of the current fiscal year, unassigned fund balance of the general fund was \$5,966,508.

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 at December 31, 2019 was \$1,857,865, an increase of \$227,929 from the prior year. All of the fund balance is assigned for future capital outlay.

The Debt Service Fund has a total fund balance of \$749,432, all of which is restricted for the payment of debt service.

**City of Emporia, Kansas  
Management's Discussion and Analysis  
For the Year Ended December 31, 2019**

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

The City's Enterprise Funds net position increased by \$3,341,165 as the Solid Waste, Sewer, and Water funds reported increases in net position of \$288,901, \$924,553, and \$2,127,711, respectively. The factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

*General Fund Budgetary Highlights*

The City's General Fund actual revenues exceeded its final budgeted revenues by \$1,085,047 primarily related to taxes and intergovernmental revenues. The General Fund's actual expenditures and transfers out totaled \$21,139,024 compared to the final budgeted total of \$23,010,848. This was due in part to management's monitoring of expenditures.

*Capital Asset and Debt Administration*

Capital assets of the governmental activities were \$24,374,939 (net of accumulated depreciation) as of December 31, 2019. This represents a \$6,781,241 decrease from the prior year. Capital assets for business-type activities were \$70,921,502 as of December 31, 2019. This represents an increase of \$7,427,591 from the prior year.

During the fiscal year, the City of Emporia was involved in several large capital projects that affected the financial statements. Significant construction in process projects include airport protection zone project \$620,966, water tower project \$2,550,346, and sewer relining project \$1,526,249. The City completed construction on the several water main projects totaling \$2,176,196, Wastewater treatment plant totaling \$29,715,144, Lift Station #9 \$824,564, and the Splash Pad project \$520,148. The City also purchased vehicles and equipment during the year.

Additional information on the City's capital assets can be found in Note 6 in the Notes to the Basic Financial Statements.

**City of Emporia Capital Assets  
(net of depreciation)**

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 2,794,564	\$ 2,666,300	\$ 222,572	\$ 22,572	\$ 3,017,136	\$ 2,688,872
Construction in progress	864,695	1,099,242	4,398,878	28,424,745	5,263,573	29,523,987
Land improvements	15,468,856	21,511,055	40,627,449	22,081,618	56,096,305	43,592,673
Buildings and improvements	3,065,114	3,523,561	19,366,810	7,762,925	22,431,924	11,286,486
Vehicles	903,437	1,150,776	467,801	616,508	1,371,238	1,767,284
Equipment, furniture, and fixtures	1,278,273	1,205,246	5,837,992	3,835,992	7,116,265	5,041,238
Total	<u>\$ 24,374,939</u>	<u>\$ 31,156,180</u>	<u>\$ 70,921,502</u>	<u>\$ 62,744,360</u>	<u>\$ 95,296,441</u>	<u>\$ 93,900,540</u>

**City of Emporia, Kansas  
Management's Discussion and Analysis  
For the Year Ended December 31, 2019**

Total debt of the governmental activities as of December 31, 2019, was \$4,475,000, which is a decrease of \$1,630,000. Total debt of the business-type activities as of December 31, 2019, was \$42,800,087, a decrease of \$1,139,276 from the prior year. The decreases for the governmental due to principal payments made in the current year. The increase for the business-type activities results from proceeds on the loan less principal payments made on the loan during the year.

**City of Emporia Outstanding Debt**

	Governmental		Business-Type		Total	
	Activities		Activities			
	2019	2018	2019	2018	2019	2018
General obligation bonds	\$ 4,475,000	\$ 6,105,000	\$ 15,435,000	\$ 17,660,000	\$ 19,910,000	\$ 23,765,000
Loan payable	-	-	27,365,087	23,523,911	27,365,087	23,523,911
<b>Total</b>	<b>\$ 4,475,000</b>	<b>\$ 6,105,000</b>	<b>\$ 42,800,087</b>	<b>\$ 41,183,911</b>	<b>\$ 47,275,087</b>	<b>\$ 47,288,911</b>

At December 31, 2019, the City had total general obligation bond debt outstanding of \$19,910,000, backed by the full faith and credit of the City. Total general obligation long-term debt decreased for payments in the amount of \$3,855,000 for the fiscal year ended December 31, 2019. The City is rated by one of the three rating agencies (Standards & Poor's) and has a rating of A+. Additional information on the City's long-term debt can be found in Note 7 in the Notes to the Basic Financial Statements.

*Economic Factors and Next Year's Budget*

According to the Kansas Department of Labor, the unemployment rate for the City of Emporia/Lyon County in December of 2019 was 3.1%. The unemployment rate is expected to increase due to the COVID-19 pandemic area in the next 12 months. At the end of May of 2020, the unemployment rate increased to 7.5%. The general revenue trends of the City of Emporia are expected to show a flat or potential decrease due to COVID-19 pandemic in the future. 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 well into 2020. Several local manufacturers/employers have added employees and expanded their Emporia facilities. Hostess Brands employs approximately 675 employees as of the end of 2019. Simmons Pet Food completed work on the construction of an approximate 200,000 square foot manufacturing building and added more than 100 employees. Cargil has also added an additional 50,500 square feet of warehouse space and added ten employees. Glendo began construction of a 40,000 square foot manufacturing/classroom addition to their facility in addition to hiring several employees. Other employers such as Hill's Pet Nutrition, Camso Manufacturing, Fanestil Meats and Vektek, Inc. also continue to add employees. Emporia State University continues to aggressively work toward increasing student population (both in total numbers and Emporia numbers). The Flint Hills Technical College has seen strong enrollment in recent years 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 is approximately 85% and is expected to continue in this range in 2020. There are also several projects in the downtown area that will have a positive impact on the downtown area. Private developers are completing the Roosevelt Plaza - Legacy Lofts Project in downtown Emporia, Kansas. This project will provide for commercial suites on the main floor and 47 living units. Private developers also began the renovation of the former Citizens National Bank into 20 residential lofts plus commercial space. Additionally, private developers will construct a three-story mixed used building with 22 residential units and several commercial suites. This mixture will encourage people to live downtown and increase the population base for retailers.

**City of Emporia, Kansas  
Management's Discussion and Analysis  
For the Year Ended December 31, 2019**

The City of Emporia continued to make improvements to city-owned infrastructure and facilities in 2019. The City of Emporia completed construction of a new \$28 million-dollar wastewater facility that will meet all rules and regulation established by the Environmental Protection Agency and the Kansas Department of Health and Environment. In addition, the City has continued to make significant improvements to the road network, water distribution system, sanitary sewer system, storm water drainage, airport, and park system. The City will continue to use the Multi-Year Fund to improve city infrastructure in 2020 and beyond.

Each of the City's operating funds continued to maintain unencumbered cash reserves at or above the reserve level established by City Policy. The City Commission and City Management will continue to monitor revenues and expenses and unencumbered cash reserves to ensure that the reserves do not fall below the target level. City Management will take aggressive action, if necessary, to maintain reserve levels. Some of the steps could include not refilling vacant positions, eliminating capital purchases and monitoring projects to ensure they come in under budget. In 2019, the Emporia City Commission approved a Five-Year Budget and adopted a Capital Improvement Plan that will help the City better anticipate and manage long-term finances of the City.

Contacting the City's Financial Management

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.

**City of Emporia, Kansas**  
**Statement of Net Position**  
**December 31, 2019**

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Emporia Public Library
<b>Assets</b>				
Cash and investments	\$ 14,697,535	\$ 6,062,473	\$ 20,760,008	\$ 485,399
Receivables:				
Taxes	8,184,482	-	8,184,482	-
Accounts	648,573	1,797,277	2,445,850	-
Special assessments	499,856	-	499,856	-
Notes receivable	448,000	-	448,000	-
Due from other governments	444,735	1,246,771	1,691,506	832,308
Beneficial interest in Community Foundation	-	-	-	325,939
Inventory and prepaid expenses	44,116	416,813	460,929	21,060
Capital assets:				
Not being depreciated	3,659,259	4,621,450	8,280,709	8,980
Being depreciated, net of depreciation	20,715,680	66,300,052	87,015,732	193,393
<b>Total assets</b>	<b>49,342,236</b>	<b>80,444,836</b>	<b>129,787,072</b>	<b>1,867,079</b>
<b>Deferred Outflows of Resources</b>				
Pension related deferred outflows	2,262,414	245,089	2,507,503	46,510
OPEB related deferred outflows	143,506	35,654	179,160	-
<b>Total deferred outflows of resources</b>	<b>2,405,920</b>	<b>280,743</b>	<b>2,686,663</b>	<b>46,510</b>
<b>Liabilities</b>				
Accounts payable	490,052	704,222	1,194,274	4,836
Accrued expenses	531,558	56,192	587,750	-
Accrued interest payable	51,313	370,344	421,657	-
Claims payable	41,181	-	41,181	-
Long term debt:				
Net Pension liability	12,818,702	1,747,540	14,566,242	312,005
Net OPEB liability	949,022	235,781	1,184,803	-
Due within one year	1,350,759	3,555,206	4,905,965	20,320
Due in more than one year	3,731,920	40,496,930	44,228,850	-
<b>Total liabilities</b>	<b>19,964,507</b>	<b>47,166,215</b>	<b>67,130,722</b>	<b>337,161</b>
<b>Deferred Inflows of Resources</b>				
Property taxes	7,068,845	-	7,068,845	832,308
Pension related deferred inflows	371,328	100,966	472,294	29,851
OPEB related deferred inflows	50,700	12,596	63,296	-
<b>Total deferred inflow of resources</b>	<b>7,490,873</b>	<b>113,562</b>	<b>7,604,435</b>	<b>862,159</b>
<b>Net Position</b>				
Net investment in capital assets	19,899,939	27,023,181	46,923,120	202,373
Restricted :				
Public safety	154,787	-	154,787	-
Highways and streets	584,847	-	584,847	-
Culture and recreation	590,981	-	590,981	-
Planning and development	1,199,810	-	1,199,810	-
Debt service	749,432	-	749,432	-
Library (Nonexpendable)	-	-	-	216,084
Library (Expendable)	-	-	-	493,981
Unrestricted (deficit)	1,112,980	6,422,621	7,535,601	(198,169)
<b>Total net position</b>	<b>\$ 24,292,776</b>	<b>\$ 33,445,802</b>	<b>\$ 57,738,578</b>	<b>\$ 714,269</b>

See accompanying notes to the basic financial statements

**City of Emporia, Kansas**  
**Statement of Activities**  
For the Year Ended December 31, 2019

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Emporia Public Library	
					Governmental Activities	Business-Type Activities	Total	
<b>Primary government:</b>								
<b>Governmental activities</b>								
General government	\$ 1,789,395	\$ 2,868,017	\$ 359,443	\$ -	\$ 1,438,065	\$ -	\$ 1,438,065	\$ -
Public safety	11,145,934	1,978,761	254,277	-	(8,912,896)	-	(8,912,896)	-
Highway and streets	9,909,293	-	756,369	255,263	(8,897,661)	-	(8,897,661)	-
Culture and recreation	4,299,067	520,467	18,641	699,328	(3,060,631)	-	(3,060,631)	-
Health and environment	86,900	-	-	-	(86,900)	-	(86,900)	-
Building maintenance	1,610,690	-	-	-	(1,610,690)	-	(1,610,690)	-
Planning and development	949,755	-	1,136,991	-	187,236	-	187,236	-
Airport operations	606,750	360,738	-	-	(246,012)	-	(246,012)	-
Interest on long-term debt	377,684	-	-	-	(377,684)	-	(377,684)	-
Total governmental activities	30,775,468	5,727,983	2,525,721	954,591	(21,567,173)	-	(21,567,173)	-
<b>Business-type activities</b>								
Solid waste disposal	4,861,522	5,132,337	-	-	-	270,815	270,815	-
Sewer utility	5,080,214	5,109,178	-	565,809	-	594,773	594,773	-
Water utility	5,755,414	6,256,626	-	1,103,109	-	1,604,321	1,604,321	-
Total business-type activities	15,697,150	16,498,141	-	1,668,918	-	2,469,909	2,469,909	-
Total primary government	\$ 46,472,618	\$ 22,226,124	\$ 2,525,721	\$ 2,623,509	(21,567,173)	2,469,909	(19,097,264)	-
<b>Component Unit</b>								
Emporia Public Library	\$ 1,020,290	\$ 14,932	\$ 44,840	\$ -	(960,518)	-	-	(960,518)
General revenues:								
Taxes:								
Property taxes								
General purposes					5,843,035	-	5,843,035	1,060,664
Debt service					1,928,042		1,928,042	-
Sales taxes					7,407,601	-	7,407,601	-
Franchise taxes					2,584,253		2,584,253	-
Gasoline taxes					677,776	-	677,776	-
Use of money and property					514,837	198,893	713,730	79
Other					241,913	-	241,913	51,567
Transfers					(672,363)	672,363	-	598
Total general revenues					18,525,094	871,256	19,396,350	1,112,908
Change in net position					(3,042,079)	3,341,165	299,086	152,390
Net position, beginning of year, as restated					27,334,855	30,104,637	57,439,492	561,879
Net position, end of year					\$ 24,292,776	\$ 33,445,802	\$ 57,738,578	\$ 714,269

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See accompanying notes to the basic financial statements

**CITY OF EMPORIA, KANSAS**  
**Balance Sheet - Governmental Funds**  
**December 31, 2019**

	General	Multi-Year Improvement	Debt Service	Non-Major Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Cash and investments	\$ 4,418,562	\$ 1,857,865	\$ 749,432	\$ 5,953,632	\$ 12,979,491
Receivables:					
Taxes	5,643,909	-	1,710,150	830,423	8,184,482
Accounts	644,048	-	-	4,525	648,573
Special assessments	-	-	499,856	-	499,856
Notes receivable	-	-	448,000	-	448,000
Due from other governments	444,735	-	-	-	444,735
Inventory	44,116	-	-	-	44,116
Due from other funds	747,562	-	-	-	747,562
<b>Total Assets</b>	<b>\$ 11,942,932</b>	<b>\$ 1,857,865</b>	<b>\$ 3,407,438</b>	<b>\$ 6,788,580</b>	<b>\$ 23,996,815</b>
<b>Liabilities</b>					
Accounts payable	\$ 258,718	\$ -	\$ -	\$ 231,334	\$ 490,052
Accrued liabilities	531,558	-	-	-	531,558
Due to other funds	-	-	-	747,562	747,562
<b>Total Liabilities</b>	<b>790,276</b>	<b>-</b>	<b>-</b>	<b>978,896</b>	<b>1,769,172</b>
<b>Deferred inflows of resources</b>					
Unavailable revenue					
Special assessments	-	-	499,856	-	499,856
Notes receivable	-	-	448,000	-	448,000
Taxes	4,528,272	-	1,710,150	830,423	7,068,845
<b>Total deferred inflows of resources</b>	<b>4,528,272</b>	<b>-</b>	<b>2,658,006</b>	<b>830,423</b>	<b>8,016,701</b>
<b>Fund balances:</b>					
Nonspendable:					
Inventory	44,116	-	-	-	44,116
Restricted for:					
Public safety	-	-	-	154,787	154,787
Highway and streets	-	-	-	584,847	584,847
Culture and recreation	-	-	-	590,981	590,981
Planning and development	-	-	-	1,199,810	1,199,810
Debt service	-	-	749,432	-	749,432
Assigned for:					
General governmental	325,000	-	-	-	325,000
Public safety	222,849	-	-	-	222,849
Culture and recreation	8,136	-	-	-	8,136
Building maintenance	57,775	-	-	-	57,775
Capital outlay	-	1,857,865	-	3,196,441	5,054,306
Unassigned	5,966,508	-	-	(747,605)	5,218,903
<b>Total fund balance</b>	<b>6,624,384</b>	<b>1,857,865</b>	<b>749,432</b>	<b>4,979,261</b>	<b>14,210,942</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 11,942,932</b>	<b>\$ 1,857,865</b>	<b>\$ 3,407,438</b>	<b>\$ 6,788,580</b>	<b>\$ 23,996,815</b>

See accompanying notes to the basic financial statements

**City of Emporia, Kansas  
Reconciliation of the Balance Sheet -  
Governmental Funds to the Statement of Net Position  
December 31, 2019**

Fund balances of governmental funds	\$ 14,210,942
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental fund statements.	24,374,939
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Deferred outflows and inflows related to pension and OPEB activity are not required to be reported in the governmental funds but are required to be reported in the Statement of Net Position	1,983,892
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items:

Long-term liabilities	(5,082,679)
Net Pension liability	(12,818,702)
Net OPEB liability	(949,022)

Certain revenues are not available to pay for current period expenditures and therefore are reported as unavailable revenue in the governmental funds.	947,856
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Liabilities for interest on long-term debt are recognized only when due in the governmental fund statements but are accrued in the government-wide statements.	(51,313)
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Internal service funds are used 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.	1,676,863
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Net position of governmental activities	\$ 24,292,776
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See accompanying notes to the basic financial statements

**City of Emporia, Kansas**  
**Statement of Revenues, Expenditures and**  
**Changes in Fund Balances - Governmental Funds**  
**For the Year Ended December 31, 2019**

	General	Multi-Year Improvement	Debt Service	Non-Major Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
Taxes	\$ 12,409,793	\$ -	\$ 1,840,320	\$ 972,032	\$ 15,222,145
Charges for services	2,513,564	-	-	-	2,513,564
Special assessments	-	-	210,316	-	210,316
Intergovernmental	2,862,829	-	141,481	2,202,781	5,207,091
Licenses and permits	197,114	-	-	-	197,114
Fines and fees	518,811	-	-	-	518,811
Use of money and property	311,657	48,117	34,718	88,150	482,642
Contributions	935	-	-	1,503,808	1,504,743
Administrative fees	2,491,504	-	-	-	2,491,504
Miscellaneous	201,378	12,000	-	57,680	271,058
<b>Total Revenues</b>	<b>21,507,585</b>	<b>60,117</b>	<b>2,226,835</b>	<b>4,824,451</b>	<b>28,618,988</b>
<b>Expenditures:</b>					
Current:					
General governmental	1,513,381	-	-	44,343	1,557,724
Public safety	10,244,756	-	-	54,221	10,298,977
Highway and streets	458,208	-	-	755,520	1,213,728
Culture and recreation	2,174,705	-	-	1,549,095	3,723,800
Health and environment	-	-	-	86,900	86,900
Building maintenance	1,401,736	-	-	-	1,401,736
Planning and development	-	-	-	949,755	949,755
Airport operations	558,646	-	-	-	558,646
Appropriations	229,955	-	-	-	229,955
Capital outlay	-	2,226,392	-	1,145,856	3,372,248
Debt service:					
Principal	-	-	1,630,000	-	1,630,000
Interest and fiscal charges	-	-	370,699	-	370,699
<b>Total Expenditures</b>	<b>16,581,387</b>	<b>2,226,392</b>	<b>2,000,699</b>	<b>4,585,690</b>	<b>25,394,168</b>
Excess of Revenues Over (Under) Expenditures	4,926,198	(2,166,275)	226,136	238,761	3,224,820
<b>Other financing sources (uses):</b>					
Transfers in	41,159	2,464,704	469,407	1,929,648	4,904,918
Transfers out	(4,402,755)	(70,500)	(866,000)	(543,590)	(5,882,845)
<b>Total Other Financing Sources (Uses)</b>	<b>(4,361,596)</b>	<b>2,394,204</b>	<b>(396,593)</b>	<b>1,386,058</b>	<b>(977,927)</b>
Net change in fund balances	564,602	227,929	(170,457)	1,624,819	2,246,893
Fund balances, beginning of year, as restated	6,059,782	1,629,936	919,889	3,354,442	11,964,049
Fund balances, end of year	<b>\$ 6,624,384</b>	<b>\$ 1,857,865</b>	<b>\$ 749,432</b>	<b>\$ 4,979,261</b>	<b>\$ 14,210,942</b>

See accompanying notes to the basic financial statements

**City of Emporia, Kansas  
Reconciliation of the Statement of Revenues,  
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances -  
Governmental Funds to the Statement of Activities  
For the Year Ended December 31, 2019**

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

Net change in fund balances - total governmental funds	\$ 2,246,893
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay costs in excess of capitalization threshold	999,816
Depreciation	(7,781,057)

Revenues in the statement of activities that do not provide current financial resources are reported as deferred inflows in the governmental funds.

Special assessments and notes receivable	(245,433)
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position.

Principal payment on long-term debt	1,630,000
Changes in accrued interest expense	(6,985)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Change in compensated absences and other post employment benefits payable	45,992
Changes in net pension obligations, deferred outflows and inflows	(439,685)

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.

508,380

Change in net position of governmental activities	<u><u>\$ (3,042,079)</u></u>
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See accompanying notes to the basic financial statements

**CITY OF EMPORIA, KANSAS**  
**Statement of Net Position**  
**Proprietary Funds**  
**December 31, 2019**

	<b>Enterprise Funds</b>				<b>Internal Service Funds</b>
	<b>Solid Waste</b>	<b>Sewer Utility</b>	<b>Water Utility</b>	<b>Total</b>	
<b>Assets</b>					
Current assets:					
Cash and investments	\$ 3,337,961	\$ 1,287,430	\$ 1,437,082	\$ 6,062,473	\$ 1,718,044
Utility receivables, net	538,261	558,819	700,197	1,797,277	-
Due from other governments	-	143,662	1,103,109	1,246,771	-
	-	-	-	-	-
Total current assets	<u>3,876,222</u>	<u>1,989,911</u>	<u>3,657,201</u>	<u>9,523,334</u>	<u>1,718,044</u>
Noncurrent assets:					
Capital assets:					
Not being depreciated	102,625	1,545,998	2,972,827	4,621,450	-
Being depreciated, net of depreciation	2,121,535	44,190,896	19,987,621	66,300,052	-
Total noncurrent assets	<u>2,224,160</u>	<u>45,736,894</u>	<u>22,960,448</u>	<u>70,921,502</u>	<u>-</u>
Total assets	<u>6,100,382</u>	<u>47,726,805</u>	<u>26,617,649</u>	<u>80,444,836</u>	<u>1,718,044</u>
<b>Deferred Outflows of Resources</b>					
Pension related deferred outflows	123,680	60,482	60,927	245,089	-
OPEB related deferred outflows	17,698	8,960	8,996	35,654	-
Total Deferred Outflows of Resources	<u>141,378</u>	<u>69,442</u>	<u>69,923</u>	<u>280,743</u>	<u>-</u>
<b>Liabilities</b>					
Current liabilities:					
Accounts payable	157,000	143,585	403,637	704,222	-
Accrued liabilities	46,168	-	10,024	56,192	-
Accrued interest payable	-	236,931	133,413	370,344	-
Claims payable	-	-	-	-	41,181
Current maturities on long-term debt	26,079	2,090,813	1,438,314	3,555,206	-
Total current liabilities:	<u>229,247</u>	<u>2,471,329</u>	<u>1,985,388</u>	<u>4,685,964</u>	<u>41,181</u>
Long-term liabilities:					
Net Pension liability	881,867	431,250	434,423	1,747,540	-
Net OPEB liability	117,036	59,255	59,490	235,781	-
Due in more than one year	8,693	29,134,541	11,353,696	40,496,930	-
Total long-term liabilities:	<u>1,007,596</u>	<u>29,625,046</u>	<u>11,847,609</u>	<u>42,480,251</u>	<u>-</u>
Total liabilities	<u>1,236,843</u>	<u>32,096,375</u>	<u>13,832,997</u>	<u>47,166,215</u>	<u>41,181</u>
<b>Deferred Inflows of Resources</b>					
Pension related deferred inflows	50,951	24,916	25,099	100,966	-
OPEB related deferred inflows	6,252	3,166	3,178	12,596	-
Total Deferred Inflows of Resources	<u>57,203</u>	<u>28,082</u>	<u>28,277</u>	<u>113,562</u>	<u>-</u>
<b>Net position</b>					
Net investment in capital assets	2,224,160	14,558,393	10,240,628	27,023,181	-
Unrestricted	2,723,554	1,113,397	2,585,670	6,422,621	1,676,863
Total net position	<u>\$ 4,947,714</u>	<u>\$ 15,671,790</u>	<u>\$ 12,826,298</u>	<u>\$ 33,445,802</u>	<u>\$ 1,676,863</u>

See accompanying notes to the basic financial statements

**CITY OF EMPORIA, KANSAS**  
**Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Year Ended December 31, 2019**

	Enterprise Funds				Internal Service Fund
	Solid Waste	Sewer Utility	Water Utility	Total	
<b>Operating revenues:</b>					
Charges for services	\$ 5,099,012	\$ 5,108,714	\$ 6,226,106	\$ 16,433,832	\$ 299,434
Other	33,325	464	30,520	64,309	128,939
Total operating revenues	5,132,337	5,109,178	6,256,626	16,498,141	428,373
<b>Operating expenses:</b>					
Personal services	1,641,690	749,496	763,033	3,154,219	-
Contractual services	1,312,863	214,722	718,396	2,245,981	-
Commodities	290,809	642,920	1,281,116	2,214,845	-
Maintenance and repairs	181,662	619,694	330,922	1,132,278	-
Depreciation	335,123	1,005,413	1,171,834	2,512,370	-
Administrative charges	858,055	610,000	1,023,449	2,491,504	-
Other	154,587	169,686	189,351	513,624	-
Claims	-	-	-	-	257,754
Total operating expenses	4,774,789	4,011,931	5,478,101	14,264,821	257,754
Operating income (loss)	357,548	1,097,247	778,525	2,233,320	170,619
<b>Nonoperating revenues (expenses):</b>					
Sale of capital assets	(86,733)	(513,737)	-	(600,470)	-
Intergovernmental	-	565,809	1,103,109	1,668,918	-
Interest income	73,650	59,113	66,130	198,893	32,197
Interest and fiscal charges	-	(554,546)	(277,313)	(831,859)	-
Total nonoperating revenues	(13,083)	(443,361)	891,926	435,482	32,197
Income (loss) before transfers and capital contributions	344,465	653,886	1,670,451	2,668,802	202,816
Transfers in	-	280,000	936,000	1,216,000	305,564
Transfers out	(55,564)	(9,333)	(478,740)	(543,637)	-
Change in net position	288,901	924,553	2,127,711	3,341,165	508,380
Total net position, beginning of year, as restated	4,658,813	14,747,237	10,698,587	30,104,637	1,168,483
Total net position, end of year	\$ 4,947,714	\$ 15,671,790	\$ 12,826,298	\$ 33,445,802	\$ 1,676,863

See accompanying notes to the basic financial statements

**City of Emporia, Kansas**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended December 31, 2019**

	Solid Waste	Sewer Utility	Water Utility	Totals	Internal Service Funds
Cash flows from operating activities:					
Receipts from customers and others	\$ 4,993,330	\$ 4,771,445	\$ 4,830,036	\$ 14,594,811	\$ 428,373
Payments to suppliers	(2,931,643)	(2,873,386)	(3,427,037)	(9,232,066)	(337,283)
Payments to employees	(1,707,919)	(794,987)	(811,058)	(3,313,964)	-
Net cash provided by (used in) operating activities	353,768	1,103,072	591,941	2,048,781	91,090
Cash flows from noncapital financing activities:					
Transfers in (out)	(55,564)	270,667	457,260	672,363	305,564
Net cash provided by (used in) noncapital financing activities	(55,564)	270,667	457,260	672,363	305,564
Cash flows from investing activities:					
Interest received	73,650	59,113	66,130	198,893	32,197
Net cash provided by (used in) investing activities	73,650	59,113	66,130	198,893	32,197
Cash flows from capital and related financing activities:					
Purchase and construction of capital assets	(439,321)	(6,226,621)	(3,888,360)	(10,554,302)	-
Capital grants	-	565,809	1,103,109	1,668,918	-
Proceeds from long-term debt	-	5,106,637	-	5,106,637	-
Principal paid on bonds and notes	-	(2,140,461)	(1,350,000)	(3,490,461)	-
Interest paid	-	(565,995)	(384,929)	(950,924)	-
Net cash provided by (used in) capital and related financing activities	(439,321)	(3,260,631)	(4,520,180)	(8,220,132)	-
Net change in cash and equivalents	(67,467)	(1,827,779)	(3,404,849)	(5,300,095)	428,851
Cash and equivalents, beginning of year	3,405,428	3,115,209	4,841,931	11,362,568	1,289,193
Cash and equivalents, end of year	\$ 3,337,961	\$ 1,287,430	\$ 1,437,082	\$ 6,062,473	\$ 1,718,044
Reconciliation of operating income to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ 357,548	\$ 1,097,247	\$ 778,525	\$ 2,233,320	\$ 170,619
Adjustments to reconcile operating loss to net cash used by operations:					
Depreciation	335,123	1,005,413	1,171,834	2,512,370	-
Changes in compensated absences	(8,729)	(11,441)	1,640	(18,530)	-
Changes in net pension liability	32,159	(1,842)	2,224	32,541	-
Changes in net OPEB liability	8,133	4,118	4,134	16,385	-
Changes in deferred outflows of resources	29	2,604	2,000	4,633	-
Changes in deferred inflows of resources	(15,524)	(8,979)	10,176	(14,327)	-
Changes in:					
Receivables	(139,007)	(194,071)	(323,481)	(656,559)	-
Due from other governments	-	(143,662)	(1,103,109)	(1,246,771)	-
Inventory	-	-	(12,031)	(12,031)	-
Other assets	-	-	63,868	63,868	-
Accounts and claims payable	(133,667)	(616,364)	64,360	(685,671)	(79,529)
Accrued liabilities	(82,297)	(29,951)	(68,199)	(180,447)	-
Net cash provided by (used in) operating activities	\$ 353,768	\$ 1,103,072	\$ 591,941	\$ 2,048,781	\$ 91,090

**CITY OF EMPORIA, KANSAS**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
 December 31, 2019

	<b>Private Purpose Trust</b>	<b>Agency Funds</b>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and investments	\$ 4,254	\$ 35,425
<b>Total Current Assets</b>	4,254	35,425
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts payable	-	35,425
<b>Total Current Liabilities</b>	-	35,425
<b>NET POSITION</b>		
Net position held in trust	\$ 4,254	\$ -

See accompanying notes to the basic financial statements

**CITY OF EMPORIA, KANSAS**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**

For the Year Ended December 31, 2019

	<b>Private Purpose Trust</b>
<b>Addition</b>	
Interest income	\$ 38
<b>Deductions</b>	19
<b>Change in Net Position</b>	19
<b>Net Position - Beginning</b>	4,235
<b>Net Position - Ending</b>	\$ 4,254

See accompanying notes to the basic financial statements

**CITY OF EMPORIA, KANSAS**  
Notes to the Basic Financial Statements  
December 31, 2019

**(1) Summary of Significant Accounting Policies**

The City of Emporia, Kansas (the City) is a municipal corporation governed by five elected commissioners. The City provides services to nearly 25,000 residents in many areas, including law enforcement and fire protection, water, sewer and sanitation services, community enrichment and development, and various social services.

The accounting and reporting policies of the City conform to generally accepted accounting principles (GAAP) in the United States of America applicable to local governments. The following represent the more significant accounting and reporting policies and practices of the City.

***Financial Reporting Entity***

In evaluating how to define the government for financial reporting purposes, management has considered all potential component units. Component units are separate legal entities which are included in the primary government's financial report. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic, but not only, criterion for including a potential component unit within the reporting entity is the City's financial accountability for the potential component unit. An entity is considered a component unit if City officials appoint a voting majority of the component unit's governing body and the City is able to impose its will upon the component unit. Additionally, if the entity provides specific financial benefits to or imposes specific financial burdens on the City, it may be considered a component unit.

***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 \$891,624 to the Library in 2019. Complete financial statements may be obtained at the Emporia Public Library, 110 E. 6th Avenue, Emporia, Kansas.

***Jointly Governed Organizations***

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.

**CITY OF EMPORIA, KANSAS**  
Notes to the Basic Financial Statements  
December 31, 2019

***Basis of Presentation***

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds).

*Government-wide financial statements*

The statement of net position and the statement of activities display information about the City, the primary government, as a whole. These statements distinguish between the governmental and business-type activities of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties. Expenses are specifically associated with a service, program, or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program is self-financing or draws from the general revenues of the City.

*Fund financial statements*

Fund financial statements report detailed information about the City. The focus of governmental and proprietary fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column.

*Governmental Funds*

Governmental Funds are those through which most governmental functions of the City are financed. The acquisition, use, and balances of the City's expendable financial resources and the related liabilities (other than those in Proprietary Funds) are accounted for through Governmental Funds. The measurement focus is upon determination of financial position and changes in financial position, rather than upon net income determination.

The following are the City's major governmental funds:

The General Fund accounts for all financial transactions not accounted for in other funds. The general operating expenditures, fixed charges, and capital improvement costs that are not paid through other funds are financed through revenues received by the General 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.

*Proprietary Funds*

Proprietary Funds are used to account for the City's ongoing activities which are similar to those found in the private sector. The measurement focus is upon determination of net income, financial position, and changes in financial position.

**CITY OF EMPORIA, KANSAS**  
Notes to the Basic Financial Statements  
December 31, 2019

The following are the City's 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 of the City.

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.

Internal Service Funds

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 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.

Fiduciary Funds

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 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**  
Notes to the Basic Financial Statements  
December 31, 2019

***Measurement Focus and Basis of Accounting***

*Government-wide Financial Statements*

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned or when all eligibility requirements have been satisfied and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, sales tax, and donations. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. This is a similar approach to that used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Therefore, the governmental fund financial statements include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

*Governmental Fund Financial Statements*

All governmental funds are accounted for using the modified accrual basis of accounting and the current financial resources measurement focus. Under this basis, revenues are recognized in the accounting period in which they become measurable and available. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable.

*Revenue Recognition*

In applying the susceptible to accrual concept under the modified accrual basis, certain revenue sources are deemed both measurable and available (collectible within the current year or within two months of year end and available to pay obligations of the current period). This includes investment earnings and state-levied locally shared taxes (including motor vehicle fees). Reimbursements due for federally funded projects are accrued as revenue at the time the expenditures are made, or when received in advance, deferred until expenditures are made.

Property taxes, special assessments, and notes receivable, though measurable, are not available soon enough in the subsequent year to finance current period obligations. Therefore, property taxes, special assessment, and notes receivables are recorded and deferred in the fund statements until they become available.

Other revenues, including licenses and permits, certain charges for services, and miscellaneous revenues, are recorded as revenue when received in cash because they are generally not measurable until actually received.

Property taxes are recognized as revenue in the government-wide financial statements in the year intended to be financed by those taxes.

**CITY OF EMPORIA, KANSAS**  
Notes to the Basic Financial Statements  
December 31, 2019

*Expenditure Recognition*

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Most expenditures are measurable and are recorded when the related fund liability is incurred. However, principal and interest on general long-term debt, which have not matured are recognized when due. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

*Proprietary Fund Financial Statements*

The economic resources measurement focus and the accrual basis of accounting are utilized by the proprietary funds. Under this basis of accounting, revenues are recognized when earned and expenses are recorded when liabilities are incurred. All assets and liabilities (whether current or noncurrent) associated with a proprietary fund's activities are included on its statement of net position and statement of activities. Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. All other revenues and expenses are considered nonoperating.

*Fiduciary Fund Financial Statements*

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support City programs. Agency funds are custodial in nature and do not involve the measurement of results of operations. Agency funds apply the accrual basis of accounting, however they do not have a measurement focus.

The City's fiduciary funds are presented in the fiduciary fund financial statements by type. Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

***Deposits 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.

From time to time, the City invests available cash in the Kansas Municipal Investment Pool (KMIP). KMIP is a pooled investment vehicle offered by the State of Kansas as a voluntary investment alternative for municipalities in the State of Kansas. KMIP is governed by the State of Kansas Pooled Money Investment Board. Investments in the KMIP are reported at net asset value, which approximates fair value.

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***Accounts Receivable and Payable***

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 and other receivables are shown net of an allowance for uncollectible, 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 records 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 remaining 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 inflows of resources and are identical to the adopted budget for 2020 in the governmental fund financial statements.

***Inventories and Prepaid Items***

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.

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

***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 City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life more than two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items, as well as capital assets received in a service concession arrangement are reported at fair value as of 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.

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.

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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.

Capital assets 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.

Vested or accumulation vacation and sick time is accounted for as follows:

Governmental Funds - The accumulated liabilities for employee vacation and sick time is recorded in the governmental activities column of the government-wide financial statements.

Proprietary Funds - The costs of vacation and sick pay are accrued in the respective funds as earned by City employees and recorded in the proprietary fund financial statements and the business-type activities column of the government-wide financial statements.

***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, 2019 represents the management's estimate of the amount it would cost to perform all post-closure care until 2024. The actual costs may be higher due to inflation, changes in technology or changes in regulations. The City intends to fund these costs internally.

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***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 position. 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.

***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 City only has one item that qualifies for reporting in this category. It relates to the change in actual and projected experience in calculating the City's proportionate share of the pension liability and actuarial assumption changes, and the difference between actual and projected earnings in calculating the net pension liability.

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 City has three types of items, which arises under the accrual and modified accrual basis of accounting, which qualify for reporting in this category. The first one relates to the change in actual and projected experience in calculating the pension liability and actuarial assumption changes, and the difference between actual and projected earnings in calculating the City's proportionate share of net pension liability. The second item relates to the change in actual and projected experience in calculating the OPEB liability. The third item, unavailable revenue, is reported in both the government-wide statement of net position and governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available

***Pensions***

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Kansas Public Employees' Retirement System (KPERS) and additions to and deductions from KPERS' fiduciary net position have been determined on the same basis as they are reported by KPERS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

***Other Post Employment Benefit Plans (OPEB)***

The City sponsors a single-employer, defined benefit healthcare plan and participates in the Kansas Public Employees Death and Disability Plan, a multiple-employer defined benefit plan. The total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense have been determined on the same basis as they are reported by the OPEB Plans. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms.

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***Interfund Activity***

**Loans** – amounts provided with a requirement for repayment. Interfund loans are reported as interfund receivables (i.e., due from other funds) in lender funds and interfund payables (i.e. due to other funds) in borrower funds.

**Services provided and used** – sales and purchases of goods and services between funds for a price approximating their fair value. Interfund services provided and used are reported as revenues in funds providing the good or service and expenditures or expenses in the fund purchasing the good or service. Unpaid amounts are reported as interfund receivables and payables in the fund balance sheets or statement of net position.

The General fund provides administrative and other support services for the Solid Waste, Sewer Utility and Water Utility funds. Amounts charged for such services for the year ended December 31, 2019 were \$858,055, \$610,000, and \$1,023,449, respectively.

**Reimbursements** – repayments from the funds responsible for particular expenditures or expenses to the funds that initially paid for them. Reimbursements are reported as expenditures in the reimbursing fund and as a reduction of expenditures in the reimbursed fund.

**Transfers** – flows of assets (such as cash or goods) without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers. For the purpose of the Statement of Activities, all interfund transfers between individual governmental funds have been eliminated.

***Special Assessments***

Kansas statutes require projects financed in part by special assessments to be financed through the issuance of general obligation bonds which are secured by the full faith and credit of the City. Special assessments paid prior to the issuance of bonds are recorded as revenue for the appropriate project. Special assessments received after issuance of bonds are recorded as revenue in the Debt Service Fund. Further, state statutes require levying additional general ad valorem property taxes in the Debt Service Fund to finance delinquent special assessments receivable. Accordingly, special assessments receivable are accounted for within the Debt Service Fund. Special assessments are levied over various periods, and the annual installments are due and payable with annual ad valorem property taxes. The City may foreclose liens against property benefited by special assessments when delinquent assessments are two years in arrears. Special assessment taxes levied are a lien on the property and are recorded as special assessment receivable in the Debt Service Fund with a corresponding amount recorded as deferred inflow of resources in the fund financial statements.

***Statement of Cash Flows***

For purposes of the statement of cash flows, short-term investments and certificates of deposit with a maturity date within three months of the date acquired by the City, if any, are considered cash equivalents

***Fund Balances***

In the fund financial statements, governmental funds report the following fund balance classifications:

**Non-Spendable** – This consists of amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact.

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Restricted – This consists of amounts where constraints are placed on the use of those resources which are either externally imposed by creditors, grantors, contributors, laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Committed – 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.

Assigned – 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.

Unassigned – This consists of the residual fund balance that does not meet the requirements for the non-spendable, restricted, committed, or assigned classifications. A positive unassigned fund balance is only possible in the general fund.

The City has a fund balance policy that provides guidance for programs with multiple revenue sources. The policy is to use restricted resources first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. For purposes of fund balance classification expenditures are to be spent from restricted fund balance first, followed in order by committed fund balance, assigned fund balance and lastly unassigned fund balance.

***Net Position Classifications***

In the government-wide statements, equity is shown as net position and classified into three components:

- (1) Net investment in capital assets – consisting of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgage notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- (2) Restricted net position – consisting of net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. The City first utilizes restricted resources to finance qualifying activities.
- (3) Unrestricted net position – All other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

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 unrestricted net position is applied.

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***Use of Estimates***

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

***Stewardship, Compliance and Accountability***

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.

1. Preparation of the budget for the succeeding calendar year on or before August 1.
2. Publication in a local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5.
3. Public hearing on or before August 15, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25.

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.

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: 2017 Housing, Housing Study RDA, Emergency Shelter, Law Enforcement Block Grants, DARE Crime Prevention, 2014 Housing, 911 Land Wire Fees, Lake Kahola, TDD, CID, TIF, Emporia Home Repair, Home Equity Rehab, and Land Bank. 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.

**Compliance with Kansas Statutes**

The following funds had deficit fund balances as of December 31, 2019: 2017 Housing \$245,996; Emporia Homeowner Repair \$5,613; Airport Improvements \$495,996.

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**(2) 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 U. S. 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, 2019, the City has the following investments:

<b>Investment Type</b>	<u>Fair Value</u>	<u>Rating</u>	<u>Weighted Rate</u>
Kansas Municipal Investment Pool	16,945,242	S&P AAA/S1+	0.0100%

The KMIP 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 obligation of, or obligations that are insured as to principal and interest by the U. S. 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.

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned. 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 \$3,854,445 and the bank balance was \$4,612,827. 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 \$4,362,827 was collateralized by pledged securities.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. For the year ended December 31, 2019, the City's investment in KMIP was considered a cash equivalent as all investments were held in the overnight pool. Investments that are considered cash equivalents are not classified in the fair value hierarchy.

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Component Unit - At year-end, the carrying amount of the Library's cash, including certificates of deposit and cash on hand, was \$485,399 and the bank balance was \$507,551. 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 \$257,511 was collateralized by pledged securities.

**(3) Tax Revenues and Taxes Receivable**

In accordance with governing state statutes, property taxes levied during the current year are revenue sources to be used to finance the budget of the ensuing year. Taxes are assessed on a calendar year basis and are levied and become a lien on the property on November 1 of each year. The County Treasurer is the tax collection agent for all taxing entities within the County. Property owners have the option of paying one-half or the full amount of the taxes levied on or before December 20 during the year levied with the balance to be paid on or before May 10 of the ensuing year. State statutes prohibit the County Treasurer from distributing taxes collected in the year levied prior to January 1 of the ensuing year. Consequently, for revenue recognition purposes, the taxes levied during the current year are not due and receivable until the ensuing year. At December 31, such taxes are recorded as taxes receivable with a corresponding amount recorded as a deferred inflow of resources on the balance sheets of the appropriate funds. It is not practical to apportion delinquent taxes held by the County Treasurer as of December 31, 2019. Estimated delinquencies are insignificant and have not been recorded.

Assessed values are established by the County Appraiser. The assessed value for property located in the City as of January 1, 2018 on which the 2018 levy was based was \$159,798,972.

<u>Fund</u>	<u>Levy</u>
General	\$ 27.508
Library	5.028
Bond and Interest	10.312
Industrial	<u>0.006</u>
	<u>\$ 42.854</u>

Tax revenues for the year ended December 31, 2019 consisted of the following:

	<b>General Fund</b>	<b>Debt Service Fund</b>	<b>Other Governmental Funds</b>	<b>Total</b>
Property taxes	\$ 4,871,003	\$ 1,840,320	\$ 972,032	\$ 7,683,355
Sales taxes	4,954,537	-	-	4,954,537
Franchise taxes	2,584,253	-	-	2,584,253
	\$ 12,409,793	\$ 1,840,320	\$ 972,032	\$ 15,222,145

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Taxes receivable represent property, sales, and franchise taxes, including interest and penalties, reduced by an appropriate allowance for uncollectible taxes. Taxes receivable consisted of the following at December 31, 2019:

	<b>General Fund</b>	<b>Debt Service Fund</b>	<b>Other Governmental Funds</b>	<b>Total</b>
Property taxes	\$ 4,528,272	\$ 1,710,150	\$ 830,423	\$ 7,068,845
Sales taxes	863,100	-	-	863,100
Franchise taxes	252,537	-	-	252,537
	<u>\$ 5,643,909</u>	<u>\$ 1,710,150</u>	<u>\$ 830,423</u>	<u>\$ 8,184,482</u>

**(4) Intergovernmental Revenues**

Intergovernmental revenues during the year ended December 31, 2019, consisted of the following:

	<b>General Fund</b>	<b>Debt Service Fund</b>	<b>Other Governmental Funds</b>	<b>Sewer Utility Fund</b>	<b>Water Utility Fund</b>	<b>Total</b>
Grants - Federal, State and Local	\$ 83,471	\$ -	\$ 606,567	\$ 565,809	\$ 1,103,109	\$ 2,358,956
State:		-				
Gasoline Tax	-	-	677,776	-	-	677,776
Transient guest tax	-	-	713,538	-	-	713,538
Special liquor tax	102,450	-	204,900	-	-	307,350
Local:						
County-wide sales taxes	2,453,064	-	-	-	-	2,453,064
Interlocal agreements	223,844	141,481	-	-	-	365,325
Total Intergovernmental Revenue	<u>\$ 2,862,829</u>	<u>\$ 141,481</u>	<u>\$ 2,202,781</u>	<u>\$ 565,809</u>	<u>\$ 1,103,109</u>	<u>\$ 6,876,009</u>

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**(5) Interfund Activity**

Transfers between funds for the year ended December 31, were as follows:

	Transfers Out:							Total
	General Fund	Multi-year Fund	Debt Service Fund	Other Governmental Funds	Solid Waste Fund	Sewer Utility Fund	Water Utility Fund	
Transfers In:								
Governmental activities:								
General Fund	\$ -	\$ -	\$ -	\$ 41,159	\$ -	\$ -	\$ -	\$ 41,159
Multi-year Fund	2,463,818	-	-	886	-	-	-	2,464,704
Debt Service Fund	-	-	-	-	-	-	469,407	469,407
Other Governmental Funds	1,688,937	70,500	-	151,545	-	9,333	9,333	1,929,648
Total governmental activities	4,152,755	70,500	-	193,590	-	9,333	478,740	4,904,918
Business-type activities:								
Sewer Utility Fund	-	-	280,000	-	-	-	-	280,000
Water Utility Fund	-	-	586,000	350,000	-	-	-	936,000
Total business-type activities	-	-	866,000	350,000	-	-	-	1,216,000
Internal Service:								
Employee Health Care Fund	250,000	-	-	-	55,564	-	-	305,564
Total	\$ 4,402,755	\$ 70,500	\$ 866,000	\$ 543,590	\$ 55,564	\$ 9,333	\$ 478,740	\$ 6,426,482

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Any transfers within the governmental funds or within the proprietary funds have been eliminated in the government-wide statement of activities.

Amount due to/due from other funds as of December 31, 2019 were as follows:

	<u>Due to:</u>
	<u>General Fund</u>
Due from:	
Other Governmental Funds	<u>\$ 747,562</u>

Amounts due to the General Fund from Other Governmental Funds represent advances for short-term cash flow needs.

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**(6) Capital Assets**

A summary of the changes in capital assets for the year is as follows:

<b>Governmental activities:</b>	December 31, 2018	Additions	Retirements	December 31, 2019
Capital assets, not being depreciated				
Land	\$ 2,666,300	\$ 128,264	\$ -	\$ 2,794,564
Construction in progress	1,099,242	285,601	520,148	864,695
Total capital assets, not being depreciated	<u>3,765,542</u>	<u>413,865</u>	<u>520,148</u>	<u>3,659,259</u>
Capital assets, being depreciated				
Land improvements	208,658,692	696,156	-	209,354,848
Building and improvements	16,048,213	9,893	39,877	16,018,229
Vehicles	4,359,242	61,642	71,299	4,349,585
Equipment, furniture and fixtures	6,570,827	338,408	174,505	6,734,730
Total capital assets being depreciated	<u>235,636,974</u>	<u>1,106,099</u>	<u>285,681</u>	<u>236,457,392</u>
Less accumulated depreciation for:				
Land improvements	187,147,637	6,738,355	-	193,885,992
Building and improvements	12,524,652	468,340	39,877	12,953,115
Vehicles	3,208,466	308,981	71,299	3,446,148
Equipment, furniture and fixtures	5,365,581	265,381	174,505	5,456,457
Total accumulated depreciation	<u>208,246,336</u>	<u>7,781,057</u>	<u>285,681</u>	<u>215,741,712</u>
Total capital assets being depreciated, net	<u>27,390,638</u>			<u>20,715,680</u>
Governmental activities capital assets, net	<u>\$ 31,156,180</u>			<u>\$ 24,374,939</u>

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<b>Business-Type Activities</b>	December 31, 2018	Additions	Retirements	December 31, 2019
Capital assets, not being depreciated				
Land	\$ 222,572	\$ -	\$ -	\$ 222,572
Construction in progress	28,255,698	8,859,084	32,715,904	4,398,878
Total capital assets, not being depreciated	<u>28,478,270</u>	<u>8,859,084</u>	<u>32,715,904</u>	<u>4,621,450</u>
Capital assets, being depreciated				
Land improvements	49,526,974	19,961,377	-	69,488,351
Building and improvements	20,782,008	12,593,492	1,789,556	31,585,944
Vehicles	3,095,335	90,722	276,234	2,909,823
Equipment, furniture and fixtures	12,642,105	2,544,028	2,684,076	12,502,057
Total capital assets being depreciated	<u>86,046,422</u>	<u>35,189,619</u>	<u>4,749,866</u>	<u>116,486,175</u>
Less accumulated depreciation for:				
Land improvements	27,445,356	1,415,546	-	28,860,902
Building and improvements	13,019,083	503,445	1,303,394	12,219,134
Vehicles	2,478,827	232,280	269,085	2,442,022
Equipment, furniture and fixtures	8,806,113	361,099	2,503,147	6,664,065
Total accumulated depreciation	<u>51,749,379</u>	<u>2,512,370</u>	<u>4,075,626</u>	<u>50,186,123</u>
Total capital assets being depreciated, net	<u>34,297,043</u>			<u>66,300,052</u>
Business-type activities capital assets, net	<u>\$ 62,775,313</u>			<u>\$ 70,921,502</u>

Depreciation expense was charged to functions and programs of the primary government as follows:

<b>Governmental Activities:</b>	
General government	\$ 174,143
Public safety	409,285
Highway and streets	6,340,614
Culture and recreation	583,943
Building and maintenance	213,927
Airport operations	59,145
Total depreciation expense for	<u>7,781,057</u>
Governmental activities	<u>\$ 7,781,057</u>

<b>Business-type Activities:</b>	
Solid waste	\$ 335,123
Sewer utility	1,005,413
Water utility	1,171,834
Total depreciation expense for	<u>2,512,370</u>
Business-type activities:	<u>\$ 2,512,370</u>

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**(7) Long Term Debt**

During the year ended December 31, 2019, the following changes, including the reallocation of the general obligation bonds outstanding between governmental and business-type activities, occurred in long term liabilities:

	<u>Beginning of Year</u>	<u>Adjustments/ Additions</u>	<u>Adjustments/ Retirements</u>	<u>End of Year</u>	<u>Due Within One Year</u>
<b>Governmental Activities:</b>					
General obligation	\$ 6,105,000	\$ -	\$ 1,630,000	\$ 4,475,000	\$ 895,000
Compensated absences **	678,809	569,051	640,181	607,679	455,759
Net pension liability	12,372,095	446,607	-	12,818,702	-
OPEB obligation **	883,077	65,945	-	949,022	-
Total Governmental activities	<u>20,038,981</u>	<u>1,081,603</u>	<u>2,270,181</u>	<u>18,850,403</u>	<u>1,350,759</u>
<b>Business-Type Activities:</b>					
General obligation	17,660,000	-	2,225,000	15,435,000	2,310,000
Premium	1,193,831	-	95,597	1,098,234	-
Loan	23,523,911	5,106,637	1,265,460	27,365,088	1,143,017
Compensated absences	172,345	153,483	172,014	153,814	102,189
Net pension liability	1,714,998	32,542	-	1,747,540	-
OPEB obligation	219,396	16,385	-	235,781	-
Total Business-type activities	<u>44,484,481</u>	<u>5,309,047</u>	<u>3,758,071</u>	<u>46,035,457</u>	<u>3,555,206</u>
<b>Total primary government</b>	<u>\$ 64,523,462</u>	<u>\$ 6,390,650</u>	<u>\$ 6,028,252</u>	<u>\$ 64,885,860</u>	<u>\$ 4,905,965</u>

\*\* governmental compensated absences and OPEB obligation are liquidated by the General Fund

**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 varying amounts of principal maturing each year. General obligation bonds and notes currently outstanding are as follows:

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Issue	Interest Rates	Date of Issue	Original Issue	Date of Final Maturity	Bonds Outstanding
<b>Governmental Activities</b>					
2011B Internal Improvements	1.50% - 2.125%	12/22/2011	\$ 690,000	9/1/2021	\$ 110,000
2013 Internal Improvements	3.00%	12/30/2013	1,835,000	9/1/2023	180,000
2015 Internal Improvements	2.38%	7/30/2015	4,330,000	9/1/2030	2,560,000
2016 Internal Improvements	3.00%	11/25/2016	1,990,000	9/1/2029	760,000
2018 Internal Improvements	2.81%	6/26/2018	1,000,000	9/1/2033	865,000
<b>Total Governmental Activities</b>					<b>\$ 4,475,000</b>
<b>Business-Type Activities</b>					
2011 Internal Improvements	3.00% - 4.00%	6/3/2011	\$5,400,000	9/1/2021	\$ 750,000
2012A Refunding Issue	2.00% - 3.50%	1/4/2012	6,420,000	9/1/2029	2,755,000
2013 Internal Improvements	3.00%	12/30/2013	2,445,000	9/1/2023	1,125,000
2015 Internal Improvements	2.38%	7/30/2015	3,775,000	9/1/2030	2,950,000
2016 Internal Improvements	3.00%	11/25/2016	2,850,000	9/1/2029	1,990,000
2018 Internal Improvements	2.81%	6/26/2018	6,190,000	9/1/2033	5,865,000
<b>Total Business-Type Activities</b>					<b>\$ 15,435,000</b>

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

Year	Governmental Activities		Business-Type Activities		Total
	Principal	Interest	Principal	Interest	
2020	\$ 895,000	\$ 153,938	\$ 2,310,000	\$ 513,719	\$ 3,872,657
2021	925,000	126,169	1,900,000	440,569	3,391,738
2022	885,000	97,400	1,835,000	379,388	3,196,788
2023	935,000	64,050	1,775,000	317,638	3,091,688
2024	330,000	28,750	1,060,000	257,458	1,676,208
2025 - 2029	505,000	30,650	4,795,000	752,100	6,082,750
2030 - 2034	-	-	1,760,000	137,400	1,897,400
	<b>\$ 4,475,000</b>	<b>\$ 500,957</b>	<b>\$ 15,435,000</b>	<b>\$ 2,798,272</b>	<b>\$ 23,209,229</b>

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**Loan payable.** The City entered into a loan agreement with the Kansas Department of Health & Environment through the Kansas Water Pollution Control Revolving Loan Fund related to a wastewater treatment plant improvement project for an amount up to \$32,285,000. The interest rate on the loan is 1.94%, which includes .25% for service fees. The first payment on this loan was due March 1, 2019, with a maturity date of September 1, 2038.

As of December 31, 2019, the City has drawn \$28,630,548 on the loan and anticipates utilizing the full amount of the loan. As of December 31, 2019, the principal outstanding was \$27,635,087.

Loans	Interest Rates	Date of Issue	Original Issue	Date of Final Maturity	Loans Outstanding
Business-Type Activities					
KDHE Loan - Waste Water	1.94%	11/7/2017	<u>\$ 32,285,000</u>	9/1/2038	<u>\$ 27,635,088</u>

Annual debt service requirements to maturity for the loan (based on beginning principal balance of \$32,285,000) is as follows:

<u>Year Ending</u>	<b>Business-Type Activities</b>		<b>Total</b>
	<b>Principal</b>	<b>Interest</b>	
2020	\$ 1,143,017	\$ 597,313	\$ 1,740,330
2021	1,165,299	575,031	1,740,330
2022	1,443,453	551,082	1,994,535
2023	1,471,592	522,943	1,994,535
2024	1,500,279	494,256	1,994,535
2025 - 2029	7,951,668	2,021,007	9,972,675
2030 - 2034	8,757,533	1,215,142	9,972,675
2035 - 2038	7,586,700	338,280	7,924,980
	<u>\$ 31,019,541</u>	<u>\$ 6,315,054</u>	<u>\$ 37,334,595</u>

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 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, 2019, total outstanding conduit debt was \$5,981,791.

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**(8) Defined Benefit Pension Plan**

Description of Pension Plan. The City participates in the Kansas Public Employees Retirement System (KPERs) a cost-sharing multiple employer public employee retirement system (Pension Plan). The Pension Plan is administered by the 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 Fire
- 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.

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.

Member employees choose one of seven payment options for their monthly retirement benefits. At retirement, a member employee may receive a lump-sum payment of up to 50% of the actuarial present value of the member employee'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 members 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.

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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 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 are related to subsequent benefit enhancements are not subject to these limitations. The statutory cap increase over the prior year contribution rate is 1.2% of total payroll.

The actuarially determined employer contribution rate and the statutory contribution rate for the local employee group are both 8.89%. Member contribution rates as a percentage of eligible compensation for the fiscal year ended June 30, 2019 is 6%. The actuarially determined employer contribution rate and the statutory contribution rate for the police and firemen group are both 22.13%. Member contribution rates for this group are 7.15%.

Contributions to the Pension Plan from the City for the local employee group and police and fireman group were \$615,722 and \$1,173,936, respectively, for the year ended December 31, 2019.

***Net Pension Liability***

At June 30, 2019 the City's local employee group reported a liability of \$4,639,961 for its proportionate share of the net pension liability. The City's police and fire group reported its proportionate share of the net pension liability of \$9,926,281 at June 30, 2019.

There were no changes in the benefit terms during the KPERS plan year ended June 30, 2019 that affected the measurement of the total pension liability.

***Employer Allocations***

Although KPERS administers one cost-sharing multiple-employer defined benefit pension plan, separate 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 Fireman; and Judges

To facilitate 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 nonemployee allocations are applied to the 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 June 30, 2019 was based on the ratio of its contributions to the total of the employer and nonemployer contributions of the group for the fiscal years ended June 30, 2019. The contributions used exclude contributions made for prior service, excess benefits and irregular payments. At June 30, 2019, the City's proportion in the local employee group was 0.33205%, which was a decrease of 0.00144% from 2018. At June 30, 2019, the City's proportion in the police and fire group was 0.98074%, which was a decrease of 0.00016% from 2018.

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***Actuarial Assumptions***

The total pension liability was determined by an actuarial valuation as of December 31, 2018, which was rolled forward to June 30, 2019, using the following actuarial assumptions:

Price inflation	2.75%
Wage Inflation	3.00%
Salary increases, including price inflation	3.5% to 12%
Long-term rate of return, net of investment expense, and including price inflation	7.75%

Mortality rates were based on the RP-2014 Mortality Table, with adjustments to better match actual experience. Separate tables apply for males and females as well as each group (State, School, Local, Police and Fire and Judges). The actuarial cost method is entry age normal. The amortization method is level percentage of payroll, closed.

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study completed in November 2016 and resulted in a reduction of the Price Inflation from 3.00% to 2.75%, a reduction of Wage Inflation from 4.00% to 3.00%, and a reduction in the Long-term rate of return (net of investment expense and including price inflation) from 8.00% to 7.75%.

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 are summarized in the following table:

Asset Class	Long-term Target Allocation	Long-Term Expected Real Rate of Return
Global equity	47.00%	6.85%
Fixed income	13.00%	1.25%
Yield driven	8.00%	6.55%
Real return	11.00%	1.71%
Real estate	11.00%	5.05%
Alternatives	8.00%	9.85%
Short-term	2.00%	-0.25%
	100.00%	

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***Discount Rate***

The discount rate used by KPERS to measure the total pension liability was 7.75%. 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 local employers do not necessarily contribute the full actuarial determined rate. Based on legislation passed in 1993, the employer contribution rates certified by the KPERS Board of Trustees for this group 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. 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.

**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 7.75% 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 (6.75%) or 1-percentage point higher (8.75%) than the current rate:

	1% Decrease 6.75%	Current Single Discount Rate Assumption 7.75%	1% Increase 8.75%
Local	\$ 6,929,879	\$ 4,639,961	\$ 2,724,486
Police and Fire	14,086,114	9,926,281	6,443,704
Net Pension Liability	\$ 21,015,993	\$ 14,566,242	\$ 9,168,190

Pension Expense. For the year ended December 31, 2019, the City recognized Local pension expense of \$506,435 and Police and Firemen pension expense of \$1,691,765, 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.

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Deferred Outflows of Resources and Deferred Inflows of Resources. At December 31, 2019, the City reported deferred outflows of resources and deferred inflows from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
City contributions subsequent to the measurement date	\$ 869,046	\$ -
Differences between actual and expected experience	570,929	(135,251)
Net differences between projected and actual earnings on investments	308,955	-
Changes of assumptions	493,443	(20,394)
Changes in proportion	265,130	(316,649)
Total	\$ 2,507,503	\$ (472,294)

The City reported \$869,046 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, 2020. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ending June 30,</b>	<b>Local Group Deferred (Inflows) Outflows Amount</b>	<b>Police and Firemen Group Deferred (Inflows) Outflows Amount</b>
2020	\$ 77,004	\$ 494,947
2021	(56,944)	175,255
2022	53,396	248,162
2023	33,818	137,727
2024	(1,363)	4,161
Total	\$ 105,911	\$ 1,060,252

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**Summary of financial reporting of the City's pension plan:**

	Local Group	Police & Fire Group	Total
<b>Governmental activities:</b>			
Net Pension Liability	\$ 2,892,421	\$ 9,926,281	\$ 12,818,702
<b>Business-type activities:</b>			
Net Pension Liability	1,747,540	-	1,747,540
Net Pension Liability	<u>\$ 4,639,961</u>	<u>\$ 9,926,281</u>	<u>\$ 14,566,242</u>
<b>Governmental activities:</b>			
Pension related deferred outflows	\$ 405,657	\$ 1,856,757	\$ 2,262,414
Pension related deferred inflows	(167,112)	(204,216)	(371,328)
<b>Business-type activities:</b>			
Pension related deferred outflows	245,089	-	245,089
Pension related deferred inflows	(100,966)	-	(100,966)
Total	<u>\$ 382,668</u>	<u>\$ 1,652,541</u>	<u>\$ 2,035,209</u>

**Supplemental Retirement Programs**

The City offers its non-KP&F employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457 and/or salary deferral under Section 401(a). Under the plans, the City will match 50 cents on the dollar up to a maximum of 2.5% of the employee's annual salary. Employees may participate in both plans, but the City will only contribute matching funds to one of the plans. Contributions to the plans by the City and employees for the year ended December 31, 2019 were \$153,946 and \$14,036, respectively.

**(9) Postemployment Benefits Other Than Pensions**

**Health Insurance Plan**

**Plan Description**

The City offers postemployment health insurance to retired employees. The benefits are provided through a single employer defined benefit postemployment healthcare plan administered by the City. Kansas statutes provide that postemployment healthcare benefits be extended to 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 benefit is available for selection at retirement and is extended to retirees and their dependents until the individuals become eligible for Medicare at age 65. The plan does not issue a stand-alone financial report.

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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. At December 31, 2019, the following employees were covered by the benefit terms:

Active employees	229
Inactive members currently receiving benefits	<u>12</u>
Total	<u><u>241</u></u>

Total OPEB Liability

The City's total OPEB liability of \$847,263 was measured as of January 1, 2019 and was determined by actuarial valuation as of that date. The total OPEB liability in the January 1, 2019 actuarial valuation was determined using the following assumptions and other inputs, applied to all periods in the measurement, unless otherwise specified.

Valuation date	January 1, 2019
Reporting date	December 31, 2019
Measurement period	January 1, 2019 to December 31, 2019
Actuarial method	Entry Age Normal Level Percentage of Pay
Inflation	2.5% per year
Payroll growth	2.5% per year
Discount rate	4.10% per year
Future retiree participation rate	30% for employees currently electing coverage. 0% for employees currently waiving coverage
Initial spouse participation rate	Male and female employees: 20% Husbands are assumed to be three years older than wives.
Mortality	RP 2014 Healthy Annuitant Mortality Tables adjusted to 2006 and projected with MP-2019 improvement scale.
Disability	None

As an unfunded plan, the discount rate reflects The Bond Buyer index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of the measurement date. The discount rate used to measure the total OPEB liability was 4.10%.

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Changes in the total OPEB liability are as follows:

Balance 1/1/2019	\$ 773,947
Service Cost	16,273
Interest	34,391
Changes of benefit terms	-
Difference between expected and actual experience	111,297
Changes of assumptions/methodology	(36,801)
Benefit payments	(51,844)
Net change in total OPEB liability	<u>73,316</u>
Total OPEB liability 12/31/2019	<u>\$ 847,263</u>
Total OPEB liability as a percentage of covered payroll	8.26%
Covered payroll	10,254,467

The following presents the total OPEB liability, calculated using the current healthcare cost trend rate of 6.50% decreasing to 5.00%, as well as the total OPEB liability calculated using a healthcare cost trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease	Current Health Cost Trend Rate	1% Increase
Total OPEB liability	<u>\$ 777,642</u>	<u>\$ 847,263</u>	<u>\$ 926,579</u>

The following presents the total OPEB liability, calculated using the current discount rate of 4.10%, as well as the total OPEB liability calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Total OPEB liability	<u>\$ 920,476</u>	<u>\$ 847,263</u>	<u>\$ 782,894</u>

For the year ended December 31, 2019, the City recognized OPEB expense of \$72,251.

***Deferred Outflows of Resources and Deferred Inflows of Resources***

At December 31, 2019, the City reported deferred outflows related to the plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between actual and expected experience	\$ 97,209	\$ -
Changes of assumptions	75,373	(32,143)
<b>Total</b>	<u>\$ 172,582</u>	<u>\$ (32,143)</u>

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Amounts reported as deferred outflows of resources and deferred inflows of resources related to the plan will be recognized in OPEB expense as follows:

Year Ending December 31:	Annual Recognition
2020	\$ 21,587
2021	21,587
2022	21,587
2023	21,587
2024	21,587
Thereafter	32,504
Total	\$ 140,439

***Disability Benefits and Life Insurance Plan***

*Plan Description, Benefits Provided and Contributions*

The City participates in a multiple-employer defined benefit other postemployment benefit (OPEB) plan (the Plan) which is administered by the Kansas Public Employees Retirement System (KPERS). The Plan provides long-term disability benefits and a life insurance benefit for disabled members to KPERS members, as provided by K.S.A. 74-04927. The Plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. However, because the trust's assets are used to pay employee benefits other than OPEB, the trust does not meet the criteria in paragraph 4 of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. Accordingly, the Plan is considered to be administered on a pay-as-you-go basis.

Benefits are established by statute and maybe amended by the KPERS Board of Trustees. The Plan provides long-term disability benefits equal to 60 percent (prior to January 1, 2006, 66 2/3 percent) of annual compensation, offset by other benefits. Members receiving long-term disability benefits also receive credit towards their KPERS retirement benefits and have their group life insurance coverage continued under the waiver of premium provisions.

The monthly long-term disability benefit is 60 percent of the member's monthly compensation, with a minimum of \$100 and a maximum of \$5,000. The monthly benefit is subject to reduction by deductible sources of income, which include Social Security primary disability or retirement benefits, workers compensation benefits, other disability benefits from any other sources by reason of employment, and earnings from any form of employment. If the disability begins before age 60, benefits are payable while the disability continues until the member's 55th birthday or retirement date, whichever occurs first. If the disability begins after age 60, benefits are payable while the disability continues, for a period of five years or until the member retires, whichever occurs first. Benefit payments for disabilities caused or contributed to by substance abuse or non-biologically based mental illnesses are limited to the shorter of the term of the disability or 24 months per lifetime.

**CITY OF EMPORIA, KANSAS**  
Notes to the Basic Financial Statements  
December 31, 2019

The death benefit paid to beneficiaries of disabled members is 150% of the greater of 1) the member's annual rate of compensation at the time of disability, or 2) the members previous 12 months of compensation at the time of the last date on payroll. If the member has been disabled for five or more years, the annual compensation or salary rate at the time of death will be indexed using the consumer price index, less one percentage point, to compute the death benefit. If a member is diagnosed as terminally ill with a life expectancy of 12 months or less, the member may be eligible to receive up to 100% of the death benefit rather than having the benefit paid to the beneficiary. If a member retires or disability benefits end, the member may convert the group life insurance coverage to an individual insurance policy.

Employees Covered by Benefit Terms

At December 31, 2019, the following employees were covered by the benefit terms:

Active Plan Members	145
Inactive Employees or Beneficiary Currently Receiving Benefits	2
Total	147

Total OPEB liability and Actuarial Assumptions

The City's total OPEB liability of \$337,540 reported as of June 30, 2019 was measured at June 30, 2019 (the measurement date), and was determined by an actuarial valuation as of December 31, 2018, which was rolled forward to June 30, 2019, using the following actuarial assumptions:

Valuation date	December 31, 2018
Measurement date	June 30, 2019
Inflation	2.75%
Actuarial cost method	Entry Age Normal
Payroll growth	3.00%
Salary increases including inflation	3.50%
Discount rate	3.87%

Mortality rates used for the death benefits were based on 90% of the RP-2014 Total Dataset +2 for Males and 90% of the RP-2014 Total Dataset+1 for Females. Generational mortality improvements were projected for future years using MP-2019.

**CITY OF EMPORIA, KANSAS**  
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Changes in the Total OPEB Liability

The changes in the OPEB liability are as follows:

Balance at December 31, 2018	\$ 328,526
Changes for the Year:	
Service Cost	20,486
Interest	13,137
Changes in Economic/Demographic Gains or Losses	(12,625)
Changes in Assumptions or Other Inputs	7,332
Benefit Payments	<u>(19,316)</u>
Balance at December 31, 2019	<u>\$ 337,540</u>

**Sensitivity Analysis**

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.50%) or 1-percentage-point higher (4.5%) than the current discount rate:

	1% Decrease	Current Discount	1% Increase
Total OPEB liability	<u>\$ 358,323</u>	<u>\$ 337,540</u>	<u>\$ 318,107</u>

Healthcare cost trend rate sensitivity analysis is not applicable as healthcare trend rates do not affect the liabilities related to the long-term disability benefits sponsored by KPERS.

**OPEB Expense, Deferred Outflows and Deferred Inflows of Resources Related to OPEB**

For the year ended December 31, 2019, the City recognized OPEB expense for this plan of \$30,293. At December 31, 2019, the City reported deferred outflows and inflows of resources related to the plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumption or Other Inputs	\$ -	\$ (15,244)
Differences Between Expected and Actual Experience	<u>6,578</u>	<u>(15,909)</u>
	<u>\$ 6,578</u>	<u>\$ (31,153)</u>

**CITY OF EMPORIA, KANSAS**  
Notes to the Basic Financial Statements  
December 31, 2019

Amounts currently reported as deferred outflows of resources and deferred inflows of resources related to the plan will be recognized in OPEB expense as follows:

Year Ending December 31,	
2020	\$ (3,330)
2021	(3,330)
2022	(3,330)
2023	(3,330)
2024	(3,330)
Thereafter	(7,925)
	\$ (24,575)

**(10) Commitments and Contingencies**

**A. 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 over the past three fiscal years.

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>2019</b>	<b>2018</b>
<b>Unpaid claims - January 1</b>	\$ 120,390	\$ 407,459
Incurred claims (including IBNRs)	229,254	304,238
Claim payments	(308,463)	(591,307)
<b>Unpaid claims - December 31</b>	\$ 41,181	\$ 120,390

**B. Federal and State Grants**

The City has received financial assistance from various federal, state, and local agencies in the form of grants and entitlements. These programs are subject to audit by agents of the granting authority. Management does not believe that liabilities for reimbursements, if any, will have a materially adverse effect upon the financial condition of the City.

**CITY OF EMPORIA, KANSAS**  
Notes to the Basic Financial Statements  
December 31, 2019

**C. Litigation**

The City is involved in legal proceedings arising from the ordinary course of City activities. While these proceedings may have future financial effect, management believes that their ultimate outcome will not be material to the basic financial statements.

**D. Capital Projects and Encumbrances**

At December 31, 2019, the City had contractual commitments for the construction of the following projects:

Description	Expenditures to Date	Amount Authorized
Elevated water tower	\$ 2,550,346	\$ 3,064,277
Peyton St. water main	6,890	345,635
Road F	5,670	1,350,000
6th & Prairie turn lanes	1,200	600,000
Downtown sewer main relining	1,526,249	2,348,727
Arundel sewer main realignment	13,722	800,000

Outstanding encumbrances at December 31, 2019 were as follows: General Fund \$288,760, Multi-Year Fund \$126,611, Nonmajor governmental funds \$608,103, Solid Waste \$207,406, Sewer Utility \$1,554,604, and Water Utility \$1,473,762.

**(11) Tax Abatements**

Property tax abatements are authorized under Kansas statutes KSA 12-1740 et seq. and KSA 79- 201a and subject to City policy (Policy Statement 21 – IRB and Tax Exemption Policy). Kansas statutes provide a process for cities to abate property tax on qualifying property by issuing industrial revenue bonds up to the amount a developer borrows to finance the project. Abatements are used for industrial and office development; retail is not eligible. Cities may establish abatement percentages and criteria by policy rather than predefined state statute. Abatements may not exceed a term of ten years by statute but may be approved for a shorter term. The developer must demonstrate a positive cost/benefit to the various taxing jurisdictions. The City had the following active tax abatements during 2019, totaling \$12,609 in abated City taxes for the year.

*Rural Housing Incentive District*

Based on Kansas statute KSA 12-5241 et seq. (the Act), the Rural Housing Incentive Districts (RHID) is a program designed to aid developers to build housing within communities by assisting in the financing of public improvements. RHID captures 100% of the incremental increase in real property taxes created by a housing development project for up to 15 years. In order to take advantage of the incentive, property must be within a redevelopment district. Districts are defined by the City or County and must be based on the Housing Needs Analysis. RHID is authorized for any city in Kansas with a population less than 60,000 in a county with a population of less than 80,000. The City has established a RHID for the Hidden Vista project. Reimbursements for the year ended December 31, 2019 totaled \$79,225.

**CITY OF EMPORIA, KANSAS**  
Notes to the Basic Financial Statements  
December 31, 2019

*Economic Development Incentives*

Tax Increment Financing (TIF) is an economic development tool established by the Kansas TIF Act (KSA 12-1770 et seq.) to aid in financing projects for substantial public benefit. Public benefits can include strengthening the City's employment and economic base, diversifying the tax base, eliminating blight, providing amenities and job creation/retention.

Community Improvement District (CIDs) are an economic development tool established by the Kansas CID Act (KSA 12-6a26 through KSA 12-6a36 inclusive) to assist with a broad array of improvements that can benefit a development and the public.

Transportation Development District (TDDs) are an economic development tool established by the Kansas TDD Act (KSA 12-17, 140 et seq.) to assist with transportation-related improvements that can benefit a development and the public.

The City established the Emporia Pavilions Tax Increment Financing District and the Emporia Pavilions Community Improvement District (the Plan) to provide up to \$6,069,235 in eligible reimbursable projects costs in accordance with the redevelopment agreement. The Plan is on a pay-as-you-go basis payable from the incremental increase in property and sales taxes. Funding is also available from the one percent CID Sales tax. Reimbursements from all sources for the year ended December 31, 2019 totaled \$137,136.

The City established the Flint Hill Mall Community Improvement District (the District) to provide up to \$2,400,000 in eligible reimbursable projects costs in accordance with the redevelopment agreement. The District is on a pay-as-you-go basis payable from the one percent District Sales tax. Reimbursements for the year ended December 31, 2019 totaled \$195,624.

**CITY OF EMPORIA, KANSAS**  
Notes to the Basic Financial Statements  
December 31, 2019

**12) Adjustments to Prior Period Financial Statements**

For the year ended December 31, 2019, management determined that following adjustments were to be made to the opening net position and fund balances:

Certain revenue recognition adjustments between the governmental funds and government-wide financial statements related to sales taxes and franchise taxes were required to be in conformity with GASB Statement No. 33.

Management determined that certain liabilities should not be reported until they are considered due and payable.

Management changed the financial reporting of certain capital projects funds previously reported as governmental funds to be combined with its proprietary funds as those capital projects funds account for proprietary fund related capital projects.

Management evaluated and revised the allocation of pension and OPEB liabilities and related deferred outflows and inflow between governmental and business-type activities. Management also modified the computation of compensated absences.

Management determined that certain adjustments were necessary to properly report construction in progress amounts.

Management determined that certain claims payable should be reported net of recoveries.

Management determined that the allowances for doubtful accounts for its EMS and Court receivable should be increased.

Management determined that certain long-term receivables related to special assessments and notes receivable should be reported.

	Governmental Funds	Proprietary Funds	Governmental Activities	Business-type Activities
Net position/fund balance beginning of year as previously reported	\$ 12,322,356	\$ 24,987,456	\$ 24,636,192	\$ 23,905,351
Revenue recognition - taxes	1,506,308	-	1,506,308	-
Accrued liabilities	680,335	75,000	680,335	75,000
Change in Capital Project Funds reporting	(1,767,140)	1,767,140	(1,767,140)	1,767,140
Change in pension and OPEB	-	(994,595)	994,595	(994,595)
Compensated absences	-	(98,644)	(316,534)	(98,644)
Construction in progress	-	5,450,385	1,099,242	5,450,385
Claims payable	-	86,378	86,378	-
Allowance for uncollectible accounts	(777,810)	-	(777,810)	-
Special assessment and notes receivable	-	-	1,193,289	-
Net position/fund balance beginning of year as restated	<u>\$ 11,964,049</u>	<u>\$ 31,273,120</u>	<u>\$ 27,334,855</u>	<u>\$ 30,104,637</u>

**CITY OF EMPORIA, KANSAS**  
Notes to the Basic Financial Statements  
December 31, 2019

**(13) Subsequent Events**

The City evaluated subsequent events through June 18, 2020, the date the financial statements were available to be issued.

On March 11, 2020, the World Health Organization declared the COVID-19 virous outbreak a pandemic. The ultimate effect on the City's financial statements cannot be determined at this time.

**City of Emporia, Kansas**  
**Required Supplementary Information**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balances - Budget and Actual**  
**General Fund**  
**For the Year Ended December 31, 2019**

	2019			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Taxes	\$ 12,048,954	\$ 12,048,954	\$ 12,409,793	\$ 360,839
Charges for services	2,340,060	2,340,060	2,513,564	173,504
Intergovernmental	2,651,898	2,651,898	2,862,829	210,931
Licenses and permits	132,700	132,700	197,114	64,414
Fines and fees	526,800	526,800	518,811	(7,989)
Use of money and property	185,724	185,724	311,657	125,933
Contributions	-	-	935	935
Administrative fees	2,435,852	2,435,852	2,491,504	55,652
Miscellaneous	100,550	100,550	201,378	100,828
Total revenues	<u>20,422,538</u>	<u>20,422,538</u>	<u>21,507,585</u>	<u>1,085,047</u>
<b>Expenditures:</b>				
<b>Current:</b>				
General governmental	3,873,084	3,873,084	1,510,241	2,362,843
Public safety	10,909,521	10,909,521	10,403,580	505,941
Highway and streets	490,411	490,411	458,208	32,203
Culture and recreation	2,249,447	2,249,447	2,145,009	104,438
Building maintenance	1,540,375	1,540,375	1,435,523	104,852
Airport operations	506,923	506,923	558,646	(51,723)
Appropriations	229,600	229,600	225,062	4,538
Total Expenditures	<u>19,799,361</u>	<u>19,799,361</u>	<u>16,736,269</u>	<u>3,063,092</u>
Excess of Revenues Over (Under) Expenditures	<u>623,177</u>	<u>623,177</u>	<u>4,771,316</u>	<u>4,148,139</u>
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	-	41,159	41,159
Transfers out	(3,211,487)	(3,211,487)	(4,402,755)	(1,191,268)
Total Other Financing Sources (Uses)	<u>(3,211,487)</u>	<u>(3,211,487)</u>	<u>(4,361,596)</u>	<u>(1,150,109)</u>
Change in fund balance	<u>\$ (2,588,310)</u>	<u>\$ (2,588,310)</u>	<u>409,720</u>	<u>\$ 2,998,030</u>
Fund Balances, Beginning of Year, as restated			<u>6,059,782</u>	
Fund Balances, End of Year - budget basis			<u>6,469,502</u>	
<b>Adjustments to reconcile to GAAP</b>				
Encumbrances, beginning of year			(133,878)	
Encumbrances, end of year			<u>288,760</u>	
Fund Balances, End of Year - GAAP Basis			<u>\$ 6,624,384</u>	

**CITY OF EMPORIA, KANSAS  
REQUIRED SUPPLEMENTARY INFORMATION**

**KPERS AND KP&F PENSION PLAN**

**City Pension Plan**

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

Last Ten Fiscal Years \*

	Plan Year June 30,				
	2019	2018	2017	2016	2015
City's percentage share of the net pension liability	0.33205%	0.33349%	0.32030%	3.25000%	0.34900%
City's proportionate share of the net pension liability	\$ 4,639,961	\$ 4,648,164	\$ 4,639,403	\$ 5,032,781	\$ 4,586,831
City's covered payroll	\$ 6,160,395	\$ 5,976,602	\$ 5,809,077	\$ 5,311,993	\$ 5,601,674
City's proportionate share of the net pension liability as a percentage of covered payroll	75.32%	77.77%	79.86%	94.74%	81.88%
Plan fiduciary net position as a percentage of the total pension liability	69.88%	68.88%	67.12%	65.10%	64.95%

	Plan Year June 30,				
	2019	2018	2017	2016	2015
City's police & fire percentage share of the net pension liability	0.98074%	0.98090%	0.95220%	98.10000%	1.01600%
City's police & fire proportionate share of the net pension liability	\$ 9,926,281	\$ 9,438,929	\$ 8,929,395	\$ 9,107,455	\$ 7,376,621
City's police & fires covered payroll	\$ 5,054,843	\$ 5,107,249	\$ 4,914,795	\$ 4,629,703	\$ 4,636,234
City's police & fire proportionate share of the net pension liability as a percentage of covered payroll	196.37%	184.81%	181.68%	196.72%	159.11%
Plan fiduciary net position as a percentage of the total pension liability	69.88%	68.88%	67.12%	65.10%	64.95%

**Schedule of Contributions**

	December 31,				
	2019	2018	2017	2016	2015
Contractually required contribution	615,722	567,643	501,064	520,381	595,493
Contributions in relation to the contractually required	615,722	567,643	501,064	520,381	595,493
Contribution Excess (Deficiency)	-	-	-	-	-
City's covered payroll	6,926,006	5,809,077	5,809,077	5,311,993	5,601,674
Contributions as a percentage of covered employee payroll	8.89%	9.77%	8.63%	9.80%	10.63%

	December 31,				
	2019	2018	2017	2016	2015
Contractually required contribution	1,173,936	1,035,162	938,575	973,935	999,035
Contributions in relation to the contractually required	1,173,936	1,035,162	938,575	973,935	999,035
Contribution Excess (Deficiency)	-	-	-	-	-
City's covered payroll	5,304,487	4,914,795	4,914,795	4,629,703	4,636,234
Contributions as a percentage of covered employee payroll	22.13%	19.10%	19.10%	21.04%	21.55%

\* Data became first available with the inception of GASB Statement 68 during fiscal year 2015; therefore, 10 years of data will be displayed as they become available

**City of Emporia, Kansas**  
**Required Supplementary Information**  
**Schedule of Changes in Net OPEB Liability**  
**and Related Ratios\***

	<b>Health Insurance</b>	
	<u>2019</u>	<u>2018</u>
<b>Total OPEB Liability</b>		
Service cost	\$ 16,273	\$ 15,987
Interest on total OPEB liability	34,391	26,702
Changes in benefit terms	-	-
Difference between expected and actual experience	111,297	-
Changes of assumptions	(36,801)	99,687
Benefit payments and refunds	<u>(51,844)</u>	<u>(58,000)</u>
Net change in total pension liability	73,316	84,376
Total OPEB liability - beginning of year	<u>773,947</u>	<u>689,571</u>
Total OPEB liability - end of year	<u><u>\$ 847,263</u></u>	<u><u>\$ 773,947</u></u>
Covered employee payroll**	\$ 10,254,467	\$ 9,784,244
OPEB liability as a percentage of covered payroll	8.26%	7.91%

	<b>Disability Benefits and Life Insurance</b>	
	<u>2019</u>	<u>2018</u>
<b>Total OPEB Liability</b>		
Service cost	\$ 20,486	\$ 20,328
Interest on total OPEB liability	13,137	12,074
Changes in benefit terms	-	-
Difference between expected and actual experience	(12,625)	-
Changes of assumptions	7,332	(11,645)
Benefit payments and refunds	<u>(19,316)</u>	<u>(18,114)</u>
Net change in total pension liability	9,014	2,643
Total OPEB liability - beginning of year	<u>328,526</u>	<u>325,883</u>
Total OPEB liability - end of year	<u><u>\$ 337,540</u></u>	<u><u>\$ 328,526</u></u>
Covered employee payroll**	\$ 5,773,275	\$ 5,693,456
OPEB liability as a percentage of covered payroll	5.85%	5.77%

\* Data became first available with the inception of GASB Statement 75 during fiscal year 2018; therefore, 10 years of data is unavailable.

**COMBINING INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES**

## NON-MAJOR FUNDS

**Special Revenue Funds are used to account for specific revenues, which are legally restricted to expenditure for particular purposes.**

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

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 Development 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.

2017 Housing Fund - To account for the housing grant funds.

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.

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.

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.

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

911 Land Wireless 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 funds used in the home repair program.

Home Equity Rehab Fund - To account for funds used in the home equity rehab program

Land Bank Fund – To account for funds used to establish the land bank fund.

**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.

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

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

Capital Improvement Fund – used to account for major capital improvement projects.

Revolving Improvement Fund – used to account for special assessments on City and resident properties.

**CITY OF EMPORIA, KANSAS**  
**Combining Balance Sheet - Non-major Governmental Funds**  
**December 31, 2019**

	Combined Special Revenue Funds	Combined Capital Project Funds	Totals
<b>Assets</b>			
Cash and investments	\$ 2,536,168	\$ 3,417,464	\$ 5,953,632
Receivables:			
Taxes	830,423	-	830,423
Accounts	4,525	-	4,525
Total Assets	<u>\$ 3,371,116</u>	<u>\$ 3,417,464</u>	<u>\$ 6,788,580</u>
<b>Liabilities and Fund Balances</b>			
Liabilities:			
Accounts payable	\$ 10,311	\$ 221,023	\$ 231,334
Due to other funds	251,566	495,996	747,562
Total Liabilities	<u>261,877</u>	<u>717,019</u>	<u>978,896</u>
<b>Deferred inflows of resources</b>			
Unavailable revenues - taxes	<u>830,423</u>	<u>-</u>	<u>830,423</u>
<b>Fund balances</b>			
Restricted:			
Public safety	154,787	-	154,787
Highway and streets	584,847	-	584,847
Culture and recreation	590,981	-	590,981
Planning and development	1,199,810	-	1,199,810
Assigned:			
Capital putlay	-	3,196,441	3,196,441
Unassigned (deficit)	<u>(251,609)</u>	<u>(495,996)</u>	<u>(747,605)</u>
Total fund balances	<u>2,278,816</u>	<u>2,700,445</u>	<u>4,979,261</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 3,371,116</u>	<u>\$ 3,417,464</u>	<u>\$ 6,788,580</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, 2019**

	Combined Special Revenue Funds	Combined Capital Projects Funds	Totals
<b>Revenues:</b>			
Taxes	\$ 972,032	\$ -	\$ 972,032
Intergovernmental	1,725,488	477,293	2,202,781
Use of money and property	48,947	39,203	88,150
Contributions	361,733	1,142,075	1,503,808
Miscellaneous	22,713	34,967	57,680
	<u>3,130,913</u>	<u>1,693,538</u>	<u>4,824,451</u>
<b>Expenditures:</b>			
Current:			
General governmental	44,343	-	44,343
Public safety	54,221	-	54,221
Highway and streets	755,520	-	755,520
Culture and recreation	1,549,095	-	1,549,095
Health and environment	86,900	-	86,900
Planning and development	949,755	-	949,755
Capital outlay	-	1,145,856	1,145,856
	<u>3,439,834</u>	<u>1,145,856</u>	<u>4,585,690</u>
Excess of Revenues Over (Under) Expenditures	(308,921)	547,682	238,761
<b>Other financing sources (uses):</b>			
Transfers in	945,000	984,648	1,929,648
Transfers out	(406,664)	(136,926)	(543,590)
Total Other Financing Sources (Uses)	<u>538,336</u>	<u>847,722</u>	<u>1,386,058</u>
Change in fund balance	229,415	1,395,404	1,624,819
Fund Balances, Beginning of Year, as Restated	<u>2,049,401</u>	<u>1,305,041</u>	<u>3,354,442</u>
Fund Balances, End of Year	<u>\$ 2,278,816</u>	<u>\$ 2,700,445</u>	<u>\$ 4,979,261</u>

CITY OF EMPORIA, KANSAS  
 Combining Balance Sheet - Non-Major Special Revenue Funds  
 December 31, 2019

Schedule 6

	Library	Convention and Tourism Promotion	Industrial Development	Special Alcohol Program	2017 Housing	Special Park and Recreation	Special Street	Drug Money Forfeiture	Industrial Development Sales Tax
<b>Assets</b>									
Cash and investments	\$ -	\$ 522,928	\$ 42,421	\$ 100,656	\$ -	\$ 66,686	\$ 591,936	\$ 46,415	\$ 1,136,801
Receivables:									
Taxes	829,423	-	1,000	-	-	-	-	-	-
Accounts	-	1,346	-	-	72	-	3,107	-	-
<b>Total Assets</b>	<b>\$ 829,423</b>	<b>\$ 524,274</b>	<b>\$ 43,421</b>	<b>\$ 100,656</b>	<b>\$ 72</b>	<b>\$ 66,686</b>	<b>\$ 595,043</b>	<b>\$ 46,415</b>	<b>\$ 1,136,801</b>
<b>Liabilities</b>									
Liabilities:									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 115	\$ -	\$ 10,196	\$ -	\$ -
Due to other funds	-	-	-	-	245,953	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>246,068</b>	<b>-</b>	<b>10,196</b>	<b>-</b>	<b>-</b>
<b>Deferred inflows of resources</b>									
Unavailable revenues - taxes	829,423	-	1,000	-	-	-	-	-	-
<b>Fund balances</b>									
Restricted:	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	100,656	-	-	-	46,415	-
Highway and streets	-	-	-	-	-	-	584,847	-	-
Culture and recreation	-	524,274	-	-	-	66,686	-	-	-
Planning and development	-	-	42,421	-	-	-	-	-	1,136,801
Unassigned (deficit)	-	-	-	-	(245,996)	-	-	-	-
<b>Total fund balances</b>	<b>-</b>	<b>524,274</b>	<b>42,421</b>	<b>100,656</b>	<b>(245,996)</b>	<b>66,686</b>	<b>584,847</b>	<b>46,415</b>	<b>1,136,801</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 829,423</b>	<b>\$ 524,274</b>	<b>\$ 43,421</b>	<b>\$ 100,656</b>	<b>\$ 72</b>	<b>\$ 66,686</b>	<b>\$ 595,043</b>	<b>\$ 46,415</b>	<b>\$ 1,136,801</b>

CITY OF EMPORIA, KANSAS  
 Combining Balance Sheet - Non-Major Special Revenue Funds  
 December 31, 2019

Schedule 6

Continued

	Housing Study RDA	Emergency Shelter	Enforcement Block Grants	DARE Crime Prevention	2014 Housing	911 Land Wireless Fees	Lake Kahola	TDD Fund	CID Fund
<b>Assets</b>									
Cash and investments	\$ 1,694	\$ -	\$ 1,827	\$ 1,686	\$ 10,681	\$ 4,203	\$ 21	\$ -	\$ -
Receivables:									
Taxes	-	-	-	-	-	-	-	-	-
Accounts	-	-	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 1,694</b>	<b>\$ -</b>	<b>\$ 1,827</b>	<b>\$ 1,686</b>	<b>\$ 10,681</b>	<b>\$ 4,203</b>	<b>\$ 21</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Liabilities</b>									
Liabilities:									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Deferred inflows of resources</b>									
Unavailable revenues - taxes	-	-	-	-	-	-	-	-	-
<b>Fund balances</b>									
Restricted:									
Public safety	-	-	1,827	1,686	-	4,203	-	-	-
Highway and streets	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	21	-	-
Planning and development	1,694	-	-	-	10,681	-	-	-	-
Unassigned (deficit)	-	-	-	-	-	-	-	-	-
<b>Total fund balances</b>	<b>1,694</b>	<b>-</b>	<b>1,827</b>	<b>1,686</b>	<b>10,681</b>	<b>4,203</b>	<b>21</b>	<b>-</b>	<b>-</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 1,694</b>	<b>\$ -</b>	<b>\$ 1,827</b>	<b>\$ 1,686</b>	<b>\$ 10,681</b>	<b>\$ 4,203</b>	<b>\$ 21</b>	<b>\$ -</b>	<b>\$ -</b>

CITY OF EMPORIA, KANSAS  
 Combining Balance Sheet - Non-Major Special Revenue Funds  
 December 31, 2019

Schedule 6

Continued

	TIF Fund	Emporia Homeowner Repair	Home Equity Rehab	Land Bank	Totals
<b>Assets</b>					
Cash and investments	\$ -	\$ -	\$ 1,625	\$ 6,588	\$ 2,536,168
Receivables:					
Taxes	-	-	-	-	830,423
Accounts	-	-	-	-	4,525
<b>Total Assets</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,625</b>	<b>\$ 6,588</b>	<b>\$ 3,371,116</b>
<b>Liabilities</b>					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 10,311
Due to other funds	-	5,613	-	-	251,566
<b>Total Liabilities</b>	<b>-</b>	<b>5,613</b>	<b>-</b>	<b>-</b>	<b>261,877</b>
<b>Deferred inflows of resources</b>					
Unavailable revenues - taxes	-	-	-	-	830,423
<b>Fund balances</b>					
Restricted:					
Public safety	-	-	-	-	154,787
Highway and streets	-	-	-	-	584,847
Culture and recreation	-	-	-	-	590,981
Planning and development	-	-	1,625	6,588	1,199,810
Unassigned (deficit)	-	(5,613)	-	-	(251,609)
<b>Total fund balances</b>	<b>-</b>	<b>(5,613)</b>	<b>1,625</b>	<b>6,588</b>	<b>2,278,816</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,625</b>	<b>\$ 6,588</b>	<b>\$ 3,371,116</b>

CITY OF EMPORIA, KANSAS  
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
 For the Year Ended December 31, 2019

Schedule 7

	Library	Convention and Tourism Promotion	Industrial	Special Alcohol Program	2017 Housing	Special Park and Recreation	Special Street	Drug Money Forfeiture
<b>Revenues:</b>								
Taxes	\$ 891,624	\$ -	\$ 1,088	\$ -	\$ -	\$ -	\$ 79,320	\$ -
Intergovernmental	-	713,538	-	102,450	22,614	102,450	677,776	25,282
Use of money & property	-	7,541	922	1,890	-	1,009	13,344	988
Contributions	-	-	-	-	361,733	-	-	-
Miscellaneous	-	6,988	-	-	-	-	8,847	-
	<u>891,624</u>	<u>728,067</u>	<u>2,010</u>	<u>104,340</u>	<u>384,347</u>	<u>103,459</u>	<u>779,287</u>	<u>26,270</u>
<b>Expenditures:</b>								
Current:								
General governmental	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	32,808
Highway and streets	-	-	-	-	-	-	755,519	-
Culture and recreation	893,224	592,500	-	-	-	63,371	-	-
Health and environment	-	-	-	86,900	-	-	-	-
Planning and development	-	-	63	-	481,267	-	-	-
	<u>893,224</u>	<u>592,500</u>	<u>63</u>	<u>86,900</u>	<u>481,267</u>	<u>63,371</u>	<u>755,519</u>	<u>32,808</u>
Excess of Revenues Over (Under) Expenditures	(1,600)	135,567	1,947	17,440	(96,920)	40,088	23,768	(6,538)
<b>Other financing sources (uses):</b>								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	(15,505)	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	(15,505)	-	-
Change in fund balance	(1,600)	135,567	1,947	17,440	(96,920)	24,583	23,768	(6,538)
Fund Balances (Deficit), Beginning of Year, as Restated	1,600	388,707	40,474	83,216	(149,076)	42,103	561,079	52,953
Fund Balances (Deficit), End of Year	<u>\$ -</u>	<u>\$ 524,274</u>	<u>\$ 42,421</u>	<u>\$ 100,656</u>	<u>\$ (245,996)</u>	<u>\$ 66,686</u>	<u>\$ 584,847</u>	<u>\$ 46,415</u>

CITY OF EMPORIA, KANSAS  
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
 For the Year Ended December 31, 2019

Schedule 7

Continued

	Industrial Development Sales Tax	Housing Study RDA	Emergency Shelter	Enforcement Block Grants	DARE Crime Prevention	2014 Housing	911 Land Wireless Fees	Lake Kahola
<b>Revenues:</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	34,711	9,597	-	-	-	-
Use of money & property	22,140	-	-	-	-	-	156	1
Contributions	-	-	-	-	-	-	-	-
Miscellaneous	2,035	-	-	1,406	-	-	-	-
	<u>24,175</u>	<u>-</u>	<u>34,711</u>	<u>11,003</u>	<u>-</u>	<u>-</u>	<u>156</u>	<u>1</u>
<b>Expenditures:</b>								
Current:								
General governmental	-	-	44,343	-	-	-	-	-
Public safety	-	-	-	12,065	-	-	9,348	-
Highway and streets	-	-	-	-	1	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Health and environment	-	-	-	-	-	-	-	-
Planning and development	360,000	-	-	-	-	75,327	-	-
	<u>360,000</u>	<u>-</u>	<u>44,343</u>	<u>12,065</u>	<u>1</u>	<u>75,327</u>	<u>9,348</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	(335,825)	-	(9,632)	(1,062)	(1)	(75,327)	(9,192)	1
<b>Other financing sources (uses):</b>								
Transfers in	900,000	-	-	-	-	40,000	-	-
Transfers out	(350,000)	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>550,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,000</u>	<u>-</u>	<u>-</u>
Change in fund balance	214,175	-	(9,632)	(1,062)	(1)	(35,327)	(9,192)	1
Fund Balances (Deficit), Beginning of Year, as Restated	<u>922,626</u>	<u>1,694</u>	<u>9,632</u>	<u>2,889</u>	<u>1,687</u>	<u>46,008</u>	<u>13,395</u>	<u>20</u>
Fund Balances (Deficit), End of Year	<u>\$ 1,136,801</u>	<u>\$ 1,694</u>	<u>\$ -</u>	<u>\$ 1,827</u>	<u>\$ 1,686</u>	<u>\$ 10,681</u>	<u>\$ 4,203</u>	<u>\$ 21</u>

CITY OF EMPORIA, KANSAS  
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
 For the Year Ended December 31, 2019

Schedule 7

Continued

	TDD Fund	CID Fund	TIF Fund	Emporia Homeowner Repair	Home Equity Rehab	Land Bank	Totals
<b>Revenues:</b>							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 972,032
Intergovernmental	-	-	-	37,070	-	-	1,725,488
Use of money & property	26	460	413	-	27	30	48,947
Contributions	-	-	-	-	-	-	361,733
Miscellaneous	-	-	-	-	1,750	1,687	22,713
	<u>26</u>	<u>460</u>	<u>413</u>	<u>37,070</u>	<u>1,777</u>	<u>1,717</u>	<u>3,130,913</u>
<b>Expenditures:</b>							
Current:							
General governmental	-	-	-	-	-	-	44,343
Public safety	-	-	-	-	-	-	54,221
Highway and streets	-	-	-	-	-	-	755,520
Culture and recreation	-	-	-	-	-	-	1,549,095
Health and environment	-	-	-	-	-	-	86,900
Planning and development	-	-	-	32,817	152	129	949,755
	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,817</u>	<u>152</u>	<u>129</u>	<u>3,439,834</u>
Excess of Revenues Over (Under) Expenditures	26	460	413	4,253	1,625	1,588	(308,921)
<b>Other financing sources (uses):</b>							
Transfers in	-	-	-	-	-	5,000	945,000
Transfers out	(1,175)	(21,080)	(18,904)	-	-	-	(406,664)
Total Other Financing Sources (Uses)	<u>(1,175)</u>	<u>(21,080)</u>	<u>(18,904)</u>	<u>-</u>	<u>-</u>	<u>5,000</u>	<u>538,336</u>
Change in fund balance	(1,149)	(20,620)	(18,491)	4,253	1,625	6,588	229,415
Fund Balances (Deficit), Beginning of Year, as Restated	<u>1,149</u>	<u>20,620</u>	<u>18,491</u>	<u>(9,866)</u>	<u>-</u>	<u>-</u>	<u>2,049,401</u>
Fund Balances (Deficit), End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (5,613)</u>	<u>\$ 1,625</u>	<u>\$ 6,588</u>	<u>\$ 2,278,816</u>

**CITY OF EMPORIA, KANSAS**  
**Combining Balance Sheet - Non-major Capital Project Funds**  
**December 31, 2019**

	Internal Improvements	Airport Improvements	Recreation Center Improvements	Park Improvements	Paving Projects	Totals
<b>Assets</b>						
Cash and investments	\$ 2,076,290	\$ -	\$ -	\$ 727,048	\$ 614,126	\$ 3,417,464
Total Assets	<u>\$ 2,076,290</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 727,048</u>	<u>\$ 614,126</u>	<u>\$ 3,417,464</u>
<b>Liabilities and Fund Balances</b>						
Liabilities:						
Accounts payable	\$ 221,023	\$ -	\$ -	\$ -	\$ -	\$ 221,023
Due to other funds	-	495,996	-	-	-	495,996
Total Liabilities	<u>221,023</u>	<u>495,996</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>717,019</u>
<b>Fund balances</b>						
Assigned:						
Capital outlay	1,855,267	-	-	727,048	614,126	3,196,441
Unassigned (deficit)	-	(495,996)	-	-	-	(495,996)
Total fund balances	<u>1,855,267</u>	<u>(495,996)</u>	<u>-</u>	<u>727,048</u>	<u>614,126</u>	<u>2,700,445</u>
Total liabilities and fund balances	<u>\$ 2,076,290</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 727,048</u>	<u>\$ 614,126</u>	<u>\$ 3,417,464</u>

**CITY OF EMPORIA, KANSAS**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-major Capital Project Funds**  
**For the Year Ended December 31, 2019**

	Internal Improvements	Airport Improvements	Recreation Center Improvements	Park Improvements	Paving Projects	Totals
<b>Revenues:</b>						
Intergovernmental	\$ 131,000	\$ -	\$ -	\$ 91,030	\$ 255,263	\$ 477,293
Use of money and property	15,443	-	-	12,829	10,931	39,203
Contributions	664,777	-	-	477,298	-	1,142,075
Miscellaneous	34,967	-	-	-	-	34,967
	<u>846,187</u>	<u>-</u>	<u>-</u>	<u>581,157</u>	<u>266,194</u>	<u>1,693,538</u>
<b>Expenditures:</b>						
Capital outlay	774,821	242,396	2,632	118,981	7,026	1,145,856
	<u>774,821</u>	<u>242,396</u>	<u>2,632</u>	<u>118,981</u>	<u>7,026</u>	<u>1,145,856</u>
Excess of Revenues Over (Under) Expenditures	71,366	(242,396)	(2,632)	462,176	259,168	547,682
<b>Other financing sources (uses):</b>						
Transfers in	944,143	-	-	15,505	25,000	984,648
Transfers out	-	(136,926)	-	-	-	(136,926)
Total Other Financing Sources (Uses)	<u>944,143</u>	<u>(136,926)</u>	<u>-</u>	<u>15,505</u>	<u>25,000</u>	<u>847,722</u>
Change in fund balance	1,015,509	(379,322)	(2,632)	477,681	284,168	1,395,404
Fund Balances (Deficit), Beginning of Year	<u>839,758</u>	<u>(116,674)</u>	<u>2,632</u>	<u>249,367</u>	<u>329,958</u>	<u>1,305,041</u>
Fund Balances (Deficit), End of Year	<u>\$ 1,855,267</u>	<u>\$ (495,996)</u>	<u>\$ -</u>	<u>\$ 727,048</u>	<u>\$ 614,126</u>	<u>\$ 2,700,445</u>

**City of Emporia, Kansas**  
**Library Fund**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance - Budget and Actual**  
**For the Year Ended December 31, 2019**

	2019		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
Taxes	\$ 875,064	\$ 875,064	\$ 891,624	\$ 16,560
Total Revenues	<u>875,064</u>	<u>875,064</u>	<u>891,624</u>	<u>16,560</u>
Expenditures:				
Culture and recreation	875,064	915,965	893,224	22,741
Total Expenditures	<u>875,064</u>	<u>915,965</u>	<u>893,224</u>	<u>22,741</u>
Excess of Revenues Over Expenditures	<u>-</u>	<u>(40,901)</u>	<u>(1,600)</u>	<u>39,301</u>
Change in fund balance	<u>\$ -</u>	<u>\$ (40,901)</u>	<u>(1,600)</u>	<u>\$ 39,301</u>
Fund Balance, Beginning of Year			<u>1,600</u>	
Fund Balance, End of Year			<u>\$ -</u>	

Schedule 11

**City of Emporia, Kansas  
Convention and Tourism Fund  
Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual  
For the Year Ended December 31, 2019**

	2019		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
Intergovernmental	\$ 551,220	\$ 551,220	\$ 713,538	\$ 162,318
Use of money and property	1,500	1,500	7,541	6,041
Miscellaneous	7,000	7,000	6,988	(12)
Total Revenues	<u>559,720</u>	<u>559,720</u>	<u>728,067</u>	<u>168,347</u>
Expenditures:				
Culture and recreation	799,538	799,538	611,250	188,288
Total Expenditures	<u>799,538</u>	<u>799,538</u>	<u>611,250</u>	<u>188,288</u>
Change in fund balance	<u>\$ (239,818)</u>	<u>\$ (239,818)</u>	116,817	<u>\$ 356,635</u>
Fund Balance, Beginning of Year			<u>388,707</u>	
Fund Balances, End of Year - budget basis			<u>505,524</u>	
Adjustments to reconcile to GAAP				
Encumbrances, end of year			<u>18,750</u>	
Fund Balances, End of Year - GAAP Basis			<u>\$ 524,274</u>	

**City of Emporia, Kansas  
Industrial Fund  
Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual  
For the Year Ended December 31, 2019**

	2019			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Taxes	\$ 1,124	\$ 1,124	\$ 1,088	\$ (36)
Use of money and property	400	-	922	922
Total Revenues	1,524	1,124	2,010	886
Expenditures:				
Planning and development	39,421	39,421	63	39,358
Total Expenditures	39,421	39,421	63	39,358
Change in fund balance	\$ (37,897)	\$ (38,297)	1,947	\$ 40,244
Fund Balance, Beginning of Year			40,474	
Fund Balance, End of Year			\$ 42,421	

Schedule 13

**City of Emporia, Kansas  
Special Alcohol Program Fund  
Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual  
For the Year Ended December 31, 2019**

	2019			Variance with
	Original	Final		Final Budget
	Budget	Budget	Actual	Positive
				(Negative)
Revenues:				
Intergovernmental	\$ 94,000	\$ 94,000	\$ 102,450	\$ 8,450
Use of money and property	800	800	1,890	1,090
Total Revenues	94,800	94,800	104,340	9,540
Expenditures:				
Health and environment	178,749	178,749	86,900	91,849
Total Expenditures	178,749	178,749	86,900	91,849
Change in fund balance	\$ (83,949)	\$ (83,949)	17,440	\$ 101,389
Fund Balance, Beginning of Year			83,216	
Fund Balance, End of Year			\$ 100,656	

**City of Emporia, Kansas**  
**Special Park and Recreation Fund**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance - Budget and Actual**  
**For the Year Ended December 31, 2019**

	2019			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental	\$ 94,000	\$ 94,000	\$ 102,450	\$ 8,450
Use of money and property	450	450	1,009	559
Total Revenues	<u>94,450</u>	<u>94,450</u>	<u>103,459</u>	<u>9,009</u>
Expenditures:				
Culture and recreation	139,355	139,355	63,371	75,984
Total Expenditures	<u>139,355</u>	<u>139,355</u>	<u>63,371</u>	<u>75,984</u>
Excess of Revenues Over Expenditures	<u>(44,905)</u>	<u>(44,905)</u>	<u>40,088</u>	<u>84,993</u>
Other Financing Sources (Uses):				
Transfers out	-	-	(15,505)	(15,505)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(15,505)</u>	<u>(15,505)</u>
Change in fund balance	<u>\$ (44,905)</u>	<u>\$ (44,905)</u>	24,583	<u>\$ 69,488</u>
Fund Balance, Beginning of Year			<u>42,103</u>	
Fund Balance, End of Year			<u>\$ 66,686</u>	

**City of Emporia, Kansas**  
**Special Street Fund**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance - Budget and Actual**  
**For the Year Ended December 31, 2019**

	2019			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Taxes	\$ 78,975	\$ 78,975	\$ 79,320	\$ 345
Intergovernmental	654,180	654,180	677,776	23,596
Use of money and property	5,000	5,000	13,344	8,344
Miscellaneous	-	-	8,847	8,847
<b>Total Revenues</b>	<u>738,155</u>	<u>738,155</u>	<u>779,287</u>	<u>41,132</u>
<b>Expenditures:</b>				
Highways and streets	<u>1,107,603</u>	<u>1,107,603</u>	<u>794,082</u>	<u>313,521</u>
<b>Total Expenditures</b>	<u>1,107,603</u>	<u>1,107,603</u>	<u>794,082</u>	<u>313,521</u>
<b>Change in fund balance</b>	<u>\$ (369,448)</u>	<u>\$ (369,448)</u>	(14,795)	<u>\$ 354,653</u>
Fund Balance, Beginning of Year			<u>561,079</u>	
Fund Balances, End of Year - budget basis			<u>546,284</u>	
<b>Adjustments to reconcile to GAAP</b>				
Encumbrances, end of year			<u>38,563</u>	
<b>Fund Balances, End of Year - GAAP Basis</b>			<u>\$ 584,847</u>	

**City of Emporia, Kansas**  
**Drug Money Forfeiture Fund**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance - Budget and Actual**  
**For the Year Ended December 31, 2019**

	2019		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
Intergovernmental	\$ 5,000	\$ 5,000	\$ 25,282	\$ 20,282
Use of money and property	400	400	988	588
Total Revenues	<u>5,400</u>	<u>5,400</u>	<u>26,270</u>	<u>20,870</u>
Expenditures:				
Public safety	48,674	48,674	26,298	22,376
Total Expenditures	<u>48,674</u>	<u>48,674</u>	<u>26,298</u>	<u>22,376</u>
Change in fund balance	<u>\$ (43,274)</u>	<u>\$ (43,274)</u>	(28)	<u>\$ 43,246</u>
Fund Balance, Beginning of Year			<u>52,953</u>	
Fund Balances, End of Year - budget basis			<u>52,925</u>	
Adjustments to reconcile to GAAP				
Encumbrances, beginning of year			<u>(6,510)</u>	
Fund Balances, End of Year - GAAP Basis			<u>\$ 46,415</u>	

Schedule 17

**City of Emporia, Kansas  
Industrial Development Sales Tax Fund  
Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual  
For the Year Ended December 31, 2019**

	2019			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Use of money and property	\$ 8,000	\$ 8,000	\$ 22,140	\$ 14,140
Miscellaneous	-	-	2,035	2,035
Total Revenues	<u>8,000</u>	<u>8,000</u>	<u>24,175</u>	<u>16,175</u>
Expenditures:				
Planning and development	<u>360,000</u>	<u>360,000</u>	<u>360,000</u>	-
Total Expenditures	<u>360,000</u>	<u>360,000</u>	<u>360,000</u>	-
Excess of Revenues Over Expenditures	<u>(352,000)</u>	<u>(352,000)</u>	<u>(335,825)</u>	<u>16,175</u>
Other Financing Sources (Uses):				
Transfers in	900,000	900,000	900,000	-
Transfers out	<u>(350,000)</u>	<u>(350,000)</u>	<u>(350,000)</u>	-
Total Other Financing Sources (Uses)	<u>550,000</u>	<u>550,000</u>	<u>550,000</u>	-
Change in fund balance	<u>\$ 198,000</u>	<u>\$ 198,000</u>	214,175	<u>\$ 16,175</u>
Fund Balance, Beginning of Year			<u>922,626</u>	
Fund Balance, End of Year			<u>\$ 1,136,801</u>	

**City of Emporia, Kansas**  
**Multi-year Improvement Fund**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance - Budget and Actual**  
**For the Year Ended December 31, 2019**

	2019			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Use of money and property	\$ 10,000	\$ 10,000	\$ 48,117	\$ 38,117
Miscellaneous	-	-	12,000	12,000
<b>Total Revenues</b>	<u>10,000</u>	<u>10,000</u>	<u>60,117</u>	<u>50,117</u>
<b>Expenditures:</b>				
Capital outlay	2,295,000	3,819,352	2,336,732	1,482,620
<b>Total Expenditures</b>	<u>2,295,000</u>	<u>3,819,352</u>	<u>2,336,732</u>	<u>1,482,620</u>
<b>Excess of Revenues Over Expenditures</b>	<u>(2,285,000)</u>	<u>(3,809,352)</u>	<u>(2,276,615)</u>	<u>1,532,737</u>
<b>Other Financing Sources (Uses):</b>				
Transfers in	2,271,487	2,271,487	2,464,704	193,217
Transfers out	(40,000)	(75,000)	(70,500)	4,500
<b>Total Other Financing Sources (Uses)</b>	<u>2,231,487</u>	<u>2,196,487</u>	<u>2,394,204</u>	<u>197,717</u>
<b>Change in fund balance</b>	<u>\$ (53,513)</u>	<u>\$ (1,612,865)</u>	117,589	<u>\$ 1,730,454</u>
<b>Fund Balance, Beginning of Year</b>			<u>1,629,936</u>	
<b>Fund Balances, End of Year - budget basis</b>			<u>1,747,525</u>	
<b>Adjustments to reconcile to GAAP</b>				
Encumbrances, beginning of year			(16,271)	
Encumbrances, end of year			<u>126,611</u>	
<b>Fund Balances, End of Year - GAAP Basis</b>			<u>\$ 1,857,865</u>	

**City of Emporia, Kansas**  
**Debt Service Fund**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance - Budget and Actual**  
**For the Year Ended December 31, 2019**

	2019			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Taxes	\$ 1,806,252	\$ 1,806,252	\$ 1,840,320	\$ 34,068
Special assessments	109,971	109,971	210,316	100,345
Intergovernmental	94,702	94,702	141,481	46,779
Use of money and property	53,600	53,600	34,718	(18,882)
<b>Total Revenues</b>	<u>2,064,525</u>	<u>2,064,525</u>	<u>2,226,835</u>	<u>162,310</u>
<b>Expenditures:</b>				
Debt service:				
Principal	1,910,000	2,500,000	1,630,000	870,000
Interest and fiscal charges	241,621	484,416	370,699	113,717
<b>Total Expenditures</b>	<u>2,151,621</u>	<u>2,984,416</u>	<u>2,000,699</u>	<u>983,717</u>
<b>Excess of Revenues Over Expenditures</b>	<u>(87,096)</u>	<u>(919,891)</u>	<u>226,136</u>	<u>1,146,027</u>
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	-	469,407	469,407
Transfers out	-	-	(866,000)	(866,000)
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>(396,593)</u>	<u>(396,593)</u>
<b>Change in fund balance</b>	<u>\$ (87,096)</u>	<u>\$ (919,891)</u>	<u>(170,457)</u>	<u>\$ 749,434</u>
<b>Fund Balance, Beginning of Year</b>			<u>919,889</u>	
<b>Fund Balance, End of Year</b>			<u>\$ 749,432</u>	

**CITY OF EMPORIA, KANSAS**  
**Combining Statement of Net Position**  
**Internal Service Funds**  
**December 31, 2019**

	<u>Workers'</u> <u>Compensation</u>	<u>Employee</u> <u>Health Care</u>	<u>Totals</u>
<b>Assets</b>			
Cash and investments	\$ 1,018,044	\$ 700,000	\$ 1,718,044
Total Assets	<u>1,018,044</u>	<u>700,000</u>	<u>1,718,044</u>
<b>Liabilities</b>			
Claims payable	41,181	-	41,181
Total Liabilities	<u>41,181</u>	<u>-</u>	<u>41,181</u>
<b>Net Position</b>			
Unrestricted	976,863	700,000	1,676,863
Total net position	<u>\$ 976,863</u>	<u>\$ 700,000</u>	<u>\$ 1,676,863</u>

**CITY OF EMPORIA, KANSAS**  
**Combining Statement of Revenues, Expenses and Changes in Net Position**  
**Internal Service Funds**  
**For the Year Ended December 31, 2019**

	<u>Workers'</u> <u>Compensation</u>	<u>Employee</u> <u>Health Care</u>	<u>Totals</u>
<b>Operating revenues:</b>			
Charges for services	\$ 299,434	\$ -	\$ 299,434
Other	128,939	-	128,939
	<u>428,373</u>	<u>-</u>	<u>428,373</u>
<b>Operating expenses</b>			
Claims	257,754	-	257,754
	<u>257,754</u>	<u>-</u>	<u>257,754</u>
Operating income (loss)	170,619	-	170,619
<b>Nonoperating revenues (expenses):</b>			
Interest income	22,830	9,367	32,197
	<u>22,830</u>	<u>9,367</u>	<u>32,197</u>
Income (loss) before transfers	193,449	9,367	202,816
Transfers in	-	305,564	305,564
	<u>-</u>	<u>305,564</u>	<u>305,564</u>
Change in net position	193,449	314,931	508,380
Total net position, beginning of year, as restated	783,414	385,069	1,168,483
	<u>783,414</u>	<u>385,069</u>	<u>1,168,483</u>
Total net position, end of year	<u>\$ 976,863</u>	<u>\$ 700,000</u>	<u>\$ 1,676,863</u>

**CITY OF EMPORIA, KANSAS**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**Year Ended December 31, 2019**

	<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	\$ 299,434	\$ -	\$ 299,434
Cash received from reimbursements	128,939	-	128,939
Cash paid for services	(336,963)	(320)	(337,283)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<u>91,410</u>	<u>(320)</u>	<u>91,090</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers in	-	305,564	305,564
<b>Net Cash Provided by (Used in) Noncapital Financing Activities</b>	<u>-</u>	<u>305,564</u>	<u>305,564</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received	22,830	9,367	32,197
<b>Net Cash Provided by (Used in) Investing Activities</b>	<u>22,830</u>	<u>9,367</u>	<u>32,197</u>
Net Increase in Cash and Cash Equivalents	114,240	314,611	428,851
<b>Cash and cash equivalents, beginning of year</b>	<u>903,804</u>	<u>385,389</u>	<u>1,289,193</u>
<b>Cash and cash equivalents, end of year</b>	<u>\$ 1,018,044</u>	<u>\$ 700,000</u>	<u>\$ 1,718,044</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ 170,619	\$ -	\$ 170,619
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	(79,209)	(320)	(79,529)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<u>\$ 91,410</u>	<u>\$ (320)</u>	<u>\$ 91,090</u>

## Trust and Agency Funds

**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.

Freemont 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, 2019**

	<b>Private Purpose Trust</b>				
	<b>Tree</b>	<b>Fremont Park</b>	<b>Las Casitas Park</b>	<b>Economic Development</b>	<b>Total</b>
<b>ASSETS</b>					
Cash and investments	\$ 1,752	\$ 2,089	\$ 413	\$ -	\$ 4,254
<b>TOTAL ASSETS</b>	<u>1,752</u>	<u>2,089</u>	<u>413</u>	<u>-</u>	<u>4,254</u>
<b>LIABILITIES</b>					
Accounts payable	-	-	-	-	-
<b>NET POSITION</b>					
Held in trust for various purposes	<u>\$ 1,752</u>	<u>\$ 2,089</u>	<u>\$ 413</u>	<u>\$ -</u>	<u>\$ 4,254</u>

**CITY OF EMPORIA, KANSAS**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds - Private Purpose Trust**  
**For the Year Ended December 31, 2019**

	<b>Private Purpose Trust</b>				<b>Total</b>
	<b>Tree</b>	<b>Fremont Park</b>	<b>Las Casitas Park</b>	<b>Economic Development</b>	
<b>ADDITIONS</b>					
Interest income	\$ 38	\$ -	\$ -	\$ -	\$ 38
<b>Total Additions</b>	<u>38</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>38</u>
<b>DEDUCTIONS</b>					
	<u>-</u>	<u>-</u>	<u>-</u>	<u>19</u>	<u>19</u>
<b>Total Deductions</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19</u>	<u>19</u>
Change in net position	38	-	-	(19)	19
Net position, beginning of year	<u>1,714</u>	<u>2,089</u>	<u>413</u>	<u>19</u>	<u>4,235</u>
Net position, end of year	<u>\$ 1,752</u>	<u>\$ 2,089</u>	<u>\$ 413</u>	<u>\$ -</u>	<u>\$ 4,254</u>

**CITY OF EMPORIA, KANSAS**  
**Statement of Changes in Assets and Liabilities**  
**Agency Fund**  
**For the Year Ended December 31, 2019**

	<b>Balance - January 1, 2019</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance - December 31, 2019</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 18,258	\$ 17,167	\$ -	\$ 35,425
<b>TOTAL ASSETS</b>	<u>\$ 18,258</u>	<u>\$ 17,167</u>	<u>\$ -</u>	<u>\$ 35,425</u>
<b>LIABILITIES</b>	\$ 18,258	\$ 17,167	\$ -	\$ 35,425
Accounts payable	\$ 18,258	\$ 17,167	\$ -	\$ 35,425
<b>TOTAL LIABILITIES</b>	<u>\$ 18,258</u>	<u>\$ 17,167</u>	<u>\$ -</u>	<u>\$ 35,425</u>

**CITY OF EMPORIA, KANSAS**  
**STATISTICAL SECTION**  
**(UNAUDITED)**

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.*

*Note: Certain amounts previously presented have been reclassified for comparability purposes.*

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

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Governmental Activities</b>										
Net investment in capital assets	\$51,512,139	\$49,963,992	\$46,489,682	\$43,616,768	\$40,402,667	\$35,731,750	\$33,063,360	\$30,052,389	\$25,051,180	\$19,899,939
Restricted	210,861	8,865,752	8,649,753	8,971,882	4,133,801	7,418,777	7,530,579	3,394,187	3,129,380	3,279,857
Unrestricted	8,029,041	1,959,948	1,830,380	2,035,274	5,511,434	(5,992,007)	(5,912,002)	(5,631,571)	(845,705)	1,112,980
<b>Total Net Position</b>	<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>	<u>\$34,681,937</u>	<u>\$27,815,005</u>	<u>\$27,334,855</u>	<u>\$24,292,776</u>
<b>Business-Type Activities</b>										
Net investment in capital assets	\$18,844,682	\$19,544,388	\$18,844,645	\$16,712,412	\$17,398,655	\$18,898,239	\$17,515,501	\$20,933,505	\$21,116,169	\$27,023,181
Unrestricted	7,321,467	6,907,985	7,573,049	9,415,929	9,344,111	7,643,933	6,443,992	6,201,283	8,988,468	6,422,621
<b>Total Net Position</b>	<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>	<u>\$23,959,493</u>	<u>\$27,134,788</u>	<u>\$30,104,637</u>	<u>\$33,445,802</u>
<b>Primary Government</b>										
Net investment in capital assets	\$70,356,821	\$69,508,380	\$65,334,327	\$60,329,180	\$57,801,322	\$54,629,989	\$50,578,861	\$50,985,894	\$46,167,349	\$46,923,120
Restricted	210,861	8,865,752	8,649,753	8,971,882	4,133,801	7,418,777	7,530,579	3,394,187	3,129,380	3,279,857
Unrestricted	15,350,508	8,867,933	9,403,429	11,451,203	14,855,545	1,651,926	531,990	569,712	8,142,763	7,535,601
<b>Total Net Position</b>	<u>\$85,918,190</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>	<u>\$58,641,430</u>	<u>\$54,949,793</u>	<u>\$57,439,492</u>	<u>\$57,738,578</u>

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

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Expenses</b>										
Governmental activities:										
General government	\$ 4,104,798	\$ 3,866,412	\$ 4,468,467	\$ 5,360,306	\$ 5,330,616	\$ 6,749,798	\$ 4,573,216	\$ 4,596,205	\$ 1,967,057	\$ 1,789,395
Public safety	10,058,340	10,267,119	9,208,224	10,102,881	8,959,986	11,219,337	9,645,844	10,358,742	11,721,517	11,145,934
Highway and streets	8,690,363	7,656,949	7,443,498	6,627,096	7,322,185	7,996,425	8,252,968	7,224,881	9,272,215	9,909,293
Culture and recreation	2,829,141	2,822,262	2,909,189	3,666,390	3,396,134	3,471,480	3,895,312	3,336,199	3,472,162	4,299,067
Health and environment	85,400	105,500	197,099	106,788	62,627	76,250	1,310,285	4,148,123	119,697	86,900
Building maintenance	1,204,027	1,374,742	1,320,425	1,503,430	1,438,188	1,430,348	1,397,295	1,461,928	1,651,821	1,610,690
Planning and development	1,393,341	656,439	608,747	649,666	549,491	1,421,747	753,238	914,219	742,750	949,755
Airport operations	516,378	584,990	617,829	1,618,281	1,082,280	450,953	740,487	570,805	613,891	606,750
Interest and fiscal charges on long-term debt	989,411	1,052,401	847,985	673,671	561,943	459,067	200,820	262,829	315,641	377,684
<b>Total Governmental Activities Expense</b>	<b>29,871,199</b>	<b>28,386,814</b>	<b>27,621,463</b>	<b>30,308,509</b>	<b>28,703,450</b>	<b>33,275,405</b>	<b>30,769,465</b>	<b>32,873,931</b>	<b>29,876,751</b>	<b>30,775,468</b>
Business-Type Activities:										
Solid waste disposal	2,570,915	2,979,111	3,020,758	3,098,193	3,233,494	4,547,019	3,806,169	3,951,632	4,484,342	4,861,522
Sewer utility	3,111,908	3,233,859	3,511,678	3,115,167	2,455,448	3,699,237	3,611,071	3,646,709	3,617,900	5,080,214
Water utility	3,657,273	4,327,855	4,495,878	3,643,768	4,184,420	4,607,905	4,130,119	4,511,457	5,995,742	5,755,414
<b>Total Business-Type Activities Expense</b>	<b>9,340,096</b>	<b>10,540,825</b>	<b>11,028,314</b>	<b>9,857,128</b>	<b>9,873,362</b>	<b>12,854,161</b>	<b>11,547,359</b>	<b>12,109,798</b>	<b>14,097,984</b>	<b>15,697,150</b>
<b>Total Primary Government Expenses</b>	<b>\$ 39,211,295</b>	<b>\$ 38,927,639</b>	<b>\$ 38,649,777</b>	<b>\$ 40,165,637</b>	<b>\$ 38,576,812</b>	<b>\$ 46,129,566</b>	<b>\$ 42,316,824</b>	<b>\$ 44,983,729</b>	<b>\$ 43,974,735</b>	<b>\$ 46,472,618</b>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services										
General government	\$ -	\$ 1,767,827	\$ 1,133,029	\$ 1,328,031	\$ 1,299,336	\$ 569,628	\$ 457,342	\$ 495,127	\$ 2,850,639	\$ 2,868,017
Public safety	3,346,050	2,342,449	1,240,326	2,698,754	1,584,552	1,898,231	1,670,346	2,132,977	1,879,594	1,978,761
Highway and streets	-	208,007	-	97,237	13,792.00	-	-	-	-	-
Culture and recreation	773,188	127,222	581,032	442,056	644,794.00	581,718	565,249	528,026	456,539	520,467
Building maintenance	-	10,465	-	-	-	-	-	-	-	-
Airport operations	-	353,204	454,203	136,854	333,379.00	244,394.00	246,340	383,721	332,395	360,738
Operating grants and contributions	1,757,275	731,493	476,479	1,551,979	1,049,663	3,487,896	2,332,109	2,439,604	2,727,310	2,525,721
Capital grants and contributions	112,716	760,984	-	321,941	-	-	-	-	-	954,591
<b>Total Governmental Activities Program Revenues</b>	<b>5,989,229</b>	<b>6,301,651</b>	<b>3,885,069</b>	<b>6,576,852</b>	<b>4,925,516</b>	<b>6,781,867</b>	<b>5,271,386</b>	<b>5,979,455</b>	<b>8,246,477</b>	<b>9,208,295</b>
Business-Type Activities:										
Charges for services:										
Solid waste disposal	3,879,922	3,984,198	3,907,206	3,951,538	3,961,186	4,245,596	4,195,488	4,382,365	4,701,014	5,132,337
Sewer utility	3,850,725	3,838,061	3,721,099	3,526,764	3,453,685	3,640,068	3,642,514	3,980,153	4,432,645	5,109,178
Water utility	5,236,720	5,318,217	5,331,334	4,865,176	4,864,624	5,219,547	4,678,884	4,669,813	5,538,819	6,256,626
Capital grants and contributions	-	-	-	-	-	-	1,665,150	4,128,788	1,540,335	1,668,918
<b>Total Business-Type Activities Program Revenues</b>	<b>12,967,367</b>	<b>13,140,476</b>	<b>12,959,639</b>	<b>12,343,478</b>	<b>12,279,495</b>	<b>13,105,211</b>	<b>14,182,036</b>	<b>17,161,119</b>	<b>16,212,813</b>	<b>18,167,059</b>
<b>Total Primary Government Program Revenues</b>	<b>\$ 18,956,596</b>	<b>\$ 19,442,127</b>	<b>\$ 16,844,708</b>	<b>\$ 18,920,330</b>	<b>\$ 17,205,011</b>	<b>\$ 19,887,078</b>	<b>\$ 19,453,422</b>	<b>\$ 23,140,574</b>	<b>\$ 24,459,290</b>	<b>\$ 27,375,354</b>
<b>Net (expense)/revenue</b>										
Governmental activities	\$ (23,881,970)	\$ (22,085,163)	\$ (23,736,394)	\$ (23,731,657)	\$ (23,777,934)	\$ (26,493,538)	\$ (25,498,079)	\$ (26,894,476)	\$ (21,630,274)	\$ (21,567,173)
Business-type activities	3,627,271	2,599,651	1,931,325	2,486,350	2,406,133	251,050	2,634,677	5,051,321	2,114,829	2,469,909
<b>Total Primary Government Net Expense</b>	<b>\$ (20,254,699)</b>	<b>\$ (19,485,512)</b>	<b>\$ (21,805,339)</b>	<b>\$ (21,245,307)</b>	<b>\$ (21,371,801)</b>	<b>\$ (20,190,683)</b>	<b>\$ (22,863,402)</b>	<b>\$ (21,843,155)</b>	<b>\$ (19,515,445)</b>	<b>\$ (19,097,264)</b>

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

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>General Revenue and Other Changes in Net Position</b>										
Governmental activities:										
Taxes										
Property taxes, levied for general purposes *	\$ 4,526,733	\$ 4,451,177	\$ 4,021,932	\$ 3,946,914	\$ 4,382,587	\$ 4,079,939	\$ 4,426,162	\$ 4,989,473	\$ 5,582,179	\$ 5,843,035
Property taxes, levied for debt service	2,739,128	2,773,776	3,009,020	2,927,142	2,697,875	3,048,624	2,816,756	2,327,309	2,030,791	1,928,042
Sales taxes	6,263,665	6,658,352	6,442,595	6,665,421	6,656,976	6,936,086	6,889,492	6,921,009	7,343,794	7,407,601
Franchise taxes	2,175,501	2,233,692	2,211,034	2,332,231	2,567,742	2,498,342	2,576,621	2,625,098	2,713,868	2,584,253
Gasoline taxes	764,278	649,585	646,213	702,059	717,930	724,025	730,216	738,426	753,580	677,776
Use of money and property	154,506	141,480	153,676	162,932	158,849	152,596	186,528	275,700	346,465	514,837
Miscellaneous	552,592	994,852	1,211,917	1,397,464	7,885	2,149	7,462	3,158	152,943	241,913
Transfers	3,051,850	3,425,288	2,220,400	3,251,603	2,012,068	5,944,497	5,388,259	2,147,371	(670,744)	(672,363)
<b>Total Governmental Activities</b>	<b>20,228,253</b>	<b>21,328,202</b>	<b>19,916,787</b>	<b>21,385,766</b>	<b>19,201,912</b>	<b>23,386,258</b>	<b>23,021,496</b>	<b>20,027,544</b>	<b>18,252,876</b>	<b>18,525,094</b>
Business-Type Activities:										
Use of money and property	14,286	7,348	5,187	5,357	5,196	6,377	25,050	53,301	162,797	198,893
Miscellaneous	877,331	343,531	249,209	470,543	215,164	201,726	145,853	218,044	345,058	-
Transfers	(3,051,850)	(3,425,288)	(2,220,400)	(3,251,603)	(2,012,068)	(5,944,497)	(5,388,259)	(2,147,371)	670,744	672,363
<b>Total Business-Type Activities</b>	<b>(2,160,233)</b>	<b>(3,074,409)</b>	<b>(1,966,004)</b>	<b>(2,775,703)</b>	<b>(1,791,708)</b>	<b>(5,736,394)</b>	<b>(5,217,356)</b>	<b>(1,876,026)</b>	<b>1,178,599</b>	<b>871,256</b>
<b>Total Primary Government</b>	<b>\$ 18,068,020</b>	<b>\$ 18,253,793</b>	<b>\$ 17,950,783</b>	<b>\$ 18,610,063</b>	<b>\$ 17,410,204</b>	<b>\$ 17,649,864</b>	<b>\$ 17,804,140</b>	<b>\$ 18,151,518</b>	<b>\$ 19,431,475</b>	<b>\$ 19,396,350</b>
<b>Change in Net Position</b>										
Governmental activities	\$ (3,653,717)	\$ (756,961)	\$ (3,819,607)	\$ (2,345,891)	\$ (4,576,022)	\$ (3,107,280)	\$ (2,476,583)	\$ (6,866,932)	\$ (3,377,398)	\$ (3,042,079)
Business-type activities	1,467,038	(474,758)	(34,679)	(289,353)	614,425	(5,485,344)	(2,582,679)	3,175,295	3,293,428	3,341,165
<b>Total Primary Government</b>	<b>\$ (2,186,679)</b>	<b>\$ (1,231,719)</b>	<b>\$ (3,854,286)</b>	<b>\$ (2,635,244)</b>	<b>\$ (3,961,597)</b>	<b>\$ (8,592,624)</b>	<b>\$ (5,059,262)</b>	<b>\$ (3,691,637)</b>	<b>\$ (83,970)</b>	<b>\$ 299,086</b>

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

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b>General Fund</b>										
<b>Pre-GASB 54 *</b>										
Reserved	\$ 37,900	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	4,096,582	-	-	-	-	-	-	-	-	-
<b>Post-GASB 54 *</b>										
Nonspendable	-	-	-	-	-	32,880	34,719	41,697	45,195	44,116
Assigned	-	32,897	79,415	9,040	28,554	46,957	87,428	7,193	133,878	613,760
Unassigned	-	4,288,228	4,030,668	4,461,973	4,770,138	4,846,179	4,749,213	5,082,628	5,880,709	5,966,508
<b>Total General Fund</b>	<u>\$ 4,134,482</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>	<u>\$ 4,871,360</u>	<u>\$ 5,131,518</u>	<u>\$ 6,059,782</u>	<u>\$ 6,624,384</u>
<b>All Other Governmental Funds</b>										
<b>Pre-GASB 54 *</b>										
Reserved	\$ 296,680	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved - Reported in:										
Special revenue funds	1,375,903	-	-	-	-	-	-	-	-	-
Debt service funds	210,861	-	-	-	-	-	-	-	-	-
Capital projects funds	2,170,952	-	-	-	-	-	-	-	-	-
<b>Post-GASB 54 *</b>										
Restricted	-	2,337,849	2,427,983	3,098,780	3,882,539	2,740,023	2,810,370	3,190,605	3,128,231	3,279,857
Assigned	-	3,839,425	3,220,385	2,700,340	251,262	4,678,754	4,715,700	203,582	3,051,652	5,054,306
Unassigned	-	-	-	-	-	-	-	5,782	(275,616)	(747,605)
<b>Total All Other Governmental Funds</b>	<u>\$ 4,054,396</u>	<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>	<u>\$ 7,526,070</u>	<u>\$ 3,399,969</u>	<u>\$ 5,904,267</u>	<u>\$ 7,586,558</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.

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Revenues</b>										
Taxes	\$ 16,469,305	\$ 16,720,440	\$ 16,284,653	\$ 16,525,626	\$ 16,943,835	\$ 17,189,475	\$ 17,281,766	\$ 17,445,154	\$ 18,268,211	\$ 15,222,145
Charges for services	2,933,242	2,650,519	1,079,812	2,149,867	1,023,912	2,155,983	1,901,550	2,531,821	2,423,475	2,513,564
Special assessments	46,141	46,142	46,141	48,141	79,275	97,541	157,481	156,161	156,001	210,316
Intergovernmental	1,711,134	1,553,271	1,641,667	3,168,296	1,851,581	2,841,659	1,797,455	2,361,707	1,923,328	5,207,091
Licenses and permits	192,138	232,105	158,756	121,720	158,506	141,639	147,349	189,036	193,253	197,114
Fines and fees	581,050	545,244	589,334	725,420	779,135	734,348	590,363	552,285	529,721	518,811
Use of money and property	151,412	138,446	150,177	159,715	156,043	149,836	180,015	261,104	324,656	482,642
Contributions	112,716	222,672	28,739	71,257	532,156	108,887	105,152	77,897	463,762	1,504,743
Administrative charges	2,429,517	2,472,815	2,246,216	1,995,144	2,047,964	2,196,271	2,125,632	2,147,272	2,372,718	2,491,504
Miscellaneous	552,592	813,070	595,735	1,080,172	266,822	537,350	455,252	448,295	235,691	271,058
<b>Total Revenues</b>	<b>25,179,247</b>	<b>25,394,724</b>	<b>22,821,230</b>	<b>24,050,214</b>	<b>23,839,229</b>	<b>26,152,989</b>	<b>24,742,015</b>	<b>26,170,732</b>	<b>26,890,816</b>	<b>28,618,988</b>
<b>Expenditures</b>										
General government	3,012,853	3,712,908	3,644,674	4,547,136	3,456,297	5,220,368	3,280,462	4,101,383	1,953,079	1,557,724
Public safety	9,774,290	9,887,398	8,638,708	9,892,795	8,703,836	9,765,022	9,363,365	10,049,520	10,304,473	10,298,977
Highway and streets	1,770,603	1,031,166	932,739	916,948	1,008,076	962,186	1,079,762	1,137,448	1,124,794	1,213,728
Culture and recreation	2,341,315	2,522,506	2,504,164	2,478,568	2,535,555	2,634,219	2,857,701	2,670,631	2,799,570	3,723,800
Health and environment	85,400	105,500	197,099	106,788	62,627	76,250	59,150	80,400	100,400	86,900
Building maintenance	1,204,027	1,361,933	1,194,393	1,345,428	1,286,695	1,257,309	1,226,539	1,268,746	1,297,205	1,401,736
Planning and development	1,393,341	656,439	595,823	636,741	537,702	1,413,365	753,238	885,107	713,638	949,755
Airport operations	448,770	517,009	548,013	480,604	463,568	399,836	474,459	455,030	535,805	558,646
Appropriations	58,543	86,583	81,010	123,121	161,691	264,475	179,622	173,517	271,283	229,955
Capital outlay	4,292,416	444,203	1,110,759	2,122,112	3,143,259	3,214,381	5,913,913	16,878,478	2,700,758	3,372,248
Debt service										
Principal	3,105,474	3,818,800	3,525,000	4,385,410	3,200,000	3,145,000	3,175,000	2,465,000	1,600,000	1,630,000
Interest and other charges	1,130,145	1,056,170	874,386	782,391	581,667	486,504	408,794	280,081	331,263	370,699
<b>Total Expenditures</b>	<b>28,617,177</b>	<b>25,200,615</b>	<b>23,846,768</b>	<b>27,818,042</b>	<b>25,140,973</b>	<b>28,838,915</b>	<b>28,772,005</b>	<b>40,445,341</b>	<b>23,732,268</b>	<b>25,394,168</b>
Excess of Revenues Over/(Under)										
Expenditures	(3,437,931)	194,109	(1,025,538)	(3,767,828)	(1,301,744)	(3,349,708)	(4,029,990)	(14,274,609)	3,158,548	3,224,820
<b>Other Financing Sources (Uses)</b>										
Transfers in	5,120,007	6,640,087	5,018,830	7,074,330	3,791,890	8,066,635	8,147,796	4,224,882	7,613,647	4,904,918
Transfers out	(4,005,818)	(5,108,296)	(4,767,395)	(5,562,947)	(3,827,786)	(4,318,409)	(4,885,169)	(4,224,782)	(5,467,365)	(5,882,845)
Payment to refund bonds	-	-	-	(1,288,607)	-	-	-	-	-	-
Payment to escrow agent	-	(2,936,865)	-	1,288,607	-	(2,518,712)	(2,034,362)	-	-	-
Bond premium	-	340,484	-	226,590	-	-	-	-	-	-
Issuance of debt	3,449,385	3,180,000	34,155	546,393	-	4,868,712	2,854,363	10,397,002	1,000,000	-
<b>Total Other Financing Sources (Uses)</b>	<b>4,563,574</b>	<b>2,115,410</b>	<b>285,590</b>	<b>4,279,510</b>	<b>(35,896)</b>	<b>6,098,226</b>	<b>4,082,628</b>	<b>10,397,102</b>	<b>3,146,282</b>	<b>(977,927)</b>
<b>Net Change in Fund Balances</b>	<b>\$ 1,125,643</b>	<b>\$ 2,309,519</b>	<b>\$ (739,948)</b>	<b>\$ 511,682</b>	<b>\$ (1,337,640)</b>	<b>\$ 2,748,518</b>	<b>\$ 52,638</b>	<b>\$ (3,877,507)</b>	<b>\$ 6,304,830</b>	<b>\$ 2,246,893</b>
<b>Debt service as a percentage of non-capital expenditures</b>	16.74%	19.40%	19.09%	19.78%	17.19%	13.59%	13.60%	6.43%	8.49%	8.20%

**CITY OF EMPORIA, KANSAS**  
**GOVERNMENTAL ACTIVITIES, TAX REVENUES BY SOURCE**  
**LAST TEN FISCAL YEARS**  
(modified 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>
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
2016	6,344,622	6,889,492	2,465,081	737,923	16,437,118
2017	6,497,242	6,921,009	2,514,879	758,953	16,692,083
2018	6,610,486	7,229,117	2,644,068	985,124	17,468,795
2019	7,771,077	7,407,601	2,584,253	677,776	18,440,707

Source: City of Emporia, Kansas Basic Financial Statements.

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

Fiscal Year Ended December 31,	Real Property		Personal Property		Less: Tax Exempt Real Property - 1	Total Taxable Assessed Value	Total Direct Tax Rate - 2	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential Property - 1	Commercial Property - 1	Motor Vehicles - 2	Other - 1					
2010(3)	\$ 78,139,590	\$ 53,007,200	\$ 18,521,600	\$ 123,800	\$ 26,898,000	\$ 122,894,190	41.776	\$ 892,382,500	13.8%
2011	78,018,189	47,819,500	19,279,593	59,970	24,883,140	120,294,112	41.559	870,540,100	13.8%
2012	76,301,740	52,872,743	18,695,592	147,657	23,559,970	124,457,762	41.559	876,067,600	14.2%
2013	75,023,705	52,084,968	18,187,200	144,114	23,585,880	121,854,107	41.582	869,676,580	14.0%
2014	76,585,623	52,477,545	15,590,202	139,671	24,846,450	119,946,591	41.606	884,296,490	13.6%
2015	77,859,774	52,602,363	19,562,617	93,042	23,507,710	126,610,086	41.531	895,803,330	14.1%
2016	79,256,537	52,262,553	20,379,614	57,768	26,975,110	124,981,362	42.947	907,344,870	13.8%
2017	85,807,578	51,445,370	20,630,111	68,898	27,010,480	130,941,477	42.575	960,406,440	13.6%
2018	89,782,755	52,118,715	20,972,334	187,575	26,538,480	136,522,899	42.849	998,274,630	13.7%
2019	95,724,413	55,079,043	21,636,964	129,861	20,773,540	151,796,741	43.093	1,061,815,040	14.3%

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

**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>
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
2016	30.107	12.840	42.947	60.896	-	60.896
2017	32.170	10.405	42.575	60.826	-	60.826
2018	32.537	10.312	42.849	60.088	-	60.088
2019	32.666	10.427	43.093	59.303	-	59.303

<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>	
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
2016	53.441	9.618	63.059	166.902
2017	54.323	9.026	63.349	166.750
2018	53.898	9.286	63.184	166.121
2019	52.097	11.036	63.133	165.529

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**  
 Current Year and Nine Years Ago

Taxpayer	2019			2010		
	Taxpayer Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxpayer Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Westar Energy (Electric Div)	\$ 7,948,453	1	5.17%	\$ 3,018,852	4	2.02%
Simmons Pet Food KS (formerly Menu Pet Food)	5,997,380	2	3.90%	3,874,621	3	2.60%
Kansas Gas Service	1,911,295	3	1.24%	1,871,234	5	1.25%
Iowa Beef Processors/Tyson Fresh Meats	1,788,516	4	1.16%	4,102,048	2	2.75%
Wal-Mart Real Estate Business Trust	1,583,036	5	1.03%	1,737,275	6	1.16%
Flint Hills Mall LLC	1,541,546	6	1.00%	1,050,200	9	0.70%
Emporia Land Development	1,254,404	7	0.82%			
BNSF	1,226,885	8	0.80%			
Bunge North America	1,171,038	9	0.76%			
Emporia Properties, LLC	1,158,811	10	0.75%			
Hills Pet Nutrition				5,456,049	1	3.66%
Emporia Partners				1,255,605	7	0.84%
Deuce Holdings				1,003,048	10	0.67%
Interstate Brands				1,121,550	8	0.75%
<b>Total</b>	<b>\$ 25,581,364</b>		<b>16.63%</b>	<b>\$ 24,490,482</b>		<b>16.42%</b>
Total Assessed Value (1)	\$153,858,995			\$149,154,574		

(1) Data from Lyon County Treasurer's Office

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

Fiscal Year Ended December 31,	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2010	\$ 6,683,675	\$ 5,939,418	88.86%	\$ 219,062	\$ 6,158,480	92.14%
2011	6,011,263	5,783,102	96.20%	228,161	6,011,263	100.00%
2012	5,947,380	5,697,522	95.80%	136,198	5,833,720	98.09%
2013	6,036,427	5,737,032	95.04%	119,274	5,856,306	97.02%
2014	6,059,909	5,832,238	96.24%	164,184	5,996,422	98.95%
2015	6,120,357	5,921,454	96.75%	105,704	6,027,158	98.48%
2016	6,316,300	5,974,327	94.59%	231,470	6,205,797	98.25%
2017	6,560,582	6,159,624	93.89%	126,329	6,285,953	95.81%
2018	6,848,025	6,214,266	90.75%	149,512	6,363,778	92.93%
2019	7,281,428	6,746,759	92.66%	153,027	6,899,786	94.76%

Data from City of Emporia Treasurer

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

Fiscal Year Ended December 31,	Governmental Activities			Business-type Activities		Total Primary Government	Percentage of Personal Income	Per Capita - 1
	General Obligation Bonds	Temporary Notes	Loans Payable	General Obligation Bonds	Loans Payable			
2010	\$ 27,793,800	\$ 1,005,000	\$ 40,748	\$ 3,305,726	\$ 11,518,203	\$ 43,663,477	9.04%	\$ 1,756
2011	23,060,000	175,000	40,748	2,726,200	14,295,379	40,297,327	8.34%	1,620
2012	19,710,000	175,000	-	8,150,000	6,566,169	34,601,169	8.46%	1,390
2013	16,075,000	-	-	12,895,000	-	28,970,000	6.51%	1,161
2014	12,875,000	-	-	13,680,000	-	26,555,000	5.41%	1,071
2015	11,685,000	-	-	11,875,000	-	23,560,000	5.14%	959
2016	9,175,000	-	-	14,350,000	-	23,525,000	4.98%	954
2017	6,705,000	-	-	13,300,000	10,397,002	30,402,002	5.62%	1,225
2018	6,105,000	-	-	17,660,000	23,523,911	47,288,911	8.70%	1,920
2019	4,475,000	-	-	15,435,000	27,365,088	47,275,088	7.88%	1,909

Note 1 - See the Schedule of Demographic and Economic Statistics - Table 14

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

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

Fiscal Year	Governmental Activities	Business-Type Activities	Less: Amounts Available in Debt Service Fund	Net Bonded Debt	Percentage Estimated Annual Taxable Value of Property - 1	Per Capita - 2
	General Obligation Bonds	General Obligation Bonds				
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%	1,168
2014	12,875,000	11,875,000	448,296	24,301,704	2.75%	980
2015	11,685,000	14,350,000	471,327	25,563,673	2.85%	1,041
2016	9,175,000	15,040,000	277,343	23,937,657	2.64%	971
2017	6,705,000	13,300,000	433,646	19,571,354	2.04%	789
2018	6,105,000	17,660,000	919,889	22,845,111	2.29%	927
2019	4,475,000	15,435,000	749,432	19,160,568	1.80%	774

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**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
December 31, 2019

<b>Governmental Unit</b>	<b>Debt Outstanding - Paid with Property Taxes</b>	<b>Percentage Applicable to City of Emporia</b>	<b>Amount Applicable to City of Emporia</b>
Unified School District #253 - Overlapping	\$ 7,185,000	87.197%	\$ 6,265,104
Lyon County, Kansas - Overlapping	18,585,000	63.085%	11,724,347
Subtotal, Overlapping Debt			17,989,452
City of Emporia - Direct Debt			47,275,088
Total Direct and Overlapping Debt			<u>\$ 65,264,540</u>
Population			24,765
Overlapping debt per capita			\$ 726
Direct and overlapping debt per capita			\$ 2,635

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

**CITY OF EMPORIA, KANSAS**  
**LEGAL DEBT MARGIN INFORMATION**  
**LAST TEN FISCAL YEARS**

For the Years Ended December 31,

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt limit *	\$44,855,183	\$42,716,032	\$42,830,893	\$38,484,038	\$39,049,578	\$39,458,101	\$39,796,694	\$41,494,216	\$42,931,638	\$ 45,539,022
Total net debt applicable to limit	26,924,470	23,074,579	19,013,762	15,474,324	12,426,704	12,102,702	8,897,657	6,271,354	5,185,111	3,725,568
<b>Legal Debt Margin</b>	<b>\$17,930,713</b>	<b>\$19,641,453</b>	<b>\$23,817,131</b>	<b>\$23,009,714</b>	<b>\$26,622,874</b>	<b>\$27,355,399</b>	<b>\$30,899,037</b>	<b>\$35,222,862</b>	<b>\$48,116,749</b>	<b>\$ 49,264,590</b>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	60.03%	54.02%	44.39%	40.21%	31.82%	30.67%	22.36%	15.11%	12.08%	8.18%

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

Source: Assessed Valuation from Lyon County Appraiser

	2019
Assessed Value	\$ 151,796,741
Debt Limit Ratio	30%
December 31, 2019 Debt Limit	45,539,022
Outstanding Debt Subject to Debt Limit	* 3,725,568
Debt Authority Remaining December 31, 2019	\$ 41,813,454
December 31, 2019 GO Bonds Outstanding	\$ 4,475,000
Less: Amount set aside for repayment of general obligation debt	(749,432)
Total Outstanding Debt Subject to Debt Limit December 31, 2019	* 3,725,568

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

Fiscal Year Ended December 31,	Population Income (amounts expressed in thousands)	Per Capita Personal Income - 2	Median Age - 2	Education Level in Years of Formal Schooling - 2	School Enrollment - 3	Unemployment Rate - 2	
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	4.0%
2016	24,649	472,152	19,155	29.4	12.2	11,134	4.1%
2017	24,816	541,014	21,801	29	12.2	11,015	3.1%
2018	24,636	543,569	22,064	28.6	12.2	11,207	3.4%
2019	24,765	599,709	24,216	28.6	12.2	11,207	3.1%

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**  
 Current Year and Nine Years Ago

Taxpayer	2019			2010		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
U.S.D. #253	991	1	4.00%	803	2	3.00%
Tyson Fresh Meats	934	2	3.77%	864	1	3.23%
Emporia State University	724	3	2.92%	745	3	2.78%
Simmons Pet Food (formerly Menu Foods)	627	4	2.53%	256	7	0.96%
Hostess Brands, LLC	557	5	2.25%	622	4	2.32%
Newman Regional Health	440	6	1.78%	378	5	1.41%
Lyon County	271	7	1.09%	263	6	0.98%
City of Emporia Kansas	247	8	1.00%	240	8	0.90%
Hopkins Manufacturing	232	9	0.94%	236	9	0.88%
Camsco Manufacturing	170	10	0.69%	-		0.00%
Wal-Mart Super Center				171	10	0.64%
<b>Total</b>	<b>5,193</b>		<b>20.97%</b>	<b>4,578</b>		<b>17.11%</b>

Data from Emporia Chamber of Commerce

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

<b>Function</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
General Government	34	34	34	36	36	34	38	37	37	40
Public Safety										
Officers	47	49	49	44	44	45	41	40	43	41
Civilians	25	24	24	20	21	7	7	7	7	7
Fire										
Firefighters and										
Officers	49	49	49	49	49	49	47	51	51	49
Civilians	1	1	1	1	1	1	3	3	3	3
Highways and Streets										
Engineering	5	5	7	7	6	6	7	7	7	6
Maintenance	8	8	9	10	8	9	9	7	9	9
Sanitation	32	33	33	30	29	30	32	29	32	33
Culture and Recreation	20	21	22	18	19	19	19	22	21	23
Water	21	20	22	19	19	17	16	17	16	18
Sewer	13	13	13	12	8	8	8	8	8	8
<b>Total</b>	<b>255</b>	<b>257</b>	<b>263</b>	<b>246</b>	<b>240</b>	<b>225</b>	<b>227</b>	<b>228</b>	<b>234</b>	<b>237</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>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>Police</b>										
Physical arrests (1)	996	1,290	1,141	1,323	1,241	1,190	1,171	1,123	1,120	1,273
Parking violations (1)	7,253	5,249	5,285	4,934	4,537	4,424	3,589	2,791	2,940	3,617
Traffic violations (1)	2,309	2,237	3,231	4,308	3,842	4,162	2,072	2,641	2,328	2,946
<b>Fire</b>										
Number of calls answered (2)	3,065	3,047	3,481	3,408	3,708	3,716	3,426	3,710	3,904	4,317
Inspections (2)	1,287	1,272	1,157	1,224	1,097	755	958	878	907	920
<b>Highways and Streets</b>										
Street resurfacing (miles) (3)	8.56	3.08	3.77	4.00	2	3	6	4	11	3
Potholes repaired (4)	399	427	451	700	750	750	800	900	900	1,500
<b>Sanitation</b>										
Refuse collected (tons/day) (5)	80.00	79.78	78.73	85.00	76	78	72	84	88	88
Recyclables collected (tons/day) (5)	5.03	4.76	5.40	5.00	6	4	7	5	4	4
<b>Water</b>										
New connections (6)	16	27	25	19	23	28	29	21	25	30
Water main breaks (6)	49	47	52	34	25	41	50	69	55	43
Average daily consumption (thousands of gallons) (7)	6,334	5,524	6,464	5,458	5,656	5,230	5,443	5,671	6,095	6,317
<b>Wastewater</b>										
Average daily treatment capacity (thousands of gallons) (8)	2,400	2,700	2,300	2,000	2,000	2,500	2,500	2,000	2,500	3,000

(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>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>Public Safety</b>										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units (1)	23	30	30	28	22	22	25	25	25	21
Fire Stations	2	2	2	2	2	2	2	2	2	2
<b>Sanitation</b>										
Collection Trucks (2)	10	10	10	10	10	12	12	12	12	12
<b>Highways and Streets</b>										
Street (miles) (3)	168	168	168	168	168	168	169	169	169	169
Traffic signals (4)	80	81	81	89	101	101	101	105	105	105
<b>Culture and Recreation</b>										
Parks acreage (5)	325.16	325.16	325.16	325.16	325.16	325.16	325	325	325	325
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)	180.63	180.63	180.63	180.63	180.63	183.38	183	183	184	184
Fire hydrants (6)	908	911	912	906	910	913	913	913	913	913
Maximum daily capacity thousands of gallons (7)	9,220	12,204	11,732	9,456	7,843	6,820	7,869	9,789	11,783	9,483
<b>Sewer</b>										
Sanitary sewers (miles) (8)	139.10	139.10	139.98	139.98	141.55	143.59	144	144	144	144
Storm sewers (miles) (3)	67.50	67.69	67.69	67.69	67.69	67.69	73	73	73	75
Maximum daily treatment capacity (thousands of gallons) (8)	7,400	7,200	7,000	4,500	4,500	4,500	4,500	4,500	4,600	4,800

(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