

COMPREHENSIVE ANNUAL FINANCIAL REPORT

**Fiscal Year Ended
December 31, 2020**



**CITY OF
EL DORADO**
K A N S A S

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Comprehensive Annual Financial Report

of the

CITY OF EL DORADO, KANSAS

for the

Year Ended December 31, 2020

Mayor - Bill Young

Commissioner - Kendra Wilkinson

Commissioner - Gregg Lewis

Commissioner - Nick Badwey

Commissioner - Matt Guthrie

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CITY OF EL DORADO, KANSAS
Comprehensive Annual Financial Report
For the Year Ended December 31, 2020

TABLE OF CONTENTS

INTRODUCTORY SECTION

| | |
|---|-------|
| Letter of Transmittal..... | i – x |
| Organizational Chart | xi |
| Government Finance Officers Association Certificate of Achievement..... | xii |

FINANCIAL SECTION

| | |
|--|------------|
| Independent Auditors' Report..... | 1-3 |
|--|------------|

| | |
|--|-------------|
| Management's Discussion and Analysis..... | 4-11 |
|--|-------------|

Basic Financial Statements

| | |
|---|-------|
| Government-Wide Financial Statements | |
| Statement of Net Position | 12 |
| Statement of Activities..... | 13 |
| Fund Financial Statements | |
| Balance Sheet - Governmental Funds..... | 14 |
| Reconciliation of the Total Governmental Fund Balances to Net Position in the Governmental Activities..... | 15 |
| Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds | 16 |
| Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Governmental Activities in the Statement of Activities | 17 |
| Statement of Revenues, Expenditures, and Changes in Fund Balance – Actual and Budget – Budgetary Basis – General Fund | 18-19 |
| Proprietary Funds | |
| Statement of Net Position..... | 20-21 |
| Statement of Revenues, Expenses, and Changes in Net Position..... | 22 |
| Statement of Cash Flows | 23-24 |
| Fiduciary Fund | |
| Statement of Net Position..... | 25 |
| Statement of Changes in Net Position | 26 |
| Component Units | |
| Combining Statement of Net Position | 27 |
| Combining Statement of Activities | 28 |
| Notes to the Basic Financial Statements | 29-60 |

Required Supplementary Information

| | |
|---|----|
| KPERs Pension Plan | |
| Schedule of the City's Proportionate Share of the Collective Net Pension Liability | 61 |
| Schedule of the Library's Proportionate Share of the Collective Net Pension Liability | 62 |
| Schedule of the City's Contributions..... | 63 |
| Schedule of the Library's Contributions..... | 64 |
| Other Postemployment Healthcare Benefits | |
| Schedule of Changes in the City's Net OPEB Liability and Related Ratios | 65 |
| Schedule of the City's Contributions..... | 66 |
| Schedule of Investment Returns | 67 |
| Other Postemployment Benefits – Death and Disability | |
| Schedule of Changes in the City's Total OPEB Liability and Related Ratios | 68 |
| Schedule of Changes in the Library's Total OPEB Liability and Related Ratios | 69 |

CITY OF EL DORADO, KANSAS
Comprehensive Annual Financial Report
For the Year Ended December 31, 2020

TABLE OF CONTENTS (continued)

Other Supplementary Information

| | |
|---|-------|
| Combining Balance Sheet – Nonmajor Governmental Funds | 70-71 |
| Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Nonmajor Governmental Funds | 72-73 |
| Schedule of Revenues, Expenditures, and Changes in Fund Balance – Actual and Budget Funds Included in General Fund – Budgetary Basis | |
| Building Demolition Fund | 74 |
| Schedule of Revenues, Expenditures, and Changes in Fund Balance – Actual and Budget – Budgetary Basis | |
| Airport Fund | 75 |
| Major Street Improvement Fund | 76 |
| Industrial Development Fund | 77 |
| Special Parks and Recreation Fund | 78 |
| Tourism Tax Fund | 79 |
| Economic Development Sales Tax Fund | 80 |
| Stormwater Utility Fund | 81 |
| Ordinance Street Sales Tax Fund..... | 82 |
| Excess Sales Tax Fund..... | 83 |
| Special Alcohol Program Fund | 84 |
| Debt Service Fund | 85 |
| Construction Fund | 86 |

STATISTICAL SECTION

Financial Trends

| | |
|---|-------|
| Net Position by Component | 87 |
| Changes in Net Position | 88-89 |
| Fund Balances, Governmental Funds..... | 90 |
| Changes in Fund Balances, Governmental Funds..... | 91-92 |
| Tax Revenues by Source, Governmental Funds..... | 93 |

Revenue Capacity

| | |
|--|----|
| Property Tax Levies and Collections..... | 94 |
| Assessed Value and Estimated Actual Value of Taxable Property..... | 95 |
| Property Tax Rates Direct and Overlapping Governments..... | 96 |
| Principal Property Taxpayers | 97 |

Debt Capacity

| | |
|--|-----|
| Ratios of Outstanding Debt by Type | 98 |
| Ratios of General Bonded Debt Outstanding | 99 |
| Direct and Overlapping Debt | 100 |
| Legal Debt Margins | 101 |
| Revenue Bond Coverage – Waterworks System Revenue Bonds..... | 102 |

Demographic and Economic Information

| | |
|--|-----|
| Demographic and Economic Statistics..... | 103 |
| Principal Employers | 104 |

CITY OF EL DORADO, KANSAS
Comprehensive Annual Financial Report
For the Year Ended December 31, 2020

TABLE OF CONTENTS (continued)

Operating Information

| | |
|--|-----|
| Full-Time Equivalent City Government Employees by Function | 105 |
| Operating Indicators by Function..... | 106 |
| Capital Asset Statistics by Function | 107 |

SINGLE AUDIT SECTION

| | |
|---|---------|
| Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Governmental Auditing Standards</i> | 108-109 |
| Independent Auditors' Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance | 110-111 |
| Schedule of Expenditures of Federal Awards | 112 |
| Notes to Schedule of Expenditures of Federal Awards | 113 |
| Schedule of Findings and Questioned Costs | 114-117 |
| Summary Schedule of Prior Audit Findings and Questioned Costs | 118 |

INTRODUCTION SECTION



July 28, 2021



To the Honorable City Commission and Citizens of El Dorado:

Few demonstrations of literature provide the perfect description for 2020 than Charles Dickens' *A Tale of Two Cities* as the book begins, "It was the best of times, it was the worst of times... it was the season of Light, it was the season of Darkness, it was the spring of hope, it was the winter of despair."

At the beginning of 2020, the coronavirus was beginning to spread across the globe. Many experts began to predict its imminent arrival in the United States, and as predicted, the virus found its way and started to affect the health of Americans. The federal and state governments took decisive action to minimize the spread of COVID-19 by first encouraging the practice of good hygiene and then by shutting down parts of the economy.

In Kansas, Governor Kelly declared a state of emergency in response to COVID-19 on March 12, 2020. No one could predict the effect of COVID-19 on the economy, and consequently how the virus would affect state and local government revenues. The City of El Dorado reviewed and drastically reduced its budgeted expenditures in order to have sufficient resources available to ensure the continuation of essential public services. The municipal government had to continue its operations even when other businesses and organizations closed to protect the public from the spread of COVID-19.

As such, COVID-19 influenced the City's financial condition for 2020 more than any other topic or issue. General Fund expenses, for example, decreased \$875,848, or about 10%, from the prior year as departments were directed to scale back and defer any expenses that could be delayed and that would not create operational challenges.

The City prepared for the worse economic downturn since the Great Recession not knowing what to expect from the pandemic. Uncertainty became a constant threat to normal operations, as there was no way to anticipate the impact of COVID-19 on the local economy. The City implement various actions beginning in April in an effort to preserve its financial condition amid changing circumstances. These actions included:

- Suspending all salary increases and promotions;
- Freezing vacant positions and suspending advertisement of such positions (except for certain public safety positions);
- Deferring large expenses, including fleet replacement;
- Suspending of out-of-state travel and allowing limited attendance to in-state conferences/training;
- Requiring approval for all out-of-city travel;
- Postponing or altogether cancelling planned capital projects, except for projects already under construction;
- Modifying work schedules to minimize overtime; and
- Reducing the number of seasonal staff.

The implementation of these actions facilitated a safer work environment by reducing the potential spread of COVID-19, which could have significantly impaired municipal operations. It also reduced the amount of expenditures to allow the City to have sufficient reserves to address the uncertain environment. New information about COVID-19 seemed to come out daily, and the operational changes provided the City with an extra layer of protection to ensure the continued provision of essential public services.

No one could anticipate the extent of COVID-19 on the City's operations. I directed the implementation of the aforementioned practices in May 2020. In November, City offices closed to the public and other services or programs, such as youth recreation basketball, were cancelled for the season. No one had ever experienced such a wholesale change in operations with no end in sight.

With the underlying tones of a global pandemic, I will provide a brief overview of the financial situation at year-end to help readers understand the impact of the pandemic on the City's financial position. The chart below shows the adopted budget for 2020 as well as the actual revenues and expenditures for select funds. This simplified version of the City's financial statements will provide you with a snapshot of how the City performed financially.

| | 2020 Adopted Budget | | 2020 Actual Budget | |
|------------|---------------------|--------------|--------------------|--------------|
| | Revenues | Expenditures | Revenues | Expenditures |
| General | \$9,712,487 | \$9,971,089 | \$9,855,714 | \$9,068,831 |
| Airport | \$273,545 | \$311,545 | \$301,209 | \$248,098 |
| Stormwater | \$310,325 | \$337,488 | \$319,862 | \$268,589 |
| Water | \$4,236,700 | \$4,177,223 | \$4,656,319 | \$3,711,409 |
| Sewer | \$2,744,897 | \$2,993,279 | \$2,625,647 | \$2,348,279 |
| Refuse | \$1,568,350 | \$1,433,478 | \$1,495,975 | \$1,417,182 |
| Tourism | \$255,400 | \$340,670 | \$178,518 | \$146,645 |

Another chart I will share provide readers with an overview of the fund balances in each of the aforementioned funds. Fund balances, proverbially known as reserves, serve as self-insurance that allows the City to meet unexpected situations without requiring a disruption in essential public services.

| | Fund Balances | | |
|------------|---------------------|--------------------|--------------------|
| | Minimum Requirement | As of Dec 31, 2020 | As of Dec 31, 2019 |
| General | \$1,360,513 | \$2,981,014 | \$2,090,818 |
| Airport | \$25,218 | \$122,246 | \$80,834 |
| Stormwater | \$22,568 | \$431,660 | \$371,207 |
| Water | \$602,137 | \$1,812,488 | \$1,161,898 |
| Sewer | \$369,504 | \$1,133,675 | \$643,600 |
| Refuse | \$239,432 | \$697,989 | \$538,866 |
| Tourism | \$27,932 | \$281,734 | \$254,891 |

As you can see, all funds increased their fund balance at year-end and all funds exceed their respective minimum fund balance, as established by local policy. The primary explanation for the increased reserve funds stems from significantly reducing expenditures amid the uncertainty of the pandemic. The City adapted anticipating a worst-case scenario that fortunately did not come to fruition.

The now-strengthened fund balances will provide more ammunition for the City to respond to the prevailing uncertainty of the pandemic. We do not know if another outbreak will occur as happened during the 1918 Spanish Flu. As I write this letter, COVID is influencing inflation throughout the broad economy. Economists do not know if the decreased purchasing power will be temporary or if it will permanently change pricing levels. The City will likely approach the next few months conservatively before deciding to allocate a portion of the funds to one-time expenses such as equipment replacement or capital projects.

Nevertheless, the City will continue to manage its budget prudently to give taxpayers confidence municipal services will be provided no matter what happens. Failure in local government is not an option.

MAJOR FACTORS AFFECTING THE FINANCIAL STATEMENTS

COVID-19. As previously mentioned in this letter, COVID-19 is the overwhelming tour de force for 2020. No one predicted it and no one knew the affect it would have on municipal finances. While it is somewhat difficult to fully account for the financial impact COVID had on the City's finances during 2020, one this is certain and that is how much federal funding the City received because of the pandemic.

Butler County, Kansas received about \$17.6 million from the federal CARES Act that they elected to distribute to cities and other taxing entities throughout the county. The City received a total of \$574,387 because of Butler County's generosity, as there was no requirement that CARES Act funds be shared with cities. Of this amount, \$192,281 (33.5%) went to reimburse the City for COVID expenses purchases prior to the authorization of CARES Act funding. The bulk of reimbursement expenses were in the form of small business grants provided to small businesses as a means of keeping the local economy open. The City allocated \$149,977 of its reimbursement funds to this purpose.

The remaining \$379,284 (66.5%) the City allocated to purchases approved by Butler County intended to combat the pandemic. Most of these purchases were focused at purchasing personal protective equipment, such as masks, hand sanitizer, and other preventative measures to keep local governments operating safely.

In addition to the funds allocated by Butler County, the City also received \$30,000 from the CARES Act specifically for the Captain Jack Thomas Municipal Airport.

Record Sales Tax Collections. COVID-19 may have had more negative press than good, but it is likely a key contributor for another sales tax breaking year as more people either sought retail goods in El Dorado rather than going to other communities to avoid possible exposure or made more purchases online.

In 2019, the City of El Dorado boasted a record \$2.678 million from its one-cent (1.0%) sales tax on retail sales. The record was short-lived as the City broke the previously established record by 0.2% with the collection of \$2.683 million in sales tax receipts. The City breached the \$2.6 million mark for the fourth time in its history. This new record-setting year means the City has broken the sales tax collection record for three consecutive years! A three-peat in sales tax collections may not be as exciting as the Chicago Bulls three-peat from 1991-93, although another record to the proverbial trophy case keeps dollars flowing into El Dorado for continued investment in streets, parks, and various special projects.

The new record will hopefully become more of a new altitude mark instead of a ceiling. This will only be the case if El Dorado residents continue to shop local after the pandemic and if visitors discover the great venues in El Dorado while visiting.

Upward Trend for Assessed Valuations. Assessed valuations in El Dorado increased for the seventh consecutive year courtesy of the Butler County Appraiser. The appraiser refers to private investment and private property transactions to determine the value of real property throughout the community. In 2020, the assessed valuation of El Dorado increased \$1.17 million, or nearly 1.2%, bringing the total assessed valuation for the community to \$94.05 million. For reference, last year's valuation came in slight above \$92.8 million. The City's mill levy, which increased to 55.909 mills, annually generates about \$5.2 million in ad valorem property taxes to finance essential public services. Of this amount, the City received about \$4.4 million, meaning about 9% of taxes assessed to property owners was delinquent. The estimated actual value of real and personal property in El Dorado is \$605.5 million compared to \$597.6 million a year ago.

The future bodes well for local valuations due to the occurrence of private development as well as the near-term expiration of several tax abatements. I mentioned in last year's letter that LakePoint El Dorado, LLC, a retirement community, will add about \$2.8 million to the assessed valuation in 2021, and BG Products, Inc. will add another \$24.7 million beginning in 2022. The City continues to anticipate the benefits that will come from the soon-to-be-new tax revenues paid on the valuations of these prior projects. In total, these two projects will collectively contribute nearly \$0.5 million in property taxes per year to the City of El Dorado once tax abatements sunset.

Transient Guest Tax Receipts. COVID had a devastating effect on the hospitality industry and consequently, significantly affected the City's transient guest tax receipts as fewer hotel rooms were used during the year. The City collected \$102,438 in transient guest taxes for overnight stays in 2020. Transient guest tax receipts were down about 42% compared to the prior year.

I reported last year that the City planned to use funds from the Tourism Fund, which is largely funded from transient guest taxes, to develop a community branding and marketing program. The City was able to proceed with as planned, although we had to delay some of the events we originally intended to roll out as a result of the newly developed program.

The Tourism Fund maintains a healthy balance due to previous years' hotel use. Even so, the City decided it would be best to call time-out on several events since people were not travelling as much due to the pandemic and as an insurance policy in case COVID continued for yet another year. The City implemented a partial marketing program, using the newly developed brand for the organization. As I write this letter, the pandemic seems to slow and the City plans to proceed with events later in 2021. The Tourism Fund's balance will begin to be put to use as we allocate these funds to events that will hopefully yield a return to the fund and allow the City to continue its efforts to entertain locals and attract visitors.

Sale of Prairie Trails Golf Course. In 2019, the City negotiated the sale of Prairie Trails Golf Course to GreatLife Golf and Fitness, LLC. This transaction, however, never came to fruition as GreatLife was unable to secure financing amid the COVID-19 pandemic. COVID may have disrupted this sale offer, but fortunately, the City received another offer to purchase Prairie Trails Golf Course for \$500,000.

The City elected to proceed with the offer and entered into a "lease purchase" transaction whereby the buyer will effectively lease the golf course and operate it during the five-year mortgage period. The buyer will make payments to the City, which will pay down the remaining balance of the transaction. The buyer will then own the golf course after all payments have been made. The sale of Prairie Trails Golf Course will decrease the General Fund's annual outflows by nearly \$250,000, equal to nearly 2.7 mills of property taxes!

The City will redirect the available funds to help cover increases to operational expenses or to purchase vehicles and equipment. Additional benefits include reallocating personnel resources to other recreation programs.

Grant Funding. The City received federal appropriations of \$443,548 from the Federal Aviation Administration (FAA) to fund an airport lighting project needed to upgrade the lighting system at Captain Jack Thomas Municipal Airport.

The City also received \$23,783 in federal funding for various law enforcement related activities. The U.S. Department of Justice's Bulletproof Vest Partnership Program contributed \$1,141 to the El Dorado Police Department to purchase bulletproof vests.

The Police Department also received a \$22,642 federal grant from the Edward Byrne Memorial Justice Assistance Grant Program. The grant allowed the entire department to receive training for crisis intervention, which enables police officers to respond to mental health and crises that are unfortunately all too common in law enforcement.

Finally, the City received several "pass-through" grants whereby the City receives funding for a third party. The City received \$15,879 from the U.S. Department of Housing and Urban Development for an Emergency Solutions Grant Program and \$337,450 from the U.S. Department of Housing and Urban Development for a commercial Community Development Block Grant project.

Federal grant awards to the City totaled \$1.48 million, or \$114 per resident of El Dorado. We try to find and apply for federal funding opportunities to supplement existing services. This year, we were quite successful in returning federal dollars to taxpayers.

Underfunded Public Pensions. Every year in this letter, I report on the status of the City's public pension liability. The City of El Dorado participates in Kansas Public Employees Retirement System (KPERS) and the Kansas Police and Fire (KP&F) program for its post-employment retirement benefits. Employees of the City are required to participate in KPERS or KP&F, and the City is required to contribute to these programs on each respective employee's behalf. State law requires the City to publish in its financial statements the current and future liability associated with the unfunded portion of KPERS and KP&F directly attributed to the City.

As of December 31, 2020, the City's pension liability totaled \$8.95 million compared to \$7.4 million a year ago. Per state statute, the City distributes its pension liability as follows: KPERS at \$3.83 million, Kansas Police & Fire (KP&F) at \$4.85 million, and the Library's participation in KPERS at \$260,031.

The City is required to provide certain language in its transmittal letter, included with its Comprehensive Annual Financial Report (“CAFR”) that explains the policies and controls designed to ensure the City’s stewardship of public assets. I will briefly discuss these items in this next section of the letter.

The Comprehensive Annual Financial Report of the City of El Dorado, Kansas, for the year ended December 31, 2020, has been prepared for the review of the governing body, citizens, and other interested in the financial condition of the City. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. Staff believes the data as presented is accurate in all material respects and that it is presented in a manner designed to fairly represent the financial position and results of operations of the City measured by the financial activity of its various funds. Disclosures necessary to enable the reader to gain the maximum understanding of the City's financial activity have been included.

The management of the City is responsible for establishing and maintaining an internal control structure designed to ensure the protection of the City’s assets from loss, theft or misuse, and to warrant that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The design of the internal control structure provides reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: 1) the cost of a control should not exceed the benefits likely to be derived; and 2) the valuation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. Management believes that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Generally accepted accounting principles (also known as GAAP) require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (“MD&A”). This Letter of Transmittal is designed to complement the MD&A section, and should be read in conjunction with it. The MD&A section of the report may be found immediately following the report of the independent auditors.

Independent Audit

State statutes require an annual independent audit of the City’s financial records and transactions. This year, Adams Brown Strategic Allies and CPAs (formerly known as Adams Brown Beran & Ball Chartered) conducted the audit of the City’s financial statements, and their opinion has been included with the financial statements. Interested persons are encouraged to refer to their opinion in reviewing the City’s financial statements.

Relevant Financial Policies

The City of El Dorado’s “General Financial and Budgetary Policies,” adopted by Resolution No. 2908, have been included with the Comprehensive Annual Financial Report for your information. I recommend interested readers review these policies by referring to the table of contents to determine where the policies are located in this document. These financial policies provide the framework with which the City manages its finances to ensure adequate internal control for the integrity of these financial statements.

The City Commission amended one section of the financial policies concerning real estate. The city manager may now approve the purchase or sale of real estate on behalf of the City, provided that such property has a value of \$50,000 or less. All real estate transactions greater than \$50,000 require approval of the City Commission.

ECONOMIC CONDITION AND OUTLOOK

Private Sector Investment:

Despite a global pandemic, the El Dorado economy demonstrated strength amid a positive investment environment. The City saw private investment of \$68.5 million in 2020. Major projects included:

- **BG Products, Inc. Warehouse and Distribution Facility.** BG Products, a leading employer in El Dorado, completed a \$38 million expansion project that included construction of a state-of-the-art warehouse and distribution center. The facility received a ten-year tax abatement that will sunset in 2029. At that time, the City will generate approximately \$284,000 in property taxes from the project. The project created 117 new jobs for the community.
- **Mears Fertilizer Expansion.** Mears Fertilizer initiated an industrial revenue bond for a planned expansion to its facility located northwest of El Dorado. The \$16 million project will create fifteen jobs when completed.
- **West Central Gateway Tax Increment Financing (TIF) District.** Orscheln Farm and Home Supply, LLC completed the construction of a \$5 million project. The City established a tax increment financing (TIF) district to assist with the cost of public infrastructure to serve the site.
- **Flint Creek Estates.** Construction started on a \$5.3 million residential development known as Flint Creek Estates. The developer constructed thirty-two single-family residential units for moderate-income families using tax credits from the Kansas Housing Resources Corporation.
- **District 142.** The City facilitated the revitalization of an anchor building in downtown El Dorado with a commercial Community Development Block Grant (CDBG) from the Kansas Department of Commerce. The \$500,000 project addressed the building's failing roof and drainage system, installed windows, and replaced the heating and cooling systems to allow small business tenants to "set up shop" without having to worry about the basic needs of a building.
- **Assignment of John K. Fisher Agreement to Cody Foster Motors.** The City assigned an agreement originally approved for John K. Fisher, Inc. in 2013 to Cody Foster Motors. The agreement provides a sales tax rebate of 75% of the portion of sales tax revenue generated by the dealership in any calendar year above a base amount of \$60,000. The agreement sunsets after fifteen years from the effective date of the agreement and any extensions thereto, or after the company receives an aggregate rebate of \$300,000. As of December 31, 2020, the City paid out a total of \$104,581 in sales tax rebates on the agreement. The assignment of the agreement facilitated the purchase and continuation of the only new car dealership in El Dorado.

Every year there are many more projects than mentioned in this letter primarily to keep the length from requiring an extensive time commitment to read. Even so, all of these projects are important to the overall well-being of the local economy. Each project contributes private investment that adds to the City's (and other taxing entities') tax base and increases the number of jobs available to citizens. The City appreciates all investors who chose to invest their hard-earned capital in El Dorado in 2020. We know investors have a choice as to where to put their dollars to work. El Dorado demonstrated it is a great place to invest capital for respectable returns on investment. Now let us hope we can keep the momentum moving forward in 2021.

In 2020, the City experienced private development activity that contributed nearly \$17.8 million in valuation. Six building permits were issued for new commercial development with an aggregate valuation of \$9.36 million, compared to four new commercial developments in 2019 with a valuation of \$0.76 million. Also during the year, the City issued thirty-five building permits for commercial additions, remodels, and repairs with a valuation of \$3.2 million. Comparatively, the City issued thirty-five building permits for similar activity with a valuation of \$4.68 million in 2019.

The City issued forty-one residential building permits for new construction with a valuation of \$4.38 million. The City issued nine building permits for new residential construction in 2019 with a valuation of \$1.52 million. Also during the year, eighty-nine building permits were issued for residential additions, remodels, and repairs, with a valuation of \$846,660. In 2019, eighty-nine building permits were issued for the same activity with a valuation of \$1.01 million.

| | Residential Construction | | Commercial Construction | |
|------|--------------------------|-----------|-------------------------|-----------|
| | Permits | Valuation | Permits | Valuation |
| 2017 | 80 | \$4.4 m | 32 | \$34.9 m |
| 2018 | 114 | \$3.1 m | 31 | \$23.4 m |
| 2019 | 98 | \$2.5 m | 39 | \$5.4 m |
| 2020 | 130 | \$5.2 m | 41 | \$12.6 m |

As previously mentioned in this letter, the City of El Dorado broke the previously set retailers' sales tax record set last year. The City brought in \$2.683 million from retail sales occurring within the corporate limits of El Dorado. The total receipts also include compensation use tax proceeds, which are paid by individuals or businesses purchasing items outside El Dorado but that are delivered to El Dorado. The record-setting sales tax year provides a good indicator for the health of the economy.

Now for a bit of a preview into next year's sales tax figures. The City is on pace to set another sales tax record as I write this letter in May 2021. Year-to-date, the City has brought in \$1.19 million compared to \$1.07 million in 2020. This represents a 10.4% increase over the prior year-to-date collections! The City projects receiving \$2.7 million in sales taxes provided the strong trend of shopping local continues.

Public Sector Investment:

- **Douglas Road Improvement Project.** In 2020, the City Commission elected to improve Douglas Road from 10th Avenue to the SW Trafficway at a cost of \$1.45 million. The City will pay its share of the project, equal to \$582,939, from the Bond and Interest Fund mill levy. In 2021, the City established a benefit district and levied special assessments against properties benefiting from the street improvements. The City anticipates collecting \$875,101 in special assessments over twenty years to repay debt issued to finance the project.
- **Bike Path, Phase III.** The City continues to work on the extension of the popular bike and pedestrian path that extends from El Dorado Lake south to East Park. Phase III of the project will extend the path further west along the Walnut River. The City estimates the cost of this extension at \$569,000, with KDOT contributing \$417,000 (73%) of the project cost. The remaining balance will be funded through federal exchange dollars and city-at-large funds. The City anticipates completion of Phase III in 2023, primarily due to unforeseen challenges arising from the planned alignment.
- **Airport Lighting Project.** In 2020, the City completed two lighting projects at the Captain Jack Thomas Municipal Airport. The FAA and the City combined a replacement lighting project on runways 4-22 and 15-33 with a precision approach path indicator (PAPI) lighting project to save money. The combined \$1.25 million project will cost the City \$146,000, and will be paid from the Airport Fund over several budget years.
- **Flint Creek Estates Water Main Project.** The City extended a water main to serve the newly developed Flint Creek Estates development. The Water Fund pays the cost of water main extension projects for new development. This particular project cost \$242,380, and provided service to thirty-two new residential units.
- **Mill and Overlay Program.** Each year, the City allocates \$500,000 to its mill and overlay program to resurface streets throughout El Dorado. In 2020, the City resurfaced S. Haverhill Road from Central Avenue to Towanda, N. Taylor Street from 6th Avenue to 10th Avenue, and Wedgewood, Gentry, Dragonfly, and Chelsea Street. The City also resurfaced the Activity Center parking lot. These resurfacing projects are critical to maintaining existing streets to preserve them for years to come. Unfortunately, inflation slowly erodes the purchasing power of the funds designated for resurfacing projects. Consider that you would need \$797,300 today to equal the purchasing power of \$500,000 from 2000. This means the City does less street resurfacing today than it did a mere twenty years ago. Oil prices have a lot to do with street resurfacing, so some years the City is able to do more work than prior years. Even so, the funds allocated to resurfacing efforts do not go as far as they once did.

SUBSEQUENT EVENTS TO THE FINANCIAL STATEMENTS

The City also makes note of the following events that occurred after the closure of the 2020 fiscal year, but before the issuance of the financial statements for the period:

American Rescue Plan. To facilitate the recovery process needed because of the pandemic, the U.S. Congress authorized the American Rescue Plan as a means of providing direct aid to states and local governments. The \$350 billion federal appropriation provides emergency funding to support the public health response and lay a foundation for a strong and equitable economic recovery. The City of El Dorado anticipates receiving \$1.8 million from the American Rescue Plan, half of which will be distributed in the second quarter of 2021 and half that will be distributed in 2022.

The City may allocate these funds to specific uses authorized by the American Rescue Plan legislation to include:

- to respond to the public health emergency with respect to COVID-19 or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality;
- to respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers of the City that are performing such essential work, or by providing grants to eligible employers that have eligible workers who perform essential work;
- for the provision of government services to the extent of the reduction in revenue of the City due to COVID-19 public health emergency relative to revenues collected in the most recent full fiscal year of the City; and
- to make necessary investments in water, sewer, or broadband infrastructure.

The City does not know how these funds will be allocated yet. A public engagement process started to ascertain information from different stakeholder groups. This information will assist the City in determining areas of need and help prioritize funds to the greatest benefit to the community.

Capital Project Authorizations. The City Commission authorized several public infrastructure projects that will commence preliminary engineering in 2020-21 with construction planned for 2021-22. The projects will require financing in the form of General Obligation bonds. The City levies special assessments, as allowed by state law, on properties benefiting from the improvements. The assessments provide revenue to offset the principal and interest expenses for these projects.

- **9th Avenue Improvement Project.** The City Commission authorized a much-needed, \$1.3 million improvement to 9th Avenue from Gordy Street to N. Taylor Street. The City will pay slightly more than \$1.0 million (80%) of the project because the City owns the majority of property located adjacent to the project. The project is further complicated because it crosses a BNSF railroad, which will require extensive coordination with BNSF. The City-at-large portion of this project will be funded from the Bond and Interest Fund mill levy following completion.
- **5th Avenue, 2nd Avenue, Hunton, Simpson Improvement Projects.** The City annexed the Village Township several decades ago. At that time, the City planned to improve the streets within the newly annexed area. The street improvements did not happen for quite some time, and this project will nearly complete the effort. Combined, the projects total \$2.3 million in public infrastructure investment. The City-at-large, or taxpayers, will pay about \$544,000 (32%) and the remaining \$1.7 million will be levied as special assessments against properties included in the benefit district. Once completed, the City will include this project in an upcoming bond issuance so the City and property owners will have the ability to pay over twenty years.

Infrastructure Studies. Following completion of the West Industrial Park Master Plan, the City decided to continue its efforts to plan for industrial development growth by examining its public water and sanitary sewer systems.

- **Water Treatment and Capacity Study.** The City Commission authorized a not-to-exceed contract amount of \$189,980 to study the City’s water treatment and system capacity. The primary purpose of the study is to determine improvements needed to facilitate industrial development in the City’s industrial growth areas. Secondly, the study will also identify improvements the public water system that will enhance service to residential and commercial customers. Black and Veatch, in collaboration with MKEC, will conduct the study and anticipates its completion in 2021.
- **Sanitary Sewer Capacity Study.** The City Commission also authorized \$70,793 to study the City’s sanitary sewer system to identify capacity issues needing improvement in order for the system to accommodate increasing flow levels associated with development. A key focus of the study will address how the City will provide sanitary sewer service to its growing industrial areas. Garver will conduct the study and anticipates its completion in late 2021.

El Dorado Lake Recreation Master Plan. The City of El Dorado solicited Requests for Proposals from interested firms concerning the development of a recreation master plan for El Dorado Lake. In partnership with the Kansas Department of Wildlife, Parks, and Tourism, the City wants to develop a plan to enhance recreation amenities at El Dorado Lake for the purpose of attracting visitors and expanding recreation offerings for existing residents. The City estimates that a recreation master plan will cost upwards of \$200,000 depending on the consultant selected and the final negotiated scope of services. The General and Tourism Funds will likely contribute funds to this project once the City Commission approves a professional services agreement with the selected consultant.

G.O. Bonds, Series 2021. The City plans to issue General Obligation (G.O.) bonds to finance various public infrastructure projects in the third quarter of 2021. The bond issuance will increase the City’s outstanding debt obligations by several million dollars.

Termination of Holiday Inn Express CID. The City Commission elected to terminate a Community Improvement District (CID) originally established in 2018 to assist the then-owners of the Holiday Inn Express with various eligible improvements. Under state law, a CID may be created to impose a sales tax on overnight stays as a means of generating revenue for these improvements.

The property sold to another party, who unfortunately did not submit necessary documentation of the performance of the agreed upon improvements. The City made several attempts to communicate with the property owner before electing to terminate the CID. The City established a fund on behalf of the property owner to track the proceeds from the 1% CID sales tax. As of December 31, 2020, the fund had a balance of \$68,398, which will be allocated according to the desires of the City Commission.

RECOGNITION

The information contained in these financial statements attempt to provide a snapshot into the activities of the municipal government. The data helps elected officials, management, and the public understand the financial condition of the City. The contents of the financial statements tell the financial story of the City, although the real work of the municipal government cannot be done with numbers but with dedicated people working every day in service to their community. I cannot thank these dedicated individuals enough for the hard work they do to make El Dorado a great place to live, work, and play.

This year was especially difficult as employees had to do their normal jobs in an environment that was everything but normal. As I mentioned, uncertainty surrounding COVID-19 ruled each day and challenged each employee in the performance of his or her duties. Not only did employees have to find new, innovative ways of doing business in order to create a safe working environment, they also had to manage changing work schedules and routines and had to manage external changes that affected their home life.

The employees of the City of El Dorado met the challenge head on and continued despite the difficulties. I could not be prouder of the people who serve the El Dorado community with “City of El Dorado” on their shirts. The City’s services

may have changed during COVID, but our effort and attitude never wavered. I said it before and I will reiterate it again: every community in the nation should be so blessed to have such a qualified and committed staff working to make the community a great place.

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 El Dorado, Kansas for its comprehensive annual financial report for the fiscal year ended December 31, 2019. This was the forty-second consecutive year that the municipal government has achieved this prestigious award. Finally, something certain we can count on during these uncertain times!

In order to receive a Certificate of Achievement, a municipal government must publish an easily readable and efficiently organized comprehensive annual financial report. The report must satisfy both generally accepted accounting principles and applicable legal requirements. It should also communicate the City's financial condition in a manner that allows the public to understand such condition and affirm the City's spending meets prudent standards and public expectations. I hope readers will find this year's statements as enthralling as they are informative.

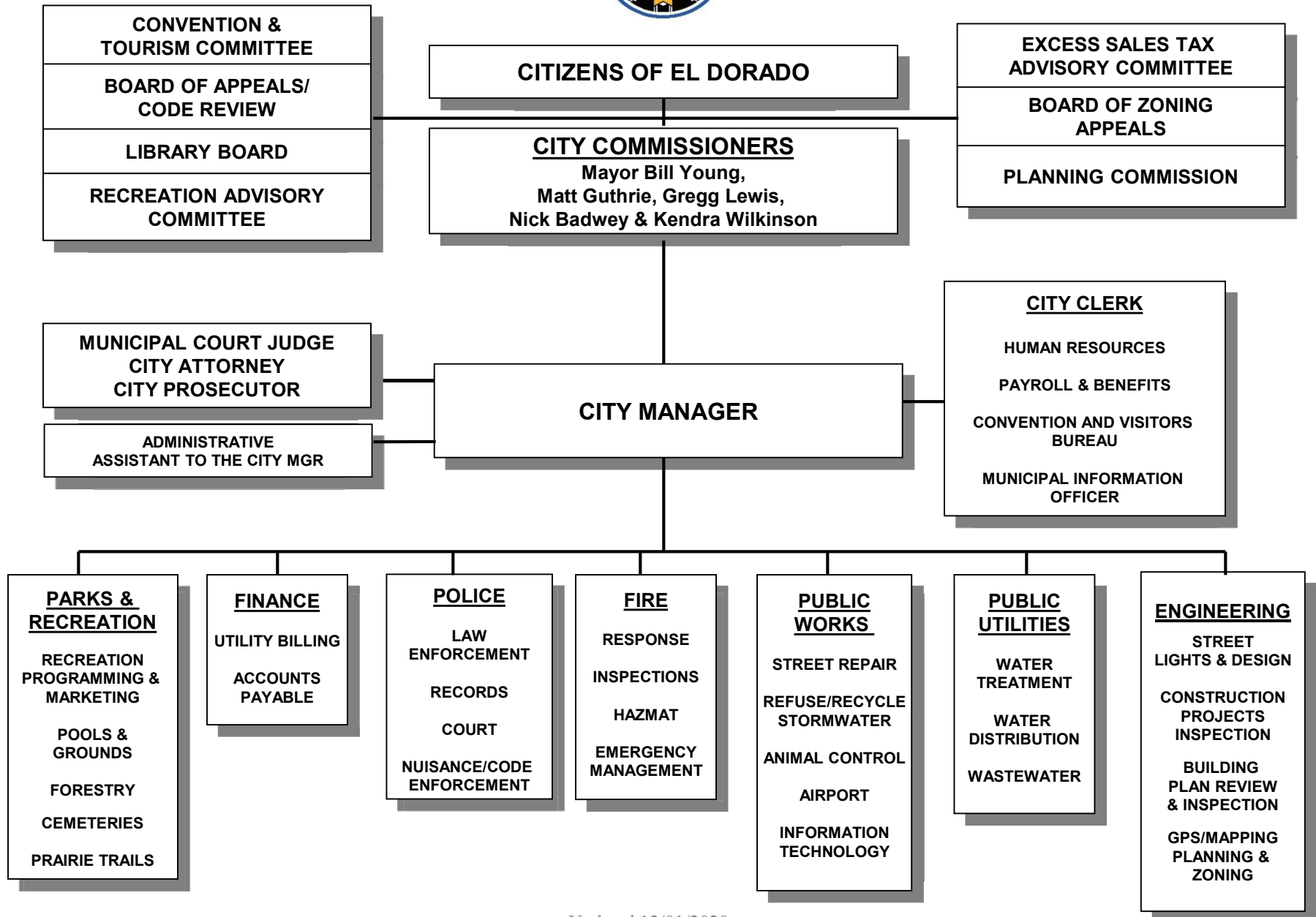
The Certificate of Achievement is valid for one year following its issuance. The City believes that the comprehensive annual financial report for year-ending December 31, 2020 will continue to meet the Certificate of Achievement Program's requirements and will submit it to the GFOA for consideration for another certificate.

It is with a heavy heart that I must share that Tammy Schaffer, the City's Finance Director for nearly ten years, accepted a similar position with the City of Fort Smith, Arkansas. She contributed significantly to the City's financial processes and reporting over the years. The City wishes her all the best in her new endeavors. The City anticipates having the vacant Finance Director position filled by August 2021.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "David B. Dillner". The signature is fluid and cursive, with the first name "David" being more prominent.

David B. Dillner
City Manager



Updated 12/01/2020



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of El Dorado
Kansas**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

December 31, 2019

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

To the Mayor and City Commissioners
City of El Dorado, Kansas
El Dorado, Kansas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the **City of El Dorado, Kansas**, as of and for the year ended December 31, 2020, 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and applicable provisions of the *Kansas Municipal Audit and Accounting Guide*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of **City of El Dorado, Kansas** as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance 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 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.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise **City of El Dorado, Kansas'** basic financial statements. The statements and schedules under the supplementary information section in the accompanying table of contents and other information including the introductory and statistical sections, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The schedules and statements listed under supplementary information in the accompanying table of contents and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit and the procedures performed as described above, the information as noted above is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 28, 2021, on our consideration of the **City of El Dorado, Kansas**' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 the effectiveness of the City's 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.

A handwritten signature in black ink that reads "Adams Brown, LLC". The signature is written in a cursive, flowing style.

ADAMSBROWN, LLC

Certified Public Accountants
El Dorado, Kansas

July 28, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the report contains an overview and analysis of the City of El Dorado's financial statements and activities for the fiscal year ended December 31, 2020. The information contained here, as well as the information contained in the letter of transmittal, are intended to provide the reader of the financial statements with an overall picture of the City's financial condition.

OVERVIEW OF THE FINANCIAL STATEMENTS

The basic financial statements of the City include the government-wide financial statements and the fund financial statements. The notes to the financial statements follow the basic financial statements and are essential for the reader's understanding. Other supplementary information is also included at the end of this report to provide additional information for the reader.

Users of the report have an opportunity to compare the net position of the City of El Dorado to other entities using the government-wide financial statements. Those users can address relevant issues and broaden the basis of comparison (year-to-year or government-to-government) to enhance the City's accountability.

Government-Wide Financial Statements

Government-wide financial statements present the results of the City's operations using the accrual basis of accounting, the method used by private sector businesses. These statements focus on the long-term financial picture of the City as a whole.

The Statement of Net Position reports all the City's assets, deferred outflows, liabilities, and deferred inflows. Net Position, the difference between assets, deferred outflows, liabilities, and deferred inflows are an important measure of the City's overall financial health. Over time, 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 government's net position changed during the most recent fiscal year. All changes in net position (current year's revenues and expenses) are taken into account regardless of when cash is received or paid. Thus, revenues and expenses are reported in the Statement of Activities for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and accrued vacation leave).

The City of El Dorado's Statement of Net Position and Statement of Activities summarize all the Primary Government funds into either governmental activities or business-type activities. Governmental activities include the operations of the City that are generally supported by taxes, such as police, fire, public works, parks, cultural activities, general administration, recreation, cemetery, and industrial development. Business-type activities include water, sewer, refuse, and compressed natural gas utilities, which are self-supporting funds.

The Bradford Memorial Library and El Dorado Senior Center, Inc. component units are also reflected in these statements. Additional information on these component units may be found in the notes to the financial statements and the financial statements included in the supplementary information.

Fund Financial Statements

A fund is a fiscal entity with a set of self-balancing accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of El Dorado, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The fund financial statements provide more information about the City's most significant funds – not the City as a whole. All of the funds of the City of El Dorado can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. The City implemented Governmental Accounting Standards Board (GASB) statement number 54 for fiscal year ending December 31, 2012. GASB 54 changes the way fund balances are presented in the governmental fund financial statements.

Governmental fund financial statements are prepared on the modified accrual basis. Under the modified accrual basis, revenues are recognized when they become measurable and available, and expenditures are recognized when the related fund liability is incurred, with the exception of long-term debt and other similar items which are recorded when due. The focus, therefore, is on the short-term financial picture of the operations reported, rather than the City as a whole. Most of the City's basic operations are reported in the governmental fund financial statements. The information reported in these statements can be compared to the governmental activities information in the government-wide statements. The reconciliation at the end of the fund financial statements details the relationship between the two types of financial statements.

Proprietary funds fall into two categories: enterprise funds and internal service funds. All proprietary funds are prepared on the accrual basis of accounting. Enterprise funds are used to account for business-type activities. Enterprise fund statements present the same information that is in the government-wide statements for business activities, only in greater detail. The City's water, sewer, refuse, and compressed natural gas services are accounted for as enterprise funds. Internal service funds are used to account for the cost of operations shared by various functions of the City. The City uses one internal service fund to account for its data processing activities. In the government-wide statements, the information for the internal service fund is predominantly presented as part of the business-type activities information.

Fiduciary funds are used by the City to account for resources held by the City for the benefit of a third party. Because the resources of these funds are not available for the City's operation, they are not presented in the government-wide financial statements. The City's fiduciary includes the Retiree Health Care Benefit Plan (Trust Fund) used to accumulate the resources for postemployment health care benefits to qualified employees.

FINANCIAL ANALYSIS OF THE CITY

Net Position

In accordance with GASB Statement No. 34, following are the combined net position of the City of El Dorado as of December 31:

City of El Dorado, Kansas

Net Position

As of December 31, 2020

(with comparative totals for December 31, 2019)

| | Governmental Activities | | Business-Type Activities | | Total Primary Government | |
|--------------------------------------|----------------------------|---------------|-----------------------------|--------------|-----------------------------|---------------|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| Current and other assets | \$ 18,638,590 | \$ 17,388,436 | \$ 5,415,870 | \$ 3,301,648 | \$ 24,054,460 | \$ 20,690,084 |
| Capital assets | 44,444,720 | 44,835,414 | 54,532,043 | 55,337,834 | 98,976,763 | 100,173,248 |
| Total assets | 63,083,310 | 62,223,850 | 59,947,913 | 58,639,482 | 123,031,223 | 120,863,332 |
| Deferred outflows of resources: | | | | | | |
| Deferred outflows - pension | 1,825,629 | 998,412 | 355,205 | 170,378 | 2,180,834 | 1,168,790 |
| Deferred outflows - OPEB | 260,712 | 293,728 | 88,919 | 105,099 | 349,631 | 398,827 |
| | 2,086,341 | 1,292,140 | 444,124 | 275,477 | 2,530,465 | 1,567,617 |
| Long-term liabilities | 19,712,313 | 20,131,396 | 59,603,920 | 58,790,705 | 79,316,233 | 78,922,101 |
| Other liabilities | 1,212,743 | 837,761 | 331,082 | 222,902 | 1,543,825 | 1,060,663 |
| Total liabilities | 20,925,056 | 20,969,157 | 59,935,002 | 59,013,607 | 80,860,058 | 79,982,764 |
| Deferred inflows of resources: | | | | | | |
| Deferred inflows - pension | 268,722 | 313,300 | 118,137 | 128,097 | 386,859 | 441,397 |
| Deferred inflows - OPEB | 61,660 | 40,231 | 16,883 | 14,472 | 78,543 | 54,703 |
| Deferred receivable - Property taxes | 4,762,212 | 4,461,977 | - | - | 4,762,212 | 4,461,977 |
| | 5,092,594 | 4,815,508 | 135,020 | 142,569 | 5,227,614 | 4,958,077 |
| Net position: | | | | | | |
| Net investment in capital assets | 32,680,162 | 31,480,981 | 28,545,051 | 28,230,293 | 61,225,213 | 59,711,274 |
| Restricted | 8,020,862 | 7,408,468 | - | - | 8,020,862 | 7,408,468 |
| Unrestricted | (1,549,023) | (1,158,124) | (28,223,036) | (28,471,510) | (29,772,059) | (29,629,634) |
| Total net position | \$ 39,152,001 | \$ 37,731,325 | \$ 322,015 | \$ (241,217) | \$ 39,474,016 | \$ 37,490,108 |

The City's overall financial position has seen financial growth, with an increase in net position of \$1,983,908. The amount is the combination of an increase in both governmental activities and business-type activities. The governmental activities increased by \$1,420,676 primarily due to an increase in capital assets resulting from paving projects for Oil Hill/Rocky Road and Douglas Road.

The net position of business-type activities increased by \$563,232 due to the net effect of several items. New water meters and infrastructure at Flint Creek Estates, a housing development built in 2020, increased capital assets. Cash also increased due to decreased activity associated with the COVID-19 pandemic. Long-term liabilities increased primarily due to the \$813,215 in accrued interest on the water storage space.

Governmental Activities

The table below shows the condensed revenues, expenses and change in net position for 2020 and 2019.

| | Governmental Activities | |
|---|--------------------------------|----------------------|
| | 2020 | 2019 |
| Revenues: | | |
| Program Revenues: | | |
| Charges for Services | \$ 4,008,189 | \$ 3,374,481 |
| Operating Grants and Contributions | 1,494,715 | 771,634 |
| Capital Grants and Contributions | 790,995 | 1,729,430 |
| General Revenues: | | |
| Property Taxes | 4,762,918 | 4,792,036 |
| Sales Taxes | 2,696,442 | 2,669,192 |
| Franchise Taxes | 1,239,115 | 1,323,200 |
| Tourism Taxes | 102,438 | 176,473 |
| Investment Earnings | 35,730 | 63,029 |
| Gain on sale of capital assets | 4,474 | 10,200 |
| Miscellaneous | - | - |
| Total Revenues | <u>15,135,016</u> | <u>14,909,675</u> |
| Expenses: | | |
| General Government | 3,929,330 | 3,358,088 |
| Public Safety | 4,476,448 | 4,112,299 |
| Public Works | 3,066,632 | 3,873,979 |
| Health & Sanitation | 487,337 | 287,627 |
| Culture & Recreation | 1,574,069 | 1,320,667 |
| Economic Development | 247,871 | 368,897 |
| Interest on Long-Term Debt | 360,940 | 400,284 |
| Total Expenses | <u>14,142,627</u> | <u>13,721,841</u> |
| Excess Before Transfers | 992,389 | 1,187,834 |
| Transfers In (Out) | 602,872 | 798,880 |
| Change In Net Position | <u>1,595,261</u> | <u>1,986,714</u> |
| Net Position January 1 | 37,731,325 | 35,744,611 |
| Prior Period Adjustments | (174,585) | - |
| Net Position, Beginning of the Year as Restated | <u>37,556,740</u> | <u>35,744,611</u> |
| Net Position December 31 | <u>\$ 39,152,001</u> | <u>\$ 37,731,325</u> |

Several revenue sources that increased in 2020 include: Charges for Services, Operating Grants and Contributions, and Sales Taxes. Charges for Services increased primarily due to unanticipated revenue from Prairie Trails Golf Course. The City received revenue from the course for a brief time between Great Life Golf deciding not to purchase the course and the lease of the course by Troy Palmer in late 2020. Operating Grants and Contributions increased due to funding received from the federal government for COVID-19 relief and funding received from the State for a Community Development Block Grant. Sales tax collections were the highest on record.

Decreases in revenue were seen in Capital Grants and Contributions, Property Taxes, Franchise Taxes, Tourism Taxes, Investment Earnings, and the Gain on Sale of Capital Assets. Decreases in property taxes were very minor and could be due to the demolition of some older properties as well as decreased valuations in some areas. The decreased revenue in franchise taxes was likely due to the closure of several schools and businesses during the COVID-19 pandemic. Tourism taxes were also greatly affected by the COVID-19 pandemic, the local hotels saw a significant decrease in sales due to lack of tourism and the closure of the refinery to outside contractors.

The net change in expenses increased by \$420,786. General Government expenses increased due to the movement of an employee from Public Works to Environmental Services as well as annual increases in other personnel areas. Public Safety increased as a result of an increase in wages for new officers and those caused by promotions and compression relief. Health and Sanitation increased because the Cemetery division expenses were moved from General Government to Health and Sanitation. Culture and Recreation increased due to the unanticipated expenses at Prairie Trails Golf Course after the previous lessee decided they were no longer interested in the facility. The increases in the previous areas were somewhat offset by a significant decrease in Public Works due to a Highway fund requirement that caused us to move employees from Public Works to Major Streets.

Business-Type Activities

The table below shows the condensed revenues, expenses and changes in net position for 2020 and 2019.

| | Business-Type Activities | |
|---|---------------------------------|---------------------|
| | 2020 | 2019 |
| Revenues: | | |
| Program Revenues: | | |
| Charges for Services | \$ 9,009,146 | \$ 9,344,870 |
| Operating Grants and Contributions | 11,360 | - |
| Capital Grants and Contributions | 68 | 292,605 |
| General Revenues: | | |
| Investment Earnings (Loss) | 16,968 | 114,842 |
| Gain on sale of capital assets | - | 6,840 |
| Total Revenues | <u>9,037,542</u> | <u>9,759,157</u> |
| Expenses: | | |
| Waterworks System | 4,622,699 | 5,303,479 |
| Sewer System | 2,069,293 | 4,614,230 |
| Refuse | 1,472,413 | 1,626,618 |
| Compressed Natural Gas | 32,330 | 33,091 |
| Total Expenses | <u>8,196,735</u> | <u>11,577,418</u> |
| Excess Before Transfers | 840,807 | (1,818,261) |
| Transfers In (Out) | <u>(602,872)</u> | <u>(798,880)</u> |
| Changes in Net Position | <u>237,935</u> | <u>(2,617,141)</u> |
| Net Position January 1 | (241,217) | 2,375,924 |
| Prior Period Adjustments | 325,297 | - |
| Net Position, Beginning of the Year as Restated | <u>84,080</u> | <u>2,375,924</u> |
| Net Position December 31 | <u>\$ 322,015</u> | <u>\$ (241,217)</u> |

The Waterworks System, Sewer System, Refuse, and Compressed Natural Gas (CNG) utilities are the Business-Type Activities of the City of El Dorado. The utility bill includes Waterworks Fund, Sewer Fund, and Refuse Fund. Revenues for these funds decreased in 2020. This is likely due to the closure of many businesses and the local schools during 2020 due to COVID-19.

Expenses decreased as well, again, likely due to the slow down associated with COVID-19. Many divisions were required to alter schedules at the time of the Stay-Home order from the Governor of Kansas, this prevented certain divisions from completing projects they would have worked on if they had a larger group of available workers. The decrease in the Compressed Natural Gas fund was minimal because delivery truck and utility traffic did not see the slow-down that other businesses experienced.

FUND ANALYSIS

The net change in fund balance of (\$389,271) in the City's Total Governmental Funds resulting from 2020 operations. In the General fund, Property Tax declined even with an increase in the assessed valuation. The City requested just over 53 mills, but was granted 55.909 after the final assessed valuation came in less than what was predicted in the statement received from the County in June. Sales Tax collections increased by \$27,250. With the pandemic and the Governor's stay-home order, people spent more in El Dorado because they were unable to travel. Expenses decreased \$2,401,616 also due to the pandemic.

The net change in the Debt Service fund is (\$27,636). Property Tax decreased by \$10,052 due to the request of 10.732 mills from 10.976 in 2019. The City chose to transfer \$200,000 from the General Fund to Debt Service in order to cover the anticipated deficit.

The net change in the Construction fund is (\$1,184,393). There was little revenue from special assessments. USD 490 paid the City for their half of the Tennis Court projects. The paving of Douglas and Oil Hill/Rocky Road offset those revenues significantly leading to the negative net change in fund balance.

The change in net position in the Business-Type Activities increased \$184,378. The likely cause of this increase was the decrease in expenditures due to COVID-19 shut downs.

GENERAL FUND BUDGETARY HIGHLIGHTS

An amendment to the general fund budget did not occur in 2020. The actual amount of revenues over expenditures was \$1,709,083. Actual revenues came in just 2.7% less than the budgeted amount. The City continually evaluates the revenue source trends to determine required budget amounts for future years.

Expenditures were less than budgeted by \$3,503,540. Throughout the year, in addition to reductions due to COVID-19, there were a number of vacant positions. The Police Department held three to five vacant positions at several points during the year. A large portion of the positive variance is due to the contingency reserve that is budgeted in the General Fund to finance unforeseen expenditures or an unanticipated decline in revenues.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City of El Dorado's investment in capital assets for its Governmental and Business-Type activities as of December 31, 2020 was \$98,976,763 net of depreciation. The investment in capital assets includes Land, Construction in progress, Buildings, Improvements other than buildings, Infrastructure, and Machinery and Equipment.

The following chart is a breakdown of the City's Capital Assets, Net of Depreciation.

| City of El Dorado's Capital Assets | | | | | | | |
|------------------------------------|----|--------------|---------------|------------|--------------|---------------|------------|
| 2020 | | | | 2019 | | | |
| | | Governmental | Business-Type | | Governmental | Business-Type | |
| | | Activities | Activities | Total | Activities | Activities | |
| | | | | Total | | Total | |
| Land | \$ | 4,832,177 | 740,378 | 5,572,555 | 4,861,171 | 740,378 | 5,601,549 |
| Buildings and Improvements | | 15,122,839 | 22,575,438 | 37,698,277 | 16,020,243 | 23,173,137 | 39,193,380 |
| Infrastructure | | 18,342,115 | - | 18,342,115 | 18,141,321 | - | 18,141,321 |
| Machinery and Equipment | | 2,885,162 | 2,144,521 | 5,029,683 | 2,699,247 | 2,452,682 | 5,151,929 |
| Water Storage Space | | - | 28,951,577 | 28,951,577 | - | 28,951,577 | 28,951,577 |
| Construction in Progress | | 3,262,427 | 120,129 | 3,382,556 | 2,878,074 | 20,060 | 2,898,134 |
| Total Capital Assets | \$ | 44,444,720 | 54,532,043 | 98,976,763 | 44,600,056 | 55,337,834 | 99,937,890 |

Major capital asset additions and construction in progress occurring during 2020 included the following:

New Additions

| | | |
|---|----|---------|
| Pumper Truck | \$ | 41,106 |
| Police Vehicles | | 121,378 |
| Senior Center Parking Lot | | 64,611 |
| Public Works Roof | | 59,932 |
| Traffic Signal Pole | | 69,080 |
| Paving Marmaton | | 810,150 |
| Resurfacing Haverhill | | 222,934 |
| Resurfacing Taylor | | 77,138 |
| Resurfacing 6th Ave. | | 153,747 |
| Resurfacing Residential Streets | | 407,903 |
| Resurfacing Wedgewood | | 150,546 |
| Compressed Natural Gas Station Improvements | | 54,000 |
| Water Meters | | 178,018 |
| Skid Steer | | 74,673 |
| Mini Excavator | | 89,381 |

Construction in Progress

| | |
|---|---------------|
| Paving Douglas Road | 1,180,499 |
| 4-22 Asphalt Resealing (Olsson Project) | 311,248 |
| Airport Runway Lighting | 163,350 |
| Flint Creek Estate Waterline | <u>82,642</u> |

| | | |
|--------------|-----------|-------------------------|
| Total | \$ | <u>4,312,336</u> |
|--------------|-----------|-------------------------|

Additional information about the City's capital assets in Note 5 of the Notes to the Financial Statements.

Debt Administration

The City did not issue debt in 2020.

Additional information about the City's long-term debt in Note 6 of the Notes to the Financial Statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The City Commission and City staff are very cognizant of the impact the nation's economy has on the citizens of El Dorado and are working very diligently to keep the expenditures at a low level. The City will maintain the same level of services and fund the same outside agencies in 2020. Sales tax will continue to be a significant revenue source for the City. The property tax would be approximately 19 mills higher to fund the City's operations without the local sales tax. The City continues to improve its infrastructure through the street maintenance program, funded by sales tax monies.

OTHER POTENTIALLY SIGNIFICANT MATTERS

The following significant facts were known by management as of the date of the independent auditor's report:

- Great Life Golf and Fitness did not follow through with the purchase of Prairie Trails Golf in 2020. On May 1, 2020, the City of El Dorado resumed responsibilities for the Prairie Trails Public Golf Course. The course was then leased to Troy Palmer in December 2020. The City received \$50,000 up front and will receive \$2,000 per month over the next four years. He will then purchase the course for \$330,000 on or before November 30, 2025.
- COVID-19 did not have a significant effect on the overall operations of the City. However, the tourism fund saw a significant decrease in revenue due to the decrease in overnight stays at local hotels and lack of rentals at the Civic Center and Train Depot. The primary staff member in this fund left the City to move with her family and so we were able to manage expenses so that there was not a significant effect on the fund balance. Staff have discussed with the City Commission the possibility of using the American Rescue Fund monies to replace the depleted revenue when it is received in 2021.
- The City received CARES Act funding in 2020 to assist with COVID related expenses. The \$574,387 was used for several purposes: reimbursing the city for cleaning and disinfecting expenses related to COVID, reimbursing the city for small grants in the amount of \$149,977 given to local businesses from the economic development fund, and the remainder was used for purchasing equipment necessary to continue operations during the shutdown.
- The City received approval from the FAA to combine several lighting projects originally planned over the next few years. The \$1.25 million project will cost the project approximately \$146,000, which is being paid from the Airport Fund.

REQUESTS FOR INFORMATION

The financial report gives the reader a general overview of the City's finances. Questions about information contained in this report or requests for additional information should be directed to the Director of Finance, City of El Dorado, 220 East First, El Dorado, KS, 67042.

CITY OF EL DORADO, KANSAS

Statement of Net Position

December 31, 2020

| | Primary Government | | | |
|---|-------------------------------------|--------------------------------------|--------------------------------|--------------------|
| | Total Governmental Activities | Total Business-Type Activities | Total Primary Government | Component Units |
| ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Assets | | | | |
| Cash and Investments | \$ 4,593,916 | 4,282,851 | 8,876,767 | 539,040 |
| Receivables, Net of Allowance for Uncollectibles | | | | |
| Taxes | 10,461,736 | - | 10,461,736 | 496,112 |
| Accounts | 141,469 | 1,015,176 | 1,156,645 | - |
| Due from Other Governments | 334,206 | 123 | 334,329 | - |
| Internal Balances | 76,532 | (76,532) | - | - |
| Inventories | 30,731 | 194,252 | 224,983 | - |
| Restricted Cash and Investments | - | - | - | 265,810 |
| Investment in Joint Venture | 3,000,000 | - | 3,000,000 | - |
| Capital Assets, Nondepreciable | | | | |
| Land | 4,832,177 | 740,378 | 5,572,555 | - |
| Water Storage Space | - | 28,951,577 | 28,951,577 | - |
| Construction in Progress | 3,262,427 | 120,129 | 3,382,556 | - |
| Capital Assets, Depreciable | 76,568,505 | 48,352,582 | 124,921,087 | 2,401,829 |
| Less Accumulated Depreciation | (40,218,389) | (23,632,623) | (63,851,012) | (1,216,051) |
| Total Assets | 63,083,310 | 59,947,913 | 123,031,223 | 2,486,740 |
| Deferred Outflows of Resources | | | | |
| Deferred Outflows - Pension | 1,825,629 | 355,205 | 2,180,834 | 76,198 |
| Deferred Outflows - OPEB | 260,712 | 88,919 | 349,631 | 2,637 |
| Total Deferred Outflows of Resources | 2,086,341 | 444,124 | 2,530,465 | 78,835 |
| Total Assets and Deferred Outflows of Resources | 65,169,651 | 60,392,037 | 125,561,688 | 2,565,575 |
| LIABILITIES AND DEFERRED INFLOWS OF RESOURCES | | | | |
| Liabilities | | | | |
| Accounts Payable and Other Current Liabilities | 846,844 | 296,977 | 1,143,821 | 14,407 |
| Accrued Interest Payable | 52,462 | 33,172 | 85,634 | - |
| Unearned Revenue - Other | - | 933 | 933 | - |
| Unearned Revenue - Grant Proceeds Other Than Timing | 313,437 | - | 313,437 | - |
| Noncurrent Liabilities | | | | |
| Due Within One Year | 1,633,706 | 997,780 | 2,631,486 | 30,000 |
| Due in More Than One Year | 18,078,607 | 58,606,140 | 76,684,747 | 442,416 |
| Total Liabilities | 20,925,056 | 59,935,002 | 80,860,058 | 486,823 |
| Deferred Inflows of Resources | | | | |
| Deferred Inflows - Pension | 268,722 | 118,137 | 386,859 | 5,781 |
| Deferred Inflows - OPEB | 61,660 | 16,883 | 78,543 | 759 |
| Deferred Receivable - Property Taxes | 4,762,212 | - | 4,762,212 | 496,112 |
| Total Deferred Inflows of Resources | 5,092,594 | 135,020 | 5,227,614 | 502,652 |
| Total Liabilities and Deferred Inflows of Resources | 26,017,650 | 60,070,022 | 86,087,672 | 989,475 |
| Net Position | | | | |
| Net Investment in Capital Assets | 32,680,162 | 28,545,051 | 61,225,213 | 1,005,778 |
| Restricted for | | | | |
| Debt Service | 5,390,273 | - | 5,390,273 | - |
| Public Safety | 6,169 | - | 6,169 | - |
| Public Works | 422,361 | - | 422,361 | - |
| Economic Development | 1,851,486 | - | 1,851,486 | - |
| Culture and Recreation | 17,540 | - | 17,540 | - |
| Other Purposes | 333,033 | - | 333,033 | - |
| Unrestricted | (1,549,023) | (28,223,036) | (29,772,059) | 570,322 |
| Total Net Position | \$ 39,152,001 | 322,015 | 39,474,016 | 1,576,100 |

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

| | Net (Expenses) Revenue and Changes in Net Position | | | | | | | | | | | | |
|--|--|----------------------|------------------------------------|----------------------------------|-------------------------------|--------------------------------|--------------------|------------------|--|--|--|--|--|
| | Program Revenues | | | | Primary Government | | | Component Units | | | | | |
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Total Governmental Activities | Total Business-Type Activities | Total | | | | | | |
| | | | | | | | | | | | | | |
| Primary Government | | | | | | | | | | | | | |
| Governmental Activities | | | | | | | | | | | | | |
| General Government | \$ 3,929,330 | 2,047,573 | 864,811 | 790,995 | (225,951) | - | (225,951) | - | | | | | |
| Public Safety | 4,476,448 | 834,971 | 42,136 | - | (3,599,341) | - | (3,599,341) | - | | | | | |
| Public Works | 3,066,632 | 494,457 | 538,620 | - | (2,033,555) | - | (2,033,555) | - | | | | | |
| Health and Sanitation | 487,337 | 253,305 | 24,574 | - | (209,458) | - | (209,458) | - | | | | | |
| Culture and Recreation | 1,574,069 | 346,943 | 24,574 | - | (1,202,552) | - | (1,202,552) | - | | | | | |
| Economic Development | 247,871 | 30,940 | - | - | (216,931) | - | (216,931) | - | | | | | |
| Interest on Long-Term Debt | 360,940 | - | - | - | (360,940) | - | (360,940) | - | | | | | |
| Total Governmental Activities | 14,142,627 | 4,008,189 | 1,494,715 | 790,995 | (7,848,728) | - | (7,848,728) | - | | | | | |
| Business-Type Activities | | | | | | | | | | | | | |
| Waterworks System | 4,622,699 | 4,656,027 | 2,060 | 68 | - | 35,456 | 35,456 | - | | | | | |
| Sewer System | 2,069,293 | 2,704,454 | 1,474 | - | - | 636,635 | 636,635 | - | | | | | |
| Refuse | 1,472,413 | 1,626,797 | 7,826 | - | - | 162,210 | 162,210 | - | | | | | |
| Compressed Natural Gas | 32,330 | 21,868 | - | - | - | (10,462) | (10,462) | - | | | | | |
| Total Business-Type Activities | 8,196,735 | 9,009,146 | 11,360 | 68 | - | 823,839 | 823,839 | - | | | | | |
| Total Primary Government | \$ 22,339,362 | 13,017,335 | 1,506,075 | 791,063 | (7,848,728) | 823,839 | (7,024,889) | - | | | | | |
| Component Units | | | | | | | | | | | | | |
| Bradford Memorial Library | \$ 683,588 | 21,502 | 54,926 | - | - | - | - | (607,160) | | | | | |
| El Dorado Senior Center | 173,968 | 73,997 | 57,152 | - | - | - | - | (42,819) | | | | | |
| Total Component Units | \$ 857,556 | 95,499 | 112,078 | - | - | - | - | (649,979) | | | | | |
| General Revenues and Transfers | | | | | | | | | | | | | |
| Property Taxes | | | | | \$ 4,762,918 | - | 4,762,918 | 554,898 | | | | | |
| Sales Taxes | | | | | 2,696,442 | - | 2,696,442 | - | | | | | |
| Franchise Taxes | | | | | 1,239,115 | - | 1,239,115 | - | | | | | |
| Tourism Taxes | | | | | 102,438 | - | 102,438 | - | | | | | |
| Unrestricted Investment Earnings | | | | | 35,730 | 16,968 | 52,698 | (20,116) | | | | | |
| Gain on Sale of Capital Assets | | | | | 4,474 | - | 4,474 | - | | | | | |
| Transfers, Net | | | | | 602,872 | (602,872) | - | - | | | | | |
| Total General Revenues and Transfers | | | | | 9,443,989 | (585,904) | 8,858,085 | 534,782 | | | | | |
| Change in Net Position | | | | | 1,595,261 | 237,935 | 1,833,196 | (115,197) | | | | | |
| Net Position - Beginning of Year as Previously Stated | | | | | 37,731,325 | (241,217) | 37,490,108 | 1,541,617 | | | | | |
| Prior Period Adjustment | | | | | (174,585) | 325,297 | 150,712 | 149,680 | | | | | |
| Net Position - Beginning of Year as Restated | | | | | 37,556,740 | 84,080 | 37,640,820 | 1,691,297 | | | | | |
| Net Position - End of Year | \$ 39,152,001 | | | | 322,015 | 39,474,016 | 1,576,100 | | | | | | |

13

CITY OF EL DORADO, KANSAS

Balance Sheet

Governmental Funds

December 31, 2020

| | General | Debt Service | Construction | Other Governmental Funds | Total Governmental Funds |
|--|---------------------|------------------|--------------------|--------------------------------|--------------------------------|
| ASSETS | | | | | |
| Cash and Investments | \$ 347,517 | 235,344 | - | 4,011,055 | 4,593,916 |
| Receivables (Net of Allowance for Uncollectibles) | | | | | |
| Property Tax | 3,566,823 | 1,009,379 | - | 186,010 | 4,762,212 |
| Special Assessment Tax | - | 4,886,469 | - | 320,923 | 5,207,392 |
| Sales Tax | 474,652 | - | - | 17,480 | 492,132 |
| Accounts | 127,280 | - | - | 14,189 | 141,469 |
| Due from Other Governments | 1,898 | - | 141,167 | 191,141 | 334,206 |
| Due from Other Funds | 4,109,911 | - | - | - | 4,109,911 |
| Inventories | 12,662 | - | - | 18,069 | 30,731 |
| Total Assets | \$ 8,640,743 | 6,131,192 | 141,167 | 4,758,867 | 19,671,969 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | | | |
| Liabilities | | | | | |
| Accounts Payable | \$ 325,755 | - | 201,727 | 191,505 | 718,987 |
| Salaries and Wages Payable | 110,499 | - | - | 17,358 | 127,857 |
| Due to Other Funds | - | - | 4,050,788 | - | 4,050,788 |
| Unearned Revenue - Grant Proceeds Other Than Timing | - | - | - | 313,437 | 313,437 |
| Total Liabilities | 436,254 | - | 4,252,515 | 522,300 | 5,211,069 |
| Deferred Inflows of Resources | | | | | |
| Unavailable Revenue - Property Taxes | 3,566,823 | 1,009,379 | - | 186,010 | 4,762,212 |
| Unavailable Revenue - Special Assessments | - | 4,886,469 | - | 320,923 | 5,207,392 |
| Total Deferred Inflows of Resources | 3,566,823 | 5,895,848 | - | 506,933 | 9,969,604 |
| Fund Balances | | | | | |
| Nonspendable | | | | | |
| Inventories | 12,662 | - | - | 18,069 | 30,731 |
| Restricted | | | | | |
| Police Operations | - | - | - | 6,169 | 6,169 |
| Tourism | - | - | - | 312,095 | 312,095 |
| Domestic Violence Prevention | - | - | - | 20,938 | 20,938 |
| Debt Service | - | 235,344 | - | - | 235,344 |
| Park Improvements | - | - | - | 17,540 | 17,540 |
| Stormwater Systems | - | - | - | 422,361 | 422,361 |
| Ordinance Street Sales Tax | - | - | - | 722,687 | 722,687 |
| Excess Sales Tax | - | - | - | 1,099,676 | 1,099,676 |
| Economic Development | - | - | - | 29,123 | 29,123 |
| Committed | | | | | |
| Public Safety Equipment | - | - | - | 26,438 | 26,438 |
| Assigned | | | | | |
| Airport Improvements | - | - | - | 135,083 | 135,083 |
| Economic Development Sales Tax | - | - | - | 156,904 | 156,904 |
| Industrial Development | - | - | - | 336,553 | 336,553 |
| Street Improvements | - | - | - | 122,888 | 122,888 |
| Police Equipment | - | - | - | 303,110 | 303,110 |
| Self-Insurance Reserve | 309,860 | - | - | - | 309,860 |
| Unassigned | 4,315,144 | - | (4,111,348) | - | 203,796 |
| Total Fund Balance | 4,637,666 | 235,344 | (4,111,348) | 3,729,634 | 4,491,296 |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | \$ 8,640,743 | 6,131,192 | 141,167 | 4,758,867 | 19,671,969 |

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

CITY OF EL DORADO, KANSAS
Reconciliation of the Total Governmental Fund Balances to
Net Position in the Governmental Activities
December 31, 2020

| | | | |
|---|------------------|----|-------------------|
| Total Governmental Fund Balances | | \$ | 4,491,296 |
| 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 funds. | | | 44,444,720 |
| Other long-term assets are not available to pay for current-period expenditures and, therefore, reported as unavailable revenue in the funds. | | | 5,207,392 |
| Other assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. | | | 3,000,000 |
| Deferred outflows represent a consumption of net position that applies to a future period and so will not be recognized as an expenditure of resources until then. | | | |
| Deferred outflows - pension | 1,825,629 | | |
| Deferred outflows - OPEB | <u>260,712</u> | | 2,086,341 |
| Internal service funds are used by management to charge the costs of information technology to individual funds. This adjustment reflects the consolidation of internal service fund activities related to governmental activities. | | | 17,409 |
| Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds. | | | |
| Bonds payable | (10,981,706) | | |
| Premiums on bond sold | (160,163) | | |
| Capital leases payable | (622,689) | | |
| Accrued interest payable | (52,462) | | |
| Compensated absences | (341,731) | | |
| Net pension liability | (7,163,928) | | |
| Net OPEB liability | <u>(442,096)</u> | | (19,764,775) |
| Deferred inflows of resources represent an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. | | | |
| Deferred inflows - pension | (268,722) | | |
| Deferred inflows - OPEB | <u>(61,660)</u> | | (330,382) |
| Net Position of Governmental Activities | | \$ | <u>39,152,001</u> |

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

CITY OF EL DORADO, KANSAS
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2020

| | <u>General</u> | <u>Debt Service</u> | <u>Construction</u> | <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> |
|--|---------------------|-------------------------|---------------------|---|---|
| Revenues | | | | | |
| Taxes | | | | | |
| Property | \$ 3,475,246 | 1,086,290 | - | 201,382 | 4,762,918 |
| Sales | 2,596,442 | - | - | 100,000 | 2,696,442 |
| Franchise | 1,239,115 | - | - | - | 1,239,115 |
| Tourism | - | - | - | 102,438 | 102,438 |
| Intergovernmental | 61,673 | - | 442,401 | 1,720,303 | 2,224,377 |
| Licenses and Permits | 143,612 | - | - | 11,542 | 155,154 |
| Charges for Service | 1,145,551 | - | - | 162,517 | 1,308,068 |
| Fines and Forfeitures | 333,787 | - | - | 2,950 | 336,737 |
| Special Assessments | - | 360,853 | 15,777 | 316,500 | 693,130 |
| Investment Earnings | 26,168 | 2,887 | - | 6,675 | 35,730 |
| Miscellaneous | 285,389 | 120,763 | 58,805 | 255,853 | 720,810 |
| Total Revenues | <u>9,306,983</u> | <u>1,570,793</u> | <u>516,983</u> | <u>2,880,160</u> | <u>14,274,919</u> |
| Expenditures | | | | | |
| Current | | | | | |
| General Government | 1,702,354 | - | 526,760 | 1,538,942 | 3,768,056 |
| Public Safety | 3,880,615 | - | - | 300 | 3,880,915 |
| Highways and Streets | - | - | - | 1,059,459 | 1,059,459 |
| Health and Sanitation | 348,279 | - | - | 121,045 | 469,324 |
| Culture and Recreation | 1,315,384 | - | - | 11,400 | 1,326,784 |
| Economic Development | - | - | - | 213,074 | 213,074 |
| Debt Service | | | | | |
| Principal | 105,015 | 1,417,094 | - | 36,935 | 1,559,044 |
| Interest and Other Charges | 23,849 | 381,335 | - | 7,585 | 412,769 |
| Capital Outlay | 236,152 | - | 1,914,861 | 586,064 | 2,737,077 |
| Total Expenditures | <u>7,611,648</u> | <u>1,798,429</u> | <u>2,441,621</u> | <u>3,574,804</u> | <u>15,426,502</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>1,695,335</u> | <u>(227,636)</u> | <u>(1,924,638)</u> | <u>(694,644)</u> | <u>(1,151,583)</u> |
| Other Financing Sources (Uses) | | | | | |
| Sale of Real Estate | 89,440 | - | - | 70,000 | 159,440 |
| Transfers In | 837,000 | 200,000 | 740,245 | 1,753,770 | 3,531,015 |
| Transfers Out | (1,746,238) | - | - | (1,181,905) | (2,928,143) |
| Net Other Financing Sources (Uses) | <u>(819,798)</u> | <u>200,000</u> | <u>740,245</u> | <u>641,865</u> | <u>762,312</u> |
| Net Change in Fund Balances | <u>875,537</u> | <u>(27,636)</u> | <u>(1,184,393)</u> | <u>(52,779)</u> | <u>(389,271)</u> |
| Fund Balances - Beginning of Year, as Previously Stated | 3,730,479 | 262,980 | (2,926,955) | 3,753,290 | 4,819,794 |
| Prior Period Adjustment | 31,650 | - | - | 29,123 | 60,773 |
| Fund Balances - Beginning of Year, as Restated | <u>3,762,129</u> | <u>262,980</u> | <u>(2,926,955)</u> | <u>3,782,413</u> | <u>4,880,567</u> |
| Fund Balances - End of Year | <u>\$ 4,637,666</u> | <u>235,344</u> | <u>(4,111,348)</u> | <u>3,729,634</u> | <u>4,491,296</u> |

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

CITY OF EL DORADO, KANSAS

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in
Fund Balances to the Governmental Activities in the Statement of Activities
For the Year Ended December 31, 2020

| | | | |
|---|--------------------|-----------|------------------|
| Total Net Change in Fund Balances - Governmental Funds | | \$ | (389,271) |
| Amounts reported for governmental activities in the statement of activities are different because: | | | |
| 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 | 2,974,824 | | |
| Depreciation expense | <u>(2,975,195)</u> | (371) | |
| The net effect of various miscellaneous transactions involving capital assets is to decrease net position. | | | (154,964) |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. | | | 855,623 |
| The issuance of long-term debt (e.g., bonds, leases) 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, however, has 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 differences in the treatment of long-term debt and related items. | | | |
| Principal payments | | | |
| Capital leases | 105,015 | | |
| General obligation bonds | <u>1,454,029</u> | 1,559,044 | |
| Internal service funds are used by management to charge the cost of information technology to individual funds. The net revenue (expense) of certain activities of the internal service fund is reported with governmental activities. | | | 26,815 |
| 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. | | | |
| Compensated absences | (13,970) | | |
| Pension contributions | (345,639) | | |
| OPEB contributions | 6,166 | | |
| Amortization of bond premium | 30,831 | | |
| Accrued interest | <u>20,997</u> | (301,615) | |
| Change in Net Position of Governmental Activities | | \$ | <u>1,595,261</u> |

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

CITY OF EL DORADO, KANSAS
Statement of Revenues, Expenditures, and Changes in Fund Balance - Actual and Budget
Budgetary Basis
General Fund
For the Year Ended December 31, 2020

| | | Budgeted Amounts | | Variance |
|--|---------------------|--------------------|--------------------|--------------------|
| | Actual | Original | Final | Over (Under) |
| Revenues | | | | |
| Taxes | \$ 7,342,745 | 7,879,385 | 7,879,385 | (536,640) |
| Intergovernmental | 61,522 | 41,105 | 41,105 | 20,417 |
| Licenses, Fees, and Permits | 143,612 | 127,254 | 127,254 | 16,358 |
| Charges for Services | 1,040,622 | 760,273 | 760,273 | 280,349 |
| Fines and Forfeitures | 333,787 | 373,373 | 373,373 | (39,586) |
| Interest | 14,301 | 10,000 | 10,000 | 4,301 |
| Miscellaneous | 81,482 | 70,157 | 70,157 | 11,325 |
| Total Revenues | 9,018,071 | 9,261,547 | 9,261,547 | (243,476) |
| Expenditures | | | | |
| General Government | | | | |
| Administration | 592,843 | 3,602,142 | 3,602,142 | (3,009,299) |
| Engineering | 744,658 | 763,802 | 763,802 | (19,144) |
| Environmental Services | 132,845 | 162,822 | 162,822 | (29,977) |
| Legal and Judicial | 197,822 | 268,884 | 268,884 | (71,062) |
| Total General Government | 1,668,168 | 4,797,650 | 4,797,650 | (3,129,482) |
| Public Safety | | | | |
| Police Division | 2,242,096 | 2,610,516 | 2,610,516 | (368,420) |
| Fire Division | 1,735,074 | 1,786,945 | 1,786,945 | (51,871) |
| Total Public Safety | 3,977,170 | 4,397,461 | 4,397,461 | (420,291) |
| Health and Sanitation | | | | |
| Animal Control | 157,232 | 156,325 | 156,325 | 907 |
| Cemetery | 191,047 | 212,713 | 212,713 | (21,666) |
| Total Health and Sanitation | 348,279 | 369,038 | 369,038 | (20,759) |
| Culture and Recreation | | | | |
| Park Maintenance | 371,498 | 389,993 | 389,993 | (18,495) |
| Recreation | 621,091 | 691,661 | 691,661 | (70,570) |
| Swimming Pool | 85,753 | 166,725 | 166,725 | (80,972) |
| Golf Course | 237,029 | - | - | 237,029 |
| Total Culture and Recreation | 1,315,371 | 1,248,379 | 1,248,379 | 66,992 |
| Total Expenditures | 7,308,988 | 10,812,528 | 10,812,528 | (3,503,540) |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | \$ 1,709,083 | (1,550,981) | (1,550,981) | 3,260,064 |

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

CITY OF EL DORADO, KANSAS
Statement of Revenues, Expenditures, and Changes in Fund Balance - Actual and Budget
Budgetary Basis
General Fund (Continued)
For the Year Ended December 31, 2020

| | | Budgeted Amounts | | Variance |
|--|---------------------|--------------------|--------------------|------------------|
| | Actual | Original | Final | Over (Under) |
| Other Financing Sources (Uses) | | | | |
| Transfer In | \$ 837,000 | 349,740 | 349,740 | 487,260 |
| Transfer Out | (1,759,843) | (2,049,859) | (2,049,859) | 290,016 |
| Total Other Financing Sources (Uses) | (922,843) | (1,700,119) | (1,700,119) | 777,276 |
| Net Change in Fund Balance | 786,240 | (3,251,100) | (3,251,100) | 4,037,340 |
| Budgetary Basis Fund Balance, Beginning as Previously Stated | 2,092,565 | | | |
| Prior Period Adjustment | (85,868) | | | |
| Budgetary Basis Fund Balance, Beginning as Restated | 2,006,697 | | | |
| Budgetary Basis Fund Balance, Ending | 2,792,937 | | | |
| GAAP Adjustments | | | | |
| Plus Receivables | 603,302 | | | |
| Fund Balance, Ending - General Fund Only | 3,396,239 | | | |
| Fund Balances for Separately Budgeted Funds Included with the General Fund on GAAP Basis Financials | | | | |
| Building Demolition | 20,139 | | | |
| Fund Balances for Non-Budgeted Funds Included with the General Fund on GAAP Basis Financials | | | | |
| External Stores | 39,685 | | | |
| Equipment Reserve | 807,151 | | | |
| Prairie Trail Restaurant/Golf | 64,592 | | | |
| Self-Insurance Reserve | 309,860 | | | |
| | \$ 4,637,666 | | | |

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

CITY OF EL DORADO, KANSAS

Statement of Net Position

Proprietary Funds

December 31, 2020

| | Business-Type Activities - Enterprise Funds | | | | | Business-Type |
|--|---|-------------------|------------------|-----------------------------------|---------------------|---|
| | Major Funds | | | Nonmajor | Total | Activities |
| | Waterworks System | Sewer System | Refuse | Fund Compressed Natural Gas | | Internal Service Fund (Data Processing Fund) |
| ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | | | | | | |
| Current Assets | | | | | | |
| Cash and Investments | \$ 2,165,420 | 1,129,017 | 720,596 | 36,505 | 4,051,538 | 231,313 |
| Accounts Receivable | | | | | | |
| (Net of Allowance for Uncollectibles) | 505,671 | 316,269 | 193,236 | - | 1,015,176 | - |
| Intergovernmental Receivable | 91 | 32 | - | - | 123 | - |
| Inventories | 180,871 | 13,381 | - | - | 194,252 | - |
| Total Current Assets | 2,852,053 | 1,458,699 | 913,832 | 36,505 | 5,261,089 | 231,313 |
| Noncurrent Assets | | | | | | |
| Capital Assets | | | | | | |
| Nondepreciable Capital Assets | | | | | | |
| Land | 33,733 | 706,645 | - | - | 740,378 | - |
| Water Storage Space | 28,951,577 | - | - | - | 28,951,577 | - |
| Construction in Progress | 120,129 | - | - | - | 120,129 | - |
| Capital Assets | 16,105,374 | 29,718,373 | 2,224,292 | 243,044 | 48,291,083 | 61,499 |
| Accumulated Depreciation | (7,888,880) | (14,335,511) | (1,332,474) | (48,536) | (23,605,401) | (27,222) |
| Total Noncurrent Assets | 37,321,933 | 16,089,507 | 891,818 | 194,508 | 54,497,766 | 34,277 |
| Total Assets | 40,173,986 | 17,548,206 | 1,805,650 | 231,013 | 59,758,855 | 265,590 |
| Deferred Outflows of Resources | | | | | | |
| Deferred Outflows - Pension | 177,826 | 93,382 | 83,997 | - | 355,205 | - |
| Deferred Outflows - OPEB | 45,791 | 22,276 | 20,852 | - | 88,919 | - |
| Total Deferred Outflows of Resources | 223,617 | 115,658 | 104,849 | - | 444,124 | - |
| Total Assets and Deferred Outflows of Resources | \$ 40,397,603 | 17,663,864 | 1,910,499 | 231,013 | 60,202,979 | 265,590 |

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

CITY OF EL DORADO, KANSAS

Statement of Net Position
 Proprietary Funds (Continued)
 December 31, 2020

| | Business-Type Activities - Enterprise Funds | | | | | Business-Type |
|---|---|-------------------|------------------|-----------------------------------|---------------------|---|
| | Major Funds | | | Nonmajor | Total | Activities |
| | Waterworks System | Sewer System | Refuse | Fund Compressed Natural Gas | | Internal Service Fund (Data Processing Fund) |
| LIABILITIES AND DEFERRED INFLOWS OF RESOURCES | | | | | | |
| Current Liabilities | | | | | | |
| Accounts Payable | \$ 140,239 | 69,484 | 46,040 | 8,141 | 263,904 | 33,073 |
| Current Portion of Compensated Absences Payable | - | - | - | - | - | 8,414 |
| Current Portion of General Obligation Bonds Payable | 218,047 | 665,830 | - | - | 883,877 | - |
| Current Portion of Revolving Loan Note Payable | - | 105,489 | - | - | 105,489 | - |
| Accrued Interest Payable | 5,572 | 27,600 | - | - | 33,172 | - |
| Unearned Revenue - Other | - | 933 | - | - | 933 | - |
| Due to Other Funds | - | - | 59,123 | - | 59,123 | - |
| Total Current Liabilities | <u>363,858</u> | <u>869,336</u> | <u>105,163</u> | <u>8,141</u> | <u>1,346,498</u> | <u>41,487</u> |
| Noncurrent Liabilities | | | | | | |
| Long-Term Portion of Compensated Absences Payable | 46,746 | 31,187 | 29,137 | - | 107,070 | 43,661 |
| Long-Term Portion of General Obligation Bonds Payable | 1,171,596 | 3,702,822 | - | - | 4,874,418 | - |
| Long-Term Portion of Revolving Loan Note Payable | - | 1,623,184 | - | - | 1,623,184 | - |
| Long-Term Portion of Water Storage Space Payable | 50,197,930 | - | - | - | 50,197,930 | - |
| Net Pension Liability | 784,729 | 385,449 | 362,307 | - | 1,532,485 | - |
| Net OPEB Liability | 117,832 | 56,617 | 52,943 | - | 227,392 | - |
| Total Noncurrent Liabilities | <u>52,318,833</u> | <u>5,799,259</u> | <u>444,387</u> | <u>-</u> | <u>58,562,479</u> | <u>43,661</u> |
| Total Liabilities | <u>52,682,691</u> | <u>6,668,595</u> | <u>549,550</u> | <u>8,141</u> | <u>59,908,977</u> | <u>85,148</u> |
| Deferred Inflows of Resources | | | | | | |
| Deferred Inflows - Pension | 61,732 | 28,529 | 27,876 | - | 118,137 | - |
| Deferred Inflows - OPEB | 8,666 | 4,359 | 3,858 | - | 16,883 | - |
| Total Deferred Inflows of Resources | <u>70,398</u> | <u>32,888</u> | <u>31,734</u> | <u>-</u> | <u>135,020</u> | <u>-</u> |
| Total Liabilities and Deferred Inflows of Resources | <u>52,753,089</u> | <u>6,701,483</u> | <u>581,284</u> | <u>8,141</u> | <u>60,043,997</u> | <u>85,148</u> |
| NET POSITION | | | | | | |
| Net Investment in Capital Assets | 17,432,266 | 9,992,182 | 891,818 | 194,508 | 28,510,774 | 34,277 |
| Unrestricted | <u>(29,787,752)</u> | <u>970,199</u> | <u>437,397</u> | <u>28,364</u> | <u>(28,351,792)</u> | <u>146,165</u> |
| Total Net Position | <u>\$ (12,355,486)</u> | <u>10,962,381</u> | <u>1,329,215</u> | <u>222,872</u> | <u>158,982</u> | <u>180,442</u> |
| Some amounts reported for business-type activities in the statement of net position are different because internal service fund assets and liabilities are included with business-type activities | | | | | <u>163,033</u> | |
| Net Position of Business-Type Activities | | | | | <u>\$ 322,015</u> | |

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

CITY OF EL DORADO, KANSAS
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2020

| | Business-Type Activities - Enterprise Funds | | | | | Business-Type Activities |
|---|---|-----------------|-----------|---------------------------|---------------------|-----------------------------------|
| | Major Funds | | | Nonmajor Fund | Total | Internal Service |
| | Waterworks System | Sewer System | Refuse | Compressed Natural Gas | Enterprise Funds | Fund (Data Processing Fund) |
| Operating Revenues | | | | | | |
| Charges for Services | \$ 4,582,382 | 2,644,801 | 1,574,905 | 5,997 | 8,808,085 | 1,291,200 |
| Miscellaneous | 60,930 | 8,190 | 51,892 | 15,871 | 136,883 | 29,205 |
| Intergovernmental | 2,060 | 1,474 | 7,826 | - | 11,360 | 16,636 |
| Rents and Royalties | 12,715 | 51,463 | - | - | 64,178 | - |
| Total Operating Revenues | 4,658,087 | 2,705,928 | 1,634,623 | 21,868 | 9,020,506 | 1,337,041 |
| Operating Expenses | | | | | | |
| Cost of Sales and Services | 1,615,130 | 1,076,529 | 381,986 | - | 3,073,645 | 364,686 |
| Administration | 962,137 | 288,320 | 969,374 | 23,496 | 2,243,327 | 910,555 |
| Depreciation | 341,307 | 580,149 | 131,732 | 8,834 | 1,062,022 | 3,018 |
| Total Operating Expense | 2,918,574 | 1,944,998 | 1,483,092 | 32,330 | 6,378,994 | 1,278,259 |
| Operating Income (Loss) | 1,739,513 | 760,930 | 151,531 | (10,462) | 2,641,512 | 58,782 |
| Nonoperating Revenues (Expense) | | | | | | |
| Investment Income | 6,050 | 3,466 | 7,202 | 250 | 16,968 | - |
| Loss on Disposal of Assets | (1,125) | - | - | - | (1,125) | - |
| Interest Expense | (1,735,198) | (134,975) | - | - | (1,870,173) | - |
| Net Nonoperating Revenues (Expense) | (1,730,273) | (131,509) | 7,202 | 250 | (1,854,330) | - |
| Income (Loss) Before Capital | 9,240 | 629,421 | 158,733 | (10,212) | 787,182 | 58,782 |
| Contributions and Transfers | | | | | | |
| Capital Contributions | 68 | - | - | - | 68 | 21,590 |
| Transfers from Other Funds | - | 100,000 | - | - | 100,000 | - |
| Transfers to Other Funds | (549,180) | (75,692) | (78,000) | - | (702,872) | - |
| Change in Net Position | (539,872) | 653,729 | 80,733 | (10,212) | 184,378 | 80,372 |
| Net Position - Beginning of Year as Previously Stated | (11,930,584) | 10,184,820 | 1,161,987 | 233,084 | (350,693) | 100,070 |
| Prior Period Adjustment | 114,970 | 123,832 | 86,495 | - | 325,297 | - |
| Net Position - Beginning of Year as Restated | (11,815,614) | 10,308,652 | 1,248,482 | 233,084 | (25,396) | 100,070 |
| Net Position - End of Year | \$ (12,355,486) | 10,962,381 | 1,329,215 | 222,872 | 158,982 | 180,442 |
| Change in net position per fund financials | | | | \$ | 184,378 | |
| Some amounts reported for business-type activities in the statement of activities are different because the net revenue (expense) of certain activities of the internal service fund are reported with business-type activities | | | | | 53,557 | |
| Change In Net Position of Business-Type Activities | | | | \$ | 237,935 | |

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

CITY OF EL DORADO, KANSAS
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2020

| | Business-Type Activities - Enterprise Funds | | | | | Business-Type |
|---|---|------------------|------------------|------------------------|---------------------------|--|
| | Major Funds | | | Nonmajor Fund | Total Enterprise Funds | Activities |
| | Waterworks System | Sewer System | Refuse | Compressed Natural Gas | | Internal Service Fund (Data Processing Fund) |
| Cash Flows From Operating Activities | | | | | | |
| Cash Received from Customers and Users | \$ 4,561,305 | 2,709,825 | 1,629,332 | 21,868 | 8,922,330 | 1,320,405 |
| Cash Received from Federal Aid | 2,045 | 1,442 | 7,826 | - | 11,313 | 16,636 |
| Payments to Suppliers | (1,487,182) | (776,081) | (802,087) | (16,642) | (3,081,992) | (297,846) |
| Payments to Employees | (1,058,589) | (545,045) | (531,946) | - | (2,135,580) | (962,853) |
| Net Cash Provided for Operating Activities | <u>2,017,579</u> | <u>1,390,141</u> | <u>303,125</u> | <u>5,226</u> | <u>3,716,071</u> | <u>76,342</u> |
| Cash Flows From Capital and Related Financing Activities | | | | | | |
| Principal Paid on General Obligation Bonds | (213,237) | (652,734) | - | - | (865,971) | - |
| Principal Paid on Revolving Loan Note Payable | - | (103,073) | - | - | (103,073) | - |
| Interest Paid on Debt | (37,409) | (137,451) | - | - | (174,860) | - |
| Acquisition and Construction of Capital Assets | (288,108) | (40,838) | - | (54,000) | (382,946) | (7,275) |
| Net Cash Used for Capital and Related Financing Activities | <u>(538,754)</u> | <u>(934,096)</u> | <u>-</u> | <u>(54,000)</u> | <u>(1,526,850)</u> | <u>(7,275)</u> |
| Cash Flows From Noncapital Financing Activities | | | | | | |
| Transfers (to) from Other Funds | (549,180) | 24,308 | (78,000) | - | (602,872) | - |
| Advances to Other Funds | - | - | (59,123) | - | (59,123) | - |
| Net Cash Provided (Used) for Noncapital Financing Activities | <u>(549,180)</u> | <u>24,308</u> | <u>(137,123)</u> | <u>-</u> | <u>(661,995)</u> | <u>-</u> |
| Cash Flows From Investing Activities | | | | | | |
| Investment Income | 6,050 | 3,466 | 7,202 | 250 | 16,968 | - |
| Net Increase (Decrease) in Cash and Investments | <u>935,695</u> | <u>483,819</u> | <u>173,204</u> | <u>(48,524)</u> | <u>1,544,194</u> | <u>69,067</u> |
| Cash and Investments, Beginning of Year | <u>1,229,725</u> | <u>645,198</u> | <u>547,392</u> | <u>85,029</u> | <u>2,507,344</u> | <u>162,246</u> |
| Cash and Investments, End of Year | <u>\$ 2,165,420</u> | <u>1,129,017</u> | <u>720,596</u> | <u>36,505</u> | <u>4,051,538</u> | <u>231,313</u> |

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

CITY OF EL DORADO, KANSAS
Statement of Cash Flows
Proprietary Funds (Continued)
For the Year Ended December 31, 2020

| | Business-Type Activities - Enterprise Funds | | | | | Business-Type |
|---|---|------------------|----------------|------------------------|------------------|--|
| | Major Funds | | | Nonmajor Fund | Total | Activities |
| | Waterworks System | Sewer System | Refuse | Compressed Natural Gas | Enterprise Funds | Internal Service Fund (Data Processing Fund) |
| Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities | | | | | | |
| Operating Income (Loss) | \$ 1,739,513 | 760,930 | 151,531 | (10,462) | 2,641,512 | 58,782 |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities | | | | | | |
| Depreciation | 341,307 | 580,149 | 131,732 | 8,834 | 1,062,022 | 3,018 |
| Decrease (Increase) in Assets and Deferred Outflows | | | | | | |
| Accounts Receivable | (94,722) | 5,344 | 2,535 | - | (86,843) | - |
| Intergovernmental Receivable | (15) | (32) | - | - | (47) | - |
| Inventories | (51,701) | (4,765) | - | - | (56,466) | - |
| Deferred Outflows - Pension | (91,968) | (49,819) | (43,040) | - | (184,827) | - |
| Deferred Outflows - OPEB | 7,653 | 4,052 | 4,475 | - | 16,180 | - |
| Increase (Decrease) in Liabilities and Deferred Inflows | | | | | | |
| Accounts Payable | 63,617 | 35,875 | (2,160) | 6,854 | 104,186 | 7,106 |
| Compensated Absences Payable | (10,183) | (3,700) | 7,348 | - | (6,535) | 7,436 |
| Unearned Revenue - Other | - | 27 | - | - | 27 | - |
| Deferred Inflows - Pension | (4,956) | (2,685) | (2,319) | - | (9,960) | - |
| Deferred Inflows - OPEB | 1,307 | 734 | 370 | - | 2,411 | - |
| Net Pension Liability | 135,352 | 73,319 | 63,343 | - | 272,014 | - |
| Net OPEB Liability | (17,625) | (9,288) | (10,690) | - | (37,603) | - |
| Net Cash Provided for Operating Activities | \$ 2,017,579 | 1,390,141 | 303,125 | 5,226 | 3,716,071 | 76,342 |
| Schedule of Noncash Capital and Related Financing Activities | | | | | | |
| Contribution of Capital Assets | \$ 68 | - | - | - | 68 | 21,590 |
| Interest on Water Storage Space | 1,698,452 | - | - | - | 1,698,452 | - |
| Capital Assets Disposed Under Capital Lease | (151,505) | - | - | - | (151,505) | - |

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

CITY OF EL DORADO, KANSAS

Statement of Net Position

Fiduciary Fund

December 31, 2020

| | Retiree Health Care Benefit Plan Trust Fund |
|--------------------------|--|
| Assets | |
| Investments | |
| Mutual Funds | \$ <u>541,120</u> |
| Net Position | |
| Restricted for | |
| Post Employment Benefits | \$ <u>541,120</u> |

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

CITY OF EL DORADO, KANSAS
Statement of Changes in Net Position
Fiduciary Fund
For the Year Ended December 31, 2020

| | Retiree Health Care Benefit Plan Trust Fund |
|---|--|
| Additions | |
| Contributions | |
| Employers | \$ 71,442 |
| Investment Earnings | |
| Net Increase in Fair Value of Investments | 44,239 |
| Interest, Dividends, and Other | 19,159 |
| Total Additions | 134,840 |
| Deductions | - |
| Net Increase in Fiduciary Net Position | 134,840 |
| Net Position, Beginning of Year | 406,280 |
| Net Position, End of Year | \$ 541,120 |

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

CITY OF EL DORADO, KANSAS
Combining Statement of Net Position
Component Units
December 31, 2020

| | Bradford Memorial Library | El Dorado Senior Center, Inc. | Total Component Units |
|--|--|--|--------------------------------------|
| ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | | | |
| Assets | | | |
| Cash and Investments | \$ 518,745 | 20,295 | 539,040 |
| Receivables, Net of Allowance for Uncollectibles | | | |
| Taxes | 496,112 | - | 496,112 |
| Restricted Cash and Investments | 265,810 | - | 265,810 |
| Capital Assets, Depreciable | 2,401,829 | - | 2,401,829 |
| Less Accumulated Depreciation | (1,216,051) | - | (1,216,051) |
| Total Assets | 2,466,445 | 20,295 | 2,486,740 |
| Deferred Outflows of Resources | | | |
| Deferred Outflows - Pension | 76,198 | - | 76,198 |
| Deferred Outflows - OPEB | 2,637 | - | 2,637 |
| Total Deferred Outflows of Resources | 78,835 | - | 78,835 |
| Total Assets and Deferred Outflows of Resources | 2,545,280 | 20,295 | 2,565,575 |
| LIABILITIES AND DEFERRED INFLOWS OF RESOURCES | | | |
| Liabilities | | | |
| Accounts Payable and Other Current Liabilities | 11,632 | 2,775 | 14,407 |
| Noncurrent Liabilities | | | |
| Due Within One Year | 30,000 | - | 30,000 |
| Due in More Than One Year | 442,416 | - | 442,416 |
| Total Liabilities | 484,048 | 2,775 | 486,823 |
| Deferred Inflows of Resources | | | |
| Deferred Inflows - Pension | 5,781 | - | 5,781 |
| Deferred Inflows - OPEB | 759 | - | 759 |
| Deferred Receivable - Property Taxes | 496,112 | - | 496,112 |
| Total Deferred Inflows of Resources | 502,652 | - | 502,652 |
| Total Liabilities and Deferred Inflows of Resources | 986,700 | 2,775 | 989,475 |
| Net Position | | | |
| Net Investment in Capital Assets | 1,185,778 | - | 1,185,778 |
| Unrestricted | 372,802 | 17,520 | 390,322 |
| Total Net Position | \$ 1,558,580 | 17,520 | 1,576,100 |

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

CITY OF EL DORADO, KANSAS
Combining Statement of Activities
Component Units
For the Year Ended December 31, 2020

| | Bradford Memorial Library | El Dorado Senior Center, Inc. | Total Component Units |
|--|--|--|--------------------------------------|
| Expenses | | | |
| Personal Services | \$ 367,417 | 68,635 | 436,052 |
| Contractual Services | 71,083 | 30,024 | 101,107 |
| Commodities | 89,231 | 75,309 | 164,540 |
| Interest Expense | 151,957 | - | 151,957 |
| Depreciation | 3,900 | - | 3,900 |
| Total Expenses | 683,588 | 173,968 | 857,556 |
| Program Revenues | | | |
| Charges for Services | 21,502 | 73,997 | 95,499 |
| Operating Grants and Contributions | 54,926 | 57,152 | 112,078 |
| Total Program Revenues | 76,428 | 131,149 | 207,577 |
| Net (Expense) Revenue | (607,160) | (42,819) | (649,979) |
| General Revenues | | | |
| Property Taxes Appropriation | 506,218 | 48,680 | 554,898 |
| Unrestricted Investment Loss | (20,131) | 15 | (20,116) |
| Total General Revenues | 486,087 | 48,695 | 534,782 |
| Change in Net Position | (121,073) | 5,876 | (115,197) |
| Net Position - Beginning of Year as Previously Stated | 1,541,617 | - | 1,541,617 |
| Prior Period Adjustment | 138,036 | 11,644 | 149,680 |
| Net Position - Beginning of Year as Restated | 1,679,653 | 11,644 | 1,691,297 |
| Net Position - End of Year | \$ 1,558,580 | 17,520 | 1,576,100 |

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

CITY OF EL DORADO, KANSAS
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

City of El Dorado, Kansas (the City) is a municipal corporation governed under a Mayor-Commission form of government consisting of an elected mayor and four-member board. The City provides a full range of municipal services to its citizens in the areas of police and fire protection, sanitation, health, recreation, library, public improvements, building and zoning, general administrative services, water, wastewater and solid waste collection, and cemetery operations. As required by generally accepted accounting principles (GAAP), these financial statements present the City (primary government) and its component units, entities for which the City is considered to be financially accountable. The component units discussed in the following paragraphs are included in the City's reporting entity because of the significance of their operational or financial relationship to the City.

Discretely Presented Component Units

Discretely presented component units are entities that are legally separate from the City, but are financially accountable to the City, or whose relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. The component units are reported in a separate column to emphasize that they are legally separate from the primary government and are governed by separate boards.

The Bradford Memorial Library (the Library) operates the public library in the City. The City Commission appoints the Library's governing body. The Library may not purchase or lease a site or erect a building for use of the Library without the approval of the City Commission. The Library component unit is presented as a governmental fund type and does not issue separate financial statements. The Library taxes are levied under the taxing authority of the City and are included as part of the City's total tax levy. The Library also receives funding through state assistance programs, charges for services, and donations from the public. Also included in the Library's financial data are the operations of the Bradford Memorial Library Endowment (the Endowment), a component unit of the Bradford Memorial Library. The Endowment is a legally separate, tax-exempt organization and is comprised of gifts and bequests that are subject to a requirement that the principal be maintained intact and invested to create a source of income for the Library to supplement the resources that are available to the Library in support of its programs.

El Dorado Senior Center, Inc.'s (the Center) purpose is to provide transportation and programs to senior citizens of the El Dorado community. The Center provides an access for social gatherings, meeting rooms, travel and transportation, and other activities. The Center is fiscally dependent on the City. The City has oversight responsibility of day-to-day operations and administration of the Center. The Center component unit is presented as a governmental fund type and does not issue separate financial statements.

Fiduciary Component Unit

The City has a Retiree Health Care Benefit Plan Trust Fund (the Trust Fund) that is a fiduciary component unit of the City and is reported as a fiduciary fund. The assets of the Trust Fund are held in a legally separate entity for other post-employment benefit arrangements. The City is responsible for all aspects of the Trust Fund including accumulation of resources for post-employment health benefits to qualified employees. The Trust Fund is governed by the City Commission and managed by the finance department of the City.

Joint Venture

During fiscal year 2011, the City announced a collaborative project with Butler County Community College (the College) and El Dorado Unified School District No. 490 (the District) to create the Educational Facilities Authority of Butler County (the Authority). The Authority's board is comprised of seven members, with two appointed from each participant, and the seventh appointed by the other six members. Upon dissolution of the Authority, property owned by the Authority will be transferred to the City, College, and District, or sold with the proceeds thereof paid to the City, College, and District.

CITY OF EL DORADO, KANSAS
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

The Authority is the official governing body of the BG Products Veterans Sports Complex (the Sports Complex), which was constructed and located in City limits. The bowl-design stadium accommodates 3,000 home fans and 1,000 visitors, with a future capacity to seat 4,500 and 2,000, respectively. In addition to the commitment to help fund construction of the Sports Complex, the City had an ongoing financial obligation for certain operating costs of the stadium.

During 2012, the City donated \$3,000,000 to fund its portion of construction. In addition to funds paid for construction, the agreement required the City to pay its portion of utilities, insurance, and maintenance costs associated with the stadium, along with the College and the District. The City's equity interest in the authority as of December 31, 2020 is \$3,000,000.

Separate audited financial statements are not prepared by the Authority.

Use of Estimates

The preparation of 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 deferred outflows of resources and liabilities and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the nonfiduciary activities of the primary government and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from the legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements.

Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are generally considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. A 60-day

CITY OF EL DORADO, KANSAS
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

availability period is used for revenue recognition for all governmental fund revenues except property taxes. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended for the specific purpose or project before any amounts will be paid to the City; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed requirements. These resources are reflected as revenues at the time of receipt, or earlier if the susceptible to accrual criteria are met.

Property taxes, sales taxes, franchise taxes, interest associated with the current fiscal period, and certain state and federal grants and entitlements are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City. While property taxes receivable are shown on the balance sheet as current assets of the City, they are not recognized as revenue at year end because statutory provisions prohibit their use until the year for which they were raised and budgeted. Instead, they are offset by unavailable revenue accounts.

The City reports the following major governmental funds:

General Fund - The general fund accounts for all financial resources except those required to be accounted for in another fund.

Debt Service Fund - The debt service fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

Construction Fund - The construction fund accounts for the resources accumulated and payments made for the acquisition of capital assets or construction of major capital projects not being financed by proprietary funds.

The City reports the following major proprietary funds:

Waterworks System Fund - The waterworks system fund accounts for the operation of the municipal water utility including water supply, treatment and distribution.

Sewer System Fund - The sewer system fund accounts for the operation of the municipal sewer utility including the collection and treatment of wastewater.

Refuse Fund - The refuse fund accounts for the operation of the refuse utility including the collection and disposal of solid waste and the City's recycling program.

The City also reports the following fund types:

Internal Service Fund – The internal service fund is used to account for the financing of goods or services provided by one department to other departments of the City on a cost reimbursement basis. This fund accounts for the City's information technology activities.

Fiduciary Fund – The Retiree Health Care Benefit Plan (Trust Fund) is used to accumulate the resources for postemployment health care benefits to qualified employees.

CITY OF EL DORADO, KANSAS
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's water, sewer and refuse functions and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

During the course of operations, the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the Waterworks System Fund, the Sewer System Fund, and the Refuse Fund are charged to customers for sales and services. Operating expenses for the Waterworks System Fund, Sewer System Fund and Refuse Fund include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

Cash and Investments

The City maintains a cash and investment pool that is available for use by all funds. The pool has the general characteristics of demand deposit accounts, in that each fund may deposit additional cash at any time and also may withdraw cash at any time without prior notice or penalty. The pooled cash is invested to the extent available in authorized investments. These pooled investments consist of operating accounts and nonnegotiable certificates of deposit that are recorded at cost because they are not affected by market rate changes. Earnings from investments are allocated to the funds on the basis of the average monthly balance and in accordance with the adopted budget. For the fiscal year ended December 31, 2020, interest earnings allocated to the various funds was \$52,698. Deposits are reported at their carrying amount which approximates fair value.

The City's Retiree Health Care Benefit Plan Trust Fund (fiduciary fund) has investments in mutual funds which are recorded at fair value.

The Library's investments consist of mutual funds, exchange traded funds, and close-end funds which are recorded at fair value.

Statement of Cash Flows

For purposes of the statement of cash flows, the City considers deposits and highly liquid investments with an original maturity of three months or less to be cash equivalents.

Receivables and Payables

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

All trade accounts receivable are shown net of an allowance for uncollectible. Management records an allowance for all account balances not collected within four months.

CITY OF EL DORADO, KANSAS
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Governmental funds report unavailable revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the governmental funds unavailable revenue is reported as follows:

| | |
|--|----------------------------|
| General fund property taxes receivable | \$ 3,566,823 |
| Debt service fund property taxes receivable | 1,009,379 |
| Debt service fund special assessments receivable | 4,886,469 |
| Nonmajor funds property taxes receivable | 186,010 |
| Nonmajor funds special assessment receivable | <u>320,923</u> |
| Total | \$ <u>9,969,604</u> |

Property Taxes and Receivable

The City's property taxes are levied each year on the assessed value of all real estate listed as of the prior January 1, the lien date. Assessed values are established by Butler County. The assessed value upon which the 2020 levy was based was \$92,877,403.

Property taxes are legally restricted for use in financing operations of the ensuing year. Accordingly, the City defers revenue recognition until the year for which they are to be used. Property taxes are levied on November 1. 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. Property taxes become delinquent on December 20 of each fiscal year if the taxpayer has not remitted at least one-half of the amount due. The 2020 tax levy per \$1,000 of assessed valuation was as follows:

| | |
|-------------------|----------------------|
| General fund | 35.065 |
| Debt service fund | 10.976 |
| Component unit | |
| Library | 5.004 |
| Nonmajor funds | |
| Industrial | 1.001 |
| Airport | <u>0.999</u> |
| | <u>53.045</u> |

Special Assessment Receivable

As required by State statutes, projects financed in part by special assessments are financed through the issuance of general obligation bonds which are secured by the full faith and credit of the City and are retired from the City's debt service fund. Further, Kansas statutes permit levying additional general ad valorem property taxes in the City's debt service fund to finance delinquent special assessments receivable. Special assessments paid prior to the issuance of bonds are recorded as revenue in the appropriate construction project. Special assessments received after the issuance of bonds are recorded as revenue in the debt service fund. Special assessment taxes are levied over a ten or twenty-year period 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. On December 31, the special assessment taxes levied are a lien on the property and are recorded as special assessments receivable in the debt service fund and accrued as revenues in the statement of activities. Since they are not considered available spendable resources for the governmental funds, the special assessments receivable is reported as unavailable revenue in the fund financial statements.

Beginning in November 2008, the City levied special assessments to property owners within the City for stormwater maintenance and improvements. On December 31, the stormwater special assessment taxes levied are a lien on the property and are recorded as special assessments receivable in the stormwater utility special revenue fund and accrued as revenues in the statement of activities. Since they are not

CITY OF EL DORADO, KANSAS
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

considered available spendable resources for the governmental funds, the stormwater special assessments receivable is reported as unavailable revenue in the fund financial statements.

Inventories

Inventories are valued at cost as determined by the first-in, first-out method. The purchase method is used to account for these inventories. Under the purchase method, inventories are recorded as expenditures when purchased; however, material amounts of inventories are reported as assets of the respective fund. Inventories in the general fund consist of expendable supplies held for consumption.

Capital Assets

Capital assets, which include property, plant, equipment, infrastructure (e.g., roads, bridges, curbs and gutters, sidewalks and similar items) and construction in progress 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 \$5,000. Capital assets are valued at historical cost or estimated historical cost (if actual historical cost is not available). The historical cost, or estimates of historical cost, for the City's infrastructure assets include all assets acquired or constructed subsequent to January 1, 1980. Donated capital assets are recorded at estimated acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of an asset are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. For proprietary funds, interest costs incurred to bring certain assets to the condition and location necessary for their intended use are capitalized as part of the historical cost of acquiring the assets. Additionally, in situations involving the acquisition of certain assets financed with the proceeds of tax-exempt borrowing, any interest earned on related interest-bearing investments from such proceeds is offset against the related interest costs in determining either capitalization rates or limitations on the amount of interest costs to be capitalized.

Capital assets of the primary government and its component unit are depreciated using the straight-line method over the following estimated useful lives:

| | |
|-----------------------------------|----------------|
| Buildings and structures | 40 to 50 years |
| Improvements other than buildings | 20 to 60 years |
| Infrastructure | 18 years |
| Machinery and equipment | 5 to 20 years |
| Office equipment | 10 years |
| Water treatment plants | 40 years |
| Water and sewer mains | 75 years |

Amortization of assets acquired under capital leases is included in depreciation.

The City acquired water storage space in 1972 for \$28,951,577 which is reported in the waterworks system fund and business-type activities column in the government-wide financial statements as a capital asset. The water storage space acquired is considered to have an indefinite life. As a result, no amortization will be taken on the space rights.

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position may 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 has two items that qualify for reporting in this category. One item is deferred outflows for pension and is reported in the government-wide statement of net position. See Note 8 for more information on the deferred outflows for pension. The second is deferred outflows for other postemployment benefits (OPEB). See Note 9 for more information on the deferred outflows for OPEB.

CITY OF EL DORADO, KANSAS
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

In addition to liabilities, the statement of net position may 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 items that qualify for reporting in this category. One item, unavailable revenue/deferred receivable is reported in the governmental funds balance sheet and the governmental activities in the government-wide statement of net position. The governmental funds report unavailable revenues from two sources: property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Governmental activities report deferred receivable only from property taxes. The second item is deferred inflows for pension. See Note 8 for more information on the deferred inflows for the pension. The third item is deferred inflow for OPEB. See Note 9 for more information on the deferred inflows for OPEB.

Compensated Absences

The City's policies regarding personal and sick leave permit employees to accumulate a maximum of 200 hours of personal leave (260 hours for employees with over ten years of continuous service) and a maximum accumulation of 90 days of sick leave. Policies prohibit payment for personal leave in lieu of time off and require cancellation of accumulated sick leave on the date of employment termination. The liability for accrued personal leave is accrued when incurred in the government-wide and propriety fund financial statements. The liability is classified as current or long-term based on previous history of usage by employees. A liability for these amounts is reported in governmental funds only if it has matured, for example, as a result of employee termination or retirement.

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 propriety fund type statement of net position. Bond premiums and discounts 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 bond 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.

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 KPERS and additions to/deductions from KPERS's fiduciary net position have been determined on the same basis as they are reported by KPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net Position and Fund Balance

In the government-wide and proprietary fund financial statements, net position is classified into three components:

- 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, leases, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted net position - consisting of net position with constraints placed on its use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other

CITY OF EL DORADO, KANSAS
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

governments; or (2) law through constitutional provisions or enabling legislation. The City first utilizes restricted resources to finance qualifying activities.

- Unrestricted net position - All other net position that does not meet the definition of "restricted" or "net investment in capital assets".

In the governmental fund financial statements, fund balance is comprised of five different classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent. The fund balance is classified as follows:

- Non-spendable - Assets legally or contractually required to be maintained or are not in spendable form. Such constraint is binding until the legal requirement is repealed or the amounts become spendable.
- Restricted - Assets with externally imposed constraints, such as those mandated by creditors, grantors, and contributors, or laws and regulations. Such constraint is binding unless modified or rescinded by the applicable external body, laws, or regulations.
- Committed - Assets with a purpose formally imposed by a formal action, an ordinance, of the City Commission, binding unless modified or rescinded by the City Commission.
- Assigned - Comprised of amounts intended to be used by the City for specific purposes that are neither restricted nor committed. The City Commission has by resolution authorized the Finance Director of the City to assign fund balance. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of the assignment.
- Unassigned - All amounts not included in the other fund balance classifications. The general fund shall be the only fund required to report positive unassigned fund balance. All other governmental funds may report negative unassigned fund balance.

In circumstances when an expenditure is made for a purpose which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned, and unassigned.

Concentrations of Credit Risk

Credit is extended to citizens for special assessments levied by the City for capital improvements. These special assessments are secured by liens on the related properties. Unsecured credit is extended to customers for water, sewer, and refuse fees and charges for services.

Intergovernmental receivables include unsecured amounts due from federal, state, and county agencies for various grant programs.

Pending Governmental Accounting Standards Board Statements

At December 31, 2020, the Governmental Accounting Standards Board (GASB) has issued several statements not yet implemented by the City. The Statements that might impact the City are as follows:

GASB Statement No. 87, *Leases*, improves accounting and financial reporting for leases by governments. Statement 87 increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a

CITY OF EL DORADO, KANSAS
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for periods beginning after June 15, 2021, as a result of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*.

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, enhances the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and simplifies accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The requirements for this statement are effective for periods beginning after December 15, 2020, as a result of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*.

GASB Statement No. 91, *Conduit Debt Obligations*, eliminates diversity in practice associated with government issuers' financial reporting of conduit debt obligations. The Statement achieves that objective by classifying the existing definition of a conduit debt obligation, establishing that a conduit debt obligation is not a liability of the issuer, establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations, and improving required note disclosures. The requirements for this statement are effective for periods beginning after December 15, 2021, as a result of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*.

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special revenue funds (unless specifically exempted by statute), and the debt service fund. The External Stores, Equipment Reserve, Prairie Trail Restaurant/Golf, Self-Insurance Reserve, Family Life Center, Expendable Trust, Customer Deposit, Law Enforcement Trust, and Police Department Seized Assets special revenue funds are exempted from preparing a legally adopted budget. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15th, but at least 10 days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least 10 days after publication, the hearing may be held, and the governing body may amend the budget at that time. There were budget amendments in the Economic Development Sales Tax Fund and the Compressed Natural Gas Fund for the year ended December 31, 2020.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Management has the authority to revise departmental budgets within a fund; however, the

CITY OF EL DORADO, KANSAS
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

City Commission must approve changes to the appropriations at the fund level. Budget comparison statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the modified accrual basis of accounting, modified further by the encumbrance method of accounting. Revenues are recognized when cash is received. Expenditures include disbursements, accounts payable, and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. All unencumbered appropriations (legal budget expenditure authority) lapse at year end. Encumbrances outstanding in the governmental funds financial statements at year end are reported as reservations of fund balances and do not constitute liabilities because the commitments will be honored during subsequent years.

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

Deficit Net Position and Fund Balance

The waterworks system fund had a deficit net position of \$12,355,486 at December 31, 2020 due to the recording of the water storage space payable. The construction fund had a deficit net fund balance of \$4,111,348 at December 31, 2020.

Excess of Expenditures Over Appropriations

Expenditures exceeded appropriations in the construction fund by \$1,230,139 and the Bradford Memorial Library fund by \$12,180 for the year ended December 31, 2020.

Bond Compliance

Bond payments were not received twenty days before the payment was due, which is in violation of K.S.A. 10-130.

NOTE 3 – DEPOSITS AND INVESTMENTS

Deposits

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. Kansas statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or be collateralized, and that collateral pledged must have a fair value equal to 100% of the deposits and investments, less insured amounts, and must be assigned for the benefit of the City.

The City maintains a cash and investment pool that is available for use by all funds. Each fund's portion of this pool is included in cash and investments on the balance sheet. At December 31, 2020, the City's carrying amount of deposits, including certificates of deposit, was not exposed to custodial credit risk.

The carrying amounts of deposits for the Library and the Center, discretely presented component units, were not exposed to custodial credit risk at December 31, 2020.

Investments

As of December 31, 2020, the City had the following investments:

| Investment Type | | Fair Value | Investment Maturities (in Years) | | | |
|------------------------------|----|---------------|----------------------------------|-------|--------|-----------------|
| | | | Less than 1 | 1 - 5 | 6 - 10 | More Than 10 |
| Fixed Income Mutual Funds | \$ | 347,095 | 347,095 | - | - | - |
| Domestic Equity Mutual Funds | | 136,160 | 136,160 | - | - | - |

CITY OF EL DORADO, KANSAS
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

| | | | | | |
|-----------------------------------|-------------------|----------------|----------|----------|----------|
| International Equity Mutual Funds | 35,665 | 35,665 | - | - | - |
| Real Estate Mutual Funds | 22,200 | 22,200 | - | - | - |
| | <u>\$ 541,120</u> | <u>541,120</u> | <u>-</u> | <u>-</u> | <u>-</u> |

Discretely Presented Component Unit - Library

| Investment Type | Fair Value | Investment Maturities (in Years) | | | |
|--|-------------------|----------------------------------|----------|----------|--------------|
| | | Less than 1 | 1 - 5 | 6 – 10 | More Than 10 |
| Mutual Funds, EFTs, and Closed-End Funds | \$ 256,532 | 256,532 | - | - | - |
| Money Market Mutual Funds | 9,278 | 9,278 | - | - | - |
| | <u>\$ 265,810</u> | <u>265,810</u> | <u>-</u> | <u>-</u> | <u>-</u> |

Interest rate risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. State statutes establish a two-year limitation on investment maturities. The City is not exposed to significant interest rate risk.

Credit risk. K.S.A. 12-1675 limits the City's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The City has no investment policy that would further limit its investment choices.

Concentration of credit risk. Kansas statutes place no limit on the amount the City may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

Custodial credit risk – investments. For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At December 31, 2020, the City's investments were not exposed to custodial credit risk.

Fair value measurement. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles (GAAP). 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; and Level 3 inputs are significant unobservable inputs.

At December 31, 2020, the City's fiduciary fund investments were categorized within the fair value hierarchy as follows:

| City | Fair Value | Fair Value Measurement at Reporting Date Using | | |
|-----------------|------------|--|---------|---------|
| | | Level 1 | Level 2 | Level 3 |
| Investment Type | | | | |
| Mutual Funds | \$ 541,120 | 541,120 | - | - |

CITY OF EL DORADO, KANSAS
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

| Library | Fair Value Measurement at Reporting Date Using | | | |
|-----------------|--|---------|---------|---------|
| Investment Type | Fair Value | Level 1 | Level 2 | Level 3 |
| Mutual Funds | \$ 265,810 | 265,810 | - | - |

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the primary government for the year ended December 31, 2020 was as follows:

Primary Government

| | Balance January 1, 2020 | Increase | Decrease | Transfers | Balance December 31, 2020 |
|--|-------------------------------|------------------|--------------------|-----------|---------------------------------|
| Governmental Activities | | | | | |
| Capital Assets Not Being Depreciated: | | | | | |
| Land | \$ 4,861,171 | - | (40,694) | 11,700 | 4,832,177 |
| Construction in Progress | 2,878,074 | 1,723,543 | (1,339,190) | - | 3,262,427 |
| Total Capital Assets Not Being Depreciated | 7,739,245 | 1,723,543 | (1,379,884) | 11,700 | 8,094,604 |
| Capital Assets Being Depreciated: | | | | | |
| Buildings | 12,226,556 | 82,466 | (133,618) | 221,056 | 12,396,460 |
| Improvements Other Than Buildings | 12,616,396 | 64,611 | - | (449,433) | 12,231,574 |
| Infrastructure | 41,754,654 | 1,904,425 | - | 6,422 | 43,665,501 |
| Machinery and Equipment | 7,958,947 | 538,970 | (433,202) | 210,255 | 8,274,970 |
| Total Capital Assets Being Depreciated | 74,556,553 | 2,590,472 | (566,820) | (11,700) | 76,568,505 |
| Less Accumulated Depreciated for: | | | | | |
| Buildings | 4,388,516 | 278,560 | (26,228) | 33,498 | 4,674,346 |
| Improvements Other Than Buildings | 4,434,193 | 428,009 | - | (31,353) | 4,830,849 |
| Infrastructure | 23,613,333 | 1,802,767 | - | (92,714) | 25,323,386 |
| Machinery and Equipment | 5,259,700 | 465,859 | (426,320) | 90,569 | 5,389,808 |
| Total Accumulated Depreciated | 37,695,742 | 2,975,195 | (452,548) | - | 40,218,389 |
| Total Capital Assets Being Depreciated, Net | 36,860,811 | (384,723) | (114,272) | (11,700) | 36,350,116 |
| Governmental Activities Capital Assets, Net | \$ 44,600,056 | 1,338,820 | (1,494,156) | - | 44,444,720 |

CITY OF EL DORADO, KANSAS
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

| | Balance January 1, 2020 | Increase | Decrease | Transfers | Balance December 31, 2020 |
|---|-------------------------------|------------------|------------------|-----------|---------------------------------|
| Business-Type Activities | | | | | |
| Capital Assets Not Being Depreciated: | | | | | |
| Land | \$ 740,378 | - | - | - | 740,378 |
| Water Storage Space | 28,951,577 | - | - | - | 28,951,577 |
| Construction in Progress | 20,060 | 120,129 | (20,060) | - | 120,129 |
| Total Capital Assets Not Being Depreciated | 29,712,015 | 120,129 | (20,060) | - | 29,812,084 |
| Capital Assets Being Depreciated: | | | | | |
| Buildings | 17,418,636 | - | - | - | 17,418,636 |
| Improvements Other Than Buildings | 24,152,912 | 178,019 | (6,755) | 22,000 | 24,346,176 |
| Machinery and Equipment | 6,699,156 | 133,791 | (223,177) | (22,000) | 6,587,770 |
| Total Capital Assets Being Depreciated | 48,270,704 | 311,810 | (229,932) | - | 48,352,582 |
| Less Accumulated Depreciated for: | | | | | |
| Buildings | 7,986,410 | 381,442 | - | - | 8,367,852 |
| Improvements Other Than Buildings | 10,412,001 | 404,150 | (6,754) | 12,125 | 10,821,522 |
| Machinery and Equipment | 4,246,474 | 279,448 | (70,548) | (12,125) | 4,443,249 |
| Total Accumulated Depreciated | 22,644,885 | 1,065,040 | (77,302) | - | 23,632,623 |
| Total Capital Assets Being Depreciated, Net | 25,625,819 | (753,230) | (152,630) | - | 24,719,959 |
| Business-Type Activities Capital Assets, Net | \$ 55,337,834 | (633,101) | (172,690) | - | 54,532,043 |

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

| | |
|--|---------------------|
| Governmental Activities: | |
| General Government | \$ 385,052 |
| Public Safety | 328,555 |
| Public Works (Including Depreciation of Infrastructure Assets) | 1,990,070 |
| Health and Sanitation | 11,011 |
| Culture and Recreation | 225,711 |
| Economic Development | 34,796 |
| Total Depreciation Expense – Governmental Activities | \$ 2,975,195 |
| Business-Type Activities: | |
| Waterworks Utility | \$ 341,307 |
| Sewer Utility | 580,149 |
| Refuse | 131,732 |
| Compressed Natural Gas | 8,834 |
| Capital Assets Held by the City's Internal Service Fund are Charged to the Various Functions Based on Their Usage | 3,018 |
| Total Depreciation Expense – Business-Type Activities | \$ 1,065,040 |

CITY OF EL DORADO, KANSAS
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Capital asset activity for the Library component unit for the year ended December 31, 2020 was as follows:

Discretely Presented Component Unit

| | Balance January 1, 2020 | Increase | Decrease | Transfers | Balance December 31, 2020 |
|--|-------------------------------|------------------|----------|-----------|---------------------------------|
| Library | | | | | |
| Capital Assets Being Depreciated: | | | | | |
| Buildings | \$ 2,163,444 | - | - | - | 2,163,444 |
| Machinery and Equipment | 46,808 | - | - | - | 46,808 |
| Books | 188,857 | 2,720 | - | - | 191,577 |
| Total Capital Assets Being Depreciated | 2,399,109 | 2,720 | - | - | 2,401,829 |
| Less Accumulated Depreciated for: | | | | | |
| Buildings | 940,573 | 140,347 | - | 5,070 | 1,085,990 |
| Machinery and Equipment | 1,119 | 5,562 | - | (5,070) | 1,611 |
| Books | 122,402 | 6,048 | - | - | 128,450 |
| Total Accumulated Depreciated | 1,064,094 | 151,957 | - | - | 1,216,051 |
| Library Capital Assets, Net | \$ 1,335,015 | (149,237) | - | - | 1,185,778 |

NOTE 5 – CAPITAL PROJECTS

The City is currently working on paving projects and performing various improvements. These projects are being funded primarily with federal grant monies and by the issuance of bonds.

Following is a summary of costs to December 31, 2020 for capital projects compared to the amount authorized:

| Project | Costs-to-Date | Amount Authorized |
|------------------------------------|---------------|----------------------|
| Solar Light Bike Path | \$ 194,118 | 628,220 |
| Paving Oil Hill (Rocky Rd.) | 557,831 | 626,077 |
| Paving Douglas Rd. | 1,251,692 | 1,458,040 |
| Tennis Courts | 733,550 | 800,000 |
| Central Park Batting Cage | 4,938 | 15,000 |
| Asphalt Resealing (Olsson Project) | 356,948 | 450,000 |
| Airport Runway Lighting | 163,350 | 800,000 |
| Waterlines – Flint Creek Estates | 82,642 | 242,380 |

NOTE 6 – LONG-TERM DEBT

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 governmental and business-type activities.

CITY OF EL DORADO, KANSAS
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

General obligation bonds payable on December 31, 2020 are comprised of the following issues:

| | Interest Rates | Original Issue | Final Maturity Date | Principal Payments in 2020 | Outstanding December 31, 2020 |
|---------------------------------------|----------------|----------------|---------------------|----------------------------|-------------------------------|
| General Obligation Bonds | | | | | |
| Governmental Activities | | | | | |
| Series 2010 | 1.60 - 3.35% | \$ 1,648,262 | 11/1/2025 | \$ 80,629 | 391,629 |
| Series 2011 | 2.00 - 3.50% | 5,715,000 | 11/1/2032 | 270,000 | 3,610,000 |
| Series 2013 | 1.65 - 2.75% | 4,644,322 | 11/1/2028 | 489,774 | 1,664,480 |
| Series 2015 | 2.00 - 4.00% | 3,357,000 | 11/1/2025 | 403,626 | 1,660,597 |
| Series 2016 | 1.25 - 2.00% | 1,690,000 | 11/1/2027 | 140,000 | 890,000 |
| Series 2019 | 3.00% | 2,835,000 | 11/1/2039 | 70,000 | 2,765,000 |
| | | | | <u>1,454,029</u> | <u>10,981,706</u> |
| Business-Type Activities | | | | | |
| Series 2010 | 1.60 - 3.35% | 546,738 | 11/1/2025 | 24,371 | 118,372 |
| Series 2013 | 1.65 - 2.75% | 2,000,678 | 11/1/2028 | 160,226 | 980,520 |
| Series 2015 | 2.00 - 4.00% | 580,000 | 11/1/2025 | 56,374 | 309,403 |
| Series 2016 | 1.25 - 2.00% | 6,530,000 | 11/1/2027 | 625,000 | 4,350,000 |
| | | | | <u>865,971</u> | <u>5,758,295</u> |
| Component Unit Activities | | | | | |
| Series 2016 | 1.25 - 2.00% | 295,000 | 11/1/2027 | 30,000 | 180,000 |
| Total General Obligation Bonds | | | | <u>\$ 2,350,000</u> | <u>16,920,001</u> |

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

| | Principal | Interest | Total |
|---------------------------------|----------------------|------------------|-------------------|
| Governmental Activities | | | |
| 2021 | \$ 1,516,123 | 314,773 | 1,830,896 |
| 2022 | 1,185,483 | 279,879 | 1,465,362 |
| 2023 | 1,227,261 | 244,511 | 1,471,772 |
| 2024 | 979,189 | 206,815 | 1,186,004 |
| 2025 | 995,050 | 181,778 | 1,176,828 |
| 2026-2030 | 2,988,600 | 584,723 | 3,573,323 |
| 2031-2035 | 1,375,000 | 207,825 | 1,582,825 |
| 2036-2039 | 715,000 | 54,150 | 769,150 |
| | <u>\$ 10,981,706</u> | <u>2,074,454</u> | <u>13,056,160</u> |
| Business-Type Activities | | | |
| 2021 | \$ 883,877 | 119,013 | 1,002,890 |
| 2022 | 844,517 | 104,299 | 948,816 |
| 2023 | 857,740 | 86,081 | 943,821 |
| 2024 | 875,811 | 67,380 | 943,191 |
| 2025 | 894,949 | 49,082 | 944,031 |
| 2026-2028 | 1,401,401 | 46,797 | 1,448,198 |
| | <u>\$ 5,758,295</u> | <u>472,652</u> | <u>6,230,947</u> |

CITY OF EL DORADO, KANSAS
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

| Component Unit Activities | Principal | Interest | Total |
|---------------------------|-------------------|---------------|----------------|
| 2021 | \$ 30,000 | 3,450 | 33,450 |
| 2022 | 30,000 | 3,000 | 33,000 |
| 2023 | 30,000 | 2,400 | 32,400 |
| 2024 | 30,000 | 1,800 | 31,800 |
| 2025 | 30,000 | 1,200 | 31,200 |
| 2026-2027 | 30,000 | 600 | 30,600 |
| | \$ 180,000 | 12,450 | 192,450 |

Revolving Loans Payable – Direct Borrowing

During 2011, the City entered into a loan agreement with the Kansas Department of Health and Environment's Kansas Water Pollution Control Revolving Fund. The agreement enabled the City to borrow \$2,106,252 to finance the construction of a new one-megawatt wind turbine generator at the City's wastewater treatment facility. The loan is being repaid over twenty years at an interest rate of 2.43%. The outstanding balance of \$859,631 is shown as a liability in the sewer fund. The future annual debt service requirements for the revolving loan payable as of December 31, 2020 are as follows:

| | Principal | Interest and Service Fees | Total |
|-----------|-------------------|------------------------------|------------------|
| 2021 | \$ 59,628 | 20,529 | 80,157 |
| 2022 | 61,085 | 19,071 | 80,156 |
| 2023 | 62,579 | 17,578 | 80,157 |
| 2024 | 64,109 | 16,048 | 80,157 |
| 2025 | 65,676 | 14,481 | 80,157 |
| 2026-2030 | 353,264 | 47,519 | 400,783 |
| 2031-2033 | 193,290 | 7,102 | 200,392 |
| | \$ 859,631 | 142,328 | 1,001,959 |

During 2015, the City entered into a loan agreement with the Kansas Department of Health and Environment. The agreement enabled the City to borrow \$1,058,908 to finance significant wastewater collection system improvements. The loan will be repaid over twenty years at an interest rate of 2.20%. The outstanding balance of \$869,042 is shown as a liability in the sewer fund. The future annual debt service requirements for the revolving loan payable as of December 31, 2020 are as follows:

| | Principal | Interest | Total |
|-----------|-------------------|----------------|------------------|
| 2021 | \$ 45,861 | 24,975 | 70,836 |
| 2022 | 46,876 | 23,623 | 70,499 |
| 2023 | 47,913 | 22,242 | 70,155 |
| 2024 | 48,973 | 20,831 | 69,804 |
| 2025 | 50,056 | 19,388 | 69,444 |
| 2026-2030 | 267,387 | 56,260 | 323,647 |
| 2031-2035 | 298,299 | 25,348 | 323,647 |
| 2036 | 63,677 | 1,052 | 64,729 |
| | \$ 869,042 | 193,719 | 1,062,761 |

CITY OF EL DORADO, KANSAS
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Liability for Water Storage Space – Direct Borrowing

In 1972, the City entered into a contract with the United State Army Corps of Engineers (the Corps) whereby the City provided land and waterworks system assets and the Corps provided personnel and equipment to construct and expand a reservoir. The project was completed in 1983. The contract required the City to reimburse the Corps for construction costs of \$26,435,400, plus interest compounded annually at 3.502% commencing July 1, 1992, with a final maturity date of July 1, 2081. Payments accelerate if water usage exceeds certain minimum quantities. There have been two instances where the City's water usage exceeded the minimum quantities and accelerated payment schedules have been set up for each in 1992 and 2003. The remaining principal balance of the construction costs associated with future water storage space that is accruing interest compounded annually at 3.502% until the final maturity date of July 1, 2081, is \$18,500,024. The payable increased during 2020 by \$1,698,452 representing accrued interest. At December 31, 2020, the liability including accrued interest is \$50,197,930. The amount to be paid in 2081, including accrued interest if the City does not accelerate additional payments for exceeding the minimum quantities for water usage, will be approximately \$410,000,000.

Capital Leases – Direct Borrowing

The City has entered into lease agreements as lessee for financing the acquisition of equipment. This year, \$81,768 was included in depreciation expense. These lease agreements qualify as capital leases and therefore have been recorded at the present value of their future minimum lease payments as of the inception date.

The assets acquired through capital leases are as follows:

| | |
|-------------------------------|--------------------------|
| Aerial Firetruck | \$ 1,152,052 |
| Less Accumulated Depreciation | <u>(248,866)</u> |
| Net Book Value | \$ <u>903,186</u> |

The following is a schedule of future minimum lease payments for capital leases as of December 31, 2020:

| | Principal | Interest | Total |
|------|--------------------------|----------------------|-----------------------|
| 2021 | \$ 117,583 | 11,281 | 128,864 |
| 2022 | 119,936 | 8,928 | 128,864 |
| 2023 | 122,336 | 6,528 | 128,864 |
| 2024 | 124,771 | 4,093 | 128,864 |
| 2025 | 127,281 | 1,601 | 128,882 |
| 2026 | <u>10,782</u> | <u>18</u> | <u>10,800</u> |
| | \$ <u>622,689</u> | <u>32,449</u> | <u>655,138</u> |

CITY OF EL DORADO, KANSAS
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2020 was as follows:

| | Balance January 1, 2020 | Additions | Reductions | Outstanding December 31, 2020 | Due Within One Year |
|---|-------------------------------|------------------|--------------------|-------------------------------------|------------------------|
| Governmental Activities | | | | | |
| General Obligation Bonds | \$ 12,435,735 | - | (1,454,029) | 10,981,706 | 1,516,123 |
| Issuance Premiums | 190,994 | - | (30,831) | 160,163 | - |
| Capital Leases - Direct Borrowing | 727,704 | - | (105,015) | 622,689 | 117,583 |
| Compensated Absences | 327,761 | 265,322 | (251,352) | 341,731 | - |
| Net Other Post-Employment Benefits Liability | 502,707 | - | (60,611) | 442,096 | - |
| Net Pension Liability | 5,946,495 | 1,217,433 | - | 7,163,928 | - |
| Total Long-Term Liabilities - Governmental Activities | 20,131,396 | 1,482,755 | (1,901,838) | 19,712,313 | 1,633,706 |
| Business-Type Activities | | | | | |
| General Obligation Bonds | \$ 6,624,266 | - | (865,971) | 5,758,295 | 883,877 |
| Construction Loan Payable - Direct Borrowing | 1,831,746 | - | (103,073) | 1,728,673 | 105,489 |
| Water Storage Space Payable - Direct Borrowing | 48,499,478 | 1,698,452 | - | 50,197,930 | - |
| Capital Leases - Direct Borrowing | 151,505 | - | (151,505) | - | - |
| Compensated Absences | 158,244 | 169,215 | (168,314) | 159,145 | 8,414 |
| Net Other Post-Employment Benefits Liability | 264,995 | - | (37,603) | 227,392 | - |
| Net Pension Liability | 1,260,471 | 272,014 | - | 1,532,485 | - |
| Total Long-Term Liabilities - Business-Type Activities | 58,790,705 | 2,139,681 | (1,326,466) | 59,603,920 | 997,780 |
| Component Unit Activities | | | | | |
| General Obligation Bonds | \$ 210,000 | - | (30,000) | 180,000 | 30,000 |
| Compensated Absences | 33,591 | - | (12,860) | 20,731 | - |
| Net Other Post-Employment Benefits Liability | 12,791 | 1,204 | (2,341) | 11,654 | - |
| Net Pension Liability | 199,391 | 60,640 | - | 260,031 | - |
| Total Long-Term Liabilities - Business-Type Activities | \$ 455,773 | 61,844 | (45,201) | 472,416 | 30,000 |

For the governmental activities, compensated absences and the net pension liability are generally liquidated by the general fund.

Conduit Debt Obligations

From time to time, the City has issued Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance.

Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of December 31, 2020, Industrial Revenue Bonds outstanding had an aggregated principal amount payable of approximately \$54,959,190.

Community Improvement Districts (CID) Program

In 2009, the Kansas Legislature enacted the Community Improvement District Act (the CID Act), pursuant to which municipalities may create districts in which certain special taxes are imposed and the revenue generated by these special taxes is used to fund certain public and private improvements, including certain ongoing operating costs, within the geographic bounds of the district. In 2017, four separate community improvement districts (CID) were established to finance the specific district's community development. In 2020, another CID was established. The City is not obligated in any manner for repayment of this debt.

CITY OF EL DORADO, KANSAS
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

NOTE 7 – INTERFUND TRANSFERS

Interfund transfers reflect the flow of resources from one fund to another fund, generally from the fund in which the resources are received or reside to the fund in which the resources will be expended. Interfund transfers for the year ended December 31, 2020 were as follows:

| | <u>Transfers Out</u> | <u>Transfers In</u> |
|-----------------------------|-----------------------------|-----------------------------|
| Major Governmental Funds | | |
| General | \$ 1,746,238 | 837,000 |
| Debt Service | - | 200,000 |
| Construction | - | 740,245 |
| Nonmajor Governmental Funds | 1,181,905 | 1,753,770 |
| Major Proprietary Funds | | |
| Waterworks System | 549,180 | - |
| Sewer System | 75,692 | 100,000 |
| Refuse | 78,000 | - |
| | <u> </u> | <u> </u> |
| Total Transfers | \$ <u>3,631,015</u> | <u>3,631,015</u> |

Transfers are used to (1) move revenues from the fund that statutes or the budget requires to collect to the fund that statutes 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, (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authority, and (4) eliminate negative cash balances in the payable funds due to project payment timing.

NOTE 8 – DEFINED BENEFIT PENSION PLAN

Plan Description

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

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

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

Those employees participating in the Pension Plan for the City and the Library are included in the Local and Police and Firemen employees' groups.

KPERs issues a stand-alone comprehensive annual financial report, which is available on the KPERs website at www.kpers.org.

CITY OF EL DORADO, KANSAS
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Benefits

Benefits are established by statute and may only be changed by the Kansas Legislature. Member employees (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 an employee's combined age and years of credited service equal 85 "points". Police and firemen's 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, member employees may withdraw their contributions from their individual accounts, including interest. Member employees 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 may receive a lump sum payment of up to 50% of the actuarial present value of the member employee's lifetime benefit. The 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 after January 1, 2015, was created. Normal retirement age for KPERS 3 is 65 with 5 years of service or 60 with 30 years of service. Early retirement is available at age 55 with 10 years of service with a reduced benefit. Monthly benefit options are an annuity benefit based on the account balance at retirement.

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

Contributions

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

For fiscal years beginning in 1995, Kansas legislation established statutory limits on increases in contribution rates for KPERS employers. Annual increases in the employer contribution rates related to subsequent benefit enhancements are not subject to these limitations. The statutory cap increase over the prior year contribution rate is 1.2% of total payroll for the fiscal year ended June 30, 2020.

The actuarially determined employer contribution rate (not including the 1% contribution rate for the Death and Disability Program) and the statutory employer capped contribution rate for local government employees are both 8.61%. The actuarially determined employer contribution rate (not including the 1% contribution rate for the Death and Disability Program) and the statutory employer capped contribution rate for police and firemen employees are both 21.93%. Contributions to the pension plan from the City were \$371,408 for KPERS and \$477,976 for KP&F, and from the Library were \$24,582 for KPERS for the year ended December 31, 2020.

CITY OF EL DORADO, KANSAS
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Employer Allocations

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

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

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

The allocation percentages for the City and Library's share of the collective pension amounts as of December 31, 2020 were based on the ratio of each employer's contributions to the total employer and nonemployer contributions of the group for the fiscal year ended June 30, 2020.

The contributions used exclude contributions made for prior service, excess benefits and irregular payments.

Net Pension Liability

Net pension liability activity for the year ended December 31, 2020 was as follows:

| | Local Government | Police and Firemen | Library |
|-----------------------|-------------------|--------------------|-------------------|
| Net Pension Liability | \$3,837,579 | \$4,858,834 | \$260,031 |
| Measurement Date | June 30, 2020 | June 30, 2020 | June 30, 2020 |
| Valuation Date | December 31, 2019 | December 31, 2019 | December 31, 2019 |
| City's Proportion | 0.221% | 0.394% | 0.015% |
| Change in Proportion | -0.005% | -0.005% | 0.001% |

Pension Plan Fiduciary Net Position. Detailed information about the Pension Plan's fiduciary net position is available in the separately issued KPERS financial report.

Actuarial Assumptions

The actuarial valuation used the following actuarial assumptions applied to all periods included in the measurement:

| | |
|--|--|
| Actuarial Cost Method | Entry age normal |
| Price inflation | 2.75% |
| Salary increase | 3.25 to 11.75%, including price inflation |
| Investment rate of return net of investment expense, including price inflation | 7.50% compounded annually, net of investment expense and including price inflation |

Mortality rates were based on the RP-2014 Mortality Tables, with age setbacks and age set forwards as well as other adjustments based on different membership groups. Future mortality improvements are anticipated using Scale MP-2016. Different adjustments apply to pre-retirement versus post-retirement versus post-disability mortality tables.

CITY OF EL DORADO, KANSAS
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an actuarial experience study conducted for the three-year period of January 1, 2016 through December 31, 2018. The experience study is dated January 7, 2020.

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 and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class of the most recent experience study, dated January 7, 2020, as provided by KPERS' investment consultant, are summarized in the following table:

| Asset Class | Long-Term Target Allocation | | Long-Term Expected Real Rate of Return | |
|------------------------|--------------------------------|----------|--|---|
| U.S. Equities | 23.50 | % | 5.20 | % |
| Non-U.S. Equities | 23.50 | | 6.40 | |
| Private Equity | 8.00 | | 9.50 | |
| Private Real Estate | 11.00 | | 4.45 | |
| Yield Driven | 8.00 | | 4.70 | |
| Real Return | 11.00 | | 3.25 | |
| Fixed Income | 11.00 | | 1.55 | |
| Short-term Investments | 4.00 | | 0.25 | |
| Total | 100.00 | % | | |

Discount Rate

The discount rate used to measure the total pension liability was 7.50%. The local groups do not necessarily contribute the full actuarial determined rate. Based on legislation passed in 1993 and subsequent legislation, the employer contribution rates certified by the Board may not increase by more than the statutory cap. The statutory cap was 1.2%.

Sensitivity 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 7.50%, 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 (6.50%) or 1 percentage point higher (8.50%) than the current rate:

| | <u>1% Decrease (6.50%)</u> | <u>Discount Rate (7.50%)</u> | <u>1% Increase (8.50%)</u> |
|--------------------|----------------------------|------------------------------|----------------------------|
| Local Employees | \$5,401,014 | \$3,837,579 | \$2,523,143 |
| Police and Firemen | 6,650,244 | 4,858,834 | 3,362,745 |
| Library | 365,967 | 260,031 | 170,966 |

Pension Expense

For the year ended December 31, 2020, the City recognized pension expense of \$1,269,276 and \$36,965 for the Library, 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.

CITY OF EL DORADO, KANSAS
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

At December 31, 2020, the City and the Library reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| City | | |
|--|---|--|
| | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Differences between actual and expected experience | \$ 206,097 | 49,339 |
| Net differences between projected and actual earnings on investments | 919,902 | - |
| Change of assumptions | 25,663 | 337,520 |
| Changes in proportionate share | 567,492 | - |
| City contributions subsequent to measurement date | 461,680 | - |
| Total | \$ 2,180,834 | 386,859 |

| Library | | |
|--|---|--|
| | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Differences between actual and expected experience | \$ 4,342 | 3,343 |
| Net differences between projected and actual earnings on investments | 30,339 | - |
| Change of assumptions | 12,760 | 2,438 |
| Changes in proportionate share | 15,662 | - |
| Library contributions subsequent to measurement date | 13,095 | - |
| Total | \$ 76,198 | 5,781 |

The \$461,680 and \$13,095 for the City and the Library, respectively, reported as deferred outflows of resources related to pensions resulting from City's and Library's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ended June 30, | City | Library |
|----------------------------|---------------------|----------------|
| 2021 | \$ 301,061 | 13,381 |
| 2022 | 341,861 | 15,718 |
| 2023 | 353,390 | 14,248 |
| 2024 | 324,341 | 13,272 |
| 2025 | 11,617 | 703 |
| Total | \$ 1,332,295 | 57,322 |

NOTE 9 – OTHER POSTEMPLOYMENT HEALTHCARE BENEFITS

Health Insurance

Plan Administration

The City's other postemployment benefits (OPEB) are accounted for through the Retiree Health Care Benefit Plan Trust (the Plan). The Plan is a single-employer defined benefit health care plan administered

CITY OF EL DORADO, KANSAS
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

by the City to provide medical, prescription drug, dental, and vision benefits to retired employees and their dependents under certain conditions. The Plan is governed by the City Commission and managed by the finance department of the City.

Funding Policy

The City provides health insurance benefits to retirees and their dependents in accordance with Kansas law (K.S.A. 12-5040). Kansas statutes, which may be amended by the state legislature, establish 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 percent of the premium cost for other similarly situated employees.

Plan Membership

At December 31, 2020, Plan membership consisted of the following:

| | |
|--|------------|
| Inactive plan members currently receiving benefit payments | 3 |
| Inactive plan members entitled to but not yet receiving benefit payments | - |
| Active plan members | 132 |
| Total | 135 |

Benefits Provided

Individuals who are employees of the City and are full-time employees who are enrolled in the City's group health plan on the date before retirement are eligible to continue healthcare benefits upon retirement from service with the City on or after at least 20 years of service (10 years of service in some cases). Part-time employees are assumed not to be eligible for retiree health, dental or vision benefits. Retirees covered by the plan make contributions toward the plan premiums in certain situations.

Contributions

The City has adopted a funding policy that provides reasonable assurance the cost of benefits provided to the Plan's members will be funded in an equitable and sustainable manner. The required contribution is based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined annually. The City Commission has the authority to provide and amend the contribution terms of the Plan.

The City Commission has the authority to establish and amend the investment policy for the Plan. The goal of the Plan is to achieve an annual rate of return on investments that meets or exceeds the Plan's actuarial assumption (as determined by its Actuarial Consultant) of 6% and to maximize the return on investment from these funds within the risk parameters specified. Both investment income and capital appreciation are components of expected total return from the investments. The time horizon for the Plan is a long-term horizon, in excess of 10 years, and the Plan shall not make short-term timing moves in the investment portfolio.

Net OPEB Liability

At December 31, 2020, the City's net OPEB liability was \$541,901. The net OPEB liability was measured as of December 31, 2020 and was determined by an actuarial valuation performed as of January 1, 2020.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the January 1, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods in the measurement, unless otherwise specified:

CITY OF EL DORADO, KANSAS
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

| | |
|-----------------------------|--|
| Measurement Date | December 31, 2020 |
| Valuation Date | January 1, 2019 |
| Reporting Date for Employer | December 31, 2020 |
| Measurement Period | January 1, 2020 to December 31, 2020 |
| Discount Rate | 6.00% |
| Inflation Rate | 2.50% |
| Salary Increases | 3.50% |
| Mortality Table | RP-2014 Total Employee and Healthy Annuitant tables adjusted to 2006 and projected with MP-2018 future mortality improvement scale |
| Actuarial Cost Method | Entry Age Normal |
| Asset Valuation Method | Market Value |
| Investment Rate of Return | 6.00% |

| Health Care Cost Trend Rates | | | | |
|------------------------------|-------------|---|---------------|---|
| Year | Claims Rate | | Expenses Rate | |
| 2019 | 7.00 | % | 4.00 | % |
| 2020 | 6.75 | | 4.00 | |
| 2021 | 6.50 | | 4.00 | |
| 2022 | 6.25 | | 4.00 | |
| 2023 | 6.00 | | 4.00 | |
| 2024 | 5.75 | | 4.00 | |
| 2025 | 5.50 | | 4.00 | |
| 2026 | 5.25 | | 4.00 | |
| 2027+ | 5.00 | | 4.00 | |

The actuarial assumptions used in the January 1, 2020 valuation were based on actual claims experience for the period January 1, 2012 to June 30, 2018 and blended with anticipated claims based on the Plan provisions.

Discount Rate

The discount rate used to measure the total OPEB liability was 6%. The projection of cash flows used to determine the discount rate assumed the City contributions will be made at rates equal to the actuarially determined contribution rates. Based on these assumptions, the OPEB 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 OPEB Plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Changes in the Net OPEB Liability

| | Total OPEB Liability (a) | Plan Fiduciary Net Position (b) | Net OPEB Liability (a) - (b) |
|-------------------------------------|--------------------------------|---------------------------------------|------------------------------------|
| Balance at December 31, 2019 | \$ 1,057,388 | 406,280 | 651,108 |
| Changes for the year: | | | |
| Service Cost | 18,226 | - | 18,226 |
| Interest | 62,873 | - | 62,873 |
| Employer Contributions | - | 71,442 | (71,442) |
| Net Investment Income | - | 63,398 | (63,398) |
| Benefit Payments | (55,466) | - | (55,466) |
| Net Changes | 25,633 | 134,840 | (109,207) |
| Balance at December 31, 2020 | \$ 1,083,021 | 541,120 | 541,901 |

CITY OF EL DORADO, KANSAS
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Sensitivity of the City's Net OPEB Liability to Changes in the Discount Rate. The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (5.00%) or one percentage point higher (7.00%) than the current discount rate:

| | <u>1% Decrease (5.00%)</u> | <u>Discount Rate (6.00%)</u> | <u>1% Increase (7.00%)</u> |
|--------------------|--------------------------------|----------------------------------|--------------------------------|
| Net OPEB Liability | \$ 650,665 | 541,901 | 446,812 |

Sensitivity of the City's Net OPEB Liability to Changes in the Discount Rate. The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rate:

| | <u>1% Decrease</u> | <u>Health Cost Trend Rates</u> | <u>1% Increase</u> |
|--------------------|--------------------|------------------------------------|--------------------|
| Net OPEB Liability | \$ 471,477 | 541,901 | 622,770 |

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

For the year ended December 31, 2020, the City recognized OPEB expense of \$90,644. At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|--|---|--|
| Differences between actual and expected experience | \$ 229,975 | - |
| Change of assumptions | 86,230 | - |
| Net difference between projected and actual earnings on OPEB plan investments | - | 32,399 |
| Total | \$ 316,205 | 32,399 |

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

| <u>Year Ended December 31,</u> | |
|--------------------------------|-------------------|
| 2021 | \$ 36,065 |
| 2022 | 36,065 |
| 2023 | 30,763 |
| 2024 | 27,298 |
| 20245 | 32,685 |
| Thereafter | 120,930 |
| Total | \$ 283,806 |

Disability Benefits and Life Insurance

Plan Description

The City contributes to the KPERS Long-Term Disability plan, a single-employer defined benefit other post-employment benefit (OPEB) plan which is administered by a board of trustees appointed by KPERS. The Plan provides long-term disability benefits and life insurance benefit for disabled members to KPERS members, as provided by K.S.A. 74-4925. The plan is administered through a trust held by KPERS that is

CITY OF EL DORADO, KANSAS
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

funded to pay annual benefit payments. However, because the trust's assets are used to pay employee benefits other than OPEB, no assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75. There is no stand-alone financial report for the plan.

Benefits Provided

Benefits are established by statute and may be amended by the KPERS Board of Trustees. The Plan provides long-term disability and life insurance benefits to eligible disabled members. Benefits provided are self-funded, and the full cost of the benefits is covered by the OPEB Plan. The monthly benefit is 60% of the member's monthly rate of 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, worker's compensation benefits, other disability benefits from any other source by reason of employment, and earnings from any form of employment. If the disability begins before age 60, benefits are payable while disability continues until the member's 65th birthday or retirement date, whichever first occurs. If the disability occurs at or after age 60, benefits are payable while disability continues, for a period of five years or until the date of the member's retirement, whichever first occurs. Upon the death of a member who is receiving monthly disability benefits, the plan will pay a lump sum benefit to eligible beneficiaries. The benefit amount will be 150% of the greater of (a) the member's annual rate of compensation at the time of disability, or (b) the member's previous 12 months of compensation at the time of the last date on payroll. If the member had been disabled for five or more years, the annual compensation or salary rate at the time of death will be indexed before the life insurance benefit is computed. The indexing is based on the consumer price index, less one percentage point. If a member is diagnosed as terminally ill with a life expectancy of 12 months or less, he or she may be eligible to receive up to 100% of the death benefit rather than having the benefit paid to the beneficiary.

Employer contributions are established and may be amended by state statute. Members are not required to contribute. Employer contributions paid for benefits as they came due during the fiscal year ended December 31, 2020 totaled \$42,079 and \$2,855 for the City and Library, respectively.

Employees Covered by Benefit Terms. As of the valuation date of December 31, 2019, the following employees were covered by the benefit terms:

| | <u>City</u> | <u>Library</u> |
|---|-------------|----------------|
| Inactive plan members or beneficiaries currently receiving benefit payments | 1 | 1 |
| Active plan members | 83 | 9 |
| | 84 | 10 |

Total OPEB Liability

The total OPEB liability for the City and Library of \$127,587 and \$11,654, respectively, was measured as of June 30, 2020 and was determined by an actuarial valuation performed as of December 31, 2019.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all period included in the measurement, unless otherwise noted:

| | |
|-------------------------|---|
| Discount Rate | 2.21% |
| Implicit Inflation Rate | 2.75% |
| Mortality Rates | Local Males: 90% of RP-2014 M Total Dataset +2 Local Females: 90% of RP-2014 F Total Dataset +1 Generational mortality improvements were projected for future years using MP-2020 Post-disability mortality rates are included in long-term disability claim termination rates. |
| Salary Increases | 3.50% to 10.00% based on years of service |
| Payroll Growth | 3.00% |
| Actuarial Cost Method | Entry Age Normal |

CITY OF EL DORADO, KANSAS
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

The discount rate was based on the bond buyer general obligation 20-bond municipal index as of the measurement date.

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an actuarial experience study conducted for the period January 1, 2016 through December 31, 2018.

Changes and items of impact relative to the prior valuation were as follows:

1. The demographic assumptions have been updated based upon the most recent KPERS experience study.
2. The discount rate was updated in accordance with the requirements of GASB 75.
3. The mortality projection scale was updated to the most recent table published by the Society of Actuaries.

The overall impact of the new assumptions is an increase in the benefit obligations.

Changes in the Total OPEB Liability

| | <u>City</u> | <u>Library</u> |
|--|-------------------|----------------|
| Balance at December 31, 2019 | \$ 116,594 | 12,791 |
| Changes for the year: | | |
| Service Cost | 15,255 | 667 |
| Interest on Total OPEB Liability | 4,554 | 430 |
| Effect of Economic/Demographic Gains or Losses | (15,440) | (467) |
| Effect of Assumptions Changes or Inputs | 10,119 | 574 |
| Benefit Payments | (3,495) | (2,341) |
| Net Changes | 10,993 | (1,137) |
| Balance at December 31, 2020 | \$ 127,587 | 11,654 |

Sensitivity of the Total KPERS OPEB Liability to Changes in the Discount Rate. The following presented the total KPERS OPEB liability of the City and Library, as well as what the City's and Library's total KPERS OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.21%) or 1-percentage-point higher (3.21%) than the current discount rate:

| | <u>1% Decrease (1.21%)</u> | <u>Discount Rate (2.21%)</u> | <u>1% Increase (3.21%)</u> |
|--------------------------------|--------------------------------|----------------------------------|--------------------------------|
| City's Total OPEB Liability | \$ 132,274 | 127,587 | 122,225 |
| Library's Total OPEB Liability | 12,000 | 11,654 | 11,267 |

Sensitivity of the Total KPERS OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following presents the total KPERS OPEB liability of the City and Library, as well as what the City's and Library's total KPERS OPEB liability would be if it were calculated using trend rates that are one percentage point lower or one percentage point higher than the current trend rates:

| | <u>1% Decrease</u> | <u>Health Cost Trend Rates</u> | <u>1% Increase</u> |
|--------------------------------|--------------------|------------------------------------|--------------------|
| City's Total OPEB Liability | \$ 127,587 | 127,587 | 127,587 |
| Library's Total OPEB Liability | 11,654 | 11,654 | 11,654 |

CITY OF EL DORADO, KANSAS
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

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

For the year ended December 31, 2020, the City and the Library recognized OPEB expense of \$15,035 and \$1,129, respectively. At December 31, 2020, the City and the Library reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| City | | |
|--|---|--|
| | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Differences between actual and expected experience | \$ - | 42,799 |
| Changes in assumptions | 10,630 | 3,345 |
| Benefit payments subsequent to measurement date | 22,796 | - |
| Total | \$ 33,426 | 46,144 |

| Library | | |
|--|---|--|
| | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Differences between actual and expected experience | \$ 475 | 454 |
| Changes in assumptions | 641 | 305 |
| Benefit payments subsequent to measurement date | 1,521 | - |
| Total | \$ 2,637 | 759 |

The deferred outflow of resources related to the benefit payments subsequent to the measurement date totaling \$22,796 and \$1,521 for the City and the Library, respectively, consists of payments made to KPERS for benefits and administrative costs and will be recognized as a reduction of the OPEB liability in the year ended December 31, 2021. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| Year Ended June 30, | City | Library |
|----------------------------|--------------------|----------------|
| 2021 | \$ (4,774) | 32 |
| 2022 | (4,774) | 32 |
| 2023 | (4,774) | 32 |
| 2024 | (4,774) | 32 |
| 2025 | (4,774) | 32 |
| Thereafter | (11,644) | 197 |
| Total | \$ (35,514) | 357 |

Aggregate Other Postemployment Healthcare Benefit Information

| | Health Insurance | KPERS | Total |
|--------------------------------------|-----------------------------|--------------|-----------------|
| City | | | |
| Net OPEB Liability | \$ 541,901 | 127,587 | 669,488 |
| Total Deferred Outflows of Resources | 316,205 | 33,426 | 349,631 |
| Total Deferred Inflows of Resources | (32,399) | (46,144) | (78,543) |

The aggregate amount of OPEB expenses for the two OPEB plans for the year ended December 31, 2020 was \$105,679 for the City.

CITY OF EL DORADO, KANSAS
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

NOTE 10 - RISK MANAGEMENT

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

Group Hospitalization

The City maintains a partially self-funded health insurance plan covering substantially all full-time employees. A monthly premium is paid to an insurance company for individual and aggregate stop-loss coverage and includes an amount for administrative costs. The maximum liability of the City for each individual covered is \$50,000 per plan year. Any claims paid in excess of this amount will be reimbursed to the City by an insurance company at the end of the plan year. The City's health plan includes Specific and Aggregate Stop-Loss insurance. Specific Stop-Loss is the form of excess risk coverage that provide protection for the employer against a high claim on any one individual. This is protection against abnormal severity of a single claim rather than abnormal frequency of claims in total. Specific Stop-Loss is also known as Individual Stop-Loss. Aggregate Stop-Loss provide a ceiling on the dollar amount of eligible expenses that an employer would pay, in total, during a contract period. The carrier reimburses the employer after the end of the contract period for aggregate claims. All City funds incurring payroll expenditures participate in the program and make payments to the program (which includes employee and employer contributions) based on actuarial estimates of the amounts needed to pay prior and current year claims. The claims liability of \$71,584 reported at December 31, 2020 is based on the requirements of Governmental Accounting Standards Board Statement No. 10 which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statement and the amount of the loss can be reasonably estimated.

At December 31, 2020, the City had approximately \$310,000 assigned in the General Fund for payment of health claims. The changes in health care claims payable for the year ended December 31, 2020 and the prior two years are as follows:

| | Beginning of Year Liability | Current Year Claims and Changes in Estimates | Claim Payment | Balance at Year End |
|-------------|--------------------------------|---|------------------|------------------------|
| 2018 | \$52,099 | 1,328,741 | 1,315,482 | 65,358 |
| 2019 | 65,358 | 1,314,684 | 1,306,985 | 73,057 |
| 2020 | 73,057 | 1,392,409 | 1,393,882 | 71,584 |

NOTE 11 – COMMITMENTS AND CONTINGENCIES

The City is a defendant in various legal actions pending or in process for miscellaneous claims. The ultimate liability that might result from the final resolution of these matters is not presently determinable. It is the opinion of the City's management that the outcome of this litigation will not result in a material loss to the City in excess of applicable insurance coverage.

NOTE 12 – TAX ABATEMENTS

The City entered into sales tax abatement agreements with local businesses for the purpose of attracting businesses within its jurisdiction. The abatements were for Community Improvement Districts where the City was the agent for the abated sales taxes. For the fiscal year ended December 31, 2020, abated sales taxes that impacted the City totaled \$118,407.

CITY OF EL DORADO, KANSAS
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

NOTE 13 – PRIOR PERIOD ADJUSTMENT

During the year ended December 31, 2020, certain adjustments were made that required the restatement of fund balances or net position.

Implementation of *GASB Statement No. 84, Fiduciary Activities*, resulted in a prior period adjustment in the amount of \$29,123 to governmental activities for the reclassification of certain funds previously reported as agency funds as governmental funds.

The allowance for doubtful accounts in prior years was overstated by a total of \$325,297 in business-type activities funds and \$31,650 in governmental activities. Additionally, construction in progress of governmental activities was overstated by \$235,358.

The Library has determined that prior year's accounts payable was overstated by \$138,036. The Senior Center was not reported as a component unit in the prior year. As a result, the component unit net position was understated by \$11,644.

To comply with K.S.A. 79-2935, the budgetary statements report a prior period adjustment to account for accounts payable that was reversed out in prior years.

The following restatements were made to beginning net position or fund balance:

| Financial Statements/Fund | As Previously Stated | Prior Period Adjustment | Restated |
|---|-----------------------------|--------------------------------|-------------------|
| Government-wide Financial Statements | | | |
| Governmental Activities | \$ 37,731,325 | (174,585) | 37,556,740 |
| Business-type Activities | (241,217) | 325,297 | 84,080 |
| Total Government-wide | \$ 37,490,108 | 150,712 | 37,640,820 |
| Component Units | | | |
| Bradford Memorial Library | \$ 1,541,617 | 138,036 | 1,679,653 |
| El Dorado Senior Center, Inc. | - | 11,644 | 11,644 |
| Total Component Units | \$ 1,541,617 | 149,680 | 1,691,297 |
| Individual Fund Financial Statements | | | |
| Governmental Funds | | | |
| General Fund | \$ 3,730,479 | 31,650 | 3,762,129 |
| Community Improvement District Fund | - | 29,123 | 29,123 |
| Enterprise Funds | | | |
| Waterworks System Fund | \$ (11,930,584) | 114,970 | (11,815,614) |
| Sewer System Fund | 10,184,820 | 123,832 | 10,308,652 |
| Refuse System Fund | 1,161,987 | 86,495 | 1,248,482 |

NOTE 14 – RISKS AND UNCERTAINTIES

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus in Wuhan, China (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. The full

CITY OF EL DORADO, KANSAS
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the City's financial condition, liquidity and future results of operations. Management is actively monitoring the global and local situation on its financial condition, liquidity, operations, suppliers, industry and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the City is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition or liquidity for fiscal year 2020.

NOTE 15 – CRF AND CARES ACT FUNDING

As a result of COVID-19, the State of Kansas has received Coronavirus Relief Funds (CRF) under the Coronavirus Aid, Relief and Economic Security (CARES) Act. The CRF were passed through to the counties of Kansas through Strengthening People and Revitalizing Kansas (SPARK). SPARK's first round distribution was to local governments in the amount of \$400 million. The City received CRF in the amount of \$584,749 during 2020. The Senior Center received CRF in the amount of \$66,965. The City is encouraged to share the CRF with school districts and local businesses within the City. The CRF are to be used to strengthen health, to allow the economy to reopen safely and to remain open. The goals are to be fair, impactful and timely. Additional information and updates on SPARK, the CARES Act and CRF, which includes audit requirements, can be found at <https://covid.ks.gov/>.

CITY OF EL DORADO, KANSAS

Required Supplementary Information

CITY OF EL DORADO, KANSAS
Schedule of the City's Proportionate Share of the Collective Net Pension Liability
Kansas Public Employees Retirement System
Last Seven Fiscal Years*

| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|--|--------------|-----------|-----------|-----------|-----------|-----------|-----------|
| City's Proportion of the Collective Net Pension Liability | | | | | | | |
| KPERS | 0.221358% | 0.226778% | 0.236020% | 0.249159% | 0.253304% | 0.243809% | 0.238711% |
| KP&F | 0.394022% | 0.398968% | 0.402679% | 0.418974% | 0.414763% | 0.409768% | 0.402789% |
| City's Proportionate Share of the Collective Net Pension Liability | \$ 8,696,413 | 7,206,966 | 7,164,204 | 7,538,051 | 7,770,855 | 6,176,718 | 5,579,746 |
| City's Covered Payroll | 6,326,395 | 6,557,637 | 6,295,994 | 6,310,319 | 6,321,921 | 5,952,445 | 5,741,758 |
| City's Proportionate Share of the Collective Net Pension Liability as a Percentage of Its Covered Payroll | 137.46% | 109.90% | 113.79% | 119.46% | 122.92% | 103.77% | 97.18% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 66.30% | 69.88% | 68.88% | 67.12% | 65.10% | 64.95% | 66.60% |

* GASB 68 requires presentation of 10 years. Data was not available prior to fiscal year 2014.

See Independent Auditor's Report.

CITY OF EL DORADO, KANSAS
BRADFORD MEMORIAL LIBRARY

Schedule of the Library's Proportionate Share of the Collective Net Pension Liability
Kansas Public Employees Retirement System
Last Seven Fiscal Years*

| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|------------|-----------|-----------|-----------|-----------|-----------|-----------|
| Library's Proportion of the Collective Net Pension Liability | 0.014999% | 0.014269% | 0.014568% | 0.014072% | 0.013568% | 0.013548% | 0.014177% |
| Library's Proportionate Share of the Collective Net Pension Liability | \$ 260,031 | 199,391 | 203,047 | 203,827 | 209,901 | 177,891 | 174,492 |
| Library's Covered Payroll | 282,970 | 276,992 | 254,607 | 255,897 | 232,764 | 226,266 | 223,714 |
| Library's Proportionate Share of the Collective Net Pension Liability as a Percentage of Its Covered Payroll | 91.89% | 71.98% | 79.75% | 79.65% | 90.18% | 78.62% | 78.00% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 66.30% | 69.88% | 68.88% | 67.12% | 65.10% | 64.95% | 66.60% |

* GASB 68 requires presentation of 10 years. Data was not available prior to fiscal year 2014.

See Independent Auditor's Report.

CITY OF EL DORADO, KANSAS
Schedule of the City's Contributions
Kansas Public Employees Retirement System
Last Ten Fiscal Years

| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 |
|--|--------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| KPERS Contractually Required Contribution | \$ 371,408 | 385,748 | 350,451 | 366,093 | 400,701 | 401,217 | 352,578 | 310,747 | 293,509 | 257,819 |
| KP&F Contractually Required Contribution | 477,976 | 497,533 | 418,470 | 396,241 | 418,425 | 407,629 | 363,076 | 322,865 | 324,386 | 272,793 |
| Contribution in Relation to the Contractually Required Contribution | (849,384) | (883,281) | (768,921) | (762,334) | (819,126) | (808,846) | (715,654) | (633,612) | (617,895) | (530,612) |
| Contribution Deficiency (Excess) \$ | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| City's Covered Payroll | \$ 6,326,395 | 6,587,356 | 6,259,987 | 6,336,505 | 6,414,029 | 6,369,673 | 6,038,625 | 6,014,997 | 6,018,005 | 5,792,461 |
| Contributions as a Percentage of Covered Payroll | 13.43% | 13.41% | 12.28% | 12.03% | 12.77% | 12.70% | 11.85% | 10.53% | 10.27% | 9.16% |

See Independent Auditor's Report.

CITY OF EL DORADO, KANSAS
BRADFORD MEMORIAL LIBRARY
Schedule of the Library's Contributions
Kansas Public Employees Retirement System
Last Ten Fiscal Years

| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 |
|--|------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Contractually Required Contribution | \$ 24,582 | 25,398 | 21,740 | 22,177 | 22,353 | 23,375 | 22,235 | 20,924 | 21,145 | 18,110 |
| Contribution in Relation to the Contractually Required Contribution | (24,582) | (25,398) | (21,740) | (22,177) | (22,353) | (23,375) | (22,235) | (20,924) | (21,145) | (18,110) |
| Contribution Deficiency (Excess) | \$ - | - | - | - | - | - | - | - | - | - |
| Library's Covered Payroll | \$ 282,970 | 285,687 | 259,120 | 262,144 | 243,498 | 247,351 | 249,435 | 254,058 | 265,347 | 260,170 |
| Contributions as a Percentage of Covered Payroll | 8.69% | 8.89% | 8.39% | 8.46% | 9.18% | 9.45% | 8.91% | 8.24% | 7.97% | 6.96% |

See Independent Auditor's Report.

CITY OF EL DORADO, KANSAS
Schedule of Changes in the City's Net OPEB Liability and Related Ratios
Other Postemployment Benefits - Health Insurance
Last Four Fiscal Years*

| | 2020 | 2019 | 2018 | 2017 |
|--|---------------------|------------------|----------------|----------------|
| Total OPEB Liability | | | | |
| Service Cost | \$ 18,226 | 17,610 | 8,434 | 8,109 |
| Interest | 62,873 | 60,992 | 40,116 | 40,203 |
| Changes of Benefits Terms | - | (11,382) | - | - |
| Differences Between Expected and Actual Experience | - | 282,843 | - | - |
| Changes of Assumptions | - | 66,882 | 61,712 | - |
| Benefit Payments | (55,466) | (40,303) | (55,931) | (44,251) |
| Net Change in Total OPEB Liability | <u>25,633</u> | <u>376,642</u> | <u>54,331</u> | <u>4,061</u> |
| Total OPEB Liability, Beginning | 1,057,388 | 680,746 | 688,128 | 684,067 |
| Changes in Assumptions/Methodology | - | - | (61,713) | - |
| Total OPEB Liability, Beginning (Restated) | <u>1,057,388</u> | <u>680,746</u> | <u>626,415</u> | <u>684,067</u> |
| Total OPEB Liability, Ending (a) | <u>\$ 1,083,021</u> | <u>1,057,388</u> | <u>680,746</u> | <u>688,128</u> |
| Plan Fiduciary Net Position | | | | |
| Contributions - Employer | \$ 71,442 | 71,442 | 123,880 | 68,451 |
| Net Investment Income (Loss) | 63,398 | 42,203 | (11,952) | 15,928 |
| Net Change in Plan Fiduciary Net Position | <u>134,840</u> | <u>113,645</u> | <u>111,928</u> | <u>84,379</u> |
| Plan Fiduciary Net Position, Beginning | <u>406,280</u> | <u>292,635</u> | <u>180,707</u> | <u>96,328</u> |
| Plan Fiduciary Net Position, Ending (b) | <u>\$ 541,120</u> | <u>406,280</u> | <u>292,635</u> | <u>180,707</u> |
| City's Net OPEB Liability, Ending (a) - (b) | <u>\$ 541,901</u> | <u>651,108</u> | <u>388,111</u> | <u>507,421</u> |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability | 49.96% | 38.42% | 42.99% | 26.26% |
| Covered Payroll | \$ 6,220,435 | 6,010,082 | 6,212,889 | 5,973,932 |
| City's Net OPEB Liability as a Percentage of Covered Payroll | 8.71% | 10.83% | 6.25% | 8.49% |

* GASB 75 requires presentation of 10 years. Data was not available prior to fiscal year 2017.

See Independent Auditor's Report.

CITY OF EL DORADO, KANSAS
Schedule of the City's Contributions
Other Postemployment Benefits - Health Insurance
Last Four Fiscal Years*

| | 2020 | 2019 | 2018 | 2017 |
|--|--------------|-----------|-----------|-----------|
| Actuarially Determined Contribution | \$ 71,442 | 71,442 | 61,940 | 61,940 |
| Contribution in Relation to the Actuarially Determined Contribution | (71,442) | (71,442) | (123,880) | (68,451) |
| Contribution Deficiency (Excess) | \$ - | - | (61,940) | (6,511) |
| City's Covered Payroll | \$ 6,220,435 | 6,010,082 | 6,212,889 | 5,973,932 |
| Contributions as a Percentage of Covered Payroll | 1.15% | 1.19% | 1.99% | 1.15% |

* GASB 75 requires presentation of 10 years. Data was not available prior to fiscal year 2017.

Notes to Schedule

Actuarially determined contributions are calculated as of January 1 of the current fiscal year in which contributions are reported.

| | |
|---------------------------|---|
| Valuation Date | January 1, 2020 |
| Actuarial Cost Method | Entry Age Normal |
| Asset Valuation Method | Market Value |
| Amortization Method | Level Dollar, Open |
| Amortization Period | 30 Years |
| Salary Increases | 3.50% |
| Investment Rate of Return | 6.00% |
| Mortality Table | RP 2014 Total Employee and Healthy Annuitant tables adjusted to 2006 and projected with MP 2018 future mortality improvement scale. |

See Independent Auditor's Report.

CITY OF EL DORADO, KANSAS
Schedule of Investment Returns
Other Postemployment Benefits - Health Insurance
Last Four Fiscal Years*

| | 2020 | 2019 | 2018 | 2017 |
|---|-------|--------|--------|-------|
| Annual Money-Weighted Rate of Return, Net of Investment Expenses | 6.00% | 10.39% | -4.08% | 8.81% |

* GASB 75 requires presentation of 10 years. Data was not available prior to fiscal year 2017.

See Independent Auditor's Report.

CITY OF EL DORADO, KANSAS
Schedule of Changes in the City's Total OPEB Liability and Related Ratios
Other Postemployment Benefits - Disability Benefits and Life Insurance
Last Four Fiscal Years*

| | 2020 | 2019 | 2018 | 2017 |
|---|-------------------|----------------|----------------|----------------|
| Total OPEB Liability | | | | |
| Service Cost | \$ 15,255 | 15,403 | 15,319 | 16,484 |
| Interest | 4,554 | 5,379 | 4,786 | 3,478 |
| Effect of Economic/Demographic Gains or Losses | (15,440) | (27,955) | (9,720) | - |
| Effect of Assumptions Changes or Inputs | 10,119 | 1,932 | (1,659) | (3,752) |
| Benefit Payments | (3,495) | (3,495) | (3,495) | (3,315) |
| Net Change in Total OPEB Liability | <u>10,993</u> | <u>(8,736)</u> | <u>5,231</u> | <u>12,895</u> |
| Total OPEB Liability, Beginning | <u>116,594</u> | <u>125,330</u> | <u>120,099</u> | <u>107,204</u> |
| Total OPEB Liability, Ending | <u>\$ 127,587</u> | <u>116,594</u> | <u>125,330</u> | <u>120,099</u> |
| Covered Payroll | \$ 4,194,581 | 4,038,834 | 4,183,182 | 4,028,513 |
| City's Total OPEB Liability as a Percentage of Covered Payroll | 3.04% | 2.89% | 3.00% | 2.98% |

* GASB 75 requires presentation of 10 years. Data was not available prior to fiscal year 2017.

Notes to Schedule

Changes of Assumptions. The demographic assumptions have been updated based upon the most recent KPERS experience study. The discount rate was updated in accordance with the requirements of GASB 75. The mortality projection scale was updated to the most recent table published by the Society of Actuaries. The overall impact of the new assumptions is an increase in the benefit obligations.

See Independent Auditor's Report.

CITY OF EL DORADO, KANSAS
BRADFORD MEMORIAL LIBRARY

Schedule of Changes in the Library's Total OPEB Liability and Related Ratios
Other Postemployment Benefits - Disability Benefits and Life Insurance
Last Four Fiscal Years*

| | 2020 | 2019 | 2018 | 2017 |
|--|------------|---------|---------|---------|
| Total OPEB Liability | | | | |
| Service Cost | \$ 667 | 533 | 529 | 644 |
| Interest | 430 | 493 | 508 | 454 |
| Effect of Economic/Demographic Gains or Losses | (467) | 597 | (49) | - |
| Effect of Assumptions Changes or Inputs | 574 | 157 | (129) | (367) |
| Benefit Payments | (2,341) | (2,341) | (2,341) | (2,341) |
| Net Change in Total OPEB Liability | (1,137) | (561) | (1,482) | (1,610) |
| Total OPEB Liability, Beginning | 12,791 | 13,352 | 14,834 | 16,444 |
| Total OPEB Liability, Ending | \$ 11,654 | 12,791 | 13,352 | 14,834 |
| Covered Payroll | \$ 285,319 | 260,302 | 223,121 | 243,500 |
| Library's Total OPEB Liability as a Percentage of Covered Payroll | 4.08% | 4.91% | 5.98% | 6.09% |

* GASB 75 requires presentation of 10 years. Data was not available prior to fiscal year 2017.

Notes to Schedule

Changes of Assumptions. The demographic assumptions have been updated based upon the most recent KPERS experience study. The discount rate was updated in accordance with the requirements of GASB 75. The mortality projection scale was updated to the most recent table published by the Society of Actuaries. The overall impact of the new assumptions is an increase in the benefit obligations.

See Independent Auditor's Report.

CITY OF EL DORADO, KANSAS

Other Supplementary Information

Combining Financial Statements and Individual Fund Schedules

NONMAJOR GOVERNMENTAL FUNDS

The primary purpose of the Special Revenue Funds is to account for and report the proceeds of specific sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The following Nonmajor Special Revenue Funds are reported:

Airport Fund – to account for the operations of the municipal airport.

Major Street Improvement Fund – to account for the state shared tax for the construction, reconstruction, or maintenance of streets.

Industrial Development Fund – to account for the promotion of industrial development funded by a special ad valorem tax.

Special Parks and Recreation Fund – to account for the state shared tax and park land development fees for parks and recreation.

Tourism Tax Fund – to account for the promotion of conventions and tourism. Financing is provided through a tax on motel rooms.

Economic Development Sales Tax Fund – to account for the accumulation and expenditure of sales tax revenues committed by City Commission ordinance for economic development purposes.

Stormwater Utility Fund – to account for resources made available for repair and improvement to the City's stormwater system. Financing is provided through property owner special assessments.

Family Life Center Fund – to account for the Federal grant moneys received for improvement and repair of the local shelter for battered women.

Expendable Trust Fund – to account for public donations and grant programs to sponsor specified youth activities and other community activities conducted by the City.

Customer Deposit Fund – to account for resources through private-sector insurance proceeds and other City resources utilized in the cleanup operations of fire damages.

Law Enforcement Trust Fund – to account for the proceeds from the sale of property seized through law enforcement proceedings.

Police Department Seized Assets Fund – to account for any money obtained due to assets being seized; the state awards the money to the City for seizing said assets. The money cannot be used to reduce the operating fund, instead, it is used for police department purchases at the discretion of department heads.

Ordinance Street Sales Tax Fund – to account for sales tax revenue created by ordinance for street repairs, street rehabilitation, and maintenance.

Excess Sales Tax Fund – to account for sales tax revenue created by ordinance for any capital expenditure requested by any citizen or organization of the City with approval by the City Commission of the capital expenditures.

Special Alcohol Program Fund – to account for liquor tax revenue created by ordinance to provide support for domestic violence shelters for adults or children.

Tax Increment Financing Fund and Community Improvement District Fund – established to support and finance economic development activities.

CITY OF EL DORADO, KANSAS
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2020

| | Airport | Major Street Improvement | Industrial Development | Special Parks and Recreation | Tourism Tax | Economic Development Sales Tax | Stormwater Utility | Family Life Center | Expendable Trust |
|--|-------------------|--------------------------------|---------------------------|------------------------------------|----------------|--------------------------------------|-----------------------|-----------------------|---------------------|
| ASSETS | | | | | | | | | |
| Cash and Investments | \$ 122,246 | 24,726 | 323,147 | 17,540 | 281,735 | 157,005 | 431,660 | - | 656,837 |
| Inventories | 18,069 | - | - | - | - | - | - | - | - |
| Receivables (Net of Allowance for Uncollectibles) | | | | | | | | | |
| Property Tax | 86,797 | - | 99,213 | - | - | - | - | - | - |
| Special Assessment Tax | - | - | - | - | - | - | 320,923 | - | - |
| Sales Tax | - | - | - | - | - | - | - | - | - |
| Accounts | 11,239 | - | - | - | 2,950 | - | - | - | - |
| Due from Other Governments | 3,793 | 123,974 | 13,440 | - | 28,403 | - | 33 | 11,152 | 10,346 |
| Total Assets | \$ 242,144 | 148,700 | 435,800 | 17,540 | 313,088 | 157,005 | 752,616 | 11,152 | 667,183 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | | | | | | | |
| Liabilities | | | | | | | | | |
| Accounts Payable | \$ 1,112 | 14,508 | 34 | - | 909 | 101 | 4,445 | 11,152 | 67,488 |
| Accrued Wages | 1,083 | 11,304 | - | - | 84 | - | 4,887 | - | - |
| Unearned Revenue - Grant Proceeds Other Than Timing | - | - | - | - | - | - | - | - | 313,437 |
| Total Liabilities | 2,195 | 25,812 | 34 | - | 993 | 101 | 9,332 | 11,152 | 380,925 |
| Deferred Inflows of Resources | | | | | | | | | |
| Unavailable Revenue - Property Taxes | 86,797 | - | 99,213 | - | - | - | - | - | - |
| Unavailable Revenue - Special Assessment | - | - | - | - | - | - | 320,923 | - | - |
| Total Deferred Inflows of Resources | 86,797 | - | 99,213 | - | - | - | 320,923 | - | - |
| Fund Balance | | | | | | | | | |
| Nonspendable | | | | | | | | | |
| Inventories | 18,069 | - | - | - | - | - | - | - | - |
| Restricted | | | | | | | | | |
| Police Operations | - | - | - | - | - | - | - | - | - |
| Tourism | - | - | - | - | 312,095 | - | - | - | - |
| Domestic Violence Prevention | - | - | - | - | - | - | - | - | - |
| Park Improvements | - | - | - | 17,540 | - | - | - | - | - |
| Stormwater Systems | - | - | - | - | - | - | 422,361 | - | - |
| Ordinance Street Sales Tax | - | - | - | - | - | - | - | - | - |
| Excess Sales Tax | - | - | - | - | - | - | - | - | - |
| Economic Development | - | - | - | - | - | - | - | - | - |
| Committed | | | | | | | | | |
| Public Safety Equipment | - | - | - | - | - | - | - | - | - |
| Assigned | | | | | | | | | |
| Airport Improvements | 135,083 | - | - | - | - | - | - | - | - |
| Economic Development Sales Tax | - | - | - | - | - | 156,904 | - | - | - |
| Industrial Development | - | - | 336,553 | - | - | - | - | - | - |
| Street Improvements | - | 122,888 | - | - | - | - | - | - | - |
| Police Equipment | - | - | - | - | - | - | - | - | 286,258 |
| Total Fund Balance | 153,152 | 122,888 | 336,553 | 17,540 | 312,095 | 156,904 | 422,361 | - | 286,258 |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | \$ 242,144 | 148,700 | 435,800 | 17,540 | 313,088 | 157,005 | 752,616 | 11,152 | 667,183 |

See Independent Auditor's Report.

CITY OF EL DORADO, KANSAS
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
December 31, 2020

| | Customer Deposit | Law Enforcement Trust | Police Department Seized Assets | Ordinance Street Sales Tax | Excess Sales Tax | Special Alcohol Program | Community Improvement District | Tax Increment Financing | Totals |
|--|---------------------|-----------------------------|---------------------------------------|----------------------------------|---------------------|-------------------------------|--------------------------------------|-------------------------------|------------------|
| ASSETS | | | | | | | | | |
| Cash and Investments | \$ 26,438 | 6,169 | 16,852 | 757,688 | 1,099,676 | 20,938 | 68,398 | - | 4,011,055 |
| Inventories | - | - | - | - | - | - | - | - | 18,069 |
| Receivables (Net of Allowance for Uncollectibles) | | | | | | | | | |
| Property Tax | - | - | - | - | - | - | - | - | 186,010 |
| Special Assessment Tax | - | - | - | - | - | - | - | - | 320,923 |
| Sales Tax | - | - | - | - | - | - | 17,480 | - | 17,480 |
| Accounts | - | - | - | - | - | - | - | - | 14,189 |
| Due from Other Governments | - | - | - | - | - | - | - | - | 191,141 |
| Total Assets | \$ 26,438 | 6,169 | 16,852 | 757,688 | 1,099,676 | 20,938 | 85,878 | - | 4,758,867 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | | | | | | | |
| Liabilities | | | | | | | | | |
| Accounts Payable | \$ - | - | - | 35,001 | - | - | 56,755 | - | 191,505 |
| Accrued Wages | - | - | - | - | - | - | - | - | 17,358 |
| Unearned Revenue - Grant Proceeds Other Than Timing | - | - | - | - | - | - | - | - | 313,437 |
| Total Liabilities | - | - | - | 35,001 | - | - | 56,755 | - | 522,300 |
| Deferred Inflows of Resources | | | | | | | | | |
| Unavailable Revenue - Property Taxes | - | - | - | - | - | - | - | - | 186,010 |
| Unavailable Revenue - Special Assessment | - | - | - | - | - | - | - | - | 320,923 |
| Total Deferred Inflows of Resources | - | - | - | - | - | - | - | - | 506,933 |
| Fund Balance | | | | | | | | | |
| Nonspendable | | | | | | | | | |
| Inventories | - | - | - | - | - | - | - | - | 18,069 |
| Restricted | | | | | | | | | |
| Police Operations | - | 6,169 | - | - | - | - | - | - | 6,169 |
| Tourism | - | - | - | - | - | - | - | - | 312,095 |
| Domestic Violence Prevention | - | - | - | - | - | 20,938 | - | - | 20,938 |
| Park Improvements | - | - | - | - | - | - | - | - | 17,540 |
| Stormwater Systems | - | - | - | - | - | - | - | - | 422,361 |
| Ordinance Street Sales Tax | - | - | - | 722,687 | - | - | - | - | 722,687 |
| Excess Sales Tax | - | - | - | - | 1,099,676 | - | - | - | 1,099,676 |
| Economic Development | - | - | - | - | - | - | 29,123 | - | 29,123 |
| Committed | | | | | | | | | |
| Public Safety Equipment | 26,438 | - | - | - | - | - | - | - | 26,438 |
| Assigned | | | | | | | | | |
| Airport Improvements | - | - | - | - | - | - | - | - | 135,083 |
| Economic Development Sales Tax | - | - | - | - | - | - | - | - | 156,904 |
| Industrial Development | - | - | - | - | - | - | - | - | 336,553 |
| Street Improvements | - | - | - | - | - | - | - | - | 122,888 |
| Police Equipment | - | - | 16,852 | - | - | - | - | - | 303,110 |
| Total Fund Balance | 26,438 | 6,169 | 16,852 | 722,687 | 1,099,676 | 20,938 | 29,123 | - | 3,729,634 |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | \$ 26,438 | 6,169 | 16,852 | 757,688 | 1,099,676 | 20,938 | 85,878 | - | 4,758,867 |

See Independent Auditor's Report.

CITY OF EL DORADO, KANSAS
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
Year Ended December 31, 2020

| | Airport | Major Street Improvement | Industrial Development | Special Parks and Recreation | Tourism Tax | Economic Development Sales Tax | Stormwater Utility | Family Life Center | Expendable Trust |
|--|-------------------|--------------------------------|---------------------------|------------------------------------|----------------|--------------------------------------|-----------------------|-----------------------|---------------------|
| Revenues | | | | | | | | | |
| Taxes | | | | | | | | | |
| Property | \$ 102,111 | - | 99,271 | - | - | - | - | - | - |
| Sales | - | - | - | - | - | 100,000 | - | - | - |
| Tourism | - | - | - | - | 102,438 | - | - | - | - |
| Intergovernmental | 30,000 | 538,523 | - | 24,574 | - | 149,977 | 97 | 72,645 | 761,506 |
| Licenses and Permits | - | 2,362 | - | 9,180 | - | - | - | - | - |
| Fines and Forfeitures | - | - | - | - | - | - | - | - | 2,950 |
| Charges for Services | 162,167 | 350 | - | - | - | - | - | - | - |
| Special Assessments | - | - | - | - | - | - | 316,500 | - | - |
| Investment Earnings | 391 | - | 1,130 | 188 | 925 | 501 | 3,217 | - | - |
| Miscellaneous | 6,539 | 13,029 | - | 19 | 75,155 | - | 49 | - | 88,500 |
| Total Revenues | <u>301,208</u> | <u>554,264</u> | <u>100,401</u> | <u>33,961</u> | <u>178,518</u> | <u>250,478</u> | <u>319,863</u> | <u>72,645</u> | <u>852,956</u> |
| Expenditures | | | | | | | | | |
| Current | | | | | | | | | |
| General Government | 192,932 | - | - | - | 85,116 | 242,186 | 250,589 | - | 492,023 |
| Public Safety | - | - | - | - | - | - | - | - | 300 |
| Highways and Streets | - | 1,059,459 | - | - | - | - | - | - | - |
| Health and Sanitation | - | - | - | - | - | - | - | 72,645 | - |
| Culture and Recreation | - | - | - | 10,933 | - | - | - | - | 467 |
| Economic Development | - | - | 120,676 | - | 61,458 | - | - | - | - |
| Debt Service | | | | | | | | | |
| Principal | 36,935 | - | - | - | - | - | - | - | - |
| Interest and Other Charges | 7,585 | - | - | - | - | - | - | - | - |
| Capital Outlay | 10,646 | 82,007 | - | - | - | - | - | - | 493,411 |
| Total Expenditures | <u>248,098</u> | <u>1,141,466</u> | <u>120,676</u> | <u>10,933</u> | <u>146,574</u> | <u>242,186</u> | <u>250,589</u> | <u>72,645</u> | <u>986,201</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>53,110</u> | <u>(587,202)</u> | <u>(20,275)</u> | <u>23,028</u> | <u>31,944</u> | <u>8,292</u> | <u>69,274</u> | <u>-</u> | <u>(133,245)</u> |
| Other Financing Sources (Uses) | | | | | | | | | |
| Sale of Real Estate | - | - | - | - | - | 70,000 | - | - | - |
| Transfers In | - | 603,222 | - | - | - | - | - | - | 209,319 |
| Transfers Out | - | - | - | (64,636) | (71) | (68) | (18,000) | - | (14,109) |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>603,222</u> | <u>-</u> | <u>(64,636)</u> | <u>(71)</u> | <u>69,932</u> | <u>(18,000)</u> | <u>-</u> | <u>195,210</u> |
| Net Change in Fund Balance | <u>53,110</u> | <u>16,020</u> | <u>(20,275)</u> | <u>(41,608)</u> | <u>31,873</u> | <u>78,224</u> | <u>51,274</u> | <u>-</u> | <u>61,965</u> |
| Fund Balance, Beginning of the Year as Previously Stated | 100,042 | 106,868 | 356,828 | 59,148 | 280,222 | 78,680 | 371,087 | - | 224,293 |
| Prior Period Adjustment | - | - | - | - | - | - | - | - | - |
| Fund Balance, Beginning of the Year as Restated | <u>100,042</u> | <u>106,868</u> | <u>356,828</u> | <u>59,148</u> | <u>280,222</u> | <u>78,680</u> | <u>371,087</u> | <u>-</u> | <u>224,293</u> |
| Fund Balance, End of Year | <u>\$ 153,152</u> | <u>122,888</u> | <u>336,553</u> | <u>17,540</u> | <u>312,095</u> | <u>156,904</u> | <u>422,361</u> | <u>-</u> | <u>286,258</u> |

See Independent Auditor's Report.

CITY OF EL DORADO, KANSAS
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance (Continued)
Nonmajor Governmental Funds
Year Ended December 31, 2020

| | Customer Deposit | Law Enforcement Trust | Police Department Seized Assets | Ordinance Street Sales Tax | Excess Sales Tax | Special Alcohol Program | Community Improvement District | Tax Increment Financing | Totals |
|--|---------------------|-----------------------------|---------------------------------------|----------------------------------|---------------------|-------------------------------|--------------------------------------|-------------------------------|------------------|
| Revenues | | | | | | | | | |
| Taxes | | | | | | | | | |
| Property | \$ - | - | - | - | - | - | - | - | 201,382 |
| Sales | - | - | - | - | - | - | - | - | 100,000 |
| Tourism | - | - | - | - | - | - | - | - | 102,438 |
| Intergovernmental | - | - | - | - | - | 24,574 | 118,407 | - | 1,720,303 |
| Licenses and Permits | - | - | - | - | - | - | - | - | 11,542 |
| Fines and Forfeitures | - | - | - | - | - | - | - | - | 2,950 |
| Charges for Services | - | - | - | - | - | - | - | - | 162,517 |
| Special Assessments | - | - | - | - | - | - | - | - | 316,500 |
| Investment Earnings | - | - | - | 259 | - | 64 | - | - | 6,675 |
| Miscellaneous | 29,764 | - | 11,858 | - | - | - | - | 30,940 | 255,853 |
| Total Revenues | <u>29,764</u> | <u>-</u> | <u>11,858</u> | <u>259</u> | <u>-</u> | <u>24,638</u> | <u>118,407</u> | <u>30,940</u> | <u>2,880,160</u> |
| Expenditures | | | | | | | | | |
| Current | | | | | | | | | |
| General Government | 16,710 | - | 1,023 | 122,659 | 17,297 | - | 118,407 | - | 1,538,942 |
| Public Safety | - | - | - | - | - | - | - | - | 300 |
| Highways and Streets | - | - | - | - | - | - | - | - | 1,059,459 |
| Health and Sanitation | - | - | - | - | - | 48,400 | - | - | 121,045 |
| Culture and Recreation | - | - | - | - | - | - | - | - | 11,400 |
| Economic Development | - | - | - | - | - | - | - | 30,940 | 213,074 |
| Debt Service | | | | | | | | | |
| Principal | - | - | - | - | - | - | - | - | 36,935 |
| Interest and Other Charges | - | - | - | - | - | - | - | - | 7,585 |
| Capital Outlay | - | - | - | - | - | - | - | - | 586,064 |
| Total Expenditures | <u>16,710</u> | <u>-</u> | <u>1,023</u> | <u>122,659</u> | <u>17,297</u> | <u>48,400</u> | <u>118,407</u> | <u>30,940</u> | <u>3,574,804</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>13,054</u> | <u>-</u> | <u>10,835</u> | <u>(122,400)</u> | <u>(17,297)</u> | <u>(23,762)</u> | <u>-</u> | <u>-</u> | <u>(694,644)</u> |
| Other Financing Sources (Uses) | | | | | | | | | |
| Sale of Real Estate | - | - | - | - | - | - | - | - | 70,000 |
| Transfers In | - | - | - | 600,000 | 341,229 | - | - | - | 1,753,770 |
| Transfers Out | - | - | - | (502,821) | (582,200) | - | - | - | (1,181,905) |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>97,179</u> | <u>(240,971)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>641,865</u> |
| Net Change in Fund Balance | <u>13,054</u> | <u>-</u> | <u>10,835</u> | <u>(25,221)</u> | <u>(258,268)</u> | <u>(23,762)</u> | <u>-</u> | <u>-</u> | <u>(52,779)</u> |
| Fund Balance, Beginning of the Year as Previously Stated | 13,384 | 6,169 | 6,017 | 747,908 | 1,357,944 | 44,700 | - | - | 3,753,290 |
| Prior Period Adjustment | - | - | - | - | - | - | 29,123 | - | 29,123 |
| Fund Balance, Beginning of the Year as Restated | <u>13,384</u> | <u>6,169</u> | <u>6,017</u> | <u>747,908</u> | <u>1,357,944</u> | <u>44,700</u> | <u>29,123</u> | <u>-</u> | <u>3,782,413</u> |
| Fund Balance, End of Year | <u>\$ 26,438</u> | <u>6,169</u> | <u>16,852</u> | <u>722,687</u> | <u>1,099,676</u> | <u>20,938</u> | <u>29,123</u> | <u>-</u> | <u>3,729,634</u> |

See Independent Auditor's Report.

CITY OF EL DORADO, KANSAS
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Actual and Budget
Funds Included in General Fund - Budgetary Basis
Building Demolition Fund
For the Year Ended December 31, 2020

| | | Budgeted Amounts | | Variance |
|--|------------------|------------------|-----------------|-----------------|
| | Actual | Original | Final | Over (Under) |
| Revenues | | | | |
| Charges for Services | \$ 9,500 | - | - | 9,500 |
| Miscellaneous | 3,761 | - | - | 3,761 |
| Sale of Real Estate | 1,300 | - | - | 1,300 |
| Total Revenues | 14,561 | - | - | 14,561 |
| Expenditures | | | | |
| Contractual Services | 32,310 | 51,402 | 51,402 | (19,092) |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (17,749) | (51,402) | (51,402) | 33,653 |
| Other Financing Sources (Uses) | | | | |
| Transfers in | 16,000 | 16,000 | 16,000 | - |
| Net Change in Fund Balance | (1,749) | (35,402) | (35,402) | 33,653 |
| Fund Balance, Beginning | 21,888 | | | |
| Fund Balance, Ending | \$ 20,139 | | | |

See Independent Auditor's Report.

CITY OF EL DORADO, KANSAS
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Actual and Budget
Budgetary Basis
Airport Fund
For the Year Ended December 31, 2020

| | | Budgeted Amounts | | Variance |
|---|-------------------|------------------|-----------------|-----------------|
| | Actual | Original | Final | Over (Under) |
| Revenues | | | | |
| Taxes | \$ 102,111 | 99,175 | 99,175 | 2,936 |
| Charges for Services | 159,400 | 166,300 | 166,300 | (6,900) |
| Intergovernmental | 26,207 | - | - | 26,207 |
| Investment Earnings | 391 | - | - | 391 |
| Miscellaneous | 6,539 | 8,070 | 8,070 | (1,531) |
| Total Revenues | 294,648 | 273,545 | 273,545 | 21,103 |
| Expenditures | | | | |
| Current | | | | |
| Personal Services | 69,206 | 71,075 | 71,075 | (1,869) |
| Contractual Services | 49,686 | 83,868 | 83,868 | (34,182) |
| Commodities | 79,295 | 89,750 | 89,750 | (10,455) |
| Capital Outlay | 10,646 | - | - | 10,646 |
| Debt Service | | | | |
| Principal | 36,935 | 36,935 | 36,935 | - |
| Interest Expense | 7,585 | 7,585 | 7,585 | - |
| Total Expenditures | 253,353 | 289,213 | 289,213 | (35,860) |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 41,295 | (15,668) | (15,668) | 56,963 |
| Other Financing Sources (Uses) | | | | |
| Transfers Out | - | (66,000) | (66,000) | 66,000 |
| Net Change in Fund Balance | 41,295 | (81,668) | (81,668) | 122,963 |
| Budgetary Basis Fund Balance, Beginning as Previously Stated | 80,801 | | | |
| Prior Period Adjustment | (2,045) | | | |
| Budgetary Basis Fund Balance, Beginning as Restated | 78,756 | | | |
| Budgetary Basis Fund Balance, Ending | 120,051 | | | |
| GAAP Adjustments | | | | |
| Plus Receivables at December 31, 2020 | 15,032 | | | |
| Plus Inventory at December 31, 2020 | 18,069 | | | |
| Fund Balance, Ending | \$ 153,152 | | | |

See Independent Auditor's Report.

CITY OF EL DORADO, KANSAS
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Actual and Budget
Budgetary Basis
Major Street Improvement Fund
For the Year Ended December 31, 2020

| | | Budgeted Amounts | | Variance |
|---|-------------------|------------------|------------------|-----------------|
| | Actual | Original | Final | Over (Under) |
| Revenues | | | | |
| Intergovernmental | \$ 544,425 | 493,580 | 493,580 | 50,845 |
| Licenses and Permits | 3,327 | 7,500 | 7,500 | (4,173) |
| Charges for Services | 350 | - | - | 350 |
| Miscellaneous | 13,029 | - | - | 13,029 |
| Total Revenues | 561,131 | 501,080 | 501,080 | 60,051 |
| Expenditures | | | | |
| Personal Services | 671,733 | 811,470 | 811,470 | (139,737) |
| Contractual Services | 165,813 | 114,477 | 114,477 | 51,336 |
| Commodities | 221,913 | 301,608 | 301,608 | (79,695) |
| Capital Outlay | 82,007 | - | - | 82,007 |
| Total Expenditures | 1,141,466 | 1,227,555 | 1,227,555 | (86,089) |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (580,335) | (726,475) | (726,475) | 146,140 |
| Other Financing Sources (Uses) | | | | |
| Transfers In | 603,222 | 718,089 | 718,089 | (114,867) |
| Transfers Out | - | (29,965) | (29,965) | 29,965 |
| Total Other Financing Sources (Uses) | 603,222 | 688,124 | 688,124 | (84,902) |
| Net Change in Fund Balance | 22,887 | (38,351) | (38,351) | 61,238 |
| Budgetary Basis Fund Balance, Beginning as Previously Stated | (1,462) | | | |
| Prior Period Adjustment | (22,511) | | | |
| Budgetary Basis Fund Balance, Beginning as Restated | (23,973) | | | |
| Budgetary Basis Fund Balance, Ending | (1,086) | | | |
| GAAP Adjustments | | | | |
| Plus Receivables at December 31, 2020 | 123,974 | | | |
| Fund Balance, Ending | \$ 122,888 | | | |

See Independent Auditor's Report.

CITY OF EL DORADO, KANSAS
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Actual and Budget
Budgetary Basis
Industrial Development Fund
For the Year Ended December 31, 2020

| | | Budgeted Amounts | | Variance |
|---|-------------------|------------------|------------------|-----------------|
| | Actual | Original | Final | Over (Under) |
| Revenues | | | | |
| Taxes | \$ 99,271 | 101,613 | 101,613 | (2,342) |
| Investment Earnings | 1,130 | - | - | 1,130 |
| Miscellaneous | 3,360 | 2,860 | 2,860 | 500 |
| Total Revenues | 103,761 | 104,473 | 104,473 | (712) |
| Expenditures | | | | |
| Contractual Services | 120,676 | 436,416 | 436,416 | (315,740) |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (16,915) | (331,943) | (331,943) | 315,028 |
| Budgetary Basis Fund Balance, Beginning as Previously Stated | 340,278 | | | |
| Prior Period Adjustment | (250) | | | |
| Budgetary Basis Fund Balance, Beginning as Restated | 340,028 | | | |
| Budgetary Basis Fund Balance, Ending | 323,113 | | | |
| GAAP Adjustments | | | | |
| Plus Receivables at December 31, 2020 | 13,440 | | | |
| Fund Balance, Ending | \$ 336,553 | | | |

See Independent Auditor's Report.

CITY OF EL DORADO, KANSAS
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Actual and Budget
Budgetary Basis
Special Parks and Recreation Fund
For the Year Ended December 31, 2020

| | | Budgeted Amounts | | Variance |
|---|------------------|------------------|-----------------|-----------------|
| | Actual | Original | Final | Over (Under) |
| Revenues | | | | |
| Taxes | \$ 24,574 | 29,896 | 29,896 | (5,322) |
| Fees | 9,180 | 1,750 | 1,750 | 7,430 |
| Miscellaneous | 19 | - | - | 19 |
| Investment Earnings | 188 | - | - | 188 |
| Total Revenues | 33,961 | 31,646 | 31,646 | 2,315 |
| Expenditures | | | | |
| Contractual Services | - | 2,500 | 2,500 | (2,500) |
| Commodities | 10,933 | 89,579 | 89,579 | (78,646) |
| Total Expenditures | 10,933 | 92,079 | 92,079 | (81,146) |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 23,028 | (60,433) | (60,433) | 83,461 |
| Other Financing Sources (Uses) | | | | |
| Transfers Out | (64,636) | - | - | (64,636) |
| Net Change in Fund Balance | (41,608) | <u>(60,433)</u> | <u>(60,433)</u> | <u>18,825</u> |
| Budgetary Basis Fund Balance, Beginning as Previously Stated | 59,261 | | | |
| Prior Period Adjustment | (113) | | | |
| Budgetary Basis Fund Balance, Beginning as Restated | 59,148 | | | |
| Budgetary Basis Fund Balance, Ending | \$ 17,540 | | | |

See Independent Auditor's Report.

CITY OF EL DORADO, KANSAS
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Actual and Budget
Budgetary Basis
Tourism Tax Fund
For the Year Ended December 31, 2020

| | | Budgeted Amounts | | Variance |
|---|-------------------|------------------|------------------|------------------|
| | Actual | Original | Final | Over (Under) |
| Revenues | | | | |
| Taxes | \$ 133,398 | 170,000 | 170,000 | (36,602) |
| Rentals and Royalties | 72,205 | 85,400 | 85,400 | (13,195) |
| Investment Earnings | 925 | - | - | 925 |
| Total Revenues | 206,528 | 255,400 | 255,400 | (48,872) |
| Expenditures | | | | |
| Personal Services | 27,423 | 72,943 | 72,943 | (45,520) |
| Contractual Services | 116,981 | 395,888 | 395,888 | (278,907) |
| Commodities | 2,169 | 7,400 | 7,400 | (5,231) |
| Total Expenditures | 146,573 | 476,231 | 476,231 | (329,658) |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 59,955 | (220,831) | (220,831) | 280,786 |
| Other Financing Sources (Uses) | | | | |
| Transfers Out | (71) | (42,000) | (42,000) | 41,929 |
| Net Change in Fund Balance | 59,884 | (262,831) | (262,831) | 322,715 |
| Budgetary Basis Fund Balance, Beginning as Previously Stated | 254,891 | | | |
| Prior Period Adjustment | (34,033) | | | |
| Budgetary Basis Fund Balance, Beginning as Restated | 220,858 | | | |
| Budgetary Basis Fund Balance, Ending | 280,742 | | | |
| GAAP Adjustments | | | | |
| Plus Receivables at December 31, 2020 | 31,353 | | | |
| Fund Balance, Ending | \$ 312,095 | | | |

See Independent Auditor's Report.

CITY OF EL DORADO, KANSAS
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Actual and Budget
Budgetary Basis
Economic Development Sales Tax Fund
For the Year Ended December 31, 2020

| | | Budgeted Amounts | | Variance |
|--|-------------------|------------------|-----------------|-----------------|
| | Actual | Original | Final | Over (Under) |
| Revenues | | | | |
| Taxes | \$ 100,000 | 100,000 | 100,000 | - |
| Intergovernmental | 149,977 | - | 149,977 | - |
| Investment Earnings | 501 | - | - | 501 |
| Sale of Real Estate | 70,000 | - | 70,000 | - |
| Total Revenues | 320,478 | 100,000 | 319,977 | 501 |
| Expenditures | | | | |
| Contractual Services | 242,186 | 156,148 | 376,125 | (133,939) |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 78,292 | (56,148) | (56,148) | 134,440 |
| Other Financing Sources (Uses) | | | | |
| Transfers Out | (68) | - | - | (68) |
| Net Change in Fund Balance | 78,224 | <u>(56,148)</u> | <u>(56,148)</u> | <u>134,372</u> |
| Fund Balance, Beginning | 78,680 | | | |
| Fund Balance, Ending | \$ 156,904 | | | |

See Independent Auditor's Report.

CITY OF EL DORADO, KANSAS
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Actual and Budget
Budgetary Basis
Stormwater Utility Fund
For the Year Ended December 31, 2020

| | | Budgeted Amounts | | Variance |
|---|-------------------|------------------|------------------|------------------|
| | Actual | Original | Final | Over (Under) |
| Revenues | | | | |
| Intergovernmental | \$ 97 | 300 | 300 | (203) |
| Special Assessment Taxes | 316,500 | 309,825 | 309,825 | 6,675 |
| Investment Earnings | 3,217 | - | - | 3,217 |
| Miscellaneous | 49 | - | - | 49 |
| Total Revenues | 319,863 | 310,125 | 310,125 | 9,738 |
| Expenditures | | | | |
| Personal Services | 231,973 | 481,774 | 481,774 | (249,801) |
| Contractual Services | 16,940 | 23,100 | 23,100 | (6,160) |
| Commodities | 1,676 | 24,500 | 24,500 | (22,824) |
| Total Expenditures | 250,589 | 529,374 | 529,374 | (278,785) |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 69,274 | (219,249) | (219,249) | 288,523 |
| Other Financing Sources (Uses) | | | | |
| Transfers Out | (18,000) | - | - | (18,000) |
| Net Change in Fund Balance | 51,274 | (219,249) | (219,249) | 270,523 |
| Budgetary Basis Fund Balance, Beginning as Previously Stated | 371,240 | | | |
| Prior Period Adjustment | (186) | | | |
| Budgetary Basis Fund Balance, Beginning as Restated | 371,054 | | | |
| Budgetary Basis Fund Balance, Ending | 422,328 | | | |
| GAAP Adjustments | | | | |
| Plus Receivables at December 31, 2020 | 33 | | | |
| Fund Balance, Ending | \$ 422,361 | | | |

See Independent Auditor's Report.

CITY OF EL DORADO, KANSAS
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Actual and Budget
Budgetary Basis
Ordinance Street Sales Tax Fund
For the Year Ended December 31, 2020

| | | Budgeted Amounts | | Variance |
|--|-------------------|--------------------|--------------------|--------------------|
| | Actual | Original | Final | Over (Under) |
| Revenues | | | | |
| Investment Earnings | \$ 259 | - | - | 259 |
| Expenditures | | | | |
| Contractual Services | - | 600,000 | 600,000 | (600,000) |
| Commodities | 122,659 | 1,020,668 | 1,020,668 | (898,009) |
| Total Expenditures | 122,659 | 1,620,668 | 1,620,668 | (1,498,009) |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (122,400) | (1,620,668) | (1,620,668) | 1,498,268 |
| Other Financing Sources (Uses) | | | | |
| Transfers In | 600,000 | 600,000 | 600,000 | - |
| Transfers Out | (502,821) | - | - | (502,821) |
| Total Other Financing Sources (Uses) | 97,179 | 600,000 | 600,000 | (502,821) |
| Net Change in Fund Balance | (25,221) | (1,020,668) | (1,020,668) | 995,447 |
| Fund Balance, Beginning | 747,908 | | | |
| Fund Balance, Ending | \$ 722,687 | | | |

See Independent Auditor's Report.

CITY OF EL DORADO, KANSAS
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Actual and Budget
Budgetary Basis
Excess Sales Tax Fund
For the Year Ended December 31, 2020

| | | Budgeted Amounts | | Variance |
|--|---------------------|--------------------|--------------------|------------------|
| | Actual | Original | Final | Over (Under) |
| Revenues | \$ - | - | - | - |
| Expenditures | | | | |
| Contractual Services | 17,297 | 1,309,833 | 1,309,833 | (1,292,536) |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (17,297) | (1,309,833) | (1,309,833) | 1,292,536 |
| Other Financing Sources (Uses) | | | | |
| Transfers In | 341,229 | 500,000 | 500,000 | (158,771) |
| Transfers Out | (582,200) | (500,000) | (500,000) | (82,200) |
| Total Other Financing Sources (Uses) | (240,971) | - | - | (240,971) |
| Net Change in Fund Balance | (258,268) | (1,309,833) | (1,309,833) | 1,051,565 |
| Fund Balance, Beginning | 1,357,944 | | | |
| Fund Balance, Ending | \$ 1,099,676 | | | |

See Independent Auditor's Report.

CITY OF EL DORADO, KANSAS
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Actual and Budget
Budgetary Basis
Special Alcohol Program Fund
For the Year Ended December 31, 2020

| | | Budgeted Amounts | | Variance |
|--|------------------|------------------|-----------------|-----------------|
| | Actual | Original | Final | Over (Under) |
| Revenues | | | | |
| Intergovernmental | \$ 24,574 | 29,896 | 29,896 | (5,322) |
| Investment Earnings | 64 | - | - | 64 |
| Total Revenues | 24,638 | 29,896 | 29,896 | (5,258) |
| Expenditures | | | | |
| Contractual Services | 48,400 | 57,938 | 57,938 | (9,538) |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (23,762) | <u>(28,042)</u> | <u>(28,042)</u> | <u>4,280</u> |
| Fund Balance, Beginning | 44,700 | | | |
| Fund Balance, Ending | \$ 20,938 | | | |

See Independent Auditor's Report.

CITY OF EL DORADO, KANSAS
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Actual and Budget
Budgetary Basis
Debt Service Fund
For the Year Ended December 31, 2020

| | | Budgeted Amounts | | Variance |
|--|-------------------|------------------|------------------|------------------|
| | Actual | Original | Final | Over (Under) |
| Revenues | | | | |
| Taxes | \$ 1,086,290 | 1,101,472 | 1,101,472 | (15,182) |
| Special Assessments | 360,853 | 378,397 | 378,397 | (17,544) |
| Investment Earnings | 2,887 | - | - | 2,887 |
| Miscellaneous | 120,763 | 120,763 | 120,763 | - |
| Total Revenues | 1,570,793 | 1,600,632 | 1,600,632 | (29,839) |
| Expenditures | | | | |
| Current | | | | |
| Contractual Services | - | 302,529 | 302,529 | (302,529) |
| Debt Service | | | | |
| Principal | 1,417,094 | 1,417,095 | 1,417,095 | (1) |
| Interest | 381,335 | 381,337 | 381,337 | (2) |
| Total Expenditures | 1,798,429 | 2,100,961 | 2,100,961 | (302,532) |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (227,636) | (500,329) | (500,329) | 272,693 |
| Other Financing Sources (Uses) | | | | |
| Transfers In | 200,000 | 200,000 | 200,000 | - |
| Net Change in Fund Balance | (27,636) | (300,329) | (300,329) | 272,693 |
| Fund Balance, Beginning | 262,980 | | | |
| Fund Balance, Ending | \$ 235,344 | | | |

See Independent Auditor's Report.

CITY OF EL DORADO, KANSAS
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Actual and Budget
Budgetary Basis
Construction Fund
For the Year Ended December 31, 2020

| | | Budgeted Amounts | | Variance |
|--|-----------------------|--------------------|--------------------|------------------|
| | Actual | Original | Final | Over (Under) |
| Revenues | | | | |
| Special Assessments | \$ 15,777 | - | - | 15,777 |
| Intergovernmental | 301,234 | - | - | 301,234 |
| Miscellaneous | 391,659 | - | - | 391,659 |
| Total Revenues | 708,670 | - | - | 708,670 |
| Expenditures | | | | |
| Contractual Services | 1,765,926 | 518,589 | 518,589 | 1,247,337 |
| Commodities | 476,092 | - | - | 476,092 |
| Capital Outlay | 199,603 | - | - | 199,603 |
| (a) Adjustment for Qualifying Budget Credits | - | 692,893 | 692,893 | (692,893) |
| Total Expenditures | 2,441,621 | 1,211,482 | 1,211,482 | 1,230,139 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (1,732,951) | (1,211,482) | (1,211,482) | (521,469) |
| Other Financing Sources (Uses) | | | | |
| Transfers In | 740,245 | 266,000 | 266,000 | 474,245 |
| Net Change in Fund Balance | (992,706) | (945,482) | (945,482) | (47,224) |
| Budgetary Basis Fund Balance, Beginning | (3,259,809) | | | |
| Budgetary Basis Fund Balance, Ending | (4,252,515) | | | |
| GAAP Adjustments | | | | |
| Plus Receivables at December 31, 2020 | 141,167 | | | |
| Fund Balance, Ending | \$ (4,111,348) | | | |
| (a) Adjustment for Qualifying Budget Credits | | | | |
| Federal Aid Over Amount Budgeted | \$ | 301,234 | | |
| Contributions Over Amount Budgeted | | 391,659 | | |
| | \$ | 692,893 | | |

See Independent Auditor's Report.

STATISTICAL SECTION



CITY OF EL DORADO, KANSAS
Statistical Section (Unaudited)
December 31, 2020

This part of **City of El Dorado, Kansas**' financial report 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.

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 factors affecting the City's ability to generate its most significant local revenue source, water and wastewater revenues, as well as its 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 and to help make comparisons over time with other governments.

Operating Information

These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the Annual Financial Report for the relevant year.

City of El Dorado
Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)

| | <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> | <u>2020</u> |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Governmental Activities | | | | | | | | | | |
| Net investment in capital assets | \$ 30,150,968 | \$ 30,967,195 | \$ 30,188,763 | \$ 34,296,398 | \$ 29,539,248 | \$ 31,001,068 | \$ 32,504,209 | \$ 30,064,673 | \$ 31,480,981 | \$ 32,680,162 |
| Restricted | 4,889,410 | 3,792,344 | 4,215,381 | 3,629,818 | 5,570,106 | 5,776,169 | 5,618,006 | 6,056,718 | 7,408,468 | 8,020,862 |
| Unrestricted | 8,719,784 | 5,609,678 | 6,918,169 | 3,341,366 | 1,886,158 | (1,651,934) | (2,954,862) | (376,780) | (1,158,124) | (1,549,023) |
| Total Governmental Activities Net Position | <u>\$ 43,760,162</u> | <u>\$ 40,369,217</u> | <u>\$ 41,322,313</u> | <u>\$ 41,267,582</u> | <u>\$ 36,995,512</u> | <u>\$ 35,125,303</u> | <u>\$ 35,167,353</u> | <u>\$ 35,744,611</u> | <u>\$ 37,731,325</u> | <u>\$ 39,152,001</u> |
| Business-Type Activities | | | | | | | | | | |
| Net investment in capital assets | \$ 18,777,765 | \$ 20,367,761 | \$ 21,303,503 | \$ 21,429,958 | \$ 20,861,680 | \$ 21,137,164 | \$ 21,632,458 | \$ 22,255,189 | \$ 28,230,293 | \$ 28,545,051 |
| Restricted | - | - | - | - | - | - | - | - | - | - |
| Unrestricted | (7,359,679) | (11,450,255) | (13,777,603) | (13,745,532) | (16,192,653) | (18,086,405) | (18,400,401) | (19,879,265) | (28,471,510) | (28,223,036) |
| Total Business-Type Activities Net Position | <u>\$ 11,418,086</u> | <u>\$ 8,917,506</u> | <u>\$ 7,525,900</u> | <u>\$ 7,684,426</u> | <u>\$ 4,669,027</u> | <u>\$ 3,050,759</u> | <u>\$ 3,232,057</u> | <u>\$ 2,375,924</u> | <u>\$ (241,217)</u> | <u>\$ 322,015</u> |
| Primary Government | | | | | | | | | | |
| Net investment in capital assets | \$ 48,928,733 | \$ 51,334,956 | \$ 51,492,266 | \$ 55,726,356 | \$ 50,400,928 | \$ 52,138,232 | \$ 54,136,667 | \$ 52,319,862 | \$ 59,711,274 | \$ 61,225,213 |
| Restricted | 4,889,410 | 3,792,344 | 4,215,381 | 3,629,818 | 5,570,106 | 5,776,169 | 5,618,006 | 6,056,718 | 7,408,468 | 8,020,862 |
| Unrestricted | 1,360,105 | (5,840,577) | (6,859,434) | (10,404,166) | (14,306,495) | (19,738,339) | (21,355,263) | (20,256,045) | (29,629,634) | (29,772,059) |
| Total Primary Government Net Position | <u>\$ 55,178,248</u> | <u>\$ 49,286,723</u> | <u>\$ 48,848,213</u> | <u>\$ 48,952,008</u> | <u>\$ 41,664,539</u> | <u>\$ 38,176,062</u> | <u>\$ 38,399,410</u> | <u>\$ 38,120,535</u> | <u>\$ 37,490,108</u> | <u>\$ 39,474,016</u> |

City of El Dorado
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Expenses | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| General government | \$ 1,880,860 | \$ 2,202,906 | \$ 2,021,994 | \$ 2,755,952 | \$ 3,345,911 | \$ 2,399,221 | \$ 2,308,622 | \$ 3,517,087 | \$ 3,358,088 | \$ 3,929,330 |
| Public safety | 3,644,530 | 3,799,331 | 3,767,376 | 3,906,171 | 4,055,854 | 4,246,184 | 4,123,977 | 4,039,731 | 4,112,299 | 4,476,448 |
| Public works | 4,283,125 | 3,254,173 | 3,278,271 | 3,476,247 | 3,748,977 | 5,407,872 | 3,708,612 | 3,763,699 | 3,873,979 | 3,066,632 |
| Health and sanitation | 371,126 | 411,502 | 392,681 | 478,020 | 457,600 | 416,036 | 410,278 | 297,237 | 287,627 | 487,337 |
| Culture and recreation | 1,542,864 | 1,389,464 | 1,297,591 | 1,476,436 | 1,362,045 | 1,513,728 | 1,602,837 | 1,508,086 | 1,320,667 | 1,574,069 |
| Economic development | 201,947 | 178,197 | 214,899 | 199,198 | 261,256 | 271,252 | 451,731 | 573,137 | 368,897 | 247,871 |
| Interest on long-term debt | 366,675 | 432,603 | 527,442 | 486,109 | 549,125 | 499,604 | 388,106 | 381,227 | 400,284 | 360,940 |
| Total Governmental Activities Expenses | <u>\$ 12,291,127</u> | <u>\$ 11,668,176</u> | <u>\$ 11,500,254</u> | <u>\$ 12,778,133</u> | <u>\$ 13,780,768</u> | <u>\$ 14,753,897</u> | <u>\$ 12,994,163</u> | <u>\$ 14,080,204</u> | <u>\$ 13,721,841</u> | <u>\$ 14,142,627</u> |
| Business-type activities: | | | | | | | | | | |
| Waterworks system | \$ 4,629,494 | \$ 4,469,711 | \$ 4,822,852 | \$ 4,845,259 | \$ 4,838,768 | \$ 5,378,480 | \$ 4,800,942 | \$ 4,793,381 | \$ 5,303,479 | \$ 4,622,699 |
| Sewer system | 2,313,956 | 2,069,672 | 2,109,889 | 2,109,698 | 2,441,626 | 2,635,077 | 2,256,590 | 2,420,586 | 4,614,230 | 2,069,293 |
| Refuse | 1,402,160 | 1,448,504 | 1,273,960 | 1,522,051 | 1,386,909 | 1,325,981 | 1,350,666 | 1,430,807 | 1,626,618 | 1,472,413 |
| Compressed Natural Gas | - | - | - | - | 16,839 | 12,694 | 25,622 | 28,863 | 33,091 | 32,330 |
| Total business-type activities expenses | <u>8,345,610</u> | <u>7,987,887</u> | <u>8,206,701</u> | <u>8,477,008</u> | <u>8,684,142</u> | <u>9,352,232</u> | <u>8,433,820</u> | <u>8,673,637</u> | <u>11,577,418</u> | <u>8,196,735</u> |
| Total Primary Government Expenses | <u>\$ 20,636,737</u> | <u>\$ 19,656,063</u> | <u>\$ 19,706,955</u> | <u>\$ 21,255,141</u> | <u>\$ 22,464,910</u> | <u>\$ 24,106,129</u> | <u>\$ 21,427,983</u> | <u>\$ 22,753,841</u> | <u>\$ 25,299,259</u> | <u>\$ 22,339,362</u> |
| Program Revenues | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| General government | \$ 649,247 | \$ 189,402 | \$ 1,307,835 | \$ 633,957 | \$ 1,639,486 | \$ 646,945 | \$ 877,175 | \$ 559,316 | \$ 2,084,115 | \$ 2,047,573 |
| Public safety | 642,715 | 635,027 | 701,270 | 613,069 | 587,195 | 616,403 | 639,331 | 675,801 | 672,666 | 834,971 |
| Public works | 131,947 | 194,528 | 199,621 | 227,672 | 243,059 | 201,443 | 171,250 | 188,309 | 195,613 | 494,457 |
| Health and sanitation | 128,012 | 117,179 | 112,466 | 118,383 | 100,789 | 225,290 | 225,679 | 221,935 | 217,036 | 253,305 |
| Culture and recreation | 628,262 | 652,320 | 659,220 | 616,928 | 714,811 | 552,456 | 511,527 | 1,106,643 | 205,051 | 346,943 |
| Economic development | - | - | - | - | - | - | - | - | - | 30,940 |
| Operating grants and contributions | 654,761 | 602,199 | 592,341 | 603,208 | - | 725,531 | 586,979 | 643,313 | 771,634 | 1,494,715 |
| Capital grants and contributions | 2,032,024 | 2,305,996 | 1,103,343 | 2,422,225 | - | 1,801,273 | 1,522,589 | 1,217,665 | 1,729,430 | 790,995 |
| Total Governmental Activities Program Revenues | <u>\$ 4,866,968</u> | <u>\$ 4,696,651</u> | <u>\$ 4,676,096</u> | <u>\$ 5,235,442</u> | <u>\$ 3,285,340</u> | <u>\$ 4,769,341</u> | <u>\$ 4,534,530</u> | <u>\$ 4,612,982</u> | <u>\$ 5,875,545</u> | <u>\$ 6,293,899</u> |

City of El Dorado
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|-----------------------|-----------------------|-----------------------|-----------------------|------------------------|------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Business-type activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| Waterworks system | \$ 4,378,079 | \$ 4,204,657 | \$ 3,863,280 | \$ 4,253,360 | \$ 3,947,993 | \$ 4,399,825 | \$ 4,162,309 | \$ 4,422,139 | \$ 4,505,642 | \$ 4,656,027 |
| Sewer system | 2,303,103 | 2,146,207 | 1,960,274 | 2,096,994 | 2,175,079 | 2,058,033 | 2,460,313 | 2,776,032 | 2,954,487 | 2,704,454 |
| Refuse | 1,452,599 | 1,434,386 | 1,359,800 | 1,404,573 | 1,538,748 | 1,508,945 | 1,615,743 | 1,694,720 | 1,855,511 | 1,626,797 |
| Compressed Natural Gas | - | - | - | 57 | 16,373 | 17,757 | 28,501 | 26,884 | 29,230 | 21,868 |
| Operating grants and contributions | - | - | - | - | - | - | - | - | - | 11,360 |
| Capital grants and contributions | 301,494 | 842,501 | 100 | 61,330 | - | 58,151 | 518,832 | 512,129 | 292,605 | 68 |
| Total business-type activities program revenues | 8,435,275 | 8,627,751 | 7,183,454 | 7,816,314 | 7,678,193 | 8,042,711 | 8,785,698 | 9,431,904 | 9,637,475 | 9,020,574 |
| Total Primary Government Program Revenues | <u>\$ 13,302,243</u> | <u>\$ 13,324,402</u> | <u>\$ 11,859,550</u> | <u>\$ 13,051,756</u> | <u>\$ 10,963,533</u> | <u>\$ 12,812,052</u> | <u>\$ 13,320,228</u> | <u>\$ 14,044,886</u> | <u>\$ 15,513,020</u> | <u>\$ 15,314,473</u> |
| Net (Expense)/ Revenue | | | | | | | | | | |
| Governmental activities | \$ (7,424,159) | \$ (6,971,525) | \$ (6,824,158) | \$ (7,542,691) | \$ (10,495,428) | \$ (9,984,556) | \$ (8,459,633) | \$ (9,467,222) | \$ (7,846,296) | \$ (7,848,728) |
| Business-type activities | 89,665 | 639,864 | (1,023,247) | (660,694) | (1,005,949) | (1,309,521) | 351,878 | 758,267 | (1,939,943) | 823,839 |
| Total Primary Government Net Expense | <u>\$ (7,334,494)</u> | <u>\$ (6,331,661)</u> | <u>\$ (7,847,405)</u> | <u>\$ (8,203,385)</u> | <u>\$ (11,501,377)</u> | <u>\$ (11,294,077)</u> | <u>\$ (8,107,755)</u> | <u>\$ (8,708,955)</u> | <u>\$ (9,786,239)</u> | <u>\$ (7,024,889)</u> |
| General Revenues: | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Taxes | | | | | | | | | | |
| Property taxes | \$ 3,983,853 | \$ 3,651,884 | \$ 3,806,320 | \$ 3,830,127 | \$ 3,806,019 | \$ 3,879,130 | \$ 4,066,071 | \$ 4,548,270 | \$ 4,792,036 | \$ 4,762,918 |
| Sales taxes | 2,266,633 | 2,377,070 | 2,370,532 | 2,508,095 | 2,610,716 | 2,512,159 | 2,408,098 | 2,692,452 | 2,669,192 | 2,696,442 |
| Franchise taxes | 1,075,331 | 1,050,082 | 1,174,104 | 1,225,660 | 1,171,972 | 1,288,810 | 1,287,895 | 1,343,763 | 1,323,200 | 1,239,115 |
| Tourism taxes | 151,814 | 166,878 | 173,221 | 172,343 | 206,669 | 168,713 | 163,069 | 195,007 | 176,473 | 102,438 |
| Investment earnings | 19,829 | 6,731 | 5,050 | 2,774 | 63,304 | 43,871 | 11,425 | 17,459 | 54,279 | 35,730 |
| Miscellaneous | - | - | - | - | - | - | 80,135 | 12,117 | 18,950 | 4,474 |
| Transfers in (out) | 1,649,838 | 1,906,934 | 248,027 | (251,039) | 999,723 | 766,229 | 522,269 | 1,572,601 | 798,880 | 602,872 |
| Total Governmental Activities | <u>\$ 9,147,298</u> | <u>\$ 9,159,579</u> | <u>\$ 7,777,254</u> | <u>\$ 7,487,960</u> | <u>\$ 8,858,403</u> | <u>\$ 8,658,912</u> | <u>\$ 8,538,962</u> | <u>\$ 10,381,669</u> | <u>\$ 9,833,010</u> | <u>\$ 9,443,989</u> |
| Business-type activities: | | | | | | | | | | |
| Investment earnings ¹ | \$ 571,651 | \$ 160,775 | \$ (120,332) | \$ 568,181 | \$ 132,906 | \$ 258,680 | \$ 314,410 | \$ 188,142 | \$ 114,842 | \$ 16,968 |
| Miscellaneous | - | - | - | - | - | 198,802 | - | - | 6,840 | - |
| Transfer in (out) | (1,649,838) | (1,906,934) | (248,027) | 251,039 | (999,723) | (766,229) | (522,269) | (1,572,601) | (798,880) | (602,872) |
| Total business-type activities | <u>(1,078,187)</u> | <u>(1,746,159)</u> | <u>(368,359)</u> | <u>819,220</u> | <u>(866,817)</u> | <u>(308,747)</u> | <u>(207,859)</u> | <u>(1,384,459)</u> | <u>(677,198)</u> | <u>(585,904)</u> |
| Total Primary Government | <u>\$ 8,069,111</u> | <u>\$ 7,413,420</u> | <u>\$ 7,408,895</u> | <u>\$ 8,307,180</u> | <u>\$ 7,991,586</u> | <u>\$ 8,350,165</u> | <u>\$ 8,331,103</u> | <u>\$ 8,997,210</u> | <u>\$ 9,155,812</u> | <u>\$ 8,858,085</u> |
| Change In Net Position | | | | | | | | | | |
| Governmental activities | \$ 1,723,139 | \$ 2,188,054 | \$ 953,096 | \$ (54,731) | \$ 1,088,676 | \$ (1,325,644) | \$ 79,329 | \$ 914,447 | \$ 1,986,714 | \$ 1,595,261 |
| Business-type activities | (988,522) | (1,106,295) | (1,391,606) | 158,526 | (1,664,808) | (1,618,268) | 144,019 | (626,192) | (2,617,141) | 237,935 |
| Total Primary Government | <u>\$ 734,617</u> | <u>\$ 1,081,759</u> | <u>\$ (438,510)</u> | <u>\$ 103,795</u> | <u>\$ (576,132)</u> | <u>\$ (2,943,912)</u> | <u>\$ 223,348</u> | <u>\$ 288,255</u> | <u>\$ (630,427)</u> | <u>\$ 1,833,196</u> |

¹ In 2013, the decrease in fair value of investments for the water fund created a negative revenue.

City of El Dorado
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

| | <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> | <u>2020</u> |
|-------------------------------------|---------------------|---------------------|---------------------|-----------------------|---------------------|---------------------|---------------------|---------------------|--------------------|---------------------|
| General Fund | | | | | | | | | | |
| Nondisposable | \$ 104,577 | \$ 115,518 | \$ 141,556 | \$ 85,643 | \$ 33,820 | \$ 19,374 | \$ 37,376 | \$ 35,956 | \$ 30,621 | \$ 12,662 |
| Restricted | - | - | - | - | - | - | - | - | - | - |
| Committed | - | - | - | - | - | - | - | - | - | - |
| Assigned | 787,183 | 399,687 | 452,540 | 571,895 | 625,355 | 375,021 | 454,116 | 337,074 | 183,677 | 309,860 |
| Unassigned | 3,524,885 | 3,154,540 | 3,236,214 | 3,300,921 | 3,223,156 | 2,634,603 | 2,513,312 | 3,014,975 | 3,516,181 | 4,315,144 |
| Total General Fund | <u>\$ 4,416,645</u> | <u>\$ 3,669,745</u> | <u>\$ 3,830,310</u> | <u>\$ 3,958,459</u> | <u>\$ 3,882,331</u> | <u>\$ 3,028,998</u> | <u>\$ 3,004,804</u> | <u>\$ 3,388,005</u> | <u>\$3,730,479</u> | <u>\$4,637,666</u> |
| All Other Governmental Funds | | | | | | | | | | |
| Nondisposable | \$ - | \$ - | \$ - | \$ - | \$ 20,881 | \$ 26,781 | \$ 19,918 | \$ 19,645 | \$ 12,814 | \$ 18,069 |
| Restricted | 1,441,774 | 1,350,142 | 1,242,310 | 526,863 | 2,278,825 | 2,573,122 | 2,010,964 | 2,449,902 | 3,130,158 | 2,865,933 |
| Committed | 290,226 | 12,254 | 3,409 | 179,440 | 191,413 | 3,409 | 3,409 | 3,409 | 13,384 | 26,438 |
| Assigned | 4,536,209 | 280,604 | 387,152 | 302,679 | 272,958 | 678,429 | 605,518 | 431,023 | 859,914 | 1,054,538 |
| Unassigned | - | (1,382,393) | 1,428,533 | (3,876,124) | (159,804) | (404,761) | (1,421,732) | (1,198,761) | (2,926,955) | (4,111,348) |
| Total All Other Governmental Funds | <u>\$ 6,268,209</u> | <u>\$ 260,607</u> | <u>\$ 3,061,404</u> | <u>\$ (2,867,142)</u> | <u>\$ 2,604,273</u> | <u>\$ 2,876,980</u> | <u>\$ 1,218,077</u> | <u>\$ 1,705,218</u> | <u>\$1,089,315</u> | <u>\$ (146,370)</u> |

City of El Dorado
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Revenues | | | | | | | | | | |
| Taxes | \$ 7,477,631 | \$ 7,245,914 | \$ 7,524,177 | \$ 7,736,225 | \$ 7,795,376 | \$ 7,848,812 | \$ 7,925,133 | \$ 8,779,492 | \$ 8,960,901 | \$ 8,800,913 |
| Intergovernmental | 1,132,263 | 2,031,138 | 862,696 | 713,441 | 1,060,212 | 1,446,873 | 1,366,280 | 1,065,425 | 1,298,989 | 2,224,377 |
| Licenses and permits | 128,930 | 148,891 | 106,354 | 126,432 | 299,218 | 196,046 | 191,846 | 188,367 | 130,039 | 155,154 |
| Charges for services | 1,390,018 | 1,527,311 | 1,383,555 | 1,570,319 | 1,497,588 | 1,221,397 | 1,382,813 | 1,376,351 | 1,115,034 | 1,308,068 |
| Fines and forfeitures | 248,445 | 295,843 | 312,345 | 331,806 | 355,959 | 419,796 | 373,381 | 395,775 | 411,273 | 336,737 |
| Special assessment taxes | 891,890 | 845,586 | 829,432 | 1,837,078 | 607,448 | 600,415 | 600,571 | 609,214 | 1,098,016 | 693,130 |
| Use of money and property | 19,829 | 6,731 | 5,050 | 2,774 | 63,304 | 43,271 | 11,425 | 17,459 | 54,279 | 35,730 |
| Miscellaneous | 574,466 | 293,173 | 511,320 | 915,815 | 1,936,458 | 856,880 | 539,974 | 1,128,712 | 833,328 | 720,810 |
| Total revenues | <u>\$ 11,863,472</u> | <u>\$ 12,394,587</u> | <u>\$ 11,534,929</u> | <u>\$ 13,233,890</u> | <u>\$ 13,615,563</u> | <u>\$ 12,633,490</u> | <u>\$ 12,391,423</u> | <u>\$ 13,560,795</u> | <u>\$ 13,901,859</u> | <u>\$ 14,274,919</u> |
| Expenditures | | | | | | | | | | |
| General government | \$ 1,464,958 | \$ 2,001,441 | \$ 1,795,145 | \$ 2,145,740 | \$ 2,153,525 | \$ 1,925,518 | \$ 1,643,600 | \$ 2,994,601 | \$ 2,647,842 | \$ 3,768,056 |
| Public Safety | 3,433,538 | 3,561,539 | 3,528,601 | 3,557,487 | 3,734,445 | 3,856,591 | 3,804,030 | 3,739,648 | 3,812,017 | 3,880,915 |
| Highways and streets | 1,802,441 | 1,740,316 | 1,664,529 | 1,702,826 | 1,664,652 | 1,661,177 | 1,573,624 | 1,366,833 | 1,476,623 | 1,059,459 |
| Health and sanitation | 353,701 | 393,732 | 375,751 | 462,797 | 443,129 | 398,141 | 393,656 | 280,697 | 260,460 | 469,324 |
| Culture and recreation | 1,448,000 | 1,271,625 | 1,190,358 | 1,359,086 | 1,215,149 | 1,300,726 | 1,430,253 | 1,336,039 | 1,146,342 | 1,326,784 |
| Economic development | 201,758 | 176,039 | 191,459 | 176,134 | 224,736 | 234,523 | 415,211 | 536,620 | 332,377 | 213,074 |
| Capital improvements | 3,984,996 | 9,561,723 | 2,988,055 | 5,707,803 | 4,240,256 | 3,544,902 | 2,873,244 | 2,059,618 | 3,717,796 | 2,737,077 |
| Debt service | | | | | | | | | | |
| Principal | 3,511,342 | 1,905,335 | 1,228,512 | 3,709,972 | 1,278,744 | 3,125,118 | 1,513,545 | 1,507,086 | 3,986,927 | 1,559,044 |
| Interest | 353,670 | 430,152 | 463,490 | 530,757 | 483,297 | 586,203 | 479,761 | 454,029 | 363,557 | 412,769 |
| Debt Issuance Costs | - | - | 40,016 | - | - | - | - | - | 84,177 | - |
| Total expenditures | <u>\$ 16,554,404</u> | <u>\$ 21,041,902</u> | <u>\$ 13,465,916</u> | <u>\$ 19,352,602</u> | <u>\$ 15,437,933</u> | <u>\$ 16,632,899</u> | <u>\$ 14,126,924</u> | <u>\$ 14,275,171</u> | <u>\$ 17,828,118</u> | <u>\$ 15,426,502</u> |
| Excess of revenues over (under) expenditures | \$ (4,690,932) | \$ (8,647,315) | \$ (1,930,987) | \$ (6,118,712) | \$ (1,822,370) | \$ (3,999,409) | \$ (1,735,501) | \$ (714,376) | \$ (3,926,259) | \$ (1,151,583) |

City of El Dorado
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years (Continued)
(Modified Accrual Basis of Accounting)

| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|--|----------------------|-----------------------|---------------------|-----------------------|---------------------|---------------------|-----------------------|---------------------|---------------------|---------------------|
| Other financing sources (uses) | | | | | | | | | | |
| General obligation bonds issued | \$ 5,715,000 | - | \$ 4,644,322 | \$ - | \$ 248,245 | \$ 60,067 | \$ - | \$ - | \$ 2,835,000 | \$ - |
| Sale of real estate | - | - | - | - | - | - | 80,135 | 12,117 | 18,950 | 159,440 |
| Proceeds from capital lease obligations | - | - | - | 569,354 | 64,689 | 1,152,052 | - | - | - | - |
| Temporary Notes Issued | - | - | - | - | 2,548,000 | - | - | - | - | - |
| Refunding bonds issued | - | - | - | - | 3,357,000 | 1,985,000 | - | - | - | - |
| Transfers in | 4,219,322 | 4,948,663 | 2,892,525 | 4,543,673 | 6,693,841 | 7,890,036 | 4,079,567 | 4,445,926 | 4,539,415 | 3,531,015 |
| Transfers out | (2,576,623) | (3,055,850) | (2,644,498) | (4,794,712) | (5,694,118) | (7,123,807) | (3,557,298) | (2,873,325) | (3,740,535) | (2,928,143) |
| Total other financing sources (uses) | <u>\$ 7,357,699</u> | <u>\$ 1,892,813</u> | <u>\$ 4,892,349</u> | <u>\$ 318,315</u> | <u>\$ 7,217,657</u> | <u>\$ 3,963,348</u> | <u>\$ 602,404</u> | <u>\$ 1,584,718</u> | <u>\$ 3,652,830</u> | <u>\$ 762,312</u> |
| Net change in Fund Balances | <u>\$ 2,666,767</u> | <u>\$ (6,754,502)</u> | <u>\$ 2,961,362</u> | <u>\$ (5,800,397)</u> | <u>\$ 5,395,287</u> | <u>\$ (36,061)</u> | <u>\$ (1,133,097)</u> | <u>\$ 870,342</u> | <u>\$ (273,429)</u> | <u>\$ (389,271)</u> |
| Fund balances, beginning of year, as originally stated | \$ 8,018,087 | \$ 10,684,854 | \$ 3,930,352 | \$ 6,891,714 | \$ 1,091,317 | \$ 6,486,604 | \$ 5,905,978 | \$ 4,222,881 | \$ 5,093,223 | \$ 4,819,794 |
| Prior period adjustment | - | - | - | - | - | (544,565) | (550,000) | - | - | 60,773 |
| Fund balances, beginning of year, as restated | <u>\$ 8,018,087</u> | <u>\$ 10,684,854</u> | <u>\$ 3,930,352</u> | <u>\$ 6,891,714</u> | <u>\$ 1,091,317</u> | <u>\$ 5,942,039</u> | <u>\$ 5,355,978</u> | <u>\$ 4,222,881</u> | <u>\$ 5,093,223</u> | <u>\$ 4,880,567</u> |
| Fund balances, end of year | <u>\$ 10,684,854</u> | <u>\$ 3,930,352</u> | <u>\$ 6,891,714</u> | <u>\$ 1,091,317</u> | <u>\$ 6,486,604</u> | <u>\$ 5,905,978</u> | <u>\$ 4,222,881</u> | <u>\$ 5,093,223</u> | <u>\$ 4,819,794</u> | <u>\$ 4,491,296</u> |
| Debt service as a percentage of noncapital expenditures | 27.9% | 16.1% | 16.2% | 30.3% | 14.1% | 28.0% | 17.6% | 15.9% | 30.4% | 15.8% |

City of El Dorado
Tax Revenues by Source, Governmental Funds
Last Ten Fiscal Years
 (Modified Accrual Basis of Accounting)

| Fiscal Year | Property Tax | Motor Vehicle Tax | Sales Tax | Franchise Tax | Transient Guest Tax | Total |
|------------------------|-------------------------|------------------------------|----------------------|--------------------------|--------------------------------|--------------|
| 2011 | 3,515,651 | 468,202 | 2,266,633 | 1,075,331 | 151,814 | 7,477,630 |
| 2012 | 3,158,613 | 493,271 | 2,377,070 | 1,050,082 | 166,878 | 7,245,914 |
| 2013 | 3,350,856 | 455,464 | 2,370,532 | 1,174,104 | 173,221 | 7,524,177 |
| 2014 | 3,348,253 | 481,874 | 2,508,095 | 1,225,660 | 172,343 | 7,736,225 |
| 2015 | 3,294,163 | 511,856 | 2,610,716 | 1,171,972 | 206,669 | 7,795,376 |
| 2016 | 3,382,302 | 496,828 | 2,512,159 | 1,288,810 | 168,713 | 7,848,812 |
| 2017 | 3,553,157 | 512,914 | 2,408,098 | 1,287,895 | 163,069 | 7,925,134 |
| 2018 | 4,042,377 | 505,893 | 2,692,452 | 1,343,763 | 195,007 | 8,779,492 |
| 2019 | 4,232,976 | 559,060 | 2,669,192 | 1,323,200 | 176,473 | 8,960,901 |
| 2020 | 4,211,944 | 550,974 | 2,696,442 | 1,239,115 | 102,438 | 8,800,913 |

City of El Dorado

Property Tax Levies and Collections

Last Ten Fiscal Years

| Fiscal Year ² | Total Tax Levy ¹ | Collected within the Current Year | | Delinquent Tax Collections | Total Collected | |
|-----------------------------|--------------------------------|-----------------------------------|--------------------|-------------------------------|-----------------|--------------------|
| | | Amount | Percentage of Levy | | Amount | Percentage of Levy |
| 2010 | 3,877,462 | 3,329,764 | 85.9% | 177,149 | 3,506,913 | 90.4% |
| 2011 | 4,042,000 | 3,799,242 | 94.0% | 184,611 | 3,983,853 | 98.6% |
| 2012 | 3,620,912 | 3,177,108 | 87.7% | 162,868 | 3,339,976 | 92.2% |
| 2013 | 3,880,933 | 3,362,613 | 86.6% | 180,643 | 3,543,256 | 91.3% |
| 2014 | 3,858,827 | 3,541,256 | 91.8% | 197,988 | 3,739,244 | 96.9% |
| 2015 | 3,744,463 | 3,468,283 | 92.6% | 201,523 | 3,669,806 | 98.0% |
| 2016 | 4,055,406 | 3,812,166 | 94.0% | 182,657 | 3,994,823 | 98.5% |
| 2017 | 4,592,141 | 3,801,217 | 82.8% | 154,752 | 3,955,969 | 86.1% |
| 2018 | 4,876,094 | 4,381,620 | 89.9% | 166,651 | 4,548,270 | 93.3% |
| 2019 | 4,926,767 | 4,619,532 | 93.8% | 172,504 | 4,792,036 | 97.3% |
| 2020 | 5,258,327 | 4,645,252 | 88.3% | 117,666 | 4,762,918 | 90.6% |

Notes:

¹ As computed and certified by Butler County Clerk on November 1 of levy year.

² The year in which the tax was collected.

City of El Dorado
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

| Levy Year | Real Property | Personal Property ¹ | Utilities | Oil & Gas | Total Assessed Value | Total Direct Tax Rate | Estimated Actual Value | Assessed Value as a Percentage of Actual Value |
|------------------|----------------------|---------------------------------------|------------------|----------------------|-----------------------------|------------------------------|-------------------------------|---|
| 2011 | 73,009,479 | 3,708,714 | 4,171,358 | 2,993 | 80,892,544 | 44.762 | 539,390,248 | 15.00% |
| 2012 | 74,272,212 | 3,650,271 | 4,360,055 | 5,130 | 82,287,668 | 47.163 | 386,914,778 | 21.27% |
| 2013 | 73,878,484 | 3,372,708 | 4,436,778 | 2,808 | 81,690,778 | 47.237 | 543,353,468 | 15.03% |
| 2014 | 72,925,530 | 2,335,516 | 4,322,469 | 1,253 | 79,584,768 | 47.050 | 525,111,705 | 15.16% |
| 2015 | 74,333,163 | 2,360,508 | 4,852,242 | 1,276 | 81,547,189 | 47.046 | 531,918,670 | 15.33% |
| 2016 | 76,909,849 | 2,587,788 | 4,915,755 | 3,878 | 84,417,270 | 48.040 | 549,387,855 | 15.37% |
| 2017 | 79,065,681 | 2,468,867 | 5,106,589 | 3,878 | 86,645,015 | 52.995 | 564,289,277 | 15.35% |
| 2018 | 83,962,971 | 2,457,165 | 5,548,248 | 10,828 | 91,979,212 | 53.013 | 597,630,925 | 15.39% |
| 2019 | 84,121,795 | 2,576,804 | 6,137,624 | 41,180 | 92,877,403 | 53.045 | 605,536,868 | 15.34% |
| 2020 | 90,289,758 | 2,325,332 | 6,588,084 | 9,446 | 99,212,620 | 55.909 | 634,829,604 | 15.63% |

Source: Butler County Clerk

Notes: The assessed value of each class is calculated by varying percentages of appraised or market value. Residential real property is assessed at 11.5% of fair market value, commercial property at 25%, and all other property rates ranging from 12% to 33%.

¹ Assessed values for Personal Property do not include motor vehicle valuation.

**City of El Dorado
Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years**

| Year ¹ | City of El Dorado | | | | | | Other Overlapping Governments ² | | | | | |
|-------------------|-------------------|---------|-------------------------|--------------|---------|------------|--|--------------------------------|--------------------|--|--|--|
| | General | Library | Industrial Mill Levy | Debt Service | Airport | Total City | Butler County | Butler Community College | State of Kansas | Unified School District No. 490 | Unified School District No. 375 | Unified School District No. 205 |
| 2011 ⁷ | 27.841 | 4.613 | 0.730 | 10.902 | 0.676 | 44.762 | 35.775 | 18.005 | 1.500 | 60.404 | 58.165 | 60.327 |
| 2012 | 31.354 | 4.724 | 1.000 | 8.958 | 1.127 | 47.163 | 35.273 | 18.005 | 1.500 | 60.371 | 57.940 | 64.391 |
| 2013 | 32.905 | 4.951 | 0.973 | 8.202 | 0.206 | 47.237 | 35.164 | 18.021 | 1.500 | 61.194 | 64.055 | 56.578 |
| 2014 | 30.306 | 4.992 | 1.018 | 10.734 | 0.000 | 47.050 | 35.133 | 18.003 | 1.500 | 59.828 | 66.358 | 47.071 |
| 2015 | 30.722 | 4.894 | 0.979 | 9.603 | 0.848 | 47.046 | 35.012 | 18.063 | 1.500 | 60.835 | 65.621 | 55.444 |
| 2016 | 30.320 | 4.887 | 0.979 | 11.007 | 0.847 | 48.040 | 34.747 | 20.074 | 1.500 | 63.518 | 62.639 | 48.036 |
| 2017 | 31.475 | 4.867 | 1.000 | 14.877 | 0.776 | 52.995 | 34.749 | 20.075 | 1.500 | 65.412 | 64.040 | 49.518 |
| 2018 | 35.266 | 4.868 | 1.000 | 10.618 | 1.261 | 53.013 | 34.274 | 20.068 | 1.500 | 65.397 | 62.947 | 43.447 |
| 2019 | 35.065 | 5.004 | 1.001 | 10.976 | 0.999 | 53.045 | 34.280 | 19.336 | 1.500 | 65.724 | 63.401 | 45.537 |
| 2020 | 37.924 | 5.275 | 1.055 | 10.732 | 0.923 | 55.909 | 34.013 | 18.007 | 1.500 | 65.014 | 63.806 | 44.126 |

Source: Butler County Clerk

Notes:

¹ The year shown is the year in which taxes are levied for collection in the following fiscal year.

² Overlapping rates are those of local and county governments that apply to property owners within the city limits of El Dorado. Not all overlapping rates apply to all property owners. The rates for Unified School District No. 490 and Unified School District No. 375 only apply to approximately 82.1% and 17.9%, respectively, of the property in El Dorado. The rates for Unified School District No. 205 only apply to two businesses located at the El Dorado municipal airport.

⁷ In 2010 several large properties were exempted after the City formally approved the budget, which caused the total levy to increase by 1.993 mills. The City Commission elected to refund taxpayers for this unanticipated increase by decreasing the levy by 4 mills.

City of El Dorado
Principal Property Taxpayers
Current Year and Nine Years Ago

| Taxpayer | 2020 | | | 2011 | | |
|--|---------------------|------|------------------------------------|---------------------|------|------------------------------------|
| | Assessed Value | Rank | Percentage of Total Assessed Value | Assessed Value | Rank | Percentage of Total Assessed Value |
| Evergy Kansas South, Inc | \$2,971,441 | 1 | 3.16% | \$1,326,679 | 2 | 1.43% |
| Wal-Mart Real Estate | \$2,506,313 | 2 | 2.66% | \$2,758,680 | 1 | 2.98% |
| Kansas Gas Service ¹ | \$1,459,536 | 3 | 1.55% | \$1,121,185 | 3 | 1.21% |
| Barton Solvents Inc | \$1,195,585 | 4 | 1.27% | | | --- |
| Vlamis Enterprises LLC ⁵ | \$1,075,258 | 5 | 1.14% | | | --- |
| Valmont Newmark Inc | \$992,923 | 6 | 1.06% | \$1,014,920 | 4 | 1.09% |
| Butler Rural Electric Coop Assn | \$736,379 | 7 | 0.78% | | | --- |
| T Town LLC ⁴ | \$702,115 | 8 | 0.75% | | | --- |
| HE of El Dorado LLC | \$695,953 | 9 | 0.74% | 506,701 | 8 | 0.55% |
| BNSF | \$623,206 | 10 | 0.66% | | | --- |
| BG Real Estate Inc | --- | | --- | \$779,396 | 5 | 0.84% |
| Southwestern Bell Telephone | --- | | --- | \$523,214 | 7 | 0.56% |
| Pioneer Balloon Co | --- | | --- | \$556,453 | 6 | 0.60% |
| J. Larry Fugate | --- | | --- | \$399,075 | 10 | 0.43% |
| El Dorado Group II LLC | --- | | --- | \$475,626 | 9 | 0.51% |
| Total | \$12,958,709 | | 13.78% | \$9,461,929 | | 10.21% |
| Total Assessed Value ² | \$94,051,537 | | | \$92,700,280 | | |

Source: Butler County 2020 tax roll

Notes:

¹ Formerly Western Resources - Gas Division

² Does not includes motor vehicle valuation

⁴ Formerly Villas at BCC LLC

⁵ Formerly Vlamis, Ted & Elizabeth-Vlamis Enterprises

City of El Dorado

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

| Fiscal Year | Governmental Activities | | | | Business-Type Activities | | | | | Total Primary Government | Percentage of Personal Income | Debt Per Capita |
|-------------|--------------------------|-------------------|-----------------|----------------|--------------------------|-----------------|---------------------------------------|---------------------------------------|----------------|--------------------------|-------------------------------|-----------------|
| | General Obligation Bonds | Issuance Premiums | Temporary Notes | Capital Leases | General Obligation Bonds | Temporary Notes | US Army Corps of Engineering Contract | KS Dept of Health & Environment Loans | Capital Leases | | | |
| 2011 | 14,231,951 | - | 740,000 | - | 1,238,049 | 1,260,000 | 45,952,878 | 10,290,701 | - | 73,713,579 | 25.87% | 5,629 |
| 2012 | 13,066,616 | - | - | - | 1,048,384 | 1,260,000 | 47,120,795 | 9,955,211 | - | 72,451,006 | 27.25% | 5,570 |
| 2013 | 16,482,426 | - | - | - | 2,882,574 | - | 48,329,613 | 9,432,748 | - | 77,127,361 | 27.84% | 6,001 |
| 2014 | 12,826,910 | - | - | 514,898 | 2,258,090 | - | 49,580,764 | 8,871,227 | 168,661 | 74,220,550 | 26.49% | 5,756 |
| 2015 | 15,134,523 | 248,245 | 2,548,000 | 350,230 | 2,647,477 | - | 50,875,729 | 8,294,684 | 152,693 | 80,251,581 | 27.14% | 6,223 |
| 2016 | 14,144,023 | 283,487 | 2,548,000 | 1,264,922 | 8,935,977 | - | 52,216,045 | 2,040,170 | 130,151 | 81,562,775 | 26.42% | 6,308 |
| 2017 | 12,285,050 | 252,656 | 2,548,000 | 1,063,271 | 8,329,950 | - | 53,603,299 | 2,030,867 | - | 80,113,093 | 26.36% | 6,173 |
| 2018 | 10,947,313 | 221,825 | 2,548,000 | 856,988 | 7,482,688 | - | 55,039,134 | 1,932,460 | 149,220 | 79,177,628 | 24.72% | 6,071 |
| 2019 | 12,435,735 | 190,994 | - | 727,704 | 6,624,266 | - | 48,499,478 | 1,831,746 | 151,505 | 70,461,428 | 22.00% | 5,447 |
| 2020 | 10,981,706 | 160,163 | - | 622,689 | 5,758,295 | - | 50,197,930 | 1,728,673 | - | 69,449,456 | 21.50% | 5,371 |

Notes:

Personal income and population information can be found on the Demographics and Economic Statistics schedule.

Prior year adjustment was made to the US Army Corps of Engineering Contract in 2010 due to new auditor's interpretation of the loan. This changed the Percentage of Personal Income and Debt Per Capita for 2010.

In 2016, KDHE loan 1639 was refinanced with the 2016 bond.

City of El Dorado
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

| Fiscal Year | General Obligation Bonds ¹ | Less Debt Service Funds | Net Bonded Debt | Net Bonded Debt Per Capita | Net Bonded Debt to Estimated Actual Value |
|--------------------|--|--------------------------------|------------------------|-----------------------------------|--|
| 2011 | 15,470,000 | 796,642 | 14,673,358 | 1,128.03 | 2.72% |
| 2012 | 14,115,000 | 749,354 | 13,365,646 | 1,036.10 | 3.45% |
| 2013 | 19,365,000 | 586,235 | 18,778,765 | 1,461.16 | 3.46% |
| 2014 | 15,085,000 | 88,835 | 14,996,165 | 1,162.94 | 2.86% |
| 2015 | 17,782,000 | 1,880,474 | 15,901,526 | 1,234.69 | 2.89% |
| 2016 | 23,080,000 | - | 23,080,000 | 1,784.86 | 4.20% |
| 2017 | 20,615,000 | 151,448 | 20,463,552 | 1,576.67 | 3.63% |
| 2018 | 18,430,001 | 312,329 | 18,117,672 | 1,389.29 | 3.03% |
| 2019 | 19,060,001 | 262,980 | 18,797,021 | 1,453.19 | 3.10% |
| 2020 | 16,740,001 | 235,344 | 16,504,657 | 1,276.36 | 2.60% |

Notes: Population and estimated actual value data can be found on the Demographics and Economic Statistics schedule and the Assessed Value and Estimated Actual Value of Taxable Property schedule, respectively.

¹ This is the general bonded debt of both governmental and business-type activates, net of original issuance discounts and premiums.

**City of El Dorado
Direct and Overlapping Debt
December 31, 2019**

| | Debt Outstanding | Estimated Percentage Applicable ¹ | Estimated Share of Overlapping Debt |
|--|------------------------------|---|--|
| Overlapping Debt: | | | |
| Butler County | \$ 584,410 | 11.74% | \$ 68,636 |
| Unified School District No. 490 | 96,870,000 | 42.18% | 40,855,969 |
| Unified School District No. 375 | 47,900,000 | 13.69% | 6,556,589 |
| Butler Community College | 1,300,481 | 11.74% | 152,734 |
| | <u>\$ 146,654,891</u> | | <u>\$ 47,633,928</u> |
| Direct Debt: | | | |
| City of El Dorado Direct Debt | <u>13,354,433</u> | | <u>13,354,433</u> |
| Total direct and overlapping debt | <u><u>\$ 160,009,324</u></u> | | <u><u>\$ 60,988,361</u></u> |

Source: The debt outstanding was provided by each entity.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the property owners of El Dorado. USD 205's tax rates apply to only two businesses, and therefore the estimated share of overlapping debt is not significant and has not been included above.

¹ The percentage of overlapping debt applicable is estimated using assessed valuations. The City of El Dorado's assessed valuation was multiplied by the percentage of property owners in each taxing entity's jurisdiction, and the resulting amount was divided by each entity's assessed valuation.

City of El Dorado

Legal Debt Margin

Last Ten Fiscal Years

| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|-----------------------|-----------------------|
| Assessed Valuation | \$ 80,892,544 | \$ 82,287,668 | \$ 81,690,778 | \$ 79,584,768 | \$ 81,547,189 | \$ 84,417,270 | \$ 86,645,015 | \$ 91,979,212 | \$ 92,877,403 | \$ 94,051,537 |
| Assessed Valuation on Motor Vehicles | 11,807,736 | 11,870,038 | 12,132,153 | 11,927,805 | 12,502,945 | 12,446,756 | 12,739,283 | 12,419,253 | 12,756,596 | 12,831,345 |
| Total Assessed Valuation ¹ | <u>\$ 92,700,280</u> | <u>\$ 94,157,706</u> | <u>\$ 93,822,931</u> | <u>\$ 91,512,573</u> | <u>\$ 94,050,134</u> | <u>\$ 96,864,026</u> | <u>\$ 99,384,298</u> | <u>\$ 104,398,465</u> | <u>\$ 105,633,999</u> | <u>\$ 106,882,882</u> |
| Legal Debt Limit ² | <u>\$ 27,810,084</u> | <u>\$ 28,247,312</u> | <u>\$ 28,146,879</u> | <u>\$ 27,453,772</u> | <u>\$ 28,215,040</u> | <u>\$ 29,059,208</u> | <u>\$ 29,815,289</u> | <u>\$ 31,319,540</u> | <u>\$ 31,690,200</u> | <u>\$ 32,064,865</u> |
| Bonded Indebtedness | \$ 15,470,000 | \$ 14,115,000 | \$ 19,365,000 | \$ 15,085,000 | \$ 17,782,000 | \$ 22,790,000 | \$ 20,615,000 | \$ 18,430,001 | \$ 19,060,001 | \$ 16,740,001 |
| Temporary Notes | 2,000,000 | 1,260,000 | - | - | 2,548,000 | 2,548,000 | 2,548,000 | 2,548,000 | - | - |
| Total Debt | <u>17,470,000</u> | <u>15,375,000</u> | <u>19,365,000</u> | <u>15,085,000</u> | <u>20,330,000</u> | <u>25,338,000</u> | <u>23,163,000</u> | <u>20,978,001</u> | <u>19,060,001</u> | <u>16,740,001</u> |
| Less: | | | | | | | | | | |
| Assets in Debt Service Fund | \$ 796,642 | \$ 749,354 | \$ 586,235 | \$ 88,835 | \$ 1,880,474 | \$ - | \$ 151,448 | \$ 312,329 | \$ 262,980 | \$ 235,344 |
| Exempted Debt (KSA 10-309)-G.O. Bonds | 5,256,448 | 4,733,138 | 7,256,969 | 6,612,762 | 8,315,990 | 15,499,604 | 13,724,756 | 12,191,752 | 10,888,755 | 9,307,272 |
| Exempted Debt (KSA 10-309)-Temporary Notes | 1,711,400 | 1,260,000 | - | - | - | 1,462,042 | 1,462,042 | 1,462,042 | - | - |
| Waterworks Revenue Bonds | - | - | - | - | - | - | - | - | - | - |
| Sewer System Revenue Bonds | - | - | - | - | - | - | - | - | - | - |
| Total Deductions | <u>7,764,490</u> | <u>6,742,492</u> | <u>7,843,204</u> | <u>6,701,597</u> | <u>10,196,464</u> | <u>16,961,646</u> | <u>15,338,246</u> | <u>13,966,123</u> | <u>11,151,735</u> | <u>9,542,616</u> |
| Total Amount Applicable to Debt Limit | <u>9,705,510</u> | <u>8,632,508</u> | <u>11,521,796</u> | <u>8,383,403</u> | <u>10,133,536</u> | <u>8,376,354</u> | <u>7,824,754</u> | <u>7,011,878</u> | <u>7,908,266</u> | <u>7,197,385</u> |
| Legal Debt Margin | <u>\$ 18,104,574</u> | <u>\$ 19,614,804</u> | <u>\$ 16,625,083</u> | <u>\$ 19,070,369</u> | <u>\$ 18,081,504</u> | <u>\$ 20,682,854</u> | <u>\$ 21,990,535</u> | <u>\$ 24,307,662</u> | <u>\$ 23,781,933</u> | <u>\$ 24,867,480</u> |
| Legal Debt Margin as a percentage of the Debt Limit | 65.10% | 69.44% | 59.07% | 69.46% | 64.08% | 71.17% | 73.76% | 77.61% | 75.05% | 77.55% |

Notes:

¹ Computed in accordance with KSA 10-310.

² 30% of Assessed Valuation (KSA 10-308).

City of El Dorado
Revenue Bond Coverage
Waterworks System Revenue Bonds
Last Ten Fiscal Years

| Fiscal Year | Gross Revenue | Less: Operating Expenses ¹ | Net Available Revenue | Principal Requirements ² | Interest Requirements ² | Total | Coverage |
|--------------------|----------------------|--|------------------------------|--|---|--------------|-----------------|
| 2011 | 4,590,919 | 2,705,438 | 1,885,481 | - | - | - | N/A |
| 2012 | 4,269,918 | 2,469,957 | 1,799,961 | - | - | - | N/A |
| 2013 | 3,583,458 | 2,692,350 | 891,108 | - | - | - | N/A |
| 2014 | 4,723,423 | 2,666,306 | 2,057,117 | - | - | - | N/A |
| 2015 | 4,058,266 | 2,725,037 | 1,333,229 | - | - | - | N/A |
| 2016 | 4,581,166 | 2,993,801 | 1,587,365 | - | - | - | N/A |
| 2017 | 4,395,833 | 2,492,503 | 1,903,330 | - | - | - | N/A |
| 2018 | 4,544,519 | 2,542,106 | 2,002,413 | - | - | - | N/A |
| 2019 | 4,510,139 | 2,992,937 | 1,517,202 | - | - | - | N/A |
| 2020 | 4,588,432 | 2,577,267 | 2,011,165 | - | - | - | N/A |

Notes:

¹ Excludes capital depreciation.

² Bond ordinance provides that computation is for the succeeding year's debt service requirements. All bonds were fully retired prior to December 31, 2007.

City of El Dorado
Demographic and Economic Statistics
Last Ten Fiscal Years

| Fiscal Year | Population¹ | Personal Income | Per Capita Personal Income² | Unemployment Rate³ |
|------------------------|-------------------------------|----------------------------|---|--|
| 2011 | 13,008 | \$ 284,937,902 | \$ 20,306 | 7.7% |
| 2012 | 12,900 | \$ 265,866,458 | \$ 20,509 | 6.6% |
| 2013 | 12,852 | \$ 277,012,008 | \$ 21,554 | 6.7% |
| 2014 | 12,895 | \$ 280,178,986 | \$ 22,677 | 5.4% |
| 2015 | 12,879 | \$ 295,672,571 | \$ 22,903 | 4.3% |
| 2016 | 12,931 | \$ 299,117,807 | \$ 23,132 | 4.4% |
| 2017 ⁴ | 12,979 | \$ 307,008,819 | \$ 23,654 | 3.2% |
| 2018 ⁵ | 13,041 | \$ 320,286,960 | \$ 24,560 | 4.0% |
| 2019 | 12,935 | \$ 318,084,585 | \$ 24,591 | 3.2% |
| 2020 | 12,931 | \$ 323,081,035 | \$ 24,985 | 15.5% |

Sources:

¹ Population estimates, with the exception of 2011, are taken from the Kansas Division of the Budget. The most recent year was estimated based on the average growth rate of the previous 5 years.

² Estimate based on Claritas software information obtained through Wichita State University's Economics Department. The software utilizes census data and estimates rates of change in median household income, first for large areas, then for progressively smaller areas. Per capita personal income is derived from the resulting income distributions.

³ Bureau of Labor Statistics. Rate is for Butler county, as unemployment rate information is not available for El Dorado.

⁴ Error found in formula worksheet for Personal Income column for the year of 2017 affecting personal income and per capita income.

⁵ For 2018, labor force information was collected from the Bureau of Labor Statistics data from the time period of February 2018-March 2019.

**City of El Dorado
Principal Employers
Current Year and Nine Years Ago**

| Employer | 2020 | | | 2011 | | |
|--|--------------|------|---|--------------|------|---|
| | Employees | Rank | Percentage of Total City Employment | Employees | Rank | Percentage of Total City Employment |
| HollyFrontier Corporation ² | 472 | 1 | 8.87% | 430 | 2 | 7.37% |
| Butler Community College | 464 | 2 | 8.72% | 410 | 4 | 7.03% |
| El Dorado Correctional Facility | 381 | 3 | 7.16% | 427 | 3 | 7.32% |
| Butler County Government | 352 | 4 | 6.61% | 356 | 5 | 6.10% |
| Susan B. Allen Memorial Hospital | 211 | 5 | 3.96% | 273 | 7 | 4.68% |
| USD #490 ¹ | 197 | 6 | 3.70% | 1039 | 1 | 17.80% |
| C-Tech ³ | 172 | 7 | 3.23% | 117 | 10 | 2.00% |
| Pioneer Balloon | 136 | 8 | 2.55% | 206 | 8 | 3.53% |
| Walmart | 134 | 9 | 2.52% | 311 | 6 | 5.33% |
| BG Products | 126 | 10 | 2.37% | 0 | - | 0.00% |
| City of El Dorado | 116 | - | 2.18% | 141 | 9 | 2.42% |
| Total | 2,761 | | 51.86% | 3,667 | | 62.83% |

Total Employment ⁴ 5,324 5,836

Source: City of El Dorado Survey of Employers

Notes:

¹ USD 490 previously included Butler County Special Cooperative Employees. In 2014, the school district split from the Coop.

² Formerly Texaco Refining & Marketing, Equilon Enterprises, and El Dorado Frontier Refinery.

³ Formerly Blackburn Construction.

⁴ Estimated using Butler County's percentage of the population in the labor force and percentage of the labor force employed, based on data obtained from the Bureau of Labor Statistics.

City of El Dorado

Full-Time Equivalent City Government Employees by Function

Last Ten Fiscal Years

| Function | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| General Government | | | | | | | | | | |
| Administration | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| CVB | 0 | 0 | 1 | 1 | 2 | 2 | 2 | 1 | 1 | 1 |
| Airport | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Engineering | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Legal/Judicial | 3 | 4 | 3 | 3 | 2 | 2 | 2 | 2 | 1 | 1 |
| Public Safety | | | | | | | | | | |
| Police | 29 | 29 | 29 | 27 | 28 | 26 | 25 | 25 | 25 | 19 |
| Fire | 16 | 17 | 17 | 17 | 17 | 17 | 17 | 16 | 17 | 17 |
| Building/Zoning | 2 | 3 | 3 | 3 | 2 | 2 | 2 | 2 | 2 | 2 |
| Public Works | | | | | | | | | | |
| Public Works | 7 | 7 | 7 | 8 | 10 | 6 | 6 | 8 | 8 | 0 |
| Major Street Improvements | 10 | 15 | 12 | 6 | 6 | 12 | 12 | 8 | 8 | 10 |
| Culture/Recreation | | | | | | | | | | |
| Park Maintenance | 3 | 4 | 2 | 2 | 2 | 2 | 2 | 4 | 4 | 5 |
| Recreation | 6 | 7 | 7 | 8 | 10 | 10 | 10 | 9 | 5 | 5 |
| Health & Sanitation | | | | | | | | | | |
| Health & Sanitation | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 3 |
| Cemetery | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Water | 18 | 18 | 18 | 17 | 16 | 17 | 16 | 18 | 17 | 15 |
| Sewer | 6 | 6 | 6 | 6 | 6 | 5 | 5 | 4 | 5 | 6 |
| Refuse | 16 | 12 | 10 | 10 | 11 | 8 | 8 | 8 | 8 | 8 |
| Stormwater | 2 | 2 | 2 | 2 | 2 | 1 | 1 | 1 | 0 | 4 |
| Data Processing | 12 | 11 | 11 | 12 | 13 | 11 | 10 | 10 | 13 | 12 |
| Total | 140 | 145 | 138 | 132 | 137 | 131 | 128 | 126 | 124 | 116 |

Source: City Budget Office

In 2011, the Police Department had three officers retire and only replaced one. Two firefighter positions were vacant at the end of the year, however, were planned to be filled in early 2012. Two positions in Major Street Improvements became vacant and only one was filled. A new Recreation Leader position was created, and Kemper Management returned the operation of Prairie Trails in November, which increased Recreation by four positions. The Water Department had one vacant position at the end of the year, decreasing the staffing to 18.

In 2013, the Convention and Visitor's Bureau was transferred from El Dorado Inc. to the City. There was one employee in that department as of December 31, 2013 and plans to add a part time employee in 2014. Also, the judge's position was changed from full-time to contract.

In 2015, the Code Enforcement Officer was transferred from the Building Department to the Police Department and trained as an officer. The FTE's from Prairie Trails and Forrestry are included in the Recreation number.

In 2017, the Police Department and Public Utilities Department struggled to maintain a full staff. Data Processing eliminated the position of Administrative Assistant to the City Manager.

In 2020, the City of El Dorado moved the majority of employees from Public Works to Major Streets due to requirements of the Highway funds. The Building Maintenance position was moved to environmental services (Health and Sanitation) and the Department Director and Administrative Assistant were moved to refuse.

City of El Dorado

Operating Indicators by Function

Last Ten Fiscal Years

| Function | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Municipal Court | | | | | | | | | | |
| Citations Issued | 3,612 | 4,304 | 3,841 | 3,575 | 3,201 | 4,004 | 3,218 | 3,311 | 3,476 | 2,379 |
| Warrants Issued | 150 | 182 | 341 | 376 | 281 | 354 | 379 | 358 | 419 | 161 |
| Warrants Served | 202 | 235 | 409 | 362 | 334 | 408 | 395 | 288 | 295 | 173 |
| Airport | | | | | | | | | | |
| Fuel Sales (gallons) | 18,461 | 19,210 | 30,880 | 31,001 | 31,192 | 29,154 | 25,068 | 26,894 | 25,254 | 26,716 |
| Fire | | | | | | | | | | |
| Total Number of Incidents | 1,263 | 1,295 | 1,299 | 1,302 | 1,298 | 1,110 | 1,382 | 1,666 | 1,666 | 1,494 |
| Fire Calls | 187 | 180 | 109 | 180 | 153 | 153 | 157 | 172 | 114 | 172 |
| Rescue & Emergency Medical Calls | 662 | 787 | 781 | 743 | 749 | 677 | 759 | 878 | 897 | 777 |
| Hazardous Materials Calls | 69 | 40 | 89 | 54 | 81 | 69 | 52 | 55 | 64 | 53 |
| Inspections | 1,218 | 1,094 | 1,026 | 925 | 725 | 539 | 758 | 718 | 767 | 295 |
| Hydrants Tested | 695 | 782 | 720 | 735 | 1,390 | 1,546 | 678 | 740 | 737 | 701 |
| Police | | | | | | | | | | |
| Criminal Violations Reported | 1,350 | 1,532 | 1,442 | 1,523 | 826 | 2,610 | 1,132 | 2,153 | 976 | 876 |
| Traffic Accidents | 275 | 237 | 117 | 311 | 342 | 344 | 318 | 287 | 248 | 202 |
| Building & Zoning | | | | | | | | | | |
| New Residential Construction Permits | 5 | 7 | 4 | 10 | 12 | 9 | 20 | 20 | 9 | 41 |
| New Commercial Construction Permits | 8 | 5 | 5 | 1 | 6 | 5 | 6 | 6 | 4 | 5 |
| Street Operations | | | | | | | | | | |
| Streets Swept (Curb Miles) | 3,747 | 4,167 | 3,798 | 3,941 | 4,215 | 4,351 | 4,425 | 4,006 | 2,380 | 4,126 |
| Animal Control | | | | | | | | | | |
| Animal Licenses | 1,432 | 1,579 | 1,606 | 1,654 | 1,751 | 1,263 | 1,344 | 1,229 | 1,210 | 1,040 |
| Animal Control Calls | 987 | 1,602 | 1,883 | 1,904 | 1,883 | 1,722 | 2,132 | 1,534 | 1,382 | 1,306 |
| Animal Citations | 125 | 220 | 207 | 247 | 332 | 234 | 294 | 224 | 202 | 184 |
| Cemetery | | | | | | | | | | |
| Burials | 138 | 128 | 130 | 127 | 135 | 104 | 114 | 102 | 108 | 106 |
| Parks and Recreation | | | | | | | | | | |
| Youth Soccer Participants | 202 | 294 | 345 | 366 | 387 | 436 | 416 | 384 | 359 | 300 |
| Swimming Pool Attendance | 21,299 | 21,174 | 19,284 | 16,590 | 14,560 | 12,892 | 12,255 | 11,966 | 11,071 | 2,701 |
| Youth Baseball/Softball Participants | 407 | 580 | 827 | 703 | 680 | 745 | 502 | 540 | 512 | 356 |
| Youth Basketball Participants | 172 | 172 | 287 | 260 | 271 | 211 | 189 | 188 | 151 | 150 |
| Youth Volleyball Participants | 305 | 378 | 407 | 350 | 331 | 281 | 243 | 196 | 192 | 86 |
| Adult Softball Teams | 25 | 19 | 17 | 16 | 17 | 17 | 8 | 5 | 12 | 0 |
| Adult Flag Football Teams | 9 | 5 | 4 | 4 | 10 | 0 | 0 | 0 | 0 | 0 |
| Adult Basketball Teams | 8 | 12 | 9 | 8 | 6 | 8 | 5 | 5 | 6 | 0 |
| Adult Volleyball Teams | 32 | 22 | 21 | 22 | 22 | 23 | 20 | 13 | 14 | 0 |
| Youth Flag Football | 0 | 0 | 0 | 0 | 0 | 0 | 91 | 91 | 112 | 56 |
| Water | | | | | | | | | | |
| New Meters | 11 | 19 | 17 | 5 | 17 | 30 | 6 | 27 | 13 | 9 |
| Treated Water Pumped (millions of gallons) | 1,329 | 1,350 | 1,223 | 1,254 | 1,189 | 1,166 | 1,191 | 1,202 | 1,169 | 1,264 |
| Water Distribution Service Calls | 275 | 336 | 251 | 236 | 242 | 243 | 199 | 285 | 270 | 149 |
| Water Leaks Repaired | 93 | 94 | 58 | 40 | 52 | 26 | 30 | 39 | 33 | 38 |
| Sewer | | | | | | | | | | |
| Sewer Maintenance Service Calls | 263 | 230 | 244 | 208 | 222 | 215 | 187 | 178 | 179 | 129 |
| Refuse | | | | | | | | | | |
| Refuse Collected (tons) | 6,255 | 6,237 | 8,946 | 8,125 | 8,875 | 8,763 | 9,653 | 11,467 | 9,114 | 9,627 |
| Recycling Material (tons) | 1,637 | 1,731 | 1,956 | 1,845 | 1,265 | 1,304 | 1,083 | 987 | 599 | 406 |
| Yardwaste Collected (tons) | 4,500 | 4,000 | 3,800 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 |

Source: Various City Departments

Note: Refuse collected now includes residential, commercial and roll off containers. Prior to 2013 it only included residential and commercial. Airport sales went up because of crop dusting businesses using our airport to fuel. 2020 numbers for Recreation, Police and Fire decreased due to restrictions resulting from COVID-19.

City of El Dorado
Capital Asset Statistics by Function
Last Ten Fiscal Years

| Function | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|--|-------------|-------------|--------------------|-------------|-------------|-------------|----------------|-------------|-------------|-------------|
| Square Miles of the City | 8.1 | 8.1 | 9.1 | 9.1 | 9.1 | 9.1 | 9.1 | 9.1 | 9.1 | 9.16 |
| Street Operations | | | | | | | | | | |
| Miles of Paved City Streets | 82.2 | 82.2 | 83.77 | 84.65 | 85.06 | 85.06 | 85.06 | 85.06 | 85.06 | 85.06 |
| Miles of Unpaved City Streets | 2.89 | 2.89 | 2.89 | 2.89 | 2.89 | 2.89 | 2.89 | 2.89 | 2.89 | 2.89 |
| Traffic Operations | | | | | | | | | | |
| Traffic Signals | 13 | 13 | 13 | 14 | 14 | 14 | 14 | 14 | 14 | 14 |
| Parks and Recreation | | | | | | | | | | |
| Swimming Pools | 2 | 2 | 2 | 2 | 2 | 2 | ² 1 | 1 | 1 | 1 |
| Activity Center | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Ball Diamonds | 9 | 10 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 |
| Soccer Fields | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Water | | | | | | | | | | |
| Water Mains (miles) | 106.85 | 106.85 | ¹ 122.7 | 123.20 | 124.10 | 124.10 | 124.10 | 129.40 | 129.4 | 131.1 |
| Elevated Storage Capacity (millions of gallons) | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 |
| Underground Storage Capacity (millions of gallons) | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Water Storage Space -El Dorado Reservoir (BG) | 22.20 | 22.20 | 22.20 | 50.00 | 50.00 | 50.00 | 50.00 | 50.00 | 50.00 | 50.00 |
| Sewer | | | | | | | | | | |
| Sanitary Sewers (miles) | 53.94 | 53.94 | ¹ 90.8 | 91.30 | 92.00 | 92.00 | 92.00 | 93.40 | 93.4 | 93.9 |

Source: Various City Departments

¹ Note: Indicators are not available for the general government & administration functions. The increase in Water Mains and Sanitary Sewers is due to the more accurate numbers provided by the GIS system.

² Note: The Prairie Trails pool was filled in due to lack of attendance and desire to maintain a failing structure.

CITY OF EL DORADO, KANSAS

Single Audit Information

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the City Commission
City of El Dorado, Kansas
El Dorado, KS

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of **City of El Dorado, Kansas**, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise **City of El Dorado, Kansas'** basic financial statements, and have issued our report thereon dated July 28, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered **City of El Dorado, Kansas'** internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of **City of El Dorado, Kansas'** internal control. Accordingly, we do not express an opinion on the effectiveness of **City of El Dorado, Kansas'** internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs (2020-001, 2020-002, and 2020-003) that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether **City of El Dorado, Kansas'** financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City of El Dorado, Kansas' Response to Findings

City of El Dorado, Kansas' response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. **City of El Dorado, Kansas'** response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Adams Brown, LLC". The signature is written in a cursive, flowing style.

ADAMSBROWN, LLC
Certified Public Accountants
El Dorado, Kansas

July 28, 2021

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the City Commission
City of El Dorado, Kansas
El Dorado, Kansas

Report on Compliance for Each Major Federal Program

We have audited **City of El Dorado, Kansas'** compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have direct and material effect on each of **City of El Dorado, Kansas'** major federal programs for the year ended December 31, 2020. **City of El Dorado, Kansas'** major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of **City of El Dorado, Kansas'** major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about **City of El Dorado, Kansas'** compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of **City of El Dorado, Kansas'** compliance.

Opinion on Each Major Federal Program

In our opinion, **City of El Dorado, Kansas** complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2020.

Report on Internal Control over Compliance

Management of **City of El Dorado, Kansas** is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered **City of El Dorado, Kansas'** internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of **City of El Dorado, Kansas'** internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify a certain deficiency in internal control over compliance, described in the accompanying schedule of findings and questioned costs as item 2020-004, that we consider to be a significant deficiency.

City of El Dorado, Kansas' response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. **City of El Dorado, Kansas'** response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



ADAMSBROWN, LLC
Certified Public Accountants
El Dorado, Kansas

July 28, 2021

CITY OF EL DORADO, KANSAS
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2020

| Federal Grantor/ Pass-through Grantor/ Program Title | Assistance Listing Number | Agency or Pass-through Number | Federal Expenditures |
|--|---------------------------------|-------------------------------------|----------------------------|
| U.S. Department of Housing and Urban Development | | | |
| Passed Through Kansas Housing Resources Corporation Emergency Solutions Grant Program | 14.231 | N/A | \$ 72,645 |
| Passed Through Kansas Department of Commerce Community Development Block Grants | 14.228 | 19-CR-002 | 245,950 |
| Coronavirus Funding Community Development Block Grants | 14.228 | 20-CV-080 | <u>91,500</u> |
| Total U.S. Department of Housing and Urban Development | | | <u>410,095</u> |
| U.S. Department of Justice | | | |
| Direct Award Bulletproof Vest Partnership Program | 16.607 | N/A | 1,141 |
| Passed Through Kansas Criminal Justice Coordinating Council Edward Byrne Memorial Justice Assistance Grant Program | 16.738 | N/A | <u>22,642</u> |
| Total U.S. Department of Justice | | | <u>23,783</u> |
| U.S. Department of Transportation | | | |
| Passed Through Kansas Department of Transportation Highway Safety Cluster | | | |
| State and Community Highway Safety | 20.600 | SP-1300-20 | 3,872 |
| State and Community Highway Safety | 20.600 | SP-1300-21 | <u>1,775</u> |
| Total Highway Safety Cluster | | | 5,647 |
| Direct Award Airport Improvement Program | 20.106 | 3-20-0018-012-2019 | 279,051 |
| Airport Improvement Program | 20.106 | 3-20-0018-013-2020 | 163,350 |
| Coronavirus Funding Airport Improvement Program | 20.106 | 3-20-0018-014-2020 | <u>30,000</u> |
| Total U.S. Department of Transportation | | | <u>478,048</u> |
| U.S. Department of the Treasury | | | |
| Passed Through Butler County Coronavirus Funding | | | |
| Coronavirus Relief Fund | 21.019 | N/A | 584,749 |
| Coronavirus Relief Fund | 21.019 | Senior Center | <u>63,779</u> |
| Total U.S. Department of the Treasury | | | <u>648,528</u> |
| Total Expenditures of Federal Awards | | | \$ <u>1,560,454</u> |

Note - There were no awards made to subrecipients for the year ended December 31, 2020.

See accompanying notes to schedule of expenditures of federal awards.

CITY OF EL DORADO, KANSAS
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2020

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of **City of El Dorado, Kansas**, and is presented in accordance with generally accepted accounting principles. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

NOTE 2 – INDIRECT COST RATE

The City has elected not to use the 10% de minimis cost rate allowed under Section 200.414(f) of the Uniform Guidance.

NOTE 3 – OTHER EXPENDITURES

The City did not receive any federal awards in the form of noncash assistance, insurance, loans, or loan guarantees, and incurred no expenditures in relation thereof for the year ended December 31, 2020.

CITY OF EL DORADO, KANSAS
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2020

SECTION I - SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

Type of auditors' report issued:

Unmodified

Internal control over financial reporting

- Material weakness identified? _____ Yes X No
- Significant deficiency identified? X Yes _____ None Reported
- Noncompliance material to financial statements noted? _____ Yes X No

FEDERAL AWARDS

Internal control over major programs:

- Material weakness identified? _____ Yes X No
- Significant deficiency identified? X Yes _____ None Reported

Type of auditors' report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)?

_____ Yes X No

Identification of major programs:

| Assistance Listing Number | Name of Federal Program |
|---------------------------|-----------------------------|
| 20.106 | Airport Improvement Program |
| 21.019 | Coronavirus Relief Fund |

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

_____ Yes X No

CITY OF EL DORADO, KANSAS
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2020

SECTION II – FINANCIAL STATEMENT FINDINGS

SIGNIFICANT DEFICIENCY

2020-001

Criteria or specific requirement

The City is currently not tracking and recording encumbrances. In addition, the City Commission minutes do not contain complete information regarding the decisions made by the Commission.

Condition

Encumbrances should be tracked and recorded to ensure that claims against cash are accurately represented.

Cause

Inappropriate application of regulatory basis accounting principles.

Effect

There is the potential that the financial statements may be misstated.

Recommendation

We recommend that the City implement procedures to track encumbrances approved by the City Commission.

Views of responsible officials

See Corrective Action Plan.

2020-002

Criteria or specific requirement

During the course of our audit, we identified significant adjustments to the trial balance that were not initially identified by the City's internal control structure.

Condition

The financial statements are the responsibility of management. As such, the City's internal control over the financial statements should identify misstatements.

Cause

Inappropriate application of generally accepted accounting principles.

Effect

There is the potential that the financial statements may be materially misstated.

Recommendation

We recommend that the City review its trial balance at year-end to ensure that all adjustments have been made.

Views of responsible officials

See Corrective Action Plan.

CITY OF EL DORADO, KANSAS
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2020

2020-003

Criteria or specific requirement

Internal controls over the purchasing process should be followed as designed.

Condition

During our audit, we discovered eight invoices that did not receive the proper signoffs per the City's purchasing policy.

Cause

Two of the invoices should have been signed by department heads but were missed. The other six were required to be signed by the city manager because they were greater than the threshold set by the City, but they were missed.

Effect

Requiring these reviews and approvals helps to mitigate the risk that an unallowable expense gets charged to a federal program. If the required individuals are not following the controls outlined, then this risk is increased.

Recommendation

We recommend that the City go over its purchasing policy with all applicable employees to ensure that they are aware of the procedures that they are expected to adhere to.

Views of responsible officials

See Corrective Action Plan.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

SIGNIFICANT DEFICIENCY

2020-004

Assistance Listing Number – 20.106 (Airport Improvement Program)

Criteria or specific requirement

Per 2 CFR Part 200, participants in the Airport Improvement Program are required to prepare and submit reports SF-425 – Federal Financial Report and SF-271 – Outlay Report and Request for Reimbursement for Construction Programs, as applicable. The fiscal year end for these grants is September 30, and the reports are due within 90 days of that year end.

Condition

The City did not complete and submit the required reports within the requested timeframe.

Cause

The City and its third party administrator completed and submitted the grant reports after the deadline.

Effect

Reports are required to be submitted to keep the awarding agency informed of the program's progress. The report is required to be submitted by the deadline so that any potential noncompliance will be addressed in a timely manner.

CITY OF EL DORADO, KANSAS
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2020

Recommendation

We recommend that individuals associated with the Airport Improvement Program add a note to their calendar to remind them of the grant's fiscal year end and the upcoming deadline.

Views of responsible officials

See Corrective Action Plan.



EL DORADO

THE FINE ART OF LIVING WELL

Summary Schedule of Prior Audit Findings and Questioned Costs
For the Year Ended December 31, 2020

SECTION II – FINANCIAL STATEMENT FINDINGS

SIGNIFICANT DEFICIENCY

2019-001

Condition

Significant adjustments to the trial balance had to be made during the course of the audit.

Corrective Actions

City staff review revenues and expenses and the balance sheet to ensure proper reporting, and they review the trial balance at year end.

Status

Repeat Finding. See 2020-002.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None. No single audit for the year ended December 31, 2019.