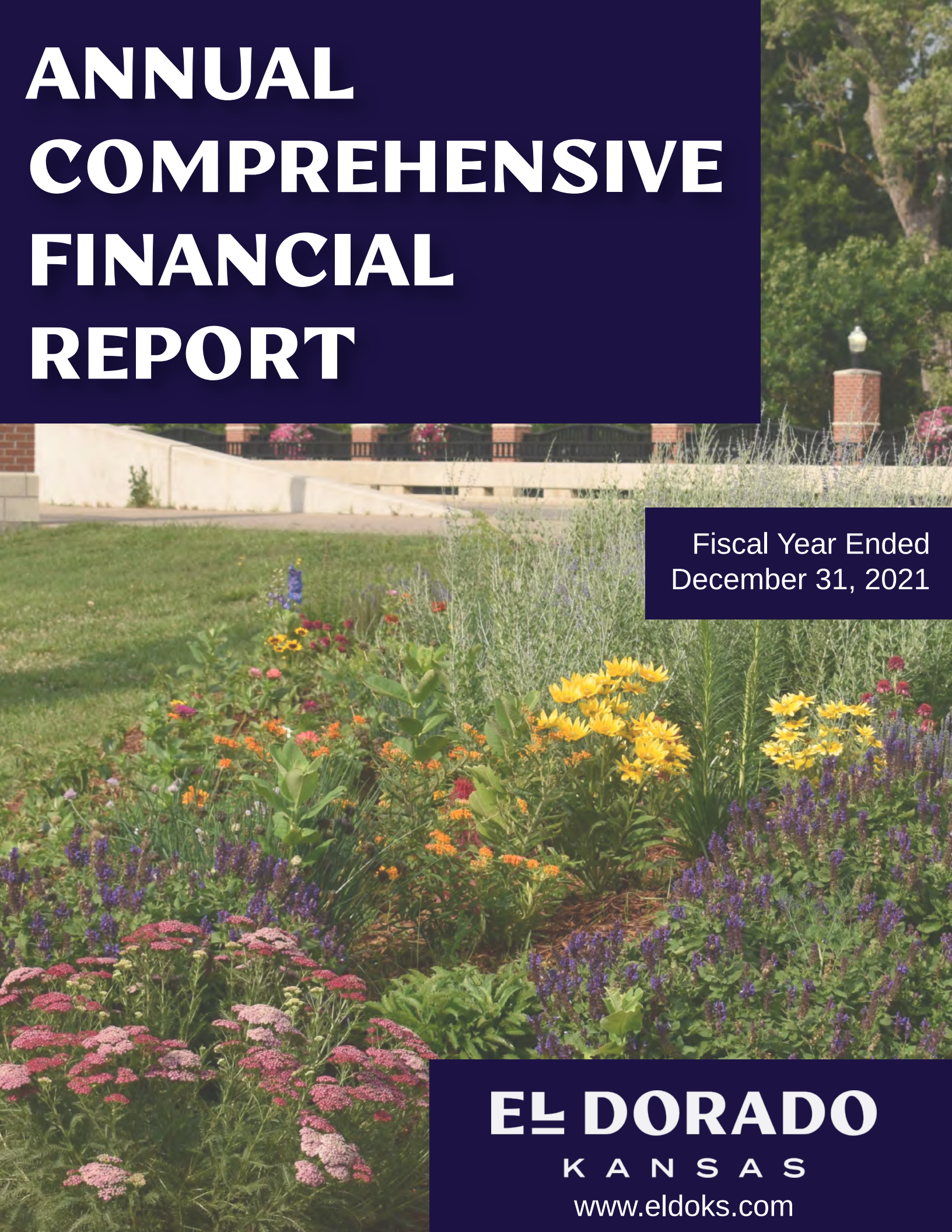
ANNUAL COMPREHENSIVE FINANCIAL REPORT



Fiscal Year Ended
December 31, 2021

EL DORADO
KANSAS
www.eldoks.com

Annual Comprehensive Financial Report

of the

CITY OF EL DORADO, KANSAS

for the

Year Ended December 31, 2021

Mayor - Bill Young

Commissioner - Kendra Wilkinson
Commissioner - Gregg Lewis
Commissioner - Nick Badwey
Commissioner - Matt Guthrie

City Manager - David Dillner

Prepared By
Department of Finance
Finance Director – Alyssa Warner

CITY OF EL DORADO, KANSAS
Annual Comprehensive Financial Report
For the Year Ended December 31, 2021

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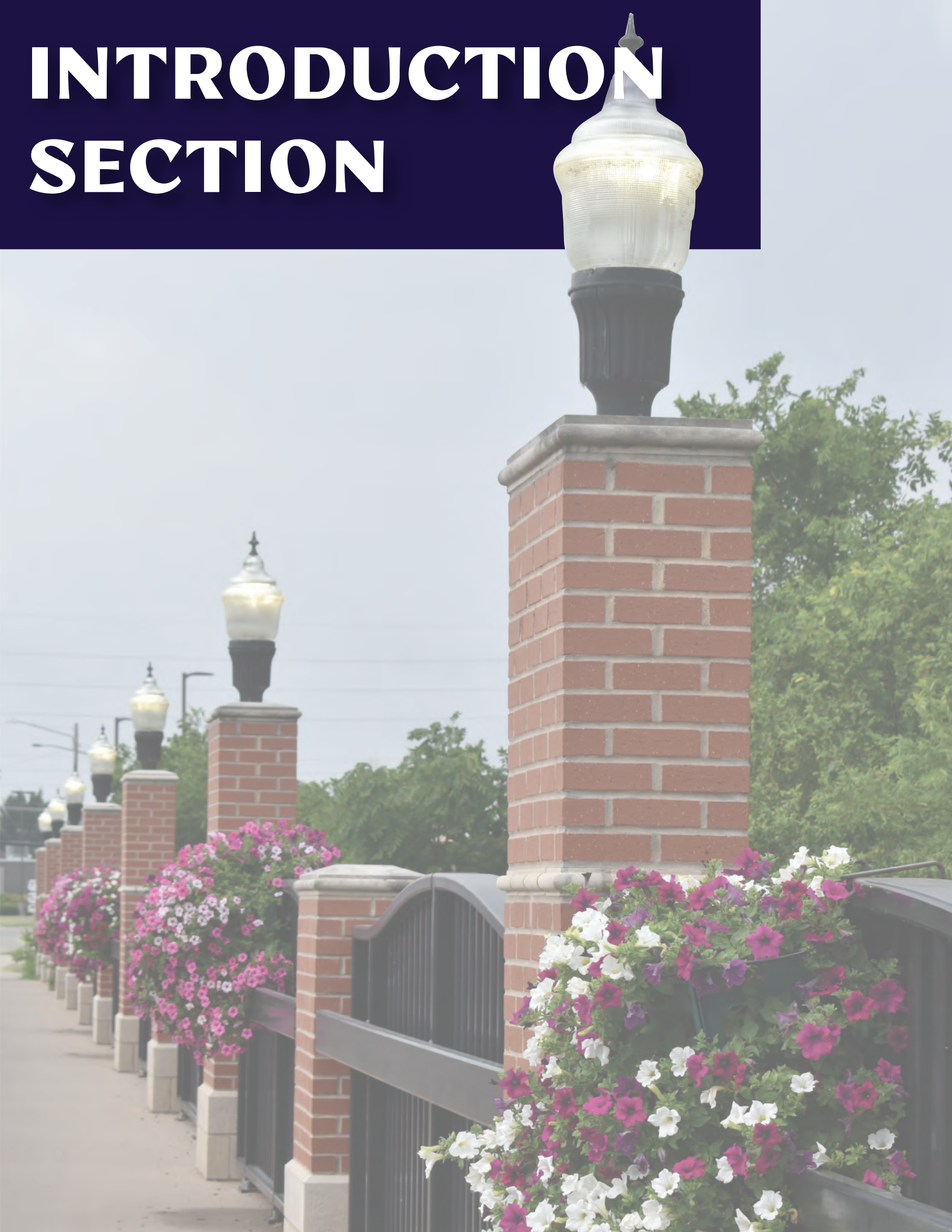
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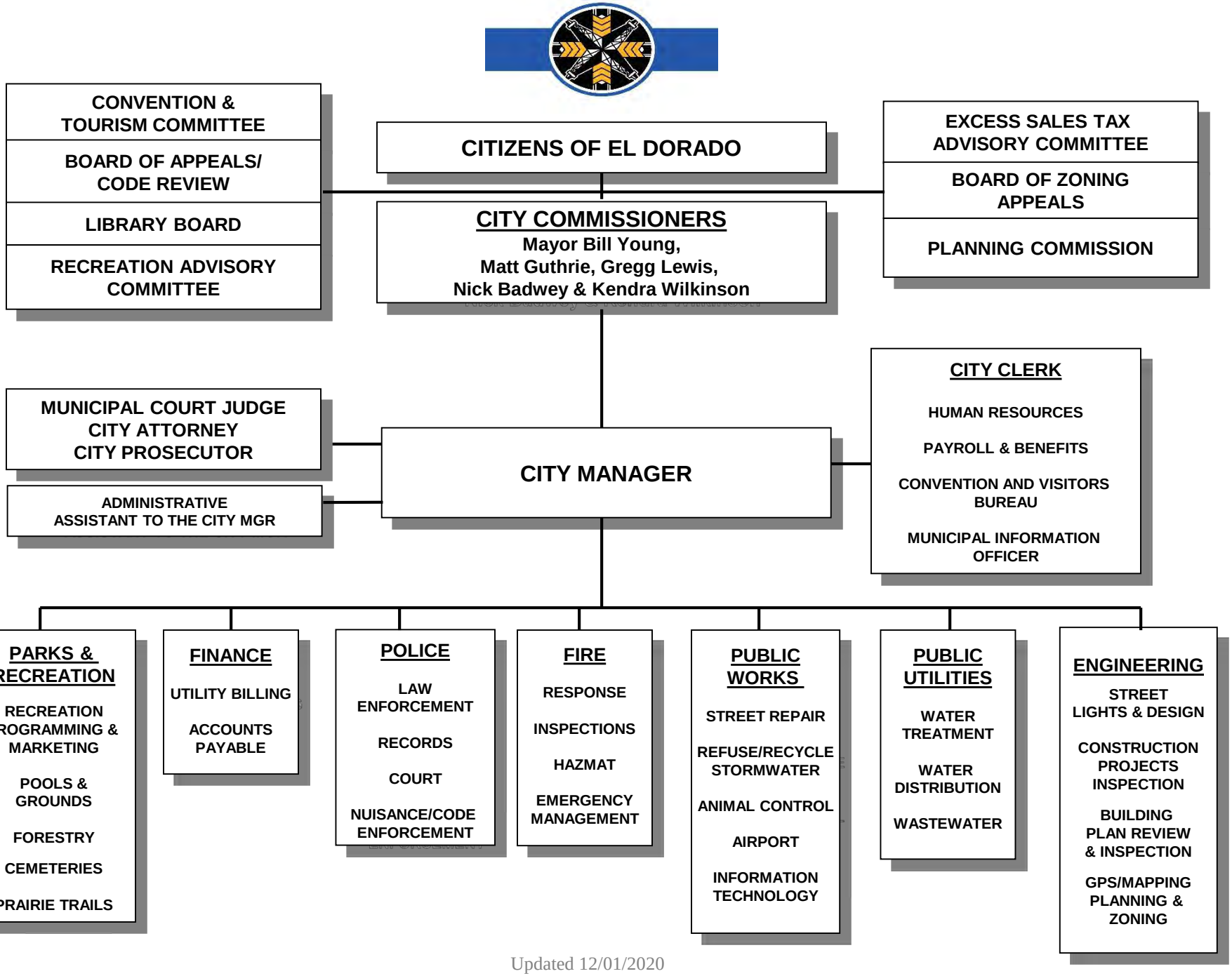
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INTRODUCTION SECTION





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 Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2020



Executive Director/CEO

July 18, 2022

To the Honorable City Commission and Citizens of El Dorado:

On September 11, 2021, the City of El Dorado proudly crossed the Sesequentenial anniversary since its founding as a municipality in Kansas in 1871. El Dorado experienced few years like the period encapsulating 2020 and 2021 during its 150 years as a city. The global pandemic created the storyline that ruled the headlines and affected families, institutions, and businesses.

As we look back on the past year, there can be no doubt that COVID influenced our lives (and the City's financial situation) more than any other topic or issue. No one had experienced a pandemic the likes of COVID, so it was good to see the virus lose momentum in 2021. The world was quick to wake from the tension caused by our collective response to the pandemic. It was time for a recovery both socially and economically.

My intent in writing this year's letter is to discuss COVID only to the extent it affected the City's finances in a significant manner. We are all COVID fatigued and the year cannot be completely defined by the pandemic. As such, this year's letter will focus on topics largely outside of the public health emergency.

Sales Taxes, the Not-Quite Panacea

I often hear a justifying response like "the City will generate quite a bit of sales tax from this endeavor" when an idea or project surfaces that requires considerable investment by the City. The aphorism is so frequent and comes with such ease that I thought I would take a moment to cull the habit of declaring the return on sales taxes from a specific project or initiative.

The City of El Dorado generates one percent, or $0.01 for every $100, of retail sales that occur within its corporate limits. This explains why shopping local helps fund government operations and projects. As an added benefit, the small act of shopping at local establishments enables small businesses in El Dorado to stay open and keeps family, friends, and neighbors employed. The City also receives compensating use tax from purchases made outside the City and delivered to a location in El Dorado.

Over the course of a year, the one-cent sales tax generates approximately $2.6 million from $260 million in aggregate retail sales. The City, by ordinance, distributes the proceeds of the one-cent sales tax as follows: $1.65 million to property tax reduction, $600,000 to street maintenance, and $100,000 to economic development.

The City allocates any funds in excess of these amounts to the City's Excess Sales Tax Program to fund various capital and special projects at the recommendation of the Excess Sales Tax Committee. The City Commission considers the committee's recommendations and has final approval of projects funded through the program. Over the prior five years, the City allocated an average of $268,960 towards special projects from so-called excess sales taxes.

Voters first approved the City's one-cent sales tax in 1990. The sales tax became effective for five years before requiring another vote reauthorizing it. Voters have overwhelmingly approved the one-cent sales tax every time it has come up for a public vote. The City appreciates the public support for the sales tax, and thanks residents for choosing to support local businesses. These purchases enable the City to invest in public infrastructure that assist in making El Dorado a great place.

Even so, the one-cent sales tax is not quite the panacea advertised when projects and proposals spring up. As an example, let us imagine an event that generates quite a bit of interest from the community and surrounding region. The heralded event creates such an outpouring of interest that 3,000 people descend upon El Dorado to attend the revelry. These out-of-town patrons each elect to imbibe in purchasing souvenirs, food, and drink valued at $500 during their stay in El Dorado. Sales tax from this terrifically attended event generates $15,000 in sales tax.

Please do not assume that I take this newly generated $15,000 in sales tax lightly. Indeed, it would be a terrific amount of sales tax to receive from such an eclectic event! In all probability, this scenario is unlikely, as not all of the patrons will spend $500 during their time in El Dorado. Even if they do, other residents will elect to leave town during the hubris (or during other times throughout the year) taking their children and wallets with them. In other words, the patron purchases largely offset leakage from residents who visit another community with their dollars.

Smaller events generate even lesser amounts of sales tax. For example, a small (though still quite enticing) event draws 150 patrons who each spend $250 during their visit to El Dorado. The City sees $375 in sales tax after the host pays all the bills and remits sales tax to the Kansas Department of Revenue. As you can imagine, direct and indirect expenses of the City to support such an event likely exceeds the sales tax generated from the event. In other words, taxpayers subsidize events with little discussion or debate.

The only exception to this narrative is when HollyFrontier (now HF Sinclair) refinery schedules a turnaround and brings upwards of 1,000 people to town for an extended stay. This semi-sustained influx of people creates a flurry of retail activity observable in the City's sales tax trends. HF Sinclair conducted back-to-back turnarounds in 2018 and 2019 that set new sales tax records. We are truly grateful for their continued investment in the refinery and our community.

The pandemic hit in 2020 causing many people to "hide up" at home. This black swan event created another "bumper crop" year for sales tax as people discovered renewed opportunities to shop local to escape businesses closures, mask mandates, and other pandemic-related factors occurring throughout the region. Even as I write this letter, El Dorado is projecting its fourth consecutive record-breaking sales tax year not because of special events (since special events were largely hibernating during the year) but because of residents electing to shop locally instead of shopping in a neighboring community.

Special events can generate significant sales tax dollars to offset public investment in a community. The secret to growing sales tax from events is to have many events (practice makes perfect) where the producer pays the direct and indirect expenses for hosting the event and using public services. Failure to do so means the community at-large subsidizes the event. Subsidization is not bad in and of itself; it just means the community has decided to subsidize the event to enhance the quality of life for residents. Special events, as in life, are not economic situations where you can have your cake and eat it too.

*****

Another interesting element of the City's one-cent sales tax relates to how the local sales tax is structured by ordinance. By state law, voters of cities in Kansas may authorize a special sales tax on retail sales of up to 2% for a period of ten years. The proceeds from the special sales tax must be spent on the specific purpose (or purposes) authorized by the adopted ordinance.

As previously mentioned, El Dorado's formula allocates sales tax proceeds as follows: $1.65 million to property tax reduction, $600,000 to street maintenance, and $100,000 to economic development, with the remaining balance going to the Excess Sales Tax Program. The structure of the sales tax demonstrates thoughtfulness and insight - the founding authors of the sales tax wanted to ensure that El Dorado had the resources to keep property taxes low, maintain streets, invest in the growth of the local economy, and invest in projects to make El Dorado special.

Inflation, however, plays the evil villain in the story destroying the value allocated to these intended purposes with the mere passing of time. The purchasing power required today to make the same dent in each of these areas makes the mind pause. According to the U.S. Bureau of Labor Statistics, the City requires $4.9 million today just to purchase the same amount of goods and services as $2.35 million purchased from sales taxes in 1990.

Inflation has eroded the value of the sales tax proceeds much as a fast moving river erodes the bank and carries the sedimentation downstream. In just a few years, the riverbank has moved substantially, and the purchasing power of the dollars provided by taxpayers no longer provides the same services as years ago.

To be sure, I am not advocating for an increased sales tax rate. It is important for taxpayers to know that the funds generated by the one-cent sales tax are insufficient for keeping up with the silent force of inflation as the cost of public services increases over time. The City must look to other revenue sources to offset this rather significant deterioration of purchasing power, and few options exist to ensure that public services continue at a quality deemed acceptable to the public footing the bill.

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Per state law, the City adopts its budget in August or September in the year preceding the fiscal year. The City Commission discusses priorities for the upcoming year and decides to allocate public resources to make progress on these priorities as well as continue to provide public services at a quality expected by the public. It is a difficult task, to be sure, but one that the City Commission is capable of resolving.

Following a public hearing, the City Commission adopts its budget that will become effective on January 1st of the following year. The City's budget serves several functions. Understanding these functions allows an individual to understand the financial statements. First, the budget serves as a planning document as the City anticipates its revenues and expenditures for the upcoming year. Like a business or non-profit organization, the City must have a general sense of how money will flow into the organization and how it will exit.

Second, the budget communicates the priorities of the City and allocates public resources in a way that allows progress toward these priorities. It also enables the governing body and the public to understand how public resources, such as taxes, facilitate public services. By default, the City Commission sets policy by allocating resources to various public projects and services. As the saying goes in government, "what gets funded, gets accomplished." Municipal departments would not operate without sufficient resources. Luckily, we can only imagine a scenario where there is not a police or fire department to call upon when an emergency happens in our neighborhood.

Finally, the budget sets the spending authority for the City. Statutorily, the City cannot spend more than what is approved in the budget. The City can amend its budget to spend more than the originally approved expenditures, but not until following a legally defined process to do so. Taxpayers can refer to the budget document to determine if the City plans to spend more than the prior year, and to understand how much more the City plans to spend. Expenditures have a direct impact on the amount of taxes levied, so taxpayers may also use the budget to determine if taxes were raised to pay for increasing municipal expenditures.

The chart below shows the adopted budget for 2021 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.

	2021 Budget		2021 Actual	
	Revenues	**Expenditures**	**Revenues**	**Expenditures**
General	$10,373,662	$12,094,261	$9,585,578	$8,146,322
Airport	$269,860	$309,901	$303,495	$269,368
Stormwater	$310,425	$654,302	$325,853	$314,857
Water	$4,468,600	$4,468,000	$4,777,405	$3,355,715
Sewer	$2,824,865	$2,988,807	$2,889,695	$1,882,978
Refuse	$1,562,844	$1,871,614	$1,635,106	$1,606,298
Tourism	$200,000	$369,621	$234,377	$201,986

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, 2021**	**As of Dec 31, 2020**
General	$1,360,513	$2,315,813	$2,981,014
Airport	$25,218	$184,059	$122,246
Stormwater	$22,568	$374,457	$431,660
Water	$602,137	$2,514,380	$1,812,488
Sewer	$369,504	$1,273,140	$1,133,675
Refuse	$239,432	$841,855	$697,989
Tourism	$27,932	$344,486	$281,734

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 various unplanned circumstances, such as a pandemic, that require resources and creativity to resolve. We do not know if another outbreak will occur as happened during the 1918 Spanish Flu. As I write this letter, COVID and other circumstances may be influencing inflation throughout the broad economy. Economists do not know if the decreased purchasing power will be temporary or if it will change pricing levels over a sustained period. The City will 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

American Rescue Plan Act. 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 $1.9 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 plans to use these funds for public infrastructure investments necessary to keep aging, critical systems functioning.

Vacant Positions. Throughout the year, the City will have any number of vacant positions that arise when people elect to retire or accept another job opportunity with another organization. Open positions play a significant role in the City's financial statements because much of the City's expense is directly attributed to salaries and benefits of personnel hired to perform the work of the City.

Public services provided by the City are labor intensive – automation has not had the impact on the municipal workforce as it has on the private workforce. Long will come the day, for example, when a "robocop" actually enforces municipal laws. We should consider this a fortunate benefit. Even so, many jobs in the municipal workforce cannot convert to an automated solution easily. Nor would we prefer this scenario. People serving people is a noble career choice, and one that allows the City to meet the expectations of the community with commitment and pride. You will not get the same treatment from a robot as you will an employee who is also a neighbor anytime soon.

The number of employees on the payroll heavily influences municipal expenses. At this time, the City has twelve vacant positions in various departments of the City. Vacant positions, especially if open for lengthy periods, allow for potentially significant savings to the bottom line. The average vacant position "saves" the City about $26 per hour. The cost savings for such positions may also amount to a service reduction, as fewer people cannot do the same amount of work as a fully staffed organization. In other words, the City cannot save a lot of money with fewer workers because services will not meet the expectations of the community. This is especially true over longer periods.

Workforce Pressures. The vacant positions experienced recently result from a variety of factors, although perhaps most pressing is the tight labor market. Employers throughout the nation struggle to find qualified applicants and hire them at pay rates deemed acceptable only a year or so ago. Now, organizations must look at salaries to entice potential candidates to join their workforce.

For example, the City had a challenge recruiting sanitation workers for the precarious job of handling the community's trash every weekday. The City increased starting pay for sanitation workers to entice more people to apply for these difficult jobs. Management increased starting pay for sanitation positions 20% at a cost to refuse customers of about $60,000, and the Public Works Department started finding people willing to accept this "trashy" job.

A "trickle up" situation occurs anytime the City increases the starting pay for a position. The City must also increase wages for veteran employees who have served the community longer than the new recruits. Adjusting the starting wage creates compression within the pay range. Veteran employees who have earned their way do not appreciate being at the same rate of pay as someone who just started, and nor

should they. An organization that values its employees should adjust everyone to prevent compression. This helps keep morale high and avoids the need for a significant increase adjustment in the future. Better to make incremental adjustments rather than a large adjustment that may be difficult to absorb.

The City increased pay for various "difficult-to-fill" positions to aggressively pursue employee prospects for critical services to the community. I am hopeful that these adjustments make the City more competitive. Unfortunately, the adjustments will not resolve the workforce challenges. They will allow the City to hold its own until the labor market adjusts to calmer waters.

El Dorado Lake Recreation Master Plan. In 2020, the City Commission voted to facilitate a recreation master plan for El Dorado Lake. The lake, which is owned by the U.S. Army Corps of Engineers and leased by the Kansas Department of Wildlife, Parks, and Tourism, presents an opportunity for significant recreation tourism in proximity to El Dorado. The City negotiated an agreement with Professional Engineering Consultants to work on the plan at a cost of $37,000. The City intends to pay for the master plan from the Tourism Fund given the potential of creating a plan that could generate considerable tourism traffic to the community.

G.O. Bonds, Series 2021. The City issued $6.34 million of its General Obligation (G.O.) bonds in November 2021 to finance various public infrastructure projects. The low interest rate environment will require the City to repay this principle amount back at 1.45% over twenty years. A blessing to taxpayers and a scourge to bondholders. Projects included in the issuance include:

- Douglas Road Improvements
- Marmaton Road Improvements
- Oil Hill Road and Rocky Road Improvements
- Union Tank Water Main Improvements
- Fire Apparatus Acquisition

The City also refinanced $3.3 million of G.O. Bonds, Series 2011 to capitalize on lower interest rates. The low interest rate environment will likely end at some point. Local governments that took advantage of lower borrowing costs will reap the benefits for years to come.

Termination of Holiday Inn Express CID. On June 15, 2017, the City created a Community Improvement District (CID) to assist with the financing of various improvements at the Holiday Inn Express in El Dorado. A Community Improvement District allows the hotel to charge a higher sales tax rate to reimburse the owner of certain improvements made to the hotel. Subsequently, the property owner sold the hotel to another party.

On September 17, 2018, the City of El Dorado approved an agreement establishing a Community Improvement District (CID) for the Holiday Inn Express owned by the new owner. Per the agreement, the hotel collects and remits to the City an additional two percent sales tax on overnight visits. These funds may reimburse the developer or property owner for eligible improvements as defined by state statute. The City cannot use the funds for any other purpose. In order to receive reimbursement for eligible expenses, the City requires the owner or operator of the property to submit receipts demonstrating eligible expenses for the construction, renovation, repair and equipping of the Holiday Inn Express.

The new owner did not submit any reimbursement receipts, even as the CID Fund continued to accrue new Community Improvement Funds as patrons paid the higher sales tax rate. The City requested receipts to reimburse the property owner for eligible expenses, although did not receive any information as to the status of the improvements. At its April 5, 2021 regular meeting, the City Commission decided to

terminate the CID. The Holiday Inn Express' CID Fund had a balance of $33,377 at the time of termination. The City plans to use these funds for the promotion of the community.

Transient Guest Tax Receipts. I mentioned at the beginning of this letter that I would refrain from mentioning the pandemic. I will suspend this pledge to discuss transient guest tax receipts. Visitors staying overnight in hotels pay a transient guest tax of 5%, which amounted to $102,438 in 2020. These receipts fell quite substantially due to COVID-19. The City started to see the light at the end of this prolonged tunnel this year, evidenced by stronger transient guest taxes of $194,905.
The City anticipates this figure increasing even higher as things return more to a state of normalcy. We also anticipate higher transient guest tax receipts in 2022 as the City Commission increased the rate from 5% to 8% to generate more funds to promote the community and conduct events to attract more visitors to El Dorado.

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.

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, 2021, the City's pension liability totaled $6.88 million compared to $8.95 million a year ago. Per state statute, the City distributes its pension liability as follows: KPERS at $2.7 million, Kansas Police & Fire (KP&F) at $3.9 million, and the Library's participation in KPERS at $183,944.

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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 City prepares the Comprehensive Annual Financial Report for the year ended December 31, 2021, for the review of the governing body, citizens, and others interested in its financial condition. 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 OF FINANCIAL STATEMENTS

State statutes require an annual independent audit of the City's financial records and transactions. This year, Adams Brown Strategic Allies and CPAs conducted the audit of the City's financial statements. Their full, unqualified opinion has been included with the financial statements for the public's review. You may elect to read the opinion, although its states that the City's financial statements provide a fair representation of the City's financial position for year-ending December 31, 2021. City staff will continue to care for public resources and assets at a standard that exceeds minimally accepted practices.

Last year's independent audit received an unqualified opinion from Adams Brown, LLC, which means that, in the opinion of the auditors, the City's financial statements presented fairly, in all material respects, the respective financial position of the City's financial position. The audit, however, identified several issues that resulted in significant findings.

I wish to address the prior year's findings to ensure the governing body and the public that the City takes such matters seriously, and has devised and implemented practices to resolve these findings. The City acts as a steward of public resources, namely hard earned tax dollars, and so the City owes a standard of care to taxpayers that properly accounts for such resources and the appropriate public use thereof.

The independent auditors made several recommendations to improve operational or administrative efficiencies and to improve internal control.

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

Action Taken: The Finance Director implemented a new process that uses a spreadsheet based on the minutes from City Commission meetings to track and monitor authorizes expenses. The Finance Director will track these expenses through the year to ensure that the purchase is completed (i.e., items delivered and invoices paid). Any invoices that have not been paid at year-end because an item has not yet been delivered will be encumbered during the year-end process.

Significant Deficiency: The City's internal controls should identify misstatements in the financial statements.

Action Taken: The Finance Director will review the trial balance at year-end to ensure the completion of necessary adjustments.

Significant Deficiency: During the audit, the auditors discovered eight invoices that did not receive proper approvals per the Purchasing Policy of the City.

Action Taken: The Finance Director implemented a process that requires all necessary approvals prior to the processing of any accounts payable packet. The Finance Department will remove from the accounts payable packet any invoice without proper approval and return it to the applicable department for approval. Administrative assistants will ensure that invoices receive approval prior to submitting for payment.

Significant Deficiency: The City did not complete and submit reports for a federally funded airport project within the timeframe required by the Federal Aviation Administration (FAA).

Action Taken: Individuals associated with the administration of airport grants will put reminders in their calendars to review the compliance requirements for the project. The grant administrator will submit reports to the FAA by the deadline following completion and closeout of the project.

As previously mentioned, the City takes seriously any deficiency discovered during the independent audit. The Finance Department implemented all of the actions described above as of my writing of this report. The City looks at the audit process as an opportunity to learn how to strength its internal control and processes to ensure that taxpayers and interested stakeholders may have confidence in the municipal government's ability to ethically and prudently manage public resources. We serve as stewards of taxpayer money, and we strive to do everything we can to demonstrate integrity.

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 did not make any changes to the financial policies this past year.

ECONOMIC CONDITION AND OUTLOOK

Private Sector Investment:

In 2021, the City experienced private development activity that contributed nearly $10.3 million in valuation. Six building permits were issued for new commercial development with an aggregate valuation of $1.8 million, compared to six new commercial developments in 2020 with a valuation of $9.36 million. Also during the year, the City issued twenty-four building permits for commercial additions, remodels, and repairs with a valuation of $4.7 million. Comparatively, the City issued thirty-five building permits for similar activity with a valuation of $3.2 million in 2020.

The City issued thirteen residential building permits for new construction with a valuation of $2.4 million. The City issued forty-one building permits for new residential construction in 2020 with a valuation of $4.38 million. Also during the year, 105 building permits were issued for residential additions, remodels, and repairs, with a valuation of $1.3 million. In 2020, eighty-nine building permits were issued for the same activity with a valuation of $846,660.

	Residential Construction		Commercial Construction	
	Permits	**Valuation**	**Permits**	**Valuation**
2017	80	$4.4 million	32	$34.9 million
2018	114	$3.1 million	31	$23.4 million
2019	98	$2.5 million	39	$5.4 million
2020	130	$5.2 million	41	$12.6 million
2021	118	$3.7 million	30	$6.5 million

A new year led to record-tying sales tax receipts. The City brought in $2.97 million from retail sales, which the current record for annual sales tax receipts set in 2018. The total receipts also include compensation use tax proceeds of $476,515, which are paid by individuals or businesses purchasing items outside El Dorado but that are delivered to El Dorado.

Next year's sales tax receipts look to continue on a growth trend. The City is on pace in May 2022 to set another sales tax record. Year-to-date, the City has received $1.28 million compared to $1.19 million during the same period a year ago. This represents a 7.8% increase over the prior year-to-date collections! Sales tax receipts continue to perform even as the macro economy has much uncertainty. The City projects receiving $2.975 million in sales taxes based on this strong trend.

Public Sector Investment:

- **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 since 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.

- **Industrial Water Tower Painting.** The City plans to paint the interior and exterior of the water tower in its industrial park. This routine maintenance extends the life of the tower and helps protect the water quality of water stored within the tower. The City budgeted $185,000 to complete this project.

- **Downtown Underground Utility Project.** The City Commission committed a total of $380,000 from several funds to assist with the undergrounding of electrical infrastructure in the 100 block of north Main Street in downtown business district. Evergy planned a $1.2 million upgrade to its overhead electric infrastructure serving this block. The City thought it would take advantage of the opportunity to collaborate with Evergy and place the infrastructure underground instead. The City Commission approved a finance plan for the City's share of the project as follows: Economic Development Sales Tax Fund ($150,000), General Fund ($80,000), Major Street Fund ($50,000), Water Fund ($50,000), and Sewer Fund ($50,000).

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.** In 2020, the City Commission authorized a not-to-exceed contract of $189,980 with consulting firms Black and Veatch and MKEC to study the City's water treatment and system capacity. The primary purpose of the study was to determine improvements needed to facilitate industrial development in the City's industrial growth areas. Secondarily, the study will also identified improvements for the public water system that will enhance service to residential and commercial customers.

- **Sanitary Sewer Capacity Study.** In 2020, 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 completed the study and provided the City with a list of potential capital projects to enhance the existing sanitary sewer system.

SUBSEQUENT EVENTS TO THE FINANCIAL STATEMENTS

The City also makes note of the following events that occurred after the closure of the 2021 fiscal year, but before the issuance of the financial statements for the period:

- **American Rescue Plan Act (ARPA) Funds.** The City Commission designated its $1.9 million in ARPA funds at "revenue replacement" as allowed by guidance provided by the U.S. Department of Treasury. This designation allows the City to allocate these funds to any general governmental purpose, and provides flexibility beyond the five authorized uses for these funds per federal regulations.

The City plans to use its share of APRA funds as a local match for a $3.0 million "Building a Stronger Economy" (BASE) grant awarded to the City by the Kansas Department of Commerce for public infrastructure. The City plans to invest the funds in an upgrade to the Central Avenue Water Transmission Main and to make improvements to the Constant Creek Sanitary Sewer Interceptor. These projects, and site preparation work, will position the City of El Dorado for industrial development.

- **Capital Project Authorizations.** The City Commission authorized several public infrastructure projects that will commence preliminary engineering in 2021-2 with construction planned for 2022-3. 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.

- **Creation of Building Reserve Funds.** On June 20, 2022, the City Commission approved the creation of several building reserve funds to allow the City to set aside funds for unanticipated facility repairs that may arise due to aging buildings. The City Commission also transferred $425,000 to these funds. The dollars transferred came from fund balances that exceeded the maximum fund balance requirement established by local policy.

- **Hazardous Materials Truck Acquisition.** The City, in collaboration with Butler County, acquired a Hazardous Materials Truck to replace an aging unit. The City's share of cost for the $227,200 acquisition was $56,800. The City appreciates Butler County's support for this important purchase to allow for the continued provision of HazMat services to the taxpayers of Butler County.

*****

RECOGNITION

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, 2020. This was the 43rd consecutive year that the City has achieved this prestigious award. Receiving the award is now as consistent as sunrises and the annual great bird migration.

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, 2021 will continue to meet the Certificate of Achievement Program's requirements and will submit it to the GFOA for consideration for another certificate.

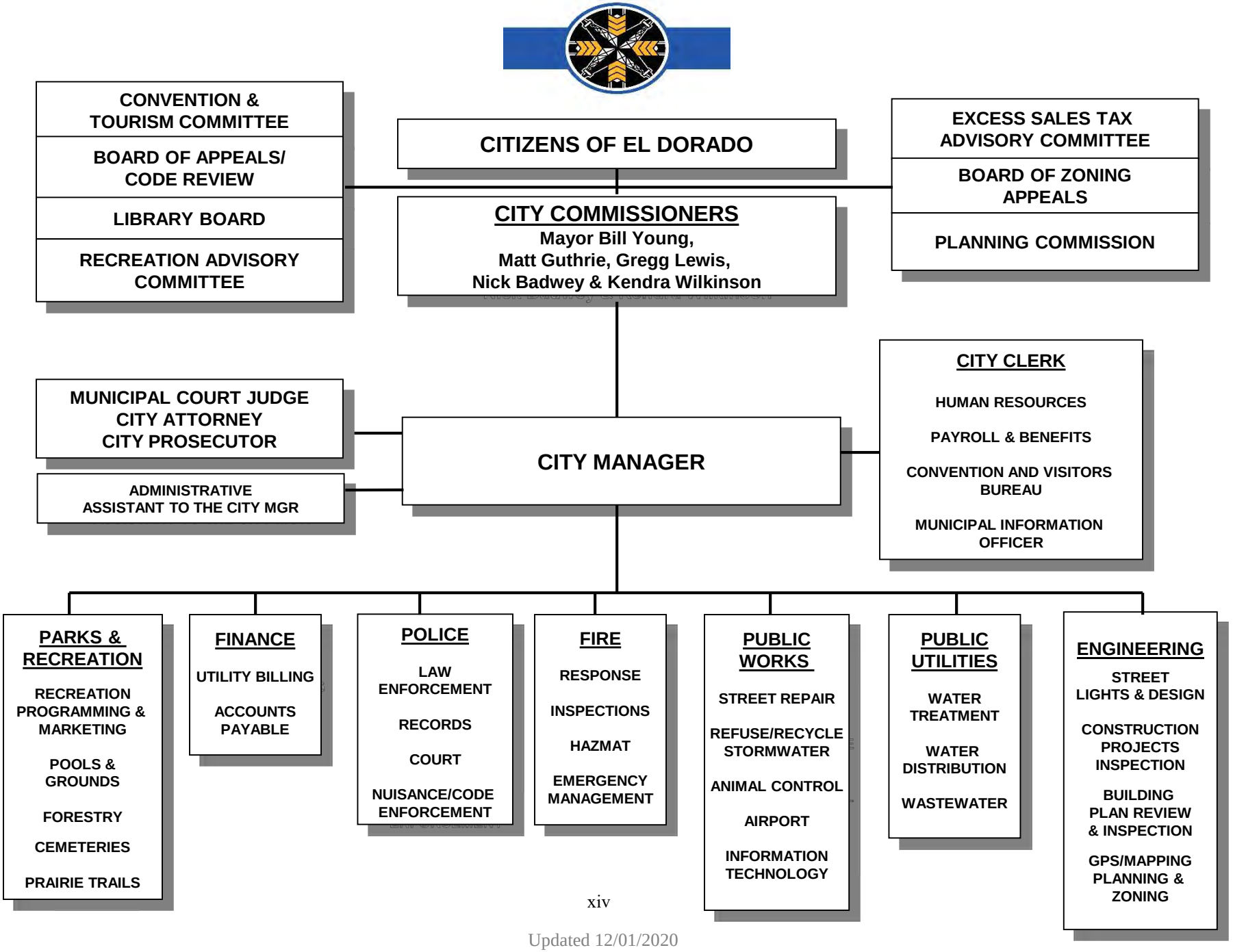
The information contained in these financial statements attempt to provide a snapshot into the activities of the municipal government. The data helps elected officials, management, and the public understand the financial condition of the City. The contents of the financial statements tell the financial story of the City, although the real work of the municipal government cannot be done with numbers but rather 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.

I could not be prouder of the people who serve the El Dorado community with "City of El Dorado" embroidered 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 citizens of El Dorado should feel a sense of pride knowing the municipal staff works tirelessly to that end. I feel blessed to call them colleagues and friends.

Respectfully Submitted,



David B. Dillner
City Manager


CONVENTION & TOURISM COMMITTEE
BOARD OF APPEALS/ CODE REVIEW
LIBRARY BOARD
RECREATION ADVISORY COMMITTEE
CITIZENS OF EL DORADO
CITY COMMISSIONERS
Mayor Bill Young,
Matt Guthrie, Gregg Lewis,
Nick Badwey & Kendra Wilkinson
EXCESS SALES TAX ADVISORY COMMITTEE
BOARD OF ZONING APPEALS
PLANNING COMMISSION
MUNICIPAL COURT JUDGE
CITY ATTORNEY
CITY PROSECUTOR
ADMINISTRATIVE ASSISTANT TO THE CITY MGR
CITY MANAGER
CITY CLERK
HUMAN RESOURCES
PAYROLL & BENEFITS
CONVENTION AND VISITORS BUREAU
MUNICIPAL INFORMATION OFFICER
PARKS & RECREATION
RECREATION PROGRAMMING & MARKETING
POOLS & GROUNDS
FORESTRY
CEMETERIES
PRAIRIE TRAILS
FINANCE
UTILITY BILLING
ACCOUNTS PAYABLE
POLICE
LAW ENFORCEMENT
RECORDS
COURT
NUISANCE/CODE ENFORCEMENT
FIRE
RESPONSE
INSPECTIONS
HAZMAT
EMERGENCY MANAGEMENT
PUBLIC WORKS
STREET REPAIR
REFUSE/RECYCLE STORMWATER
ANIMAL CONTROL
AIRPORT
INFORMATION TECHNOLOGY
PUBLIC UTILITIES
WATER TREATMENT
WATER DISTRIBUTION
WASTEWATER
ENGINEERING
STREET LIGHTS & DESIGN
CONSTRUCTION PROJECTS INSPECTION
BUILDING PLAN REVIEW & INSPECTION
GPS/MAPPING PLANNING & ZONING

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of El Dorado
Kansas

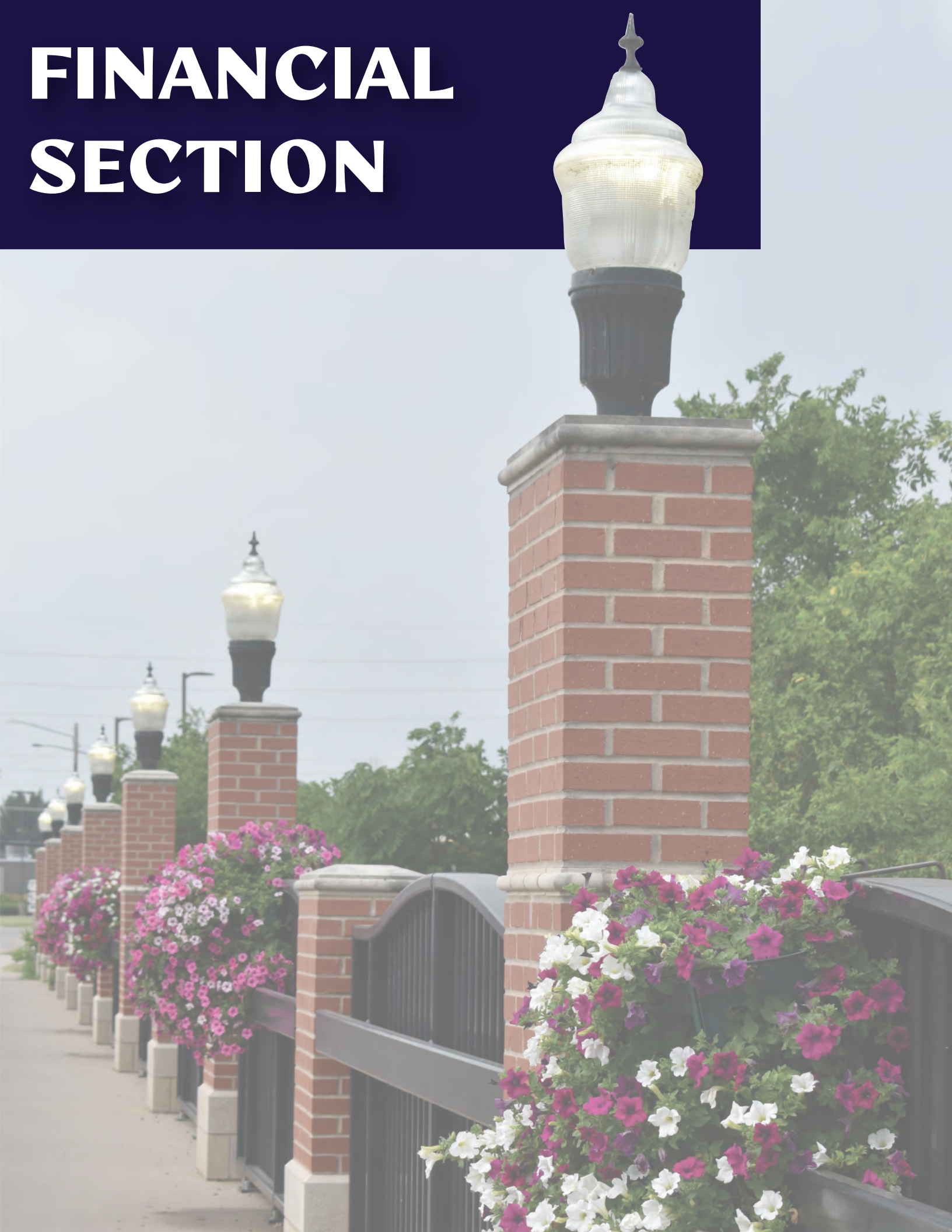
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2020



Executive Director/CEO

FINANCIAL SECTION



ADAMS BROWN
Strategic Allies and CPAs
adamsbrowncpa.com

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited 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 the **City of El Dorado, Kansas**, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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, 2021, and the 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

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

Supplementary 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. Such information is 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. The 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 18, 2022**, 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.

Adams Brown, LLC

ADAMSBROWN, LLC
Certified Public Accountants
El Dorado, Kansas

July 18, 2022

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, 2021. 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 considered 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 component units are also reflected in these statements. Additional information on the 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 fund is 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, 2021
(with comparative totals for December 31, 2020)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2021	**2020**	**2021**	**2020**	**2021**	**2020**
Current and other assets	$ 24,483,587	$ 18,638,590	$ 6,544,969	$ 5,415,870	$ 31,028,556	$ 24,054,460
Capital assets	43,276,739	44,444,720	54,228,727	54,532,043	97,505,466	98,976,763
Total assets	67,760,326	63,083,310	60,773,696	59,947,913	128,534,022	123,031,223
Deferred outflows of resources:						
Deferred outflows - pension	1,842,939	1,825,629	358,454	355,205	2,201,393	2,180,834
Deferred outflows - OPEB	238,755	260,712	84,451	88,919	323,206	349,631
	2,081,694	2,086,341	442,905	444,124	2,524,599	2,530,465
Long-term liabilities	21,171,993	19,712,313	59,424,229	59,603,920	80,596,222	79,316,233
Other liabilities	1,427,782	1,212,743	963,121	331,082	2,390,903	1,543,825
Total liabilities	22,599,775	20,925,056	60,387,350	59,935,002	82,987,125	80,860,058
Deferred inflows of resources:						
Deferred inflows - pension	1,837,068	268,722	412,542	118,137	2,249,610	386,859
Deferred inflows - OPEB	83,908	61,660	21,094	16,883	105,002	78,543
Deferred receivable - Property taxes	5,105,977	4,762,212	-	-	5,105,977	4,762,212
	7,026,953	5,092,594	433,636	135,020	7,460,589	5,227,614
Net position:						
Net investment in capital assets	29,395,449	32,680,162	29,231,102	28,545,051	58,626,551	61,225,213
Restricted	8,520,550	8,020,862	-	-	8,520,550	8,020,862
Unrestricted	2,299,293	(1,549,023)	(28,835,487)	(28,223,036)	(26,536,194)	(29,772,059)
Total net position	$ 40,215,292	$ 39,152,001	$ 395,615	$ 322,015	$ 40,610,907	$ 39,474,016

The City's overall financial position has seen financial growth, with an increase in net position of $1,136,891. The amount is the combination of an increase in both governmental activities and business-type activities. The governmental activities increased by $1,063,291 in large part due to the airport runway lighting project and paving Douglas Road.

The net position of business-type activities increased by $76,600 due to the net effect of several items. New water meters and the acquisition of a 2021 Freightliner increased capital assets.

Governmental Activities

The table below shows the condensed revenues, expenses, and change in net position for 2021 and 2020.

	Governmental Activities	
	2021	**2020**
Revenues:		
Program Revenues:		
Charges for Services	$ 3,849,974	$ 4,008,189
Operating Grants and Contributions	888,564	1,494,715
Capital Grants and Contributions	780,019	790,995
General Revenues:		
Property Taxes	5,233,600	4,762,918
Sales Taxes	3,058,186	2,696,442
Franchise Taxes	1,284,727	1,239,115
Tourism Taxes	194,906	102,438
Investment Earnings	2,942	35,730
Gain on sale of capital assets	1,315	4,474
Miscellaneous	-	-
Total Revenues	15,294,233	15,135,016
Expenses:		
General Government	4,090,302	3,929,330
Public Safety	4,440,754	4,476,448
Public Works	3,041,659	3,066,632
Health & Sanitation	624,311	487,337
Culture & Recreation	1,792,486	1,574,069
Economic Development	142,980	247,871
Interest on Long-Term Debt	421,662	360,940
Total Expenses	14,554,154	14,142,627
Excess Before Transfers	740,079	992,389
Transfers In (Out)	491,172	602,872
Change In Net Position	1,229,936	1,595,261
Net Position January 1	39,152,001	37,731,325
Prior Period Adjustments	(166,645)	(174,585)
Net Position, Beginning of the Year as Restated	38,985,356	37,556,740
Net Position December 31	$ 40,215,292	$ 39,152,001

Several revenue sources that increased in 2021 include: Property Tax, Sales Tax, Franchise Tax, and Tourism Tax. Property Tax increased due to a higher mill levy approved by the City Commission to fund additional staff in Parks & Recreation. Sales Tax in 2021 once again reached a record high. Tourism Taxes continue to increase as COVID-19 travel restrictions decrease.

Decreases in revenue were seen in Charges for Services, Operating Grants and Contributions, Capital Grants and Contributions, Investment Earnings, and Gain on the Sale of Capital Assets. Decreases in charges for services is due to the leasing of the Prairie Trails Golf Course. Operating Grants and Contributions and Capital Grants and Contributions are variable as they rely on outside agencies to approve funding to the City. Investment earnings decreased because the return on investments reached

record lows and the City was working to revamp its investment strategy, however these amounts are expected to begin recovering in 2022.

The net change in expenses increased by $411,527. General Government expenses increased due to annual increases in personnel expenditures. Public Safety decreased slightly due to vacancies throughout the year. Health and sanitation increased in 2021 because we eliminated employee salary splits between funds. The Public Works Director and Administrative Assistant were moved fully into Sanitation. There was also a 20 percent increase applied to salaries in sanitation in late 2021 to prevent the loss of employees in the extremely volatile job market. Economic Development expenses decreased because in 2020 the Economic Development Fund was utilized to provide grants to local businesses who were struggling due to the pandemic. This did not occur in 2021.

Business-Type Activities

The table below shows the condensed revenues, expenses and changes in net position for 2021 and 2020.

	Business-Type Activities	
	2021	**2020**
Revenues:		
Program Revenues:		
Charges for Services	$ 9,326,972	$ 9,009,146
Operating Grants and Contributions	-	11,360
Capital Grants and Contributions	-	68
General Revenues:		
Investment Earnings (Loss)	1,807	16,968
Gain on sale of capital assets	1,315	-
Total Revenues	9,330,094	9,037,542
Expenses:		
Waterworks System	5,125,658	4,622,699
Sewer System	1,998,553	2,069,293
Refuse	1,599,436	1,472,413
Compressed Natural Gas	41,675	32,330
Total Expenses	8,765,322	8,196,735
Excess Before Transfers	564,772	840,807
Transfers In (Out)	(491,172)	(602,872)
Changes in Net Position	73,600	237,935
Net Position January 1	322,015	(241,217)
Prior Period Adjustments	-	325,297
Net Position, Beginning of the Year as Restated	322,015	84,080
Net Position December 31	$ 395,615	$ 322,015

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 Water Fund, Sewer Fund, and Refuse Fund. Revenues for these funds increased between 2020 and 2021. This is likely due to the re-opening of many businesses and the local schools during 2021 after COVID-19 restrictions were removed.

Expenses increased slightly also due to increased activity after COVID-19 restrictions were removed.

FUND ANALYSIS

There was a net change in fund balance of $3,784,519 in the City's Total Governmental Funds resulting from 2021 operations. In the General Fund, Property Tax increased by $426,481 over 2020. Sales Tax collections increased in 2021 and set another record for collections. Expenses increased by $1,659,694 in the General Fund largely due to an employee bonus approved by the commission and the transfer of funds for the Downtown Underground Project.

The net change in the Debt Service fund is $53,092. Property Tax increased by $38,839. The City chose to transfer $200,000 from the General Fund to Debt Service in order to cover an anticipated deficit.

The net change in the Construction fund is $4,218,911. The City worked to properly finance projects in this fund throughout 2021. The issuance of G.O. Bond proceeds, increased transfers from other funds, and the use of intergovernmental revenues supported this fund.

The change in net position in the Business-Type Activities increased $39,187. This increase was caused by increases in the Charges for Services revenue and the decrease of operating expenses.

GENERAL FUND BUDGETARY HIGHLIGHTS

An amendment to the general fund budget did not occur in 2021. The actual amount of revenues over expenditures was $1,439,256. Actual revenues came in just 3.9% less than the budgeted amount.

Expenditures were less than budgeted by $1,521,816. 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, 2021 was $97,505,466 net of depreciation. The following chart is a breakdown of the City's Capital Assets, Net of Depreciation.

City of El Dorado's Capital Assets

	2021			2020		
	Governmental Activities	Business-Type Activities	**Total**	Governmental Activities	Business-Type Activities	Total
Land	$ 4,908,909	$ 740,378	**$ 5,649,287**	$ 4,832,177	$ 740,378	$ 5,572,555
Buildings and Improvements	15,452,917	21,971,022	**37,423,939**	15,122,839	22,575,438	37,698,277
Infrastructure	18,074,140	-	**18,074,140**	18,342,115	-	18,342,115
Machinery and Equipment	4,780,711	2,525,407	**7,306,118**	2,885,162	2,144,521	5,029,683
Water Storage Space	-	28,951,577	**28,951,577**	-	28,951,577	28,951,577
Construction in Progress	10,062	40,343	**50,405**	3,262,427	120,129	3,382,556
Capital Assets Not in Use	50,000		**50,000**			
Total Capital Assets	$ 43,276,739	$ 54,228,727	**$ 97,505,466**	$ 44,444,720	$ 54,532,043	$ 98,976,763

Major capital asset additions and construction in progress occurring during 2021 included the following:

New Additions	
Freightliners	$ 560,674.32
Submersible Mixers	40,126
Submersible Site Pump	7,112
Air Compressor	11,016
Pre Chlorine Analyzer	7,112
Riding Mower	8,416
Mag Meters	90,121
Vaporooting Commander Unit	18,428
Flint Creek Estates Waterlines	123,589
Air Handler and AC Unit - Library	19,729
Land Acquisition	3,741
Airport Runwawy	350,348
Airport Lighting	715,523
Police Vehicles	138,581
Fire Vehicle	28,948
Wildland Fire Monitor	6,327
Video Detection System Central	45,104
Resurfacing Southwest Trafficway	529,563
Paving City Streets	1,968,889
1800 Gallon Anti Ice Tank	16,393
Cemetery Vehicle	10,753
Mowers	31,405
John Deere Gator	11,458
Recreation Vehicle	46,530
Tennis Court Project	733,550
Construction in Progress	
Paving 9th Avenue (Gordy to Taylor)	2,489
Paving Hunton Road and Simpson Road	35,711
Paving 5th Avenue and 2nd Avenue	14,073
Myers East Addition Paving	18,079
Myers East Addition Sewer	15,878
Paving Deer Run	21,982
Sanitary Sewer Deer Run	12,410
Resurfacing Central and S Main	18,975
Total	$ 5,663,031.81

Additional information about the City's capital assets can be found in Note 4 of the Notes to the Financial Statements.

Debt Administration

The City issued $6,340,000 of new General Obligation Debt in 2021 for paving Douglas Road, paving Marmaton Road, paving Oil Hill Road & Rocky Road, Fire line for Union Tank, a Fire Truck Acquisition, and refunding of the Series 2011 bonds.

Additional information about the City's long-term debt can be found 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 2022. Sales tax will continue to be a significant revenue source for the City. The property tax would be approximately 17 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:

- The City received $988,449.48 of American Rescue Plan Act funding in 2021 to assist with COVID-19 related expenses. The second tranche is scheduled to be received in 2022 in the amount of $988,449.48. The ARPA funds will be designated as revenue replacement and used in 2022. The funds will be used to make up for lost revenue in the Tourism Fund, to purchase Public Safety Radios, and as local match for the BASE grant projects.
- City Staff worked diligently to correct the funding of projects in the Construction Fund. While this fund saw significant improvement in 2021, it requires ongoing effort to continue working towards stable and consistent funding sources. This includes the City creating a debt management plan, performing regular checks of the projects in the fund, utilizing temporary financing, and more regulatory enforcement of the City's financial policies.
- In 2021, the City began working towards an improved model for financing capital projects as discussed above. With that, the City anticipates completing forecasts for major funds, a debt management plan, a new Capital Improvement Plan process, and more balanced budget in 2022.

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, 2021

	Primary Government			
	Total Governmental Activities	Total Business-Type Activities	Total Primary Government	Component Units
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
Assets				
Cash and Investments	$ 9,355,996	5,434,051	14,790,047	622,559
Receivables, Net of Allowance for Uncollectibles				
Taxes	11,587,032	-	11,587,032	499,389
Accounts	132,286	1,011,530	1,143,816	-
Due from Other Governments	266,450	82	266,532	-
Internal Balances	93,760	(93,760)	-	-
Inventories	48,063	193,066	241,129	-
Restricted Cash and Investments	-	-	-	300,716
Investment in Joint Venture	3,000,000	-	3,000,000	-
Capital Assets, Nondepreciable				
Land	4,908,909	740,378	5,649,287	-
Water Storage Space	-	28,951,577	28,951,577	-
Construction in Progress	10,062	40,343	50,405	-
Capital Assets, Depreciable	80,876,979	49,207,806	130,084,785	2,442,121
Less Accumulated Depreciation	(42,519,211)	(24,711,377)	(67,230,588)	(1,369,989)
Total Assets	**67,760,326**	**60,773,696**	**128,534,022**	**2,494,796**
Deferred Outflows of Resources				
Deferred Outflows - Pension	1,842,939	358,454	2,201,393	65,768
Deferred Outflows - OPEB	238,755	84,451	323,206	995
Total Deferred Outflows of Resources	**2,081,694**	**442,905**	**2,524,599**	**66,763**
Total Assets and Deferred Outflows of Resources	**69,842,020**	**61,216,601**	**131,058,621**	**2,561,559**
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES				
Liabilities				
Accounts Payable and Other Current Liabilities	779,510	278,715	1,058,225	28,367
Accrued Interest Payable	29,309	29,900	59,209	-
Unearned Revenue - Other	-	961	961	-
Unearned Revenue - Grant Proceeds Other Than Timing	1,553,102	-	1,553,102	-
Noncurrent Liabilities				
Due Within One Year	1,427,782	963,121	2,390,903	30,000
Due in More Than One Year	18,810,072	59,114,653	77,924,725	332,980
Total Liabilities	**22,599,775**	**60,387,350**	**82,987,125**	**391,347**
Deferred Inflows of Resources				
Deferred Inflows - Pension	1,837,068	412,542	2,249,610	68,635
Deferred Inflows - OPEB	83,908	21,094	105,002	2,136
Deferred Receivable - Property Taxes	5,105,977	-	5,105,977	499,389
Total Deferred Inflows of Resources	**7,026,953**	**433,636**	**7,460,589**	**570,160**
Total Liabilities and Deferred Inflows of Resources	**29,626,728**	**60,820,986**	**90,447,714**	**961,507**
Net Position				
Net Investment in Capital Assets	29,395,449	29,231,102	58,626,551	922,132
Restricted for				
Debt Service	6,160,319	-	6,160,319	-
Public Safety	4,969	-	4,969	-
Public Works	365,357	-	365,357	-
Economic Development	1,455,501	-	1,455,501	-
Culture and Recreation	48,832	-	48,832	-
Other Purposes	485,572	-	485,572	-
Unrestricted	2,299,293	(28,835,487)	(26,536,194)	677,920
Total Net Position	$ **40,215,292**	**395,615**	**40,610,907**	**1,600,052**

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

CITY OF EL DORADO, KANSAS
Statement of Activities
For the Year Ended December 31, 2021

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenue and Changes in Net Position: Primary Government: Total Governmental Activities	Net (Expenses) Revenue and Changes in Net Position: Primary Government: Total Business-Type Activities	Net (Expenses) Revenue and Changes in Net Position: Primary Government: Total	Component Units
Primary Government								
Governmental Activities								
General Government	$ 4,090,302	2,013,901	211,769	780,019	(1,084,613)	-	**(1,084,613)**	-
Public Safety	4,440,754	837,734	17,937	-	(3,585,083)	-	**(3,585,083)**	-
Public Works	3,041,659	536,950	591,954	-	(1,912,755)	-	**(1,912,755)**	-
Health and Sanitation	624,311	223,527	33,452	-	(367,332)	-	**(367,332)**	-
Culture and Recreation	1,792,486	237,862	33,452	-	(1,521,172)	-	**(1,521,172)**	-
Economic Development	142,980	-	-	-	(142,980)	-	**(142,980)**	-
Interest on Long-Term Debt	421,662	-	-	-	(421,662)	-	**(421,662)**	-
Total Governmental Activities	14,554,154	3,849,974	888,564	780,019	(9,035,597)	-	**(9,035,597)**	**-**
Business-Type Activities								
Waterworks System	5,125,658	4,777,405	-	-	-	(348,253)	**(348,253)**	-
Sewer System	1,998,553	2,889,695	-	-	-	891,142	**891,142**	-
Refuse	1,599,436	1,635,106	-	-	-	35,670	**35,670**	-
Compressed Natural Gas	41,675	24,766	-	-	-	(16,909)	**(16,909)**	-
Total Business-Type Activities	8,765,322	9,326,972	-	-	-	561,650	**561,650**	-
Total Primary Government	$ 23,319,476	13,176,946	888,564	780,019	(9,035,597)	561,650	**(8,473,947)**	-
Component Units								
Bradford Memorial Library	$ 643,969	39,433	38,706	-	-	-	**-**	(565,830)
El Dorado Senior Center	124,124	72,781	-	-	-	-	**-**	(51,343)
Total Component Units	$ 768,093	112,214	38,706	-	-	-	**-**	(617,173)
		General Revenues and Transfers						
		Property Taxes			$ 5,233,600	-	**5,233,600**	606,020
		Sales Taxes			3,058,186	-	**3,058,186**	-
		Franchise Taxes			1,284,727	-	**1,284,727**	-
		Tourism Taxes			194,906	-	**194,906**	-
		Unrestricted Investment Earnings			2,942	1,807	**4,749**	35,105
		Gain on Sale of Capital Assets			-	1,315	**1,315**	-
		Transfers, Net			491,172	(491,172)	**-**	-
		Total General Revenues and Transfers			10,265,533	(488,050)	**9,777,483**	641,125
		Change in Net Position			1,229,936	73,600	**1,303,536**	23,952
		Net Position - Beginning of Year			39,152,001	322,015	**39,474,016**	1,576,100
		Prior Period Adjustment			(166,645)	-	**(166,645)**	-
		Net Position - Beginning of Year as Restated			38,985,356	322,015	**39,307,371**	1,576,100
		Net Position - End of Year			$ **40,215,292**	**395,615**	**40,610,907**	**1,600,052**

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

CITY OF EL DORADO, KANSAS
Balance Sheet
Governmental Funds
December 31, 2021

	General	Debt Service	Construction	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and Investments	$ 3,398,743	349,119	204,024	5,404,110	**9,355,996**
Receivables (Net of Allowance for Uncollectibles)					
Property Tax	3,848,322	1,059,415	-	198,240	**5,105,977**
Special Assessment Tax	-	5,580,019	-	321,174	**5,901,193**
Sales Tax	558,357	-	-	21,504	**579,861**
Accounts	114,417	-	-	17,869	**132,286**
Due from Other Governments	163	-	57,360	208,927	**266,450**
Due from Other Funds	59,123	-	-	-	**59,123**
Inventories	18,140	-	-	29,922	**48,062**
Total Assets	$ 7,997,265	6,988,553	261,384	6,201,746	**21,448,948**
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities					
Accounts Payable	$ 147,941	60,683	153,821	264,408	**626,853**
Salaries and Wages Payable	129,296	-	-	23,358	**152,654**
Unearned Revenue - Grant Proceeds Other Than	-	-	-	1,553,101	**1,553,101**
Total Liabilities	277,237	60,683	153,821	1,840,867	**2,332,608**
Deferred Inflows of Resources					
Unavailable Revenue - Property Taxes	3,848,322	1,059,415	-	198,240	**5,105,977**
Unavailable Revenue - Special Assessments	-	5,580,019	-	321,174	**5,901,193**
Total Deferred Inflows of Resources	3,848,322	6,639,434	-	519,414	**11,007,170**
Fund Balances					
Nonspendable					
Inventories	18,140	-	-	29,922	**48,062**
Restricted					
Capital Projects	-	-	107,563	-	**107,563**
Police Operations	-	-	-	4,969	**4,969**
Tourism	-	-	-	344,486	**344,486**
Domestic Violence Prevention	-	-	-	33,523	**33,523**
Debt Service	-	288,436	-	-	**288,436**
Park Improvements	-	-	-	48,832	**48,832**
Stormwater Systems	-	-	-	365,357	**365,357**
Ordinance Street Sales Tax	-	-	-	668,912	**668,912**
Excess Sales Tax	-	-	-	708,882	**708,882**
Economic Development	-	-	-	77,707	**77,707**
Committed					
Public Safety Equipment	-	-	-	4,384	**4,384**
Assigned					
Airport Improvements	-	-	-	154,137	**154,137**
Economic Development Sales Tax	-	-	-	301,878	**301,878**
Industrial Development	-	-	-	428,630	**428,630**
Street Improvements	-	-	-	261,577	**261,577**
Police Equipment	-	-	-	408,269	**408,269**
Self-Insurance Reserve	475,161	-	-	-	**475,161**
Unassigned	3,378,405	-	-	-	**3,378,405**
Total Fund Balance	3,871,706	288,436	107,563	3,841,465	**8,109,170**
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 7,997,265	6,988,553	261,384	6,201,746	**21,448,948**

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, 2021

Total Governmental Fund Balances		$ 8,109,170
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.		43,276,739
Other long-term assets are not available to pay for current-period expenditures and, therefore, reported as unavailable revenue in the funds.		5,901,193
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	1,842,939	
Deferred outflows - OPEB	238,755	2,081,694
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.		34,635
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	(12,465,582)	
Premiums on bond sold	(910,610)	
Capital leases payable	(505,098)	
Accrued interest payable	(29,309)	
Compensated absences	(345,744)	
Net pension liability	(5,482,914)	
Net OPEB liability	(527,906)	(20,267,163)
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	(1,837,068)	
Deferred inflows - OPEB	(83,908)	(1,920,976)
Net Position of Governmental Activities		$ 40,215,292

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, 2021

	General	Debt Service	Construction	Other Governmental Funds	Total Governmental Funds
Revenues					
Taxes					
Property	$ 3,901,727	1,125,129	-	206,744	**5,233,600**
Sales	2,958,186	-	-	100,000	**3,058,186**
Franchise	1,284,727	-	-	-	**1,284,727**
Tourism	-	-	-	194,906	**194,906**
Intergovernmental	59,528	-	549,182	1,057,856	**1,666,566**
Licenses and Permits	112,218	-	-	12,780	**124,998**
Charges for Service	1,021,785	-	-	199,724	**1,221,509**
Fines and Forfeitures	356,046	-	-	500	**356,546**
Special Assessments	-	443,700	40,109	325,593	**809,402**
Investment Earnings	1,801	310	-	831	**2,942**
Miscellaneous	419,079	120,763	-	108,241	**648,083**
Total Revenues	10,115,097	1,689,902	589,291	2,207,175	**14,601,465**
Expenditures					
Current					
General Government	2,144,243	-	994,927	1,145,211	**4,284,381**
Public Safety	4,124,938	-	-	-	**4,124,938**
Highways and Streets	-	-	-	1,155,552	**1,155,552**
Health and Sanitation	360,329	-	-	249,711	**610,040**
Culture and Recreation	1,473,289	-	-	7,292	**1,480,581**
Economic Development	-	-	-	110,535	**110,535**
Debt Service					
Principal	117,592	4,816,611	-	39,512	**4,973,715**
Interest and Other Charges	11,272	322,744	-	6,477	**340,493**
Bond Issuance Costs	-	62,714	72,440	-	**135,154**
Capital Outlay	1,039,679	-	862,568	155,195	**2,057,442**
Total Expenditures	9,271,342	5,202,069	1,929,935	2,869,485	**19,272,831**
Excess (Deficiency) of Revenues Over (Under) Expenditures	843,755	(3,512,167)	(1,340,644)	(662,310)	**(4,671,366)**
Other Financing Sources (Uses)					
Sale of Real Estate	28,965	-	-	102,471	**131,436**
General Obligation Bonds Issued	-	3,422,584	3,698,694	-	**7,121,278**
Transfers In	987,000	200,000	1,924,108	2,367,914	**5,479,022**
Transfers Out	(2,625,680)	(57,325)	(63,247)	(1,529,599)	**(4,275,851)**
Net Other Financing Sources (Uses)	(1,609,715)	3,565,259	5,559,555	940,786	**8,455,885**
Net Change in Fund Balances	(765,960)	53,092	4,218,911	278,476	**3,784,519**
Fund Balances - Beginning of Year, as Previously Stated	4,637,666	235,344	(4,111,348)	3,729,634	**4,491,296**
Prior Period Adjustment	-	-	-	(166,645)	**(166,645)**
Fund Balances - Beginning of Year, as Restated	4,637,666	235,344	(4,111,348)	3,562,989	**4,324,651**
Fund Balances - End of Year	$ 3,871,706	288,436	107,563	3,841,465	**8,109,170**

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, 2021

Total Net Change in Fund Balances - Governmental Funds		$ 3,784,519
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	1,907,720	
Depreciation expense	(2,815,255)	(907,535)
The net effect of various miscellaneous transactions involving capital assets is to decrease net position.		(260,446)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		693,801
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 (advances) payments		
Bond proceeds	(6,340,000)	
Bond premium	(781,279)	
Capital leases	117,591	
General obligation bonds	4,856,124	(2,147,564)
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.		17,225
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	(4,013)	
Pension contributions	129,978	
OPEB contributions	(130,013)	
Amortization of bond premium	30,832	
Accrued interest	23,152	49,936
Change in Net Position of Governmental Activities		$ 1,229,936

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, 2021

		Budgeted Amounts		Variance Over
	Actual	Original	Final	(Under)
Revenues				
Taxes	$ **8,060,949**	8,189,138	8,189,138	(128,189)
Intergovernmental	**59,528**	49,559	49,559	9,969
Licenses, Fees, and Permits	**112,218**	111,439	111,439	779
Charges for Services	**858,499**	1,062,044	1,062,044	(203,545)
Fines and Forfeitures	**356,046**	378,718	378,718	(22,672)
Interest	**1,429**	15,000	15,000	(13,571)
Miscellaneous	**136,909**	154,400	154,400	(17,491)
Total Revenues	**9,585,578**	9,960,298	9,960,298	(374,720)
Expenditures				
General Government				
Administration	**978,681**	1,842,488	1,842,488	(863,807)
Engineering	**771,350**	776,889	776,889	(5,539)
Environmental Services	**95,633**	105,622	105,622	(9,989)
Legal and Judicial	**211,762**	246,067	246,067	(34,305)
Total General Government	**2,057,426**	2,971,066	2,971,066	(913,640)
Public Safety				
Police Division	**2,474,738**	2,694,880	2,694,880	(220,142)
Fire Division	**1,773,468**	1,815,723	1,815,723	(42,255)
Total Public Safety	**4,248,206**	4,510,603	4,510,603	(262,397)
Health and Sanitation				
Animal Control	**161,390**	170,725	170,725	(9,335)
Cemetery	**198,939**	217,311	217,311	(18,372)
Total Health and Sanitation	**360,329**	388,036	388,036	(27,707)
Culture and Recreation				
Park Maintenance	**431,832**	445,464	445,464	(13,632)
Recreation	**927,135**	723,071	723,071	204,064
Swimming Pool	**105,974**	134,457	134,457	(28,483)
Golf Course	**15,420**	495,441	495,441	(480,021)
Total Culture and Recreation	**1,480,361**	1,798,433	1,798,433	(318,072)
Total Expenditures	**8,146,322**	9,668,138	9,668,138	(1,521,816)
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ **1,439,256**	292,160	292,160	1,147,096

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, 2021

		Budgeted Amounts		Variance Over
	Actual	Original	Final	(Under)
Other Financing Sources (Uses)				
Transfer In	$ **1,137,000**	300,000	300,000	837,000
Transfer Out	**(2,925,680)**	(2,426,123)	(2,426,123)	(499,557)
Total Other Financing Sources (Uses)	**(1,788,680)**	(2,126,123)	(2,126,123)	337,443
Net Change in Fund Balance	**(349,424)**	(1,833,963)	(1,833,963)	1,484,539
Budgetary Basis Fund Balance, Beginning	**2,792,937**			
Budgetary Basis Fund Balance, Ending	**2,443,513**			
GAAP Adjustments				
Plus Receivables	**671,573**			
Fund Balance, Ending - General Fund Only	**3,115,086**			
Fund Balances for Separately Budgeted Funds Included with the General Fund on GAAP Basis Financials				
Building Demolition	**23,956**			
Fund Balances for Non-Budgeted Funds Included with the General Fund on GAAP Basis Financials				
External Stores	**46,127**			
Equipment Reserve	**122,453**			
Prairie Trail Restaurant/Golf	**88,923**			
Self-Insurance Reserve	**475,161**			
	$ **3,871,706**			

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, 2021

	Business-Type Activities - Enterprise Funds					Business-Type Activities
	Major Funds			Nonmajor Fund	Total	Internal Service Fund (Data
	Waterworks System	Sewer System	Refuse	Compressed Natural Gas	Enterprise Funds	Processing Fund)
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES						
Current Assets						
Cash and Investments	$ 2,953,086	1,274,736	883,488	25,771	**5,137,081**	296,970
Accounts Receivable						
(Net of Allowance for Uncollectibles)	486,051	335,226	190,253	-	**1,011,530**	-
Intergovernmental Receivable	58	24	-	-	**82**	-
Inventories	176,927	16,139	-	-	**193,066**	-
Total Current Assets	3,616,122	1,626,125	1,073,741	25,771	**6,341,759**	296,970
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	40,343	-	-	-	**40,343**	-
Capital Assets	16,551,967	29,784,395	2,566,901	243,044	**49,146,307**	61,499
Accumulated Depreciation	(8,255,656)	(14,913,949)	(1,447,578)	(60,174)	**(24,677,357)**	(34,020)
Total Noncurrent Assets	37,321,964	15,577,091	1,119,323	182,870	**54,201,248**	27,479
Total Assets	40,938,086	17,203,216	2,193,064	208,641	**60,543,007**	324,449
Deferred Outflows of Resources						
Deferred Outflows - Pension	179,431	94,205	84,818	-	**358,454**	-
Deferred Outflows - OPEB	43,593	21,144	19,714	-	**84,451**	-
Total Deferred Outflows of Resources	223,024	115,349	104,532	-	**442,905**	-
Total Assets and Deferred Outflows of Resources	$ 41,161,110	17,318,565	2,297,596	208,641	**60,985,912**	324,449

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, 2021

	Business-Type Activities - Enterprise Funds					Business-Type Activities
	Major Funds			Nonmajor Fund	Total	Internal Service Fund (Data
	Waterworks System	Sewer System	Refuse	Compressed Natural Gas	Enterprise Funds	Processing Fund)
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES						
Current Liabilities						
Accounts Payable	$ 139,917	32,820	60,270	2,668	**235,675**	43,040
Current Portion of Compensated Absences Payable	10,643	-	-	-	**10,643**	-
Current Portion of General Obligation Bonds Payable	192,807	651,710	-	-	**844,517**	-
Current Portion of Revolving Loan Note Payable	-	107,961	-	-	**107,961**	-
Accrued Interest Payable	4,843	25,057	-	-	**29,900**	-
Unearned Revenue - Other	-	961	-	-	**961**	-
Due to Other Funds	-	-	59,123	-	**59,123**	-
Total Current Liabilities	348,210	818,509	119,393	2,668	**1,288,780**	43,040
Noncurrent Liabilities						
Long-Term Portion of Compensated Absences Payable	40,694	20,909	24,445	-	**86,048**	49,325
Long-Term Portion of General Obligation Bonds Payable	978,788	3,051,112	-	-	**4,029,900**	-
Long-Term Portion of Revolving Loan Note Payable	-	1,515,223	-	-	**1,515,223**	-
Long-Term Portion of Water Storage Space Payable	51,955,861	-	-	-	**51,955,861**	-
Net Pension Liability	628,872	305,552	282,505	-	**1,216,929**	-
Net OPEB Liability	134,099	65,307	61,961	-	**261,367**	-
Total Noncurrent Liabilities	53,738,314	4,958,103	368,911	-	**59,065,328**	49,325
Total Liabilities	54,086,524	5,776,612	488,304	2,668	**60,354,108**	92,365
Deferred Inflows of Resources						
Deferred Inflows - Pension	207,142	103,071	102,329	-	**412,542**	-
Deferred Inflows - OPEB	10,745	5,425	4,924	-	**21,094**	-
Total Deferred Inflows of Resources	217,887	108,496	107,253	-	**433,636**	-
Total Liabilities and Deferred Inflows of Resources	54,304,411	5,885,108	595,557	2,668	**60,787,744**	92,365
NET POSITION						
Net Investment in Capital Assets	17,650,345	10,251,085	1,119,323	182,870	**29,203,623**	27,479
Unrestricted	(30,793,646)	1,182,372	582,716	23,103	**(29,005,455)**	204,605
Total Net Position	$ (13,143,301)	11,433,457	1,702,039	205,973	**198,168**	232,084
	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				**197,449**	
	Net Position of Business-Type Activities				$ **395,617**	

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, 2021

	Business-Type Activities - Enterprise Funds					Business-Type Activities
	Major Funds			Nonmajor Fund	Total	Internal Service Fund (Data
	Waterworks System	Sewer System	Refuse	Compressed Natural Gas	Enterprise Funds	Processing Fund)
Operating Revenues						
Charges for Services	$ 4,700,500	2,785,795	1,565,942	7,387	**9,059,624**	1,291,200
Special Assessments	-	1,556	-	-	**1,556**	-
Miscellaneous	63,275	3,761	69,164	17,379	**153,579**	-
Rents and Royalties	13,630	98,583	-	-	**112,213**	-
Total Operating Revenues	4,777,405	2,889,695	1,635,106	24,766	**9,326,972**	1,291,200
Operating Expenses						
Cost of Sales and Services	1,924,840	990,620	398,624	-	**3,314,084**	340,664
Administration	1,052,198	283,014	1,013,447	30,037	**2,378,696**	892,097
Depreciation	378,677	609,344	194,227	11,638	**1,193,886**	6,797
Total Operating Expense	3,355,715	1,882,978	1,606,298	41,675	**6,886,666**	1,239,558
Operating Income (Loss)	1,421,690	1,006,717	28,808	(16,909)	**2,440,306**	51,642
Nonoperating Revenues (Expense)						
Investment Income	1,031	481	285	10	**1,807**	-
Gain (Loss) on Disposal of Assets	2,700	(1,385)	-	-	**1,315**	-
Interest Expense	(1,790,633)	(122,437)	-	-	**(1,913,070)**	-
Net Nonoperating Revenues (Expense)	(1,786,902)	(123,341)	285	10	**(1,909,948)**	-
Income (Loss) Before Capital	(365,212)	883,376	29,093	(16,899)	**530,358**	51,642
Contributions and Transfers						
Capital Contributions	290,268	-	421,731	-	**711,999**	-
Transfers to Other Funds	(712,871)	(412,300)	(78,000)	-	**(1,203,171)**	-
Change in Net Position	(787,815)	471,076	372,824	(16,899)	**39,186**	51,642
Net Position - Beginning of Year as Previously Stated	(12,355,486)	10,962,381	1,329,215	222,872	**158,982**	180,442
Net Position - Beginning of Year as Restated	(12,355,486)	10,962,381	1,329,215	222,872	**158,982**	180,442
Net Position - End of Year	$ (13,143,301)	11,433,457	1,702,039	205,973	**198,168**	232,084

Change in net position per fund financials	$ **39,186**
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	**34,414**
Change In Net Position of Business-Type Activities	$ **73,600**

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, 2021

	Business-Type Activities - Enterprise Funds					Business-Type Activities
	Major Funds			Nonmajor Fund	Total	Internal Service Fund (Data
	Waterworks System	Sewer System	Refuse	Compressed Natural Gas	Enterprise Funds	Processing Fund)
Cash Flows From Operating Activities						
Cash Received from Customers and Users	$ 4,797,025	2,870,766	1,638,089	24,766	**9,330,646**	1,291,201
Cash Received from Federal Aid	33	8	-	-	**41**	-
Payments to Suppliers	(1,837,977)	(693,763)	(826,350)	(35,510)	**(3,393,600)**	(189,328)
Payments to Employees	(1,122,356)	(624,861)	(571,132)	-	**(2,318,349)**	(1,036,216)
Net Cash Provided (Used) for Operating Activities	1,836,725	1,552,150	240,607	(10,744)	**3,618,738**	65,657
Cash Flows From Capital and Related Financing Activities						
Principal Paid on General Obligation Bonds	(218,048)	(665,830)	-	-	**(883,878)**	-
Principal Paid on Revolving Loan Note Payable	-	(105,489)	-	-	**(105,489)**	-
Interest Paid on Debt	(33,431)	(124,980)	-	-	**(158,411)**	-
Proceeds from the Sale of Assets	2,700	-	-	-	**2,700**	-
Acquisition and Construction of Capital Assets	(88,440)	(98,313)	-	-	**(186,753)**	-
Net Cash Used for Capital and Related Financing Activities	(337,219)	(994,612)	-	-	**(1,331,831)**	-
Cash Flows to Noncapital Financing Activities						
Transfers to Other Funds	(712,871)	(412,300)	(78,000)	-	**(1,203,171)**	-
Cash Flows From Investing Activities						
Investment Income	1,031	481	285	10	**1,807**	-
Net Increase (Decrease) in Cash and Investments	787,666	145,719	162,892	(10,734)	**1,085,543**	65,657
Cash and Investments, Beginning of Year	2,165,420	1,129,017	720,596	36,505	**4,051,538**	231,313
Cash and Investments, End of Year	$ 2,953,086	1,274,736	883,488	25,771	**5,137,081**	296,970

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, 2021

	Business-Type Activities - Enterprise Funds					Business-Type Activities
	Major Funds			Nonmajor Fund	Total	Internal Service Fund (Data
	Waterworks System	Sewer System	Refuse	Compressed Natural Gas	Enterprise Funds	Processing Fund)
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities						
Operating Income (Loss)	$ 1,421,690	1,006,717	28,808	(16,909)	**2,440,306**	51,642
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities						
Depreciation	378,677	609,344	194,227	11,638	**1,193,886**	6,797
Decrease (Increase) in Assets and Deferred Outflows						
Accounts Receivable	19,620	(18,957)	2,983	-	**3,646**	-
Intergovernmental Receivable	33	8	-	-	**41**	-
Inventories	3,944	(2,758)	-	-	**1,186**	-
Deferred Outflows - Pension	(1,605)	(823)	(821)	-	**(3,249)**	-
Deferred Outflows - OPEB	2,198	1,132	1,138	-	**4,468**	-
Increase (Decrease) in Liabilities and Deferred Inflows						
Accounts Payable	(322)	(36,664)	14,230	(5,473)	**(28,229)**	9,968
Compensated Absences Payable	4,591	(10,278)	(4,692)	-	**(10,379)**	(2,750)
Unearned Revenue - Other	-	28	-	-	**28**	-
Deferred Inflows - Pension	145,410	74,542	74,453	-	**294,405**	-
Deferred Inflows - OPEB	2,079	1,066	1,065	-	**4,210**	-
Net Pension Liability	(155,857)	(79,897)	(79,802)	-	**(315,556)**	-
Net OPEB Liability	16,267	8,690	9,018	-	**33,975**	-
Net Cash Provided (Used) for Operating Activities	$ 1,836,725	1,552,150	240,607	(10,744)	**3,618,738**	65,657
Schedule of Noncash Capital and Related Financing Activities						
Contribution of Capital Assets	$ 290,268	-	421,731	-	**711,999**	-
Interest on Water Storage Space	1,757,931	-	-	-	**1,757,931**	-

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, 2021

	Retiree Health Care Benefit Plan Trust Fund
Assets	
Investments	
Mutual Funds	$ 516,882
Net Position	
Restricted for	
Post Employment Benefits	$ 516,882

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, 2021

		Retiree Health Care Benefit Plan Trust Fund
Additions		
Investment Earnings		
Net Increase in Fair Value of Investments	$	717
Interest, Dividends, and Other		25,045
Total Additions		25,762
Deductions		
Payment of Health Claims		50,000
Net Change in Fiduciary Net Position		(24,238)
Net Position, Beginning of Year		541,120
Net Position, End of Year	$	**516,882**

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, 2021

	Bradford Memorial Library	El Dorado Senior Center, Inc.	Total Component Units
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Assets			
Cash and Investments	$ 604,726	17,833	**622,559**
Receivables, Net of Allowance for Uncollectibles			
Taxes	499,389	-	**499,389**
Restricted Cash and Investments	300,716	-	**300,716**
Capital Assets, Depreciable	2,442,121	-	**2,442,121**
Less Accumulated Depreciation	(1,369,989)	-	**(1,369,989)**
Total Assets	2,476,963	17,833	**2,494,796**
Deferred Outflows of Resources			
Deferred Outflows - Pension	65,768	-	**65,768**
Deferred Outflows - OPEB	995	-	**995**
Total Deferred Outflows of Resources	66,763	-	**66,763**
Total Assets and Deferred Outflows of Resources	2,543,726	17,833	**2,561,559**
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES			
Liabilities			
Accounts Payable and Other Current Liabilities	25,899	2,468	**28,367**
Noncurrent Liabilities			
Due Within One Year	30,000	-	**30,000**
Due in More Than One Year	332,980	-	**332,980**
Total Liabilities	388,879	2,468	**391,347**
Deferred Inflows of Resources			
Deferred Inflows - Pension	68,635	-	**68,635**
Deferred Inflows - OPEB	2,136	-	**2,136**
Deferred Receivable - Property Taxes	499,389	-	**499,389**
Total Deferred Inflows of Resources	570,160	-	**570,160**
Total Liabilities and Deferred Inflows of Resources	959,039	2,468	**961,507**
Net Position			
Net Investment in Capital Assets	922,132	-	**922,132**
Unrestricted	662,555	15,365	**677,920**
Total Net Position	$ 1,584,687	15,365	**1,600,052**

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, 2021

		Bradford Memorial Library	El Dorado Senior Center, Inc.	Total Component Units
Expenses				
Personal Services	$	325,370	68,020	**393,390**
Contractual Services		77,917	32,879	**110,796**
Commodities		83,294	23,225	**106,519**
Interest Expense		153,938	-	**153,938**
Depreciation		3,450	-	**3,450**
Total Expenses		643,969	124,124	**768,093**
Program Revenues				
Charges for Services		39,433	72,781	**112,214**
Operating Grants and Contributions		38,706	-	**38,706**
Total Program Revenues		78,139	72,781	**150,920**
Net (Expense) Revenue		(565,830)	(51,343)	**(617,173)**
General Revenues				
Property Taxes Appropriation		556,840	49,180	**606,020**
Unrestricted Investment Loss		35,097	8	**35,105**
Total General Revenues		591,937	49,188	**641,125**
Change in Net Position		26,107	(2,155)	**23,952**
Net Position - Beginning of Year		1,558,580	17,520	**1,576,100**
Net Position - End of Year	$	1,584,687	15,365	**1,600,052**

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

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 and the City has otherwise assumed the obligation to finance the deficits of the Center, if needed. 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.

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, 2021 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 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.

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, 2021, interest earnings allocated to the various funds was $65,616. 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.
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	$ 3,848,322
Debt service fund property taxes receivable	1,059,415
Debt service fund special assessments receivable	5,580,019
Nonmajor funds property taxes receivable	198,240
Nonmajor funds special assessment receivable	321,174
Total	**$ 11,007,170**

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 2021 levy was based was $97,079,137.

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 2021 tax levy per $1,000 of assessed valuation was as follows:

General fund	39.952
Debt service fund	10.999
Component unit	
Library	5.185
Nonmajor funds	
Industrial	1.139
Airport	0.919
	58.194

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 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 assets 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.

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 assets 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 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.

Adoption of New Governmental Accounting Standards Board Statements
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.

Pending Governmental Accounting Standards Board Statements
At December 31, 2021, 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 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. 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.*

GASB Statement No. 93, *Replacement of Interbank Offered Rates*, provides guidance where some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR) -most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate. 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. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, improves financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). A PPP is an arrangement in which a government contracts with an operator to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset, for a period of time in an exchange or exchange-like transaction. This statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs), which is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The requirements for this statement are effective for periods beginning after June 15, 2022.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements,* provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases,* as amended. The requirements for this statement are effective for periods beginning after June 15, 2022.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans,* (1) increases consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigates costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhances the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The requirements for this statement are effective for periods beginning after June 15, 2021.

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. Family Life Center, Expendable Trust, Customer Deposit, Law Enforcement Trust, Police Department Seized Assets, Community Improvement District and ARPA 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.

If the City is holding a revenue neutral rate hearing, the budget timeline for adoption of the final budget has been adjusted to on or before September 20th.

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 for the year ended December 31, 2021.

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 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
The waterworks system fund had a deficit net position of $13,143,301 at December 31, 2021 due to the recording of the water storage space payable.

Excess of Expenditures Over Budget Appropriations
Expenditures exceeded budget appropriations in the sewer fund by $32,666 for the year ended December 31, 2021, which is in violation of K.S.A. 79-2935.

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, 2021, 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, 2021.

Investments
As of December 31, 2021, the City had the following investments:

			Investment Maturities (in Years)			
Investment Type		Fair Value	Less than 1	1 - 5	6 - 10	More Than 10
Fixed Income Mutual Funds	$	338,553	338,553	-	-	-
Domestic Equity Mutual Funds		121,287	121,287	-	-	-
International Equity Mutual Funds		32,490	32,490	-	-	-
Real Estate Mutual Funds		24,552	24,552	-	-	-
	$	516,882	516,882	-	-	-

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	$ 287,791	287,791	-	-	-
Money Market Mutual Funds	12,925	12,925	-	-	-
	$ 300,716	300,716	-	-	-

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, 2021, 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, 2021, the City's fiduciary fund investments were categorized within the fair value hierarchy as follows:

City		Fair Value Measurement at Reporting Date Using		
Investment Type	Fair Value	Level 1	Level 2	Level 3
Mutual Funds	$ 516,882	516,882	-	-

Library		Fair Value Measurement at Reporting Date Using		
Investment Type	Fair Value	Level 1	Level 2	Level 3
Mutual Funds	$ 300,716	300,716	-	-

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the primary government for the year ended December 31, 2021 was as follows:

Primary Government

	Balance January 1, 2021	Increase	Decrease	Transfers	Balance December 31, 2021
Governmental Activities					
Capital Assets Not Being Depreciated:					
Land	$ 4,832,177	11,756	(17,847)	82,823	4,908,909
Construction in Progress	3,262,427	1,407,021	(4,511,971)	(147,415)	10,062
Total Capital Assets Not Being Depreciated	8,094,604	1,418,777	(4,529,818)	(64,592)	4,918,971
Capital Assets Being Depreciated:					
Capital Asset Not in Use	-	50,000	-	-	50,000
Buildings	12,396,460	6,726	-	55,390	12,458,576
Improvements Other Than Buildings	12,231,574	60,000	(599,980)	970,656	12,662,250
Infrastructure	43,665,501	425,467	(70,579)	(253,939)	43,766,450
Machinery and Equipment	8,274,970	4,458,721	-	(793,988)	11,939,703
Total Capital Assets Being Depreciated	76,568,505	5,000,914	(670,559)	(21,881)	80,876,979
Less Accumulated Depreciated for:					
Buildings	4,674,346	287,124	-	24,861	4,986,331
Improvements Other Than Buildings	4,830,849	403,972	(452,485)	(100,758)	4,681,578
Infrastructure	25,323,386	469,211	(53,811)	(46,476)	25,692,310
Machinery and Equipment	5,389,808	1,654,948	-	114,236	7,158,992
Total Accumulated Depreciated	40,218,389	2,815,255	(506,296)	(8,137)	42,519,211
Total Capital Assets Being Depreciated, Net	36,350,116	2,185,659	(164,263)	(13,744)	38,357,768
Governmental Activities Capital Assets, Net	$ 44,444,720	3,604,436	(4,694,081)	(78,336)	43,276,739

	Balance January 1, 2021	Increase	Decrease	Transfers	Balance December 31, 2021
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	120,129	66,033	(145,819)	-	40,343
Total Capital Assets Not Being Depreciated	29,812,084	66,033	(145,819)	-	29,732,298
Capital Assets Being Depreciated:					
Buildings	17,418,636	16,017	-	-	17,434,653
Improvements Other Than Buildings	24,346,176	216,737	-	-	24,562,913
Machinery and Equipment	6,587,770	745,783	(123,313)	-	7,210,240
Total Capital Assets Being Depreciated	48,352,582	978,537	(123,313)	-	49,207,806
Less Accumulated Depreciated for:					
Buildings	8,367,852	379,956	-	-	8,747,808
Improvements Other Than Buildings	10,821,522	457,214	-	-	11,278,736
Machinery and Equipment	4,443,249	363,511	(121,927)	-	4,684,833
Total Accumulated Depreciated	23,632,623	1,200,681	(121,927)	-	24,711,377
Total Capital Assets Being Depreciated, Net	24,719,959	(222,144)	(1,386)	-	24,496,429
Business-Type Activities Capital Assets, Net	$ 54,532,043	(156,111)	(147,205)	-	54,228,727

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

Governmental Activities:	
General Government	$ 307,933
Public Safety	330,331
Public Works (Including Depreciation of Infrastructure Assets)	1,880,583
Health and Sanitation	12,908
Culture and Recreation	248,704
Economic Development	34,796
Total Depreciation Expense – Governmental Activities	$ 2,815,255
Business-Type Activities:	
Waterworks Utility	$ 378,677
Sewer Utility	609,344
Refuse	194,227
Compressed Natural Gas	11,638
Capital Assets Held by the City's Internal Service Fund are Charged to the Various Functions Based on Their Usage	6,797
Total Depreciation Expense – Business-Type Activities	$ 1,200,683

Capital asset activity for the Library component unit for the year ended December 31, 2021 was as follows:

Discretely Presented Component Unit

	Balance January 1, 2021	Increase	Decrease	Transfers	Balance December 31, 2021
Library					
Capital Assets Being Depreciated:					
Buildings	$ 2,163,444	20,235	-	-	2,183,679
Machinery and Equipment	46,808	-	-	-	46,808
Books	191,577	20,057	-	-	211,634
Total Capital Assets Being Depreciated	2,401,829	40,292	-	-	2,442,121
Less Accumulated Depreciated for:					
Buildings	1,085,990	140,561	-	-	1,226,551
Machinery and Equipment	1,611	5,562	-	-	7,173
Books	128,450	7,815	-	-	136,265
Total Accumulated Depreciated	1,216,051	153,938	-	-	1,369,989
Library Capital Assets, Net	$ 1,185,778	(113,646)	-	-	1,072,132

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, 2021 for capital projects compared to the amount authorized:

Project	Costs-to-Date	Amount Authorized
Paving 9th Avenue (Gordy to Taylor)	$ 2,489	1,244,987
Paving Hunton Road and Simpson Road	35,711	1,204,881
Paving 5th Avenue and 2nd Avenue	14,073	435,244
Myers East Addition Paving	18,079	278,667

Myers East Addition Sewer	$	15,878	229,512
Paving Deer Run		21,982	424,329
Sanitary Sewer Deer Run		12,410	132,756
Resurfacing Central and S. Main		18,975	565,043

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.

General obligation bonds payable on December 31, 2021 are comprised of the following issues:

	Interest Rates	Original Issue	Final Maturity Date	Principal Payments in 2021	Outstanding December 31, 2021
General Obligation Bonds					
Governmental Activities					
Series 2010	1.60 - 3.35%	$ 1,648,262	11/1/2025	$ 72,951	318,678
Series 2011	2.00 - 3.50%	5,715,000	11/1/2032	3,610,000	-
Series 2013	1.65 - 2.75%	4,644,322	11/1/2028	498,480	1,166,000
Series 2015	2.00 - 4.00%	3,357,000	11/1/2025	424,693	1,235,904
Series 2016	1.25 - 2.00%	1,690,000	11/1/2027	140,000	750,000
Series 2019	3.00%	2,835,000	11/1/2039	110,000	2,655,000
Series 2021	2.00% - 4.00%	6,340,000	11/1/2041	-	6,340,000
				4,856,124	12,465,582
Business-Type Activities					
Series 2010	1.60 - 3.35%	546,738	11/1/2025	22,050	96,322
Series 2013	1.65 - 2.75%	2,000,678	11/1/2028	161,520	819,000
Series 2015	2.00 - 4.00%	580,000	11/1/2025	60,307	249,096
Series 2016	1.25 - 2.00%	6,530,000	11/1/2027	640,000	3,710,000
				883,877	4,874,418
Component Unit Activities					
Series 2016	1.25 - 2.00%	295,000	11/1/2027	30,000	150,000
Total General Obligation Bonds				$ 5,770,001	17,490,000

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

	Principal	Interest	Total
Governmental Activities			
2022	$ 1,295,483	364,028	1,659,511
2023	1,322,260	345,736	1,667,996
2024	1,079,189	300,802	1,379,991
2025	1,100,050	268,203	1,368,253
2026	881,600	234,627	1,116,227
2027-2031	3,437,000	774,984	4,211,984
2032-2036	2,020,000	299,800	2,319,800
2037-2041	1,330,000	80,600	1,410,600
	$ 12,465,582	**2,668,780**	**15,134,362**

	Principal	Interest	Total
Business-Type Activities			
2022	$ 844,517	104,299	948,816
2023	857,740	86,081	943,821
2024	875,811	67,380	943,191
2025	894,950	49,082	944,032
2026	828,400	30,236	858,636
2027-2028	573,000	16,561	589,561
	$ 4,874,418	**353,639**	**5,228,057**

	Principal	Interest	Total
Component Unit Activities			
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	30,000	600	30,600
	$ 150,000	**9,000**	**159,000**

Bond Refunding Debt Defeasance

On December 14, 2021, the City issued Series 2021-A General Obligation Refunding and Improvement bonds of $6,340,000 (par value) with an interest rate of 2.00-4.00%. The bond proceeds were used to current refund $3,340,000 of Series 2011 General Obligation bonds and to issue $3,385,000 in new bonds. The Series 2021-A bonds were issued at a premium of $781,279, and after paying issuance costs of $85,275 and underwriter's discount of $52,791, the net proceeds were $6,983,213. The current refunding met the requirements of a debt defeasance and the term bonds in the amount of $3,340,000 were called on December 21, 2021. The Series 2021-A bonds mature on November 1, 2041 and will be subject to optional redemption and payment prior to their stated maturity. The City completed the refunding to reduce its total debt service requirements and to obtain an economic gain (difference between the present value of the debt service payments on the old and new debt) of $351,294.

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 $800,003 is shown as a liability in the sewer fund. The future annual debt service requirements as of December 31, 2021 are as follows:

	Principal	Interest and Service Fees	Total
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	67,282	12,875	80,157
2027-2031	361,901	38,883	400,784
2032-2033	117,371	2,864	120,235
	$ 800,003	**121,800**	**921,803**

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 $823,181 is shown as a liability in the sewer fund. The future annual debt service requirements for the revolving loan payable as of December 31, 2021 are as follows:

	Principal	Interest	Total
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	51,163	17,913	69,076
2027-2031	273,302	50,345	323,647
2032-2036	304,898	18,749	323,647
	$ 823,181	**173,091**	**996,272**

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 2021 by $1,757,932 representing accrued interest. At December 31, 2021, the liability including accrued interest is $51,955,861. 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, $59,550 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	(308,418)
Net Book Value	**$ 843,634**

The following is a schedule of future minimum lease payments for capital leases as of December 31, 2021:

	Principal	Interest	Total
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	10,774	18	10,792
	$ 505,098	**21,168**	**526,266**

Changes in Long-Term Liabilities
Long-term liability activity for the year ended December 31, 2021 was as follows:

	Balance January 1, 2021	Additions	Reductions	Outstanding December 31, 2021	Due Within One Year
Governmental Activities					
General Obligation Bonds	$ 10,981,706	6,340,000	(4,856,124)	12,465,582	1,295,483
Issuance Premiums	160,163	781,279	(30,832)	910,610	-
Capital Leases - Direct Borrowing	622,689	-	(117,591)	505,098	119,936
Compensated Absences	341,731	248,849	(244,836)	345,744	12,363
Net Other Post-Employment Benefits Liability	442,096	-	85,810	527,906	-
Net Pension Liability	7,163,928	-	(1,681,014)	5,482,914	-
Total Long-Term Liabilities - Governmental Activities	**19,712,313**	**7,370,128**	**(6,844,587)**	**20,237,854**	**1,427,782**
Business-Type Activities					
General Obligation Bonds	$ 5,758,295	-	(883,877)	4,874,418	844,517
Revolving Loan Payable - Direct Borrowing	1,728,673	-	(105,489)	1,623,184	107,961
Water Storage Space Payable - Direct Borrowing	50,197,930	1,757,931	-	51,955,861	-
Compensated Absences	159,145	115,716	(128,845)	146,016	10,643
Net Other Post-Employment Benefits Liability	227,392	-	33,972	261,364	-
Net Pension Liability	1,532,485	-	(315,555)	1,216,930	-
Total Long-Term Liabilities - Business-Type Activities	**59,603,920**	**1,873,647**	**(1,399,794)**	**60,077,773**	**963,121**
Component Unit Activities					
General Obligation Bonds	$ 180,000	-	(30,000)	150,000	30,000
Compensated Absences	20,731	15,376	(15,850)	20,257	-
Net Other Post-Employment Benefits Liability	11,654	-	(2,875)	8,779	-
Net Pension Liability	260,031	-	(76,087)	183,944	-
Total Long-Term Liabilities - Business-Type Activities	**$ 472,416**	**15,376**	**(124,812)**	**362,980**	**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, 2021, Industrial Revenue Bonds outstanding had an aggregated principal amount payable of approximately $58,721,802.

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.

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, 2021 were as follows:

	Transfers Out	Transfers In
Major Governmental Funds		
General	$ 2,625,680	987,000
Debt Service	57,325	200,000
Construction	63,247	1,924,108
Nonmajor Governmental Funds	1,529,599	2,367,914
Major Proprietary Funds		
Waterworks System	712,871	-
Sewer System	412,300	-
Refuse	78,000	-
Total Transfers	**$ 5,479,022**	**5,479,022**

Transfers were used to move revenues from the fund that statutes or the budget requires to collect to the fund that statutes or budget requires to expend them, move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authority, and 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.

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, 2021.

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 8.87%. 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 22.80%. The member contribution rates as a percentage of eligible compensation for the fiscal year ended June 30, 2021 was 6.00% for local government employees and 7.15% for police and firemen.

Contributions to the pension plan from the City were $394,916 for KPERS and $541,921 for KP&F, and from the Library were $23,058 for KPERS for the year ended December 31, 2021.

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 identity 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, 2021 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, 2021.

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, 2021 was as follows:

	Local Government	Police and Firemen	Library
Net Pension Liability	$2,732,778	$3,967,066	$183,944
Measurement Date	June 30, 2021	June 30, 2021	June 30, 2021
Valuation Date	December 31, 2020	December 31, 2020	December 31, 2020
City's Proportion	0.228%	0.416%	0.015%
Change in Proportion	0.006%	0.022%	0.000%

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	3.50 to 12.00%, including price inflation
Investment rate of return net of investment expense, including price inflation	7.25% compounded annually

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.

The actuarial assumptions used in the December 31, 2020 valuation were based on the results of an actuarial experience study conducted for the three year period 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 7.25%. 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 7.25%, 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 (6.25%) or 1 percentage point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Discount Rate (7.25%)	1% Increase (8.25%)
Local Employees	$ 4,495,158	$ 2,732,778	$ 1,254,803
Police and Firemen	5,954,194	3,967,066	2,304,842
Library	302,566	183,944	84,460

Pension Expense

For the year ended December 31, 2021, the City recognized pension expense of $780,374 and $20,171 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.

At December 31, 2021, 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	$	420,901	24,746
Net differences between projected and actual earnings on investments		-	2,011,168
Change of assumptions		249,417	213,696
Changes in proportionate share		1,042,567	-
City contributions subsequent to measurement date		488,508	-
Total	$	**2,201,393**	**2,249,610**

Library

		Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	$	7,261	1,667
Net differences between projected and actual earnings on investments		-	65,318
Change of assumptions		36,210	-
Changes in proportionate share		11,972	1,650
Library contributions subsequent to measurement date		10,325	-
Total	$	**65,768**	**68,635**

The $488,508 and $10,325 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, 2022. 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	$	(56,340)	1,147
2022		(46,844)	(322)
2023		(79,217)	(1,328)
2024		(406,198)	(14,138)
2025		51,874	1,449
Total	**$**	**(536,725)**	**(13,192)**

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 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, 2021, 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	129
Total	**132**

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 10 years of service. 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.

Net OPEB Liability

At December 31, 2021, the City's net OPEB liability was $676,602. The net OPEB liability was measured as of December 31, 2021 and was determined by an actuarial valuation performed as of January 1, 2021.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the January 1, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods in the measurement, unless otherwise specified:

Measurement Date	December 31, 2021
Valuation Date	January 1, 2021
Reporting Date for Employer	December 31, 2021
Measurement Period	January 1, 2021 to December 31, 2021
Discount Rate	6.00%

Inflation Rate	2.50%
Salary Increases	5.00%
Mortality Table	RP-2014 Total Employee and Healthy Annuitant tables adjusted to 2006 and projected with MP-2021 future mortality improvement scale
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Market Value
Investment Rate of Return	6.00%

Health Care Cost Trend Rates

Year	Claims Rate %	Expenses Rate %
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, 2021 valuation were based on actual claims experience for the period January 1, 2012 to June 30, 2020 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, 2020	$	1,083,021	541,120	541,901
Changes for the year:				
Service Cost		26,245	-	26,245
Interest		67,968	-	67,968
Changes in Benefit Terms		(2,293)	-	(2,293)
Difference between Expected and Actual Experience		45,662	-	45,662
Changes of Assumptions/Methodology		(12,541)	-	(12,541)
Employer Contributions		-	-	-
Net Investment Income		-	25,762	(25,762)
Benefit Payments		(14,578)	(50,000)	35,422
Net Changes		110,463	(24,238)	134,701
Balance at December 31, 2021	**$**	**1,193,484**	**516,882**	**676,602**

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:

	1% Decrease (5.00%)	Discount Rate (6.00%)	1% Increase (7.00%)
Net OPEB Liability	$ 601,541	676,602	762,798

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:

	1% Decrease	Health Cost Trend Rates	1% Increase
Net OPEB Liability	$ 797,106	676,602	570,584

OPEB Expense, Deferred Outflows and Deferred Inflows of Resources Related to OPEB
For the year ended December 31, 2021, the City recognized OPEB expense of $102,148. At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	$ 243,566	-
Change of assumptions	70,025	10,993
Net difference between projected and actual earnings on OPEB plan investments	-	21,661
Total	$ **313,591**	**32,654**

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 December 31,	
2022	$ 41,195
2023	35,892
2024	32,426
2025	37,813
2026	36,774
Thereafter	96,837
Total	**$ 280,937**

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 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, 2021 totaled $21,248 and $1,435 for the City and Library, respectively.

Employees Covered by Benefit Terms. As of the valuation date of December 31, 2020, the following employees were covered by the benefit terms:

	City	Library
Inactive plan members or beneficiaries currently receiving benefit payments	-	1
Active plan members	86	9
	86	**10**

Total OPEB Liability
The total OPEB liability for the City and Library of $112,668 and $8,779, respectively, was measured as of June 30, 2021 and was determined by an actuarial valuation performed as of December 31, 2020.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the December 31, 2020 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	2.16%
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-2021 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

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, 2020 valuation were based on the results of an actuarial experience study conducted for the period January 1, 2016 through December 31, 2018.

There were no significant changes between the valuation date and the fiscal year end.

Changes in the Total OPEB Liability

		City	Library
Balance at December 31, 2020	$	127,587	11,654
Changes for the year:			
Service Cost		18,553	843
Interest on Total OPEB Liability		3,217	251
Effect of Economic/Demographic Gains or Losses		(35,753)	(1,643)
Effect of Assumptions Changes or Inputs		229	15
Benefit Payments		(1,165)	(2,341)
Net Changes		(14,919)	(2,875)
Balance at December 31, 2021	**$**	**112,668**	**8,779**

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 (1.16%) or 1-percentage-point higher (3.16%) than the current discount rate:

		1% Decrease (1.16%)	Discount Rate (2.16%)	1% Increase (3.16%)
City's Total OPEB Liability	$	116,933	112,668	107,809
Library's Total OPEB Liability		9,055	8,779	8,451

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:

		1% Decrease	Health Cost Trend Rates	1% Increase
City's Total OPEB Liability	$	112,668	112,668	112,668
Library's Total OPEB Liability		8,779	8,779	8,779

OPEB Expense, Deferred Outflows and Deferred Inflows of Resources Related to OPEB
For the year ended December 31, 2021, the City and the Library recognized OPEB expense of $13,465 and $964, respectively. At December 31, 2021, 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	$	-	69,561
Changes in assumptions		9,615	2,787
Benefit payments subsequent to measurement date		-	-
Total	$	**9,615**	**72,348**

Library		Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	$	414	1,882
Changes in assumptions		581	254
Benefit payments subsequent to measurement date		-	-
Total	$	**995**	**2,136**

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
2022	$	(8,305)	(130)
2023		(8,305)	(130)
2024		(8,305)	(130)
2025		(8,305)	(130)
2026		(8,177)	(117)
Thereafter		(21,336)	(504)
Total	**$**	**(62,733)**	**(1141)**

Aggregate Other Postemployment Healthcare Benefit Information

		Health Insurance	KPERS	**Total**
City				
Net OPEB Liability	$	676,602	112,668	**789,270**
Total Deferred Outflows of Resources		313,591	9,615	**323,206**
Total Deferred Inflows of Resources		(32,654)	(72,348)	**(105,002)**

The aggregate amount of OPEB expenses for the two OPEB plans for the year ended December 31, 2021 was $115,613 for the City.

NOTE 10 – 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 11 – ENCUMBRANCES

Encumbrances included in fund balances as of December 31, 2021 are reported in the accompanying table:

Fund		Encumbrances
Major Funds		
Construction Fund	$	1,788,834
Sewer Fund		189,643
Nonmajor Governmental Funds		559,383
Total Reporting Entity	$	2,537,860

NOTE 12 - 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.

Health Reimbursement Arrangement
The City entered into a Health Reimbursement Arrangement (HRA) during 2021. The full-time employee benefit is an HRA as defined by Section 105 of the Internal Revenue Code. The HRA plan is funded solely by the employer. The HRA plan allows for reimbursement of certain out-of-pocket medical and prescription drug costs incurred by the employee, their spouse or their dependents. The maximum allowance per year through BCBS is $6,350 for employee only, $12,700 for employee and spouse, employee and children and employee and family. Of this amount the employee is responsible for $2,500 for employee only and $5,000 for employee and spouse, employee and children and employee and family. The City is responsible for the difference. The amount the City paid in HRA reimbursements was $232,769 for the year ended December 31, 2021.

NOTE 13 – 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, 2021, abated sales taxes that impacted the City totaled $170,913.

NOTE 14 – PRIOR PERIOD ADJUSTMENT

During the year ended December 31, 2021, certain adjustments were made that required the restatement of fund balances or net position.

Deferred revenue on a project was understated in a previous year by $166,645 in the expendable trust fund.

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	$	39,152,001	(166,645)	38,985,356
Individual Fund Financial Statements				
Governmental Funds				
Expendable Trust Fund	$	286,258	(166,645)	119,613

NOTE 15 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through July 18, 2022, which is the date the financial statements were available to be issued.

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 Eight Fiscal Years*

	2021	2020	2019	2018	2017	2016	2015	2014
City's Proportion of the Collective Net Pension Liability								
KPERS	0.227740%	0.221358%	0.226778%	0.236020%	0.249159%	0.253304%	0.243809%	0.238711%
KP&F	0.415729%	0.394022%	0.398968%	0.402679%	0.418974%	0.414763%	0.409768%	0.402789%
City's Proportionate Share of the Collective Net Pension Liability	$ 6,699,844	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	6,734,185	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	99.49%	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	76.40%	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 Eight Fiscal Years*

	2021	2020	2019	2018	2017	2016	2015	2014
Library's Proportion of the Collective Net Pension Liability	0.015329%	0.014999%	0.014269%	0.014568%	0.014072%	0.013568%	0.013548%	0.014177%
Library's Proportionate Share of the Collective Net Pension Liability	$ 183,944	260,031	199,391	203,047	203,827	209,901	177,891	174,492
Library's Covered Payroll	295,640	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	62.22%	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	76.40%	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.

CITY OF EL DORADO, KANSAS

Schedule of the City's Contributions

Kansas Public Employees Retirement System

Last Ten Fiscal Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
KPERS Contractually Required Contribution	$ 394,916	371,408	385,748	350,451	366,093	400,701	401,217	352,578	310,747	293,509
KP&F Contractually Required Contribution	541,921	477,976	497,533	418,470	396,241	418,425	407,629	363,076	322,865	324,386
Contribution in Relation to the Contractually Required Contribution	(936,837)	(849,384)	(883,281)	(768,921)	(762,334)	(819,126)	(808,846)	(715,654)	(633,612)	(617,895)
Contribution Deficiency (Excess)	$ -	-	-	-	-	-	-	-	-	-
City's Covered Payroll	$ 6,829,115	6,387,476	6,587,356	6,259,987	6,336,505	6,414,029	6,369,673	6,038,625	6,014,997	6,018,005
Contributions as a Percentage of Covered Payroll	13.72%	13.30%	13.41%	12.28%	12.03%	12.77%	12.70%	11.85%	10.53%	10.27%

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually Required Contribution	$ 23,058	24,582	25,398	21,740	22,177	22,353	23,375	22,235	20,924	21,145
Contribution in Relation to the Contractually Required Contribution	(23,058)	(24,582)	(25,398)	(21,740)	(22,177)	(22,353)	(23,375)	(22,235)	(20,924)	(21,145)
Contribution Deficiency (Excess)	$ -	-	-	-	-	-	-	-	-	-
Library's Covered Payroll	$ 259,958	285,501	285,687	259,120	262,144	243,498	247,351	249,435	254,058	265,347
Contributions as a Percentage of Covered Payroll	8.87%	8.61%	8.89%	8.39%	8.46%	9.18%	9.45%	8.91%	8.24%	7.97%

See Independent Auditor's Report.

Changes in assumptions.

As a result of the experience study completed in November 2016, there were several changes made to the actuarial assumptions and methods since the prior valuation are as follows:

- The price inflation assumption was lowered from 3.00% to 2.75%.
- The investment return assumption was lowered from 8.00% to 7.75%.
- The general wage growth assumption was lowered from 4.00% to 3.50%.
- The payroll growth assumption was lowered from 4.00% to 3.00%.

Changes from the November 2016 experience study that impacted individual groups are listed below:

KPERS

- The post-retirement health mortality assumption was changed to the RP-2014 Mortality Table, with adjustments to better fit the observed experience for the various KPERS groups. The most recent mortality improvement scale, MP-2016, is used to anticipate future mortality improvements in the valuation process through the next experience study.
- The active member mortality assumption was modified to also be based on the RP-2014 Employee Mortality Table with adjustments.
- The retirement rates for the select period (when first eligible for unreduced benefits under Rule of 85) were increased, but all other retirement rates were decreased.
- Disability rates were decreased for all three groups.
- The termination of employment assumption was increased for all three groups.
- The interest crediting rate assumption for KPERS 3 members was lowered from 6.50% to 6.25%.

KP&F

- The post-retirement healthy mortality assumption was changed to the RP-2014 Mortality Table with 1-year age set forward and the MP-2016, is used to anticipate future mortality improvements.
- The mortality assumption for disabled members was changed to the RP-2014 Disabled Lives Table (generational using MP-2016) with a 1-year age set forward.
- The active member mortality assumption was modified to the RP-2014 Employee Mortality Table with a 1- year age set forward with a 90% scaling factor.
- The retirement rates for Tier 1 were lowered and the ultimate assumed retirement age was changed from 63 to 65 for Tier 2.
- The termination of employment rates for Tier 2 were increased to better match the observed experience.

As a result of the experience study completed in January 2020, there were several changes made to the actuarial assumptions and methods since the prior valuation. The changes that impact all groups were effective December 31, 2019 and include:

- The investment return assumption was lowered from 7.75% to 7.25%.
- The general wage growth assumption was lowered from 3.50% to 3.25%.
- The payroll growth assumption was lowered from 3.00% to 2.75%.

Changes from the January 2020 experience study that impacted individual groups are listed below:

KPERS

- Retirement rates were adjusted to partially reflect observed experience.
- Termination rates were increased for most KPERS groups.

- Disability rates were reduced.
- Factors for the State group that are used to anticipate higher liabilities due to higher final average salary at retirement for pre-1993 hires were modified to better reflect actual experience.
- The administrative expense load for contributions rates was increased from 0.16% to 0.18%.

KP&F

- Retirement rates were adjusted to partially reflect observed experience.
- Factors for the KP&F group that are used to anticipate higher liabilities due to higher final average salary at retirement for pre-1993 hires were modified to better reflect actual experience.
- The administrative expense load for contributions rates was increased from 0.16% to 0.18%

CITY OF EL DORADO, KANSAS

Schedule of Changes in the City's Net OPEB Liability and Related Ratios

Other Postemployment Benefits - Health Insurance

Last Five Fiscal Years*

	2021	2020	2019	2018	2017
Total OPEB Liability					
Service Cost	$ 26,245	18,226	17,610	8,434	8,109
Interest	67,968	62,873	60,992	40,116	40,203
Changes of Benefits Terms	(2,293)	-	(11,382)	-	-
Differences Between Expected and Actual Experience	45,662	-	282,843	-	-
Changes of Assumptions/Methodology	(12,541)	-	66,882	-	-
Benefit Payments	(14,578)	(55,466)	(40,303)	(55,932)	(44,251)
Net Change in Total OPEB Liability	110,463	25,633	376,642	(7,382)	4,061
Total OPEB Liability, Beginning	1,083,021	1,057,388	680,746	688,128	684,067
Total OPEB Liability, Ending (a)	$ 1,193,484	1,083,021	1,057,388	680,746	688,128
Plan Fiduciary Net Position					
Contributions - Employer	$ -	71,442	71,442	123,880	68,451
Net Investment Income (Loss)	25,762	63,398	42,203	(11,952)	15,928
Benefit Payments	(50,000)	-	-	-	-
Net Change in Plan Fiduciary Net Position	(24,238)	134,840	113,645	111,928	84,379
Plan Fiduciary Net Position, Beginning	541,120	406,280	292,635	180,707	96,328
Plan Fiduciary Net Position, Ending (b)	$ 516,882	541,120	406,280	292,635	180,707
City's Net OPEB Liability, Ending (a) - (b)	$ 676,602	541,901	651,108	388,111	507,421
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	43.31%	49.96%	38.42%	42.99%	26.26%
Covered-Employee Payroll	$ 6,049,813	6,220,435	6,010,082	6,212,889	5,973,932
City's Net OPEB Liability as a Percentage of Covered Payroll	11.18%	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 Five Fiscal Years*

	2021	2020	2019	2018	2017
Actuarially Determined Contribution	$ 69,427	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)	$ 69,427	-	-	(61,940)	(6,511)
City's Covered-Employee Payroll	$ 6,049,813	6,220,435	6,010,082	6,212,889	5,973,932
Contributions as a Percentage of Covered-Employee Payroll	0.00%	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, 2021
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value
Amortization Method	Level Dollar, Open
Amortization Period	30 Years
Salary Increases	5.00%
Investment Rate of Return	6.00%
Mortality Table	RP 2014 Total Employee and Healthy Annuitant tables adjusted to 2006 and projected with MP 2021 future mortality improvement scale.

Schedule of Investment Returns

Other Postemployment Benefits - Health Insurance

Last Five Fiscal Years*

	2021	2020	2019	2018	2017
Annual Money-Weighted Rate of Return, Net of Investment Expenses	6.00%	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 Five Fiscal Years*

	2021	2020	2019	2018	2017
Total OPEB Liability					
Service Cost	$ 18,553	15,255	15,403	15,319	16,484
Interest	3,217	4,554	5,379	4,786	3,478
Effect of Economic/Demographic Gains or Losses	(35,753)	(15,440)	(27,955)	(9,720)	-
Effect of Assumptions Changes or Inputs	229	10,119	1,932	(1,659)	(3,752)
Benefit Payments	(1,165)	(3,495)	(3,495)	(3,495)	(3,315)
Net Change in Total OPEB Liability	(14,919)	10,993	(8,736)	5,231	12,895
Total OPEB Liability, Beginning	127,587	116,594	125,330	120,099	107,204
Total OPEB Liability, Ending	$ 112,668	127,587	116,594	125,330	120,099
Covered Payroll	$ 4,055,411	4,194,581	4,038,834	4,183,182	4,028,513
City's Total OPEB Liability as a Percentage of Covered Payroll	2.78%	3.04%	2.89%	3.00%	2.98%

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

There are no assets accumulated in the trust to pay related benefits.

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 Discount Rate increased from 3.58% on June 30, 2017 to 3.87% on June 30, 2018.
The Discount Rate increased from 3.87% on June 30, 2018 to 3.50% on June 30, 2019.
The Discount Rate increased from 3.50% on June 30, 2019 to 2.21% on June 30, 2020.
The Discount Rate increased from 2.21% on June 30, 2020 to 2.16% on June 30, 2021.

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 Five Fiscal Years*

	2021	2020	2019	2018	2017
Total OPEB Liability					
Service Cost	$ 843	667	533	529	644
Interest	251	430	493	508	454
Effect of Economic/Demographic Gains or Losses	(1,643)	(467)	597	(49)	-
Effect of Assumptions Changes or Inputs	15	574	157	(129)	(367)
Benefit Payments	(2,341)	(2,341)	(2,341)	(2,341)	(2,341)
Net Change in Total OPEB Liability	(2,875)	(1,137)	(561)	(1,482)	(1,610)
Total OPEB Liability, Beginning	11,654	12,791	13,352	14,834	16,444
Total OPEB Liability, Ending	$ 8,779	11,654	12,791	13,352	14,834
Covered-Employee Payroll	$ 288,134	285,319	260,302	223,121	243,500
Library's Total OPEB Liability as a Percentage of Covered-Employee Payroll	3.05%	4.08%	4.91%	5.98%	6.09%

* GASB 75 requires presentation of 10 years. Data was not available prior to fiscal year 2017.
There are no assets accumulated in the trust to pay related benefits.

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.

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The Discount Rate increased from 2.21% on June 30, 2020 to 2.16% on June 30, 2021.

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.

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

ARPA Fund – to account for COVID-19 relief monies received from the American Rescue Plan Act.

CITY OF EL DORADO, KANSAS
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2021

	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	$ 151,453	167,435	418,550	48,832	299,087	301,878	374,458	-	1,107,684
Inventories	29,922	-	-	-	-	-	-	-	-
Receivables (Net of Allowance for Uncollectibles)									
Property Tax	88,545	-	109,695	-	-	-	-	-	-
Special Assessment Tax	-	-	-	-	-	-	321,174	-	-
Sales Tax	-	-	-	-	-	-	-	-	-
Accounts	14,811	3,058	-	-	-	-	-	-	-
Due from Other Governments	-	126,914	10,080	-	54,786	-	19	17,128	-
Total Assets	$ 284,731	297,407	538,325	48,832	353,873	301,878	695,651	17,128	1,107,684
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES									
Liabilities									
Accounts Payable	$ 10,778	20,554	-	-	8,152	-	3,622	17,128	151,615
Accrued Wages	1,349	15,276	-	-	1,235	-	5,498	-	-
Unearned Revenue - Grant Proceeds Other Than Timing	-	-	-	-	-	-	-	-	564,652
Total Liabilities	12,127	35,830	-	-	9,387	-	9,120	17,128	716,267
Deferred Inflows of Resources									
Unavailable Revenue - Property Taxes	88,545	-	109,695	-	-	-	-	-	-
Unavailable Revenue - Special Assessment	-	-	-	-	-	-	321,174	-	-
Total Deferred Inflows of Resources	88,545	-	109,695	-	-	-	321,174	-	-
Fund Balance									
Nonspendable									
Inventories	29,922	-	-	-	-	-	-	-	-
Restricted									
Police Operations	-	-	-	-	-	-	-	-	-
Tourism	-	-	-	-	344,486	-	-	-	-
Domestic Violence Prevention	-	-	-	-	-	-	-	-	-
Park Improvements	-	-	-	48,832	-	-	-	-	-
Stormwater Systems	-	-	-	-	-	-	365,357	-	-
Ordinance Street Sales Tax	-	-	-	-	-	-	-	-	-
Excess Sales Tax	-	-	-	-	-	-	-	-	-
Economic Development	-	-	-	-	-	-	-	-	-
Committed									
Public Safety Equipment	-	-	-	-	-	-	-	-	-
Assigned									
Airport Improvements	154,137	-	-	-	-	-	-	-	-
Economic Development Sales Tax	-	-	-	-	-	301,878	-	-	-
Industrial Development	-	-	428,630	-	-	-	-	-	-
Street Improvements	-	261,577	-	-	-	-	-	-	-
Police Equipment	-	-	-	-	-	-	-	-	391,417
Total Fund Balance	184,059	261,577	428,630	48,832	344,486	301,878	365,357	-	391,417
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 284,731	297,407	538,325	48,832	353,873	301,878	695,651	17,128	1,107,684

See Independent Auditor's Report.

CITY OF EL DORADO, KANSAS
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
December 31, 2021

	Customer Deposit	Law Enforcement Trust	Police Department Seized Assets	Ordinance Street Sales Tax	Excess Sales Tax	Special Alcohol Program	Community Improvement District	ARPA	**Totals**
ASSETS									
Cash and Investments	$ 4,384	4,969	16,852	668,912	708,882	33,523	108,762	988,449	**5,404,110**
Inventories	-	-	-	-	-	-	-	-	**29,922**
Receivables (Net of Allowance for Uncollectibles)									
Property Tax	-	-	-	-	-	-	-	-	**198,240**
Special Assessment Tax	-	-	-	-	-	-	-	-	**321,174**
Sales Tax	-	-	-	-	-	-	21,504	-	**21,504**
Accounts	-	-	-	-	-	-	-	-	**17,869**
Due from Other Governments	-	-	-	-	-	-	-	-	**208,927**
Total Assets	$ 4,384	4,969	16,852	668,912	708,882	33,523	130,266	988,449	**6,201,746**
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES									
Liabilities									
Accounts Payable	$ -	-	-	-	-	-	52,559	-	**264,408**
Accrued Wages	-	-	-	-	-	-	-	-	**23,358**
Unearned Revenue - Grant Proceeds Other Than Timing	-	-	-	-	-	-	-	988,449	**1,553,101**
Total Liabilities	-	-	-	-	-	-	52,559	988,449	**1,840,867**
Deferred Inflows of Resources									
Unavailable Revenue - Property Taxes	-	-	-	-	-	-	-	-	**198,240**
Unavailable Revenue - Special Assessment	-	-	-	-	-	-	-	-	**321,174**
Total Deferred Inflows of Resources	-	-	-	-	-	-	-	-	**519,414**
Fund Balance									
Nonspendable									
Inventories	-	-	-	-	-	-	-	-	**29,922**
Restricted									
Police Operations	-	4,969	-	-	-	-	-	-	**4,969**
Tourism	-	-	-	-	-	-	-	-	**344,486**
Domestic Violence Prevention	-	-	-	-	-	33,523	-	-	**33,523**
Park Improvements	-	-	-	-	-	-	-	-	**48,832**
Stormwater Systems	-	-	-	-	-	-	-	-	**365,357**
Ordinance Street Sales Tax	-	-	-	668,912	-	-	-	-	**668,912**
Excess Sales Tax	-	-	-	-	708,882	-	-	-	**708,882**
Economic Development	-	-	-	-	-	-	77,707	-	**77,707**
Committed									
Public Safety Equipment	4,384	-	-	-	-	-	-	-	**4,384**
Assigned									
Airport Improvements	-	-	-	-	-	-	-	-	**154,137**
Economic Development Sales Tax	-	-	-	-	-	-	-	-	**301,878**
Industrial Development	-	-	-	-	-	-	-	-	**428,630**
Street Improvements	-	-	-	-	-	-	-	-	**261,577**
Police Equipment	-	-	16,852	-	-	-	-	-	**408,269**
Total Fund Balance	4,384	4,969	16,852	668,912	708,882	33,523	77,707	-	**3,841,465**
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 4,384	4,969	16,852	668,912	708,882	33,523	130,266	988,449	**6,201,746**

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	$ 97,677	-	109,067	-	-	-	-	-	-
Sales	-	-	-	-	-	100,000	-	-	-
Tourism	-	-	-	-	194,906	-	-	-	-
Intergovernmental	-	591,859	-	33,452	-	-	95	228,837	44,916
Licenses and Permits	-	11,400	-	1,380	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-	-	-	500
Charges for Services	199,224	500	-	-	-	-	-	-	-
Special Assessments	-	-	-	-	-	-	325,593	-	-
Investment Earnings	55	-	137	10	106	64	165	-	-
Miscellaneous	6,539	233	-	-	39,365	1,804	-	-	56,250
Total Revenues	303,495	603,992	109,204	34,842	234,377	101,868	325,853	228,837	101,666
Expenditures									
Current									
General Government	223,379	-	-	-	201,986	19,854	314,857	-	99,998
Highways and Streets	-	1,155,552	-	-	-	-	-	-	-
Health and Sanitation	-	-	-	-	-	-	-	228,837	-
Culture and Recreation	-	-	-	3,550	-	-	-	-	3,742
Economic Development	-	-	110,535	-	-	-	-	-	-
Debt Service									
Principal	39,512	-	-	-	-	-	-	-	-
Interest and Other Charges	6,477	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	155,195
Total Expenditures	269,368	1,155,552	110,535	3,550	201,986	19,854	314,857	228,837	258,935
Excess (Deficiency) of Revenues Over (Under) Expenditures	34,127	(551,560)	(1,331)	31,292	32,391	82,014	10,996	-	(157,269)
Other Financing Sources (Uses)									
Sale of Real Estate	-	-	93,408	-	-	9,063	-	-	-
Transfers In	-	785,353	-	-	-	203,897	-	-	430,314
Transfers Out	(3,220)	(95,104)	-	-	-	(150,000)	(68,000)	-	(1,241)
Total Other Financing Sources (Uses)	(3,220)	690,249	93,408	-	-	62,960	(68,000)	-	429,073
Net Change in Fund Balance	30,907	138,689	92,077	31,292	32,391	144,974	(57,004)	-	271,804
Fund Balance, Beginning of the Year as Previously Stated	153,152	122,888	336,553	17,540	312,095	156,904	422,361	-	286,258
Prior Period Adjustment	-	-	-	-	-	-	-	-	(166,645)
Fund Balance, Beginning of the Year as Restated	153,152	122,888	336,553	17,540	312,095	156,904	422,361	-	119,613
Fund Balance, End of Year	$ 184,059	261,577	428,630	48,832	344,486	301,878	365,357	-	391,417

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	ARPA	**Totals**
Revenues									
Taxes									
Property	$ -	-	-	-	-	-	-	-	**206,744**
Sales	-	-	-	-	-	-	-	-	**100,000**
Tourism	-	-	-	-	-	-	-	-	**194,906**
Intergovernmental	-	-	-	-	-	33,452	125,245	-	**1,057,856**
Licenses and Permits	-	-	-	-	-	-	-	-	**12,780**
Fines and Forfeitures	-	-	-	-	-	-	-	-	**500**
Charges for Services	-	-	-	-	-	-	-	-	**199,724**
Special Assessments	-	-	-	-	-	-	-	-	**325,593**
Investment Earnings	-	-	-	287	-	7	-	-	**831**
Miscellaneous	4,050	-	-	-	-	-	-	-	**108,241**
Total Revenues	4,050	-	-	287	-	33,459	125,245	-	**2,207,175**
Expenditures									
Current									
General Government	26,104	1,200	-	101,172	80,000	-	76,661	-	**1,145,211**
Highways and Streets	-	-	-	-	-	-	-	-	**1,155,552**
Health and Sanitation	-	-	-	-	-	20,874	-	-	**249,711**
Culture and Recreation	-	-	-	-	-	-	-	-	**7,292**
Economic Development	-	-	-	-	-	-	-	-	**110,535**
Debt Service									
Principal	-	-	-	-	-	-	-	-	**39,512**
Interest and Other Charges	-	-	-	-	-	-	-	-	**6,477**
Capital Outlay	-	-	-	-	-	-	-	-	**155,195**
Total Expenditures	26,104	1,200	-	101,172	80,000	20,874	76,661	-	**2,869,485**
Excess (Deficiency) of Revenues Over (Under) Expenditures	(22,054)	(1,200)	-	(100,885)	(80,000)	12,585	48,584	-	**(662,310)**
Other Financing Sources (Uses)									
Sale of Real Estate	-	-	-	-	-	-	-	-	**102,471**
Transfers In	-	-	-	600,000	348,350	-	-	-	**2,367,914**
Transfers Out	-	-	-	(552,890)	(659,144)	-	-	-	**(1,529,599)**
Total Other Financing Sources (Uses)	-	-	-	47,110	(310,794)	-	-	-	**940,786**
Net Change in Fund Balance	(22,054)	(1,200)	-	(53,775)	(390,794)	12,585	48,584	-	**278,476**
Fund Balance, Beginning of the Year as Previously Stated	26,438	6,169	16,852	722,687	1,099,676	20,938	29,123	-	**3,729,634**
Prior Period Adjustment	-	-	-	-	-	-	-	-	**(166,645)**
Fund Balance, Beginning of the Year as Restated	26,438	6,169	16,852	722,687	1,099,676	20,938	29,123	-	**3,562,989**
Fund Balance, End of Year	$ 4,384	4,969	16,852	668,912	708,882	33,523	77,707	-	**3,841,465**

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, 2021

	Actual	Budgeted Amounts		Variance Over (Under)
		Original	Final	
Revenues				
Miscellaneous	$ **1,239**	-	-	1,239
Sale of Real Estate	**18,000**	-	-	18,000
Total Revenues	**19,239**	-	-	19,239
Expenditures				
Contractual Services	**8,681**	62,888	62,888	(54,207)
Capital Outlay	**6,741**	-	-	6,741
Total Expenditures	**15,422**	62,888	62,888	(47,466)
Excess (Deficiency) of Revenues Over (Under) Expenditures	**3,817**	(62,888)	(62,888)	66,705
Other Financing Sources (Uses)				
Transfers in	**-**	25,000	25,000	(25,000)
Net Change in Fund Balance	**3,817**	(37,888)	(37,888)	41,705
Fund Balance, Beginning	**20,139**			
Fund Balance, Ending	$ **23,956**			

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, 2021

	Actual	Budgeted Amounts		Variance Over (Under)
		Original	Final	
Revenues				
Taxes	$ **97,677**	93,030	93,030	4,647
Charges for Services	**199,445**	166,300	166,300	33,145
Investment Earnings	**55**	-	-	55
Miscellaneous	**6,539**	7,770	7,770	(1,231)
Total Revenues	**303,716**	267,100	267,100	36,616
Expenditures				
Current				
Personal Services	**67,043**	71,504	71,504	(4,461)
Contractual Services	**52,514**	40,200	40,200	12,314
Commodities	**115,675**	112,208	112,208	3,467
Debt Service				-
Principal	**39,512**	45,989	45,989	(6,477)
Interest Expense	**6,477**	-	-	6,477
Total Expenditures	**281,221**	269,901	269,901	11,320
Excess (Deficiency) of Revenues Over (Under) Expenditures	**22,495**	(2,801)	(2,801)	25,296
Other Financing Sources (Uses)				
Transfers Out	**(3,220)**	(40,000)	(40,000)	36,780
Net Change in Fund Balance	**19,275**	(42,801)	(42,801)	62,076
Budgetary Basis Fund Balance, Beginning	**120,051**			
Budgetary Basis Fund Balance, Ending	**139,326**			
GAAP Adjustments				
Plus Receivables at December 31, 2021	**14,811**			
Plus Inventory at December 31, 2021	**29,922**			
Fund Balance, Ending	$ **184,059**			

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, 2021

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance Over (Under)
Revenues				
Intergovernmental	$ **591,859**	493,580	493,580	98,279
Licenses and Permits	**5,402**	7,500	7,500	(2,098)
Charges for Services	**500**	-	-	500
Miscellaneous	**233**	-	-	233
Total Revenues	**597,994**	501,080	501,080	96,914
Expenditures				
Personal Services	**719,435**	801,831	801,831	(82,396)
Contractual Services	**189,714**	224,552	224,552	(34,838)
Commodities	**246,868**	370,125	370,125	(123,257)
Capital Outlay	**(465)**	-	-	(465)
Total Expenditures	**1,155,552**	1,396,508	1,396,508	(240,956)
Excess (Deficiency) of Revenues Over (Under) Expenditures	**(557,558)**	(895,428)	(895,428)	337,870
Other Financing Sources (Uses)				
Transfers In	**785,353**	785,353	785,353	-
Transfers Out	**(95,104)**	-	-	(95,104)
Total Other Financing Sources (Uses)	**690,249**	785,353	785,353	(95,104)
Net Change in Fund Balance	**132,691**	(110,075)	(110,075)	242,766
Budgetary Basis Fund Balance, Beginning	**(1,086)**			
Budgetary Basis Fund Balance, Ending	**131,605**			
GAAP Adjustments				
Plus Receivables at December 31, 2021	**129,972**			
Fund Balance, Ending	$ **261,577**			

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, 2021

		Budgeted Amounts		Variance Over
	Actual	Original	Final	(Under)
Revenues				
Taxes	$ **109,067**	107,839	107,839	1,228
Investment Earnings	**137**	-	-	137
Sale of Real Estate	**93,408**	-	-	93,408
Miscellaneous	**3,360**	2,860	2,860	500
Total Revenues	**205,972**	110,699	110,699	95,273
Expenditures				
Contractual Services	**110,535**	425,086	425,086	(314,551)
Excess (Deficiency) of Revenues Over (Under) Expenditures	**95,437**	(314,387)	(314,387)	409,824
Budgetary Basis Fund Balance, Beginning	**323,113**			
Budgetary Basis Fund Balance, Ending	**418,550**			
GAAP Adjustments				
Plus Receivables at December 31, 2021	**10,080**			
Fund Balance, Ending	$ **428,630**			

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, 2021

		Budgeted Amounts		Variance Over
	Actual	Original	Final	(Under)
Revenues				
Taxes	$ **33,452**	29,896	29,896	3,556
Fees	**1,380**	1,750	1,750	(370)
Investment Earnings	**10**	-	-	10
Total Revenues	**34,842**	31,646	31,646	3,196
Expenditures				
Contractual Services	**-**	2,500	2,500	(2,500)
Commodities	**3,550**	108,940	108,940	(105,390)
Total Expenditures	**3,550**	111,440	111,440	(107,890)
Excess (Deficiency) of Revenues Over (Under) Expenditures	**31,292**	(79,794)	(79,794)	111,086
Budgetary Basis Fund Balance, Beginning	**17,540**			
Budgetary Basis Fund Balance, Ending	$ **48,832**			

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, 2021

		Budgeted Amounts		Variance Over
	Actual	Original	Final	(Under)
Revenues				
Taxes	$ **171,472**	200,000	200,000	(28,528)
Rentals and Royalties	**37,014**	-	-	37,014
Investment Earnings	**106**	-	-	106
Total Revenues	**208,592**	200,000	200,000	8,592
Expenditures				
Personal Services	**43,550**	78,076	78,076	(34,526)
Contractual Services	**157,030**	82,200	82,200	74,830
Commodities	**(946)**	209,345	209,345	(210,291)
Total Expenditures	**199,634**	369,621	369,621	(169,987)
Excess (Deficiency) of Revenues Over (Under) Expenditures	**8,958**	(169,621)	(169,621)	178,579
Budgetary Basis Fund Balance, Beginning	**280,742**			
Budgetary Basis Fund Balance, Ending	**289,700**			
GAAP Adjustments				
Plus Receivables at December 31, 2021	**54,786**			
Fund Balance, Ending	$ **344,486**			

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, 2021

	Actual	Budgeted Amounts		Variance Over (Under)
		Original	Final	
Revenues				
Taxes	$ **100,000**	100,000	100,000	-
Miscellaneous	**1,804**	-	-	1,804
Investment Earnings	**64**	-	-	64
Sale of Real Estate	**9,063**	-	1,805	7,258
Total Revenues	**110,931**	100,000	101,805	9,126
Expenditures				
Contractual Services	**19,854**	178,680	213,214	(193,360)
Excess (Deficiency) of Revenues Over (Under) Expenditures	**91,077**	(78,680)	(111,409)	202,486
Other Financing Sources (Uses)				
Transfers In	**203,897**	-	-	203,897
Transfers Out	**(150,000)**	-	-	(150,000)
Total Other Financing Sources (Uses)	**53,897**	**-**	**-**	53,897
Net Change in Fund Balance	**144,974**	(78,680)	(111,409)	256,383
Fund Balance, Beginning	**156,904**			
Fund Balance, Ending	$ **301,878**			

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, 2021

	Actual	Budgeted Amounts		Variance Over (Under)
		Original	Final	
Revenues				
Intergovernmental	$ **110**	300	300	(190)
Special Assessment Taxes	**325,593**	310,125	310,125	15,468
Investment Earnings	**164**	-	-	164
Total Revenues	**325,867**	310,425	310,425	15,442
Expenditures				
Personal Services	**276,169**	556,702	556,702	(280,533)
Contractual Services	**26,281**	23,100	23,100	3,181
Commodities	**12,407**	24,500	24,500	(12,093)
Total Expenditures	**314,857**	604,302	604,302	(289,445)
Excess (Deficiency) of Revenues Over (Under) Expenditures	**11,010**	(293,877)	(293,877)	304,887
Other Financing Sources (Uses)				
Transfers Out	**(68,000)**	(50,000)	(50,000)	(18,000)
Net Change in Fund Balance	**(56,990)**	(343,877)	(343,877)	286,887
Budgetary Basis Fund Balance, Beginning	**422,328**			
Budgetary Basis Fund Balance, Ending	**365,338**			
GAAP Adjustments				
Plus Receivables at December 31, 2021	**19**			
Fund Balance, Ending	$ **365,357**			

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, 2021

	Actual	Budgeted Amounts		Variance Over (Under)
		Original	Final	
Revenues				
Investment Earnings	$ **287**	-	-	287
Expenditures				
Contractual Services	**101,172**	-	-	101,172
Cash Forward	**-**	747,908	747,908	(747,908)
Total Expenditures	**101,172**	747,908	747,908	(646,736)
Excess (Deficiency) of Revenues Over (Under) Expenditures	**(100,885)**	(747,908)	(747,908)	647,023
Other Financing Sources (Uses)				
Transfers In	**600,000**	600,000	600,000	-
Transfers Out	**(552,890)**	(600,000)	(600,000)	47,110
Total Other Financing Sources (Uses)	**47,110**	-	-	47,110
Net Change in Fund Balance	**(53,775)**	(747,908)	(747,908)	694,133
Fund Balance, Beginning	**722,687**			
Fund Balance, Ending	$ **668,912**			

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, 2021

	Actual	Budgeted Amounts		Variance Over (Under)
		Original	Final	
Revenues	$ **-**	-	-	-
Expenditures				
Contractual Services	**80,000**	1,357,944	1,357,944	(1,277,944)
Excess (Deficiency) of Revenues Over (Under) Expenditures	**(80,000)**	(1,357,944)	(1,357,944)	1,277,944
Other Financing Sources (Uses)				
Transfers In	**348,350**	500,000	500,000	(151,650)
Transfers Out	**(659,144)**	(500,000)	(500,000)	(159,144)
Total Other Financing Sources (Uses)	**(310,794)**	-	-	(310,794)
Net Change in Fund Balance	**(390,794)**	(1,357,944)	(1,357,944)	967,150
Fund Balance, Beginning	**1,099,676**			
Fund Balance, Ending	$ **708,882**			

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, 2021

		Budgeted Amounts		Variance Over
	Actual	Original	Final	(Under)
Revenues				
Intergovernmental	$ **33,452**	29,896	29,896	3,556
Investment Earnings	**7**	-	-	7
Total Revenues	**33,459**	29,896	29,896	3,563
Expenditures				
Contractual Services	**20,874**	66,492	66,492	(45,618)
Excess (Deficiency) of Revenues Over (Under) Expenditures	**12,585**	(36,596)	(36,596)	49,181
Fund Balance, Beginning	**20,938**			
Fund Balance, Ending	$ **33,523**			

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, 2021

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance Over (Under)
Revenues				
Taxes	$ **1,125,129**	1,106,471	1,106,471	18,658
Special Assessments	**443,700**	318,621	318,621	125,079
Investment Earnings	**310**	-	-	310
Bond Proceeds	**3,422,584**	-	-	3,422,584
Miscellaneous	**120,763**	120,763	120,763	-
Total Revenues	**5,112,486**	1,545,855	1,545,855	3,566,631
Expenditures				
Current				
Contractual Services	**-**	147,639	147,639	(147,639)
Debt Service				
Principal	**4,816,611**	1,476,613	1,476,613	3,339,998
Interest	**322,744**	384,583	384,583	(61,839)
Cost of Issuance	**62,714**	-	-	62,714
(a) Adjustment for Qualifying Budget Credit	**-**	3,422,584	3,422,584	(3,422,584)
Total Expenditures	**5,202,069**	5,431,419	5,431,419	(229,350)
Excess (Deficiency) of Revenues Over (Under) Expenditures	**(89,583)**	(3,885,564)	(3,885,564)	3,795,981
Other Financing Sources (Uses)				
Transfers In	**200,000**	200,000	200,000	-
Transfers Out	**(57,325)**	-	-	(57,325)
Total Other Financing Sources (Uses)	**142,675**	200,000	200,000	(57,325)
Net Change in Fund Balance	**53,092**	(3,685,564)	(3,685,564)	3,738,656
Fund Balance, Beginning	**235,344**			
Fund Balance, Ending	$ **288,436**			

(a) Adjustment for Qualifying Budget Credit

Bond Proceeds Over Amount Budgeted	$ 3,422,584

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

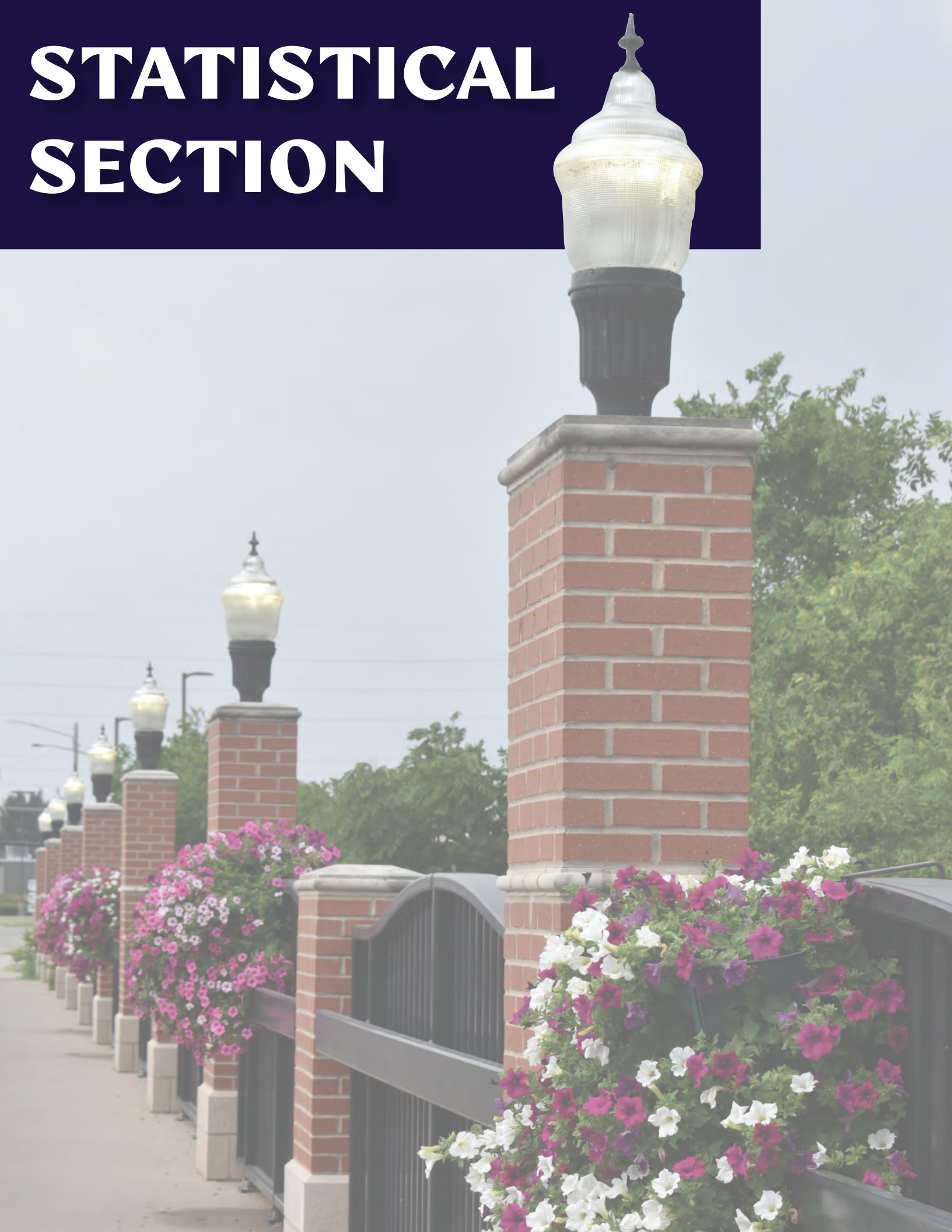
For the Year Ended December 31, 2021

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance Over (Under)
Revenues				
Special Assessments	$ **40,109**	-	-	40,109
Intergovernmental	**632,989**	-	-	632,989
Bond Proceeds	**3,698,694**	-	-	3,698,694
Total Revenues	**4,371,792**	-	-	4,371,792
Expenditures				
Contractual Services	**1,857,495**	-	-	1,857,495
Bond Issuance Costs	**72,440**	-	-	72,440
(a) Adjustment for Qualifying Budget Credits	-	4,331,683	4,331,683	(4,331,683)
Total Expenditures	**1,929,935**	4,331,683	4,331,683	(2,401,748)
Excess (Deficiency) of Revenues Over (Under) Expenditures	**2,441,857**	(4,331,683)	(4,331,683)	6,773,540
Other Financing Sources (Uses)				
Transfers In	**1,924,108**	1,204,591	1,204,591	719,517
Transfers Out	**(63,247)**	-	-	(63,247)
Total Other Financing Sources (Uses)	**1,860,861**	1,204,591	1,204,591	656,270
Net Change in Fund Balance	**4,302,718**	(3,127,092)	(3,127,092)	7,429,810
Budgetary Basis Fund Balance, Beginning	**(4,252,515)**			
Budgetary Basis Fund Balance, Ending	**50,203**			
GAAP Adjustments				
Plus Receivables at December 31, 2021	**57,360**			
Fund Balance, Ending	$ **107,563**			

(a) Adjustment for Qualifying Budget Credits	
Federal Aid Over Amount Budgeted	$ 632,989
Sale of Bonds Over Amount Budgeted	3,698,694
Total	$ **4,331,683**

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)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental Activities										
Net investment in capital assets	$ 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	$ 29,395,449
Restricted	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	8,412,987
Unrestricted	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)	2,406,856
Total Governmental Activities Net Position	$ 40,369,217	$ 41,322,313	$ 41,267,582	$ 36,995,512	$ 35,125,303	$ 35,167,353	$ 35,744,611	$ 37,731,325	$ 39,152,001	$ 40,215,292
Business-Type Activities										
Net investment in capital assets	$ 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	$ 29,231,103
Restricted	-	-	-	-	-	-	-			-
Unrestricted	(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)	(28,835,487)
Total Business-Type Activites Net Position	$ 8,917,506	$ 7,525,900	$ 7,684,426	$ 4,669,027	$ 3,050,759	$ 3,232,057	$ 2,375,924	$ (241,217)	$ 322,015	$ 395,616
Primary Government										
Net investment in capital assets	$ 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	$ 58,626,552
Restricted	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	8,412,987
Unrestricted	(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)	(26,428,631)
Total Primary Government Net Position	$ 49,286,723	$ 48,848,213	$ 48,952,008	$ 41,664,539	$ 38,176,062	$ 38,399,410	$ 38,120,535	$ 37,490,108	$ 39,474,016	$ 40,610,908

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental activities:										
General government	$ 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	$ 4,057,020
Public safety	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	4,440,754
Public works	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	3,041,659
Health and sanitation	411,502	392,681	478,020	457,600	416,036	410,278	297,237	287,627	487,337	624,311
Culture and recreation	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	1,792,486
Economic development	178,197	214,899	199,198	261,256	271,252	451,731	573,137	368,897	247,871	142,980
Interest on long-term debt	432,603	527,442	486,109	549,125	499,604	388,106	381,227	400,284	360,940	421,662
Total Governmental Activities Expenses	$ 11,668,176	$ 11,500,254	$ 12,778,133	$ 13,780,768	$ 14,753,897	$ 12,994,163	$ 14,080,204	$ 13,721,841	$ 14,142,627	$ 14,520,872
Business-type activities:										
Waterworks system	$ 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	$ 5,125,658
Sewer system	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	1,998,553
Refuse	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	1,599,436
Compressed Natural Gas	-	-	-	16,839	12,694	25,622	28,863	33,091	32,330	41,675
Total business-type activities expenses	7,987,887	8,206,701	8,477,008	8,684,142	9,352,232	8,433,820	8,673,637	11,577,418	8,196,735	8,765,322
Total Primary Government Expenses	$ 19,656,063	$ 19,706,955	$ 21,255,141	$ 22,464,910	$ 24,106,129	$ 21,427,983	$ 22,753,841	$ 25,299,259	$ 22,339,362	$ 23,286,194
Program Revenues										
Governmental activities:										
Charges for services:										
General government	$ 189,402	$ 1,307,835	$ 633,957	$ 1,639,486	$ 646,945	$ 877,175	$ 559,316	$ 2,084,115	$ 2,047,573	$ 2,013,901
Public safety	635,027	701,270	613,069	587,195	616,403	639,331	675,801	672,666	834,971	837,734
Public works	194,528	199,621	227,672	243,059	201,443	171,250	188,309	195,613	494,457	536,950
Health and sanitation	117,179	112,466	118,383	100,789	225,290	225,679	221,935	217,036	253,305	223,527
Culture and recreation	652,320	659,220	616,928	714,811	552,456	511,527	1,106,643	205,051	346,943	237,862
Economic development	-	-	-	-	-	-	-	-	30,940	-
Operating grants and contributions	602,199	592,341	603,208	-	725,531	586,979	643,313	771,634	1,494,715	888,564
Capital grants and contributions [2]	2,305,996	1,103,343	2,422,225	-	1,801,273	1,522,589	1,217,665	1,729,430	790,995	780,019
Total Governmental Activities Program Revenues	$ 4,696,651	$ 4,676,096	$ 5,235,442	$ 3,285,340	$ 4,769,341	$ 4,534,530	$ 4,612,982	$ 5,875,545	$ 6,293,899	$ 5,518,557

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Business-type activities:										
Charges for services:										
Waterworks system	$ 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	$ 4,777,405
Sewer system	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	2,889,696
Refuse	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	1,635,106
Compressed Natural Gas	-	-	57	16,373	17,757	28,501	26,884	29,230	21,868	24,766
Operating grants and contributions	-	-	-	-	-	-	-	-	11,360	-
Capital grants & contributions	842,501	100	61,330	-	58,151	518,832	512,129	292,605	68	-
Total business-type activities program revenues	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	9,326,973
Total Primary Government Program Revenues	$ 13,324,402	$ 11,859,550	$ 13,051,756	$ 10,963,533	$ 12,812,052	$ 13,320,228	$ 14,044,886	$ 15,513,020	$ 15,314,473	$ 14,845,530
Net (Expense)/ Revenue										
Governmental activities	$ (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)	$ (9,002,315)
Business-type activities	639,864	(1,023,247)	(660,694)	(1,005,949)	(1,309,521)	351,878	758,267	(1,939,943)	823,839	561,651
Total Primary Government Net Expense	$ (6,331,661)	$ (7,847,405)	$ (8,203,385)	$ (11,501,377)	$ (11,294,077)	$ (8,107,755)	$ (8,708,955)	$ (9,786,239)	$ (7,024,889)	$ (8,440,664)
General Revenues:										
Governmental activities:										
Taxes										
Property taxes	$ 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	$ 5,233,600
Sales taxes	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	3,058,186
Franchise taxes	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	1,284,727
Tourism taxes	166,878	173,221	172,343	206,669	168,713	163,069	195,007	176,473	102,438	194,906
Investment earnings	6,731	5,050	2,774	63,304	43,871	11,425	17,459	54,279	35,730	2,942
Miscellaneous	-	-	-	-	-	80,135	12,117	18,950	4,474	(33,282)
Transfers in (out)	1,906,934	248,027	(251,039)	999,723	766,229	522,269	1,572,601	798,880	602,872	491,172
Total Governmental Activities	$ 9,159,579	$ 7,777,254	$ 7,487,960	$ 8,858,403	$ 8,658,912	$ 8,538,962	$ 10,381,669	$ 9,833,010	$ 9,443,989	$ 10,232,251
Business-type activities:										
Investment earnings [1]	$ 160,775	$ (120,332)	$ 568,181	$ 132,906	$ 258,680	$ 314,410	$ 188,142	$ 114,842	$ 16,968	$ 1,807
Miscellaneous	-	-	-	-	198,802	-	-	6,840	-	1,315
Transfer in (out)	(1,906,934)	(248,027)	251,039	(999,723)	(766,229)	(522,269)	(1,572,601)	(798,880)	(602,872)	(491,172)
Total business-type activities	(1,746,159)	(368,359)	819,220	(866,817)	(308,747)	(207,859)	(1,384,459)	(677,198)	(585,904)	(488,050)
Total Primary Government	$ 7,413,420	$ 7,408,895	$ 8,307,180	$ 7,991,586	$ 8,350,165	$ 8,331,103	$ 8,997,210	$ 9,155,812	$ 8,858,085	$ 9,744,201
Change In Net Position										
Governmental activities	$ 2,188,054	$ 953,096	$ (54,731)	$ 1,088,676	$ (1,325,644)	$ 79,329	$ 914,447	$ 1,986,714	$ 1,595,261	$ 1,229,936
Business-type activities	(1,106,295)	(1,391,606)	158,526	(1,664,808)	(1,618,268)	144,019	(626,192)	(2,617,141)	237,935	73,601
Total Primary Government	$ 1,081,759	$ (438,510)	$ 103,795	$ (576,132)	$ (2,943,912)	$ 223,348	$ 288,255	$ (630,427)	$ 1,833,196	$ 1,303,537

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

[2] In 2021, the negative miscellaneous amount is due to a negative gain on the sale of capital assets.

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund											
Reserved	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Unreserved	-	-	-	-	-	-	-	-	-	-	-
Nonspendable [1]	104,577	115,518	141,556	85,643	33,820	19,374	37,376	35,956	30,621	12,662	18,140
Restricted [1]	-	-	-	-	-	-	-	-	-	-	-
Committed [1]	-	-	-	-	-	-	-	-	-	-	-
Assigned [1]	787,183	399,687	452,540	571,895	625,355	375,021	454,116	337,074	183,677	309,860	475,161
Unassigned [1]	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	3,378,405
Total General Fund	$ 4,416,645	$ 3,669,745	$ 3,830,310	$ 3,958,459	$ 3,882,331	$ 3,028,998	$ 3,004,804	$ 3,388,005	$3,730,479	$4,637,666	$3,871,706
All Other Governmental Funds											
Reserved	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Unreserved, reported in:											
Special revenue funds	-	-	-	-	-	-	-	-	-	-	-
Construction fund	-	-	-	-	-	-	-	-	-	-	-
Debt service fund	-	-	-	-	-	-	-	-	-	-	-
Nonspendable [1]	-	-	-	-	20,881	26,781	19,918	19,645	12,814	18,069	29,922
Restricted [1]	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	2,252,668
Committed [1]	290,226	12,254	3,409	179,440	191,413	3,409	3,409	3,409	13,384	26,438	4,384
Assigned [1]	4,536,209	280,604	387,152	302,679	272,958	678,429	605,518	431,023	859,914	1,054,538	1,554,491
Unassigned [1]	-	(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	$ 6,268,209	$ 260,607	$ 3,061,404	$(2,867,142)	$ 2,604,273	$ 2,876,980	$ 1,218,077	$ 1,705,218	$1,089,315	$ (146,370)	$3,841,465

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Taxes	$ 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	$ 9,771,419
Intergovernmental	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	1,666,566
Licenses and permits	148,891	106,354	126,432	299,218	196,046	191,846	188,367	130,039	155,154	124,998
Charges for services	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	1,221,509
Fines and forfeitures	295,843	312,345	331,806	355,959	419,796	373,381	395,775	411,273	336,737	356,546
Special assessment taxes	845,586	829,432	1,837,078	607,448	600,415	600,571	609,214	1,098,016	693,130	809,402
Use of money and property	6,731	5,050	2,774	63,304	43,271	11,425	17,459	54,279	35,730	2,942
Employee/Employer contributions	-	-	-	-	-	-	-	-	-	-
Miscellaneous	293,173	511,320	915,815	1,936,458	856,880	539,974	1,128,712	833,328	720,810	648,083
Total revenues	$ 12,394,587	$ 11,534,929	$ 13,233,890	$ 13,615,563	$ 12,633,490	$ 12,391,423	$ 13,560,795	$ 13,901,859	$ 14,274,919	$ 14,601,465
Expenditures										
General government	$ 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	$ 4,284,381
Public Safety	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	4,124,938
Highways and streets	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	1,155,552
Health and sanitation	393,732	375,751	462,797	443,129	398,141	393,656	280,697	260,460	469,324	610,040
Culture and recreation	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	1,480,581
Environmental protection	-	-	-	-	-	-	-	-	-	-
Economic development	176,039	191,459	176,134	224,736	234,523	415,211	536,620	332,377	213,074	110,535
Capital improvements	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	2,057,442
Debt service										
Principal	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	4,973,715
Interest	430,152	463,490	530,757	483,297	586,203	479,761	454,029	363,557	412,769	340,493
Debt Issuance Costs	-	40,016	-	-	-	-	-	84,177	-	135,154
Total expenditures	$ 21,041,902	$ 13,465,916	$ 19,352,602	$ 15,437,933	$ 16,632,899	$ 14,126,924	$ 14,275,171	$ 17,828,118	$ 15,426,502	$ 19,272,831
Excess of revenues over (under) expenditures	$ (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)	$ (4,671,366)

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Other financing sources (uses)										
General obligation bonds issued	-	$ 4,644,322	$ -	$ 248,245	$ 60,067	$ -	$ -	$ 2,835,000	$ -	$ 7,121,278
Sale of real estate	-	-	-	-	-	80,135	12,117	18,950	159,440	131,436
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	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	-	-	-
Transfers in	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	5,479,022
Transfers out	(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)	(4,275,851)
Total other financing sources (uses)	$ 1,892,813	$ 4,892,349	$ 318,315	$ 7,217,657	$ 3,963,348	$ 602,404	$ 1,584,718	$ 3,652,830	$ 762,312	$ 8,455,885
Net change in Fund Balances	$ (6,754,502)	$ 2,961,362	$ (5,800,397)	$ 5,395,287	$ (36,061)	$ (1,133,097)	$ 870,342	$ (273,429)	$ (389,271)	$ 3,784,519
Fund balances, beginning of year, as originally stated	$ 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	$ 4,491,296
Prior period adjustment	-	-	-	-	(544,565)	(550,000)	-	-	60,773	(166,645)
Fund balances, beginning of year, as restated	$ 10,684,854	$ 3,930,352	$ 6,891,714	$ 1,091,317	$ 5,942,039	$ 5,355,978	$ 4,222,881	$ 5,093,223	$ 4,880,567	$ 4,324,651
Fund balances, end of year	$ 3,930,352	$ 6,891,714	$ 1,091,317	$ 6,486,604	$ 5,905,978	$ 4,222,881	$ 5,093,223	$ 4,819,794	$ 4,491,296	$ 8,109,170
Debt service as a percentage of noncapital expenditures	16.1%	16.2%	30.3%	14.1%	28.0%	17.6%	15.9%	30.4%	15.8%	32.6%

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
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
2021	4,639,402	594,198	3,058,186	1,284,727	194,906	9,771,419

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
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%
2021	5,649,423	4,995,676	88.43%	237,923	5,233,600	92.64%

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
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	634,487,043	15.64%
2021	88,518,539	2,269,943	6,275,416	15,239	97,079,137	58.194	625,585,430	15.30%

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

	City of El Dorado						Other Overlapping Governments [2]					
Year [1]	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
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
2021	39.952	5.185	1.139	10.999	0.919	58.194	32.766	15.262	1.500	64.129	62.625	43.875

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.

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

	2021			2012		
Taxpayer	Assessed Value	Rank	Percentage of Total Assessed Value	Assessed Value	Rank	Percentage of Total Assessed Value
Evergy Kansas South, Inc	$2,767,333	1	2.94%	$1,326,679	2	1.43%
Wal-Mart Real Estate	$2,525,188	2	2.68%	$2	1	0.00%
Kansas Gas Service [1]	$1,482,756	3	1.58%	$1,121,185	3	1.21%
Barton Solvents Inc	$1,155,410	4	1.23%			---
Vlamis Enterprises LLC [5]	$1,024,275	5	1.09%			---
Valmont Newmark Inc	$953,208	6	1.01%	$1,014,920	4	1.09%
OEKS LLC	$837,700	7	0.89%			
Butler Rural Electric Coop Assn	$685,013	8	0.73%			---
T Town LLC	$599,418	9	0.64%			---
Lakepoint El Dorado LLC	$592,251	10	0.63%			
HE of El Dorado LLc	---		---	506,701	8	0.55%
BNSF	---		---			---
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	$12,622,552		13.42%	$6,703,251		7.23%
Total Assessed Value [2]	$94,051,537			$92,700,280		

Source: Butler County 2021 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 [1]	Debt Per Capita [1]
	General Obligation Bonds	Issuance Premiums	Temporary Notes	Capital Leases	General Obligation Bonds	Temporary Notes	US Corps of Engineering Contract	KS Dept of Health & Environment Loans	Capital Leases			
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%	5,369
2021	12,465,584	910,610	-	505,098	4,874,417	-	51,955,861	1,623,183	-	72,334,753	23.29%	5,628

Notes:

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

[2] 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
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	16,920,001	235,344	16,684,657	1,290.28	2.63%
2021	17,340,001	288,436	17,051,565	1,326.76	2.73%

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, 2021

	Debt Outstanding	Estimated Percentage Applicable [1]	Estimated Share of Overlapping Debt
Overlapping Debt:			
Butler County	$ 397,393	11.44%	$ 45,475
Unified School District No. 490	79,408,999	42.77%	33,965,339
Unified School District No. 375	85,360,000	13.03%	11,119,837
Butler Community College	645,000	11.44%	73,809
	$ 165,811,392		$ 45,204,460
Direct Debt:			
City of El Dorado Direct Debt	13,881,292		13,881,292
Total direct and overlapping debt	$ 179,692,684		$ 59,085,752

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Assessed Valuation	$ 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	$ 97,079,137
Assessed Valuation on Motor Vehicles	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	13,184,448
Total Assessed Valuation [1]	**$ 94,157,706**	**$ 93,822,931**	**$ 91,512,573**	**$ 94,050,134**	**$ 96,864,026**	**$ 99,384,298**	**$ 104,398,465**	**$ 105,633,999**	**$ 106,882,882**	**$ 110,263,585**
Legal Debt Limit [2]	**$ 28,247,312**	**$ 28,146,879**	**$ 27,453,772**	**$ 28,215,040**	**$ 29,059,208**	**$ 29,815,289**	**$ 31,319,540**	**$ 31,690,200**	**$ 32,064,865**	**$ 33,079,076**
Bonded Indebtedness	$ 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	$ 17,340,000
Temporary Notes	1,260,000	-	-	2,548,000	2,548,000	2,548,000	2,548,000	-	-	-
Total Debt	**15,375,000**	**19,365,000**	**15,085,000**	**20,330,000**	**25,338,000**	**23,163,000**	**20,978,001**	**19,060,001**	**16,740,001**	**17,340,000**
Less:										
Assets in Debt Service Fund	$ 749,354	$ 586,235	$ 88,835	$ 1,880,474	$ -	$ 151,448	$ 312,329	$ 262,980	$ 235,344	$ 288,436
Exempted Debt (KSA 10-309)-G.O. Bonds	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	9,499,511
Exempted Debt (KSA 10-309)-Temporary Notes	1,260,000	-	-	-	1,462,042	1,462,042	1,462,042	-	-	-
Waterworks Revenue Bonds	-	-	-	-	-	-	-	-	-	-
Sewer System Revenue Bonds	-	-	-	-	-	-	-	-	-	-
Total Deductions	**6,742,492**	**7,843,204**	**6,701,597**	**10,196,464**	**16,961,646**	**15,338,246**	**13,966,123**	**11,151,735**	**9,542,616**	**9,787,947**
Total Amount Applicable to Debt Limit	**8,632,508**	**11,521,796**	**8,383,403**	**10,133,536**	**8,376,354**	**7,824,754**	**7,011,878**	**7,908,266**	**7,197,385**	**7,552,053**
Legal Debt Margin	**$ 19,614,804**	**$ 16,625,083**	**$ 19,070,369**	**$ 18,081,504**	**$ 20,682,854**	**$ 21,990,535**	**$ 24,307,662**	**$ 23,781,933**	**$ 24,867,480**	**$ 25,527,023**
Legal Debt Margin as a percentage of the Debt Limit	**69.44%**	**59.07%**	**69.46%**	**64.08%**	**71.17%**	**73.76%**	**77.61%**	**75.05%**	**77.55%**	**77.17%**

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
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
2021	4,701,531	2,990,503	1,711,028	-	-	-	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	Population[1]	Personal Income	Per Capita Personal Income[2]	Unemployment Rate[3]
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	$ 320,286,960	$ 24,560	3.2%
2020	12,931	$ 321,207,160	$ 24,985	15.5%
2021	12,852	$ 310,594,284	$ 24,167	3.5%

Sources:

[1] Population estimates 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 obtained by Census Bureau QuickFacts.

[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 effecting 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

	2021			2012		
Employer	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
El Dorado Correctional Facility	550	1	9.36%	425	3	7.35%
Holly Frontier [2]	462	2	7.86%	439	2	7.59%
Butler Community College	425	3	7.23%	425	4	7.35%
Butler County Government	379	4	6.45%	400	5	6.91%
Susan B. Allen Hospital	191	5	3.25%	284	7	4.91%
USD #490 [1]	184	6	3.13%	1074	1	18.56%
Pioneer Balloon	175	7	2.98%	190	8	3.28%
BG Products	136	8	2.31%	36	11	0.62%
C-Tech [3]	130	9	2.21%	195	9	3.37%
Wal-Mart	128	10	2.18%	236	6	4.08%
City of El Dorado	126	-	2.14%	136	10	2.35%
Total	2,886		49.09%	3,840		66.37%
Total Employment [4]	5,879			5,786		

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	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Government										
Administration	1	1	1	1	1	1	1	1	1	1
CVB	0	1	1	2	2	2	1	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	4	3	3	2	2	2	2	1	1	2
Public Safety										
Police	29	29	27	28	26	25	25	25	19	25
Fire	17	17	17	17	17	17	16	17	17	16
Building/Zoning	3	3	3	2	2	2	2	2	2	2
Public Works										
Public Works	7	7	8	10	6	6	8	8	-	5
Major Street Improvements	15	12	6	6	12	12	8	8	10	8
Culture/Recreation										
Park Maintenance	4	2	2	2	2	2	4	4	5	3
Recreation	7	7	8	10	10	10	9	5	5	9
Health & Sanitation										
Health & Sanitation	2	2	2	2	2	2	2	2	3	4
Cemetery	2	2	2	2	2	2	2	2	2	2
Water	18	18	17	16	17	16	18	17	15	17
Sewer	6	6	6	6	5	5	4	5	6	5
Refuse	12	10	10	11	8	8	8	8	8	6
Stormwater	2	2	2	2	1	1	1	0	4	3
Data Processing	11	11	12	13	11	10	10	13	12	12
Total	145	138	132	137	131	128	126	124	116	126

Source: City Budget Office

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	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Municipal Court										
Citations Issued	4,304	3,841	3,575	3,201	4,004	3,218	3,311	3,476	2,379	2,697
Warrants Issued	182	341	376	281	354	379	358	419	161	239
Warrants Served	235	409	362	334	408	395	288	295	173	190
Airport										
Fuel Sales (gallons)	19,210	30,880	31,001	31,192	29,154	25,068	26,894	25,254	26,716	35,002
Fire										
Total Number of Incidents	1,295	1,299	1,302	1,298	1,110	1,382	1,666	1,666	1,494	1,912
Fire Calls	180	109	180	153	153	157	172	114	172	199
Rescue & Emergency Medical Calls	787	781	743	749	677	759	878	897	777	1,046
Hazardous Materials Calls	40	89	54	81	69	52	55	64	53	68
Inspections	1,094	1,026	925	725	539	758	718	767	295	272
Hydrants Tested	782	720	735	1,390	1,546	678	740	737	701	694
Police										
Criminal Violations Reported	1,532	1,442	1,523	826	2,610	1,132	2,153	976	876	1,141
Traffic Accidents	237	117	311	342	344	318	287	248	202	213
Building & Zoning										
New Residential Construction Permits	7	4	10	12	9	20	20	9	41	13
New Commercial Construction Permits	5	5	1	6	5	6	6	4	5	6
Street Operations										
Streets Swept (Curb Miles)	4,167	3,798	3,941	4,215	4,351	4,425	4,006	2,380	4,126	3,998
Animal Control										
Animal Licenses	1,579	1,606	1,654	1,751	1,263	1,344	1,229	1,210	1,040	1,108
Animal Control Calls	1,602	1,883	1,904	1,883	1,722	2,132	1,534	1,382	1,306	1,234
Animal Citations	220	207	247	332	234	294	224	202	184	159
Cemetery										
Burials	128	130	127	135	104	114	102	108	106	114
Parks and Recreation										
Youth Soccer Participants	294	345	366	387	436	416	384	359	300	266
Swimming Pool Attendance	21,174	19,284	16,590	14,560	12,892	12,255	11,966	11,071	2,701	7,677
Youth Baseball/Softball Participants	580	827	703	680	745	502	540	512	356	452
Youth Basketball Participants	172	287	260	271	211	189	188	151	150	61
Youth Volleyball Participants	378	407	350	331	281	243	196	192	86	138
Adult Softball Teams	19	17	16	17	17	8	5	12	0	6
Adult Flag Football Teams	5	4	4	10	0	0	0	0	0	0
Adult Basketball Teams	12	9	8	6	8	5	5	6	0	0
Adult Volleyball Teams	22	21	22	22	23	20	13	14	0	14
Youth Flag Football	0	0	0	0	0	91	91	112	56	83
Water										
New Meters	19	17	5	17	30	6	27	13	9	43
Treated Water Pumped (millions of gallons)	1,350	1,223	1,254	1,189	1,166	1,191	1,202	1,169	1,264	1,256
Water Distribution Service Calls	336	251	236	242	243	199	285	270	149	389
Water Leaks Repaired	94	58	40	52	26	30	39	33	38	22
Sewer										
Sewer Maintenance Service Calls	230	244	208	222	215	187	178	179	129	126
Refuse										
Refuse Collected (tons)	6,237	8,946	8,125	8,875	8,763	9,653	11,467	9,114	9,627	11,304
Recycling Material (tons)	1,731	1,956	1,845	1,265	1,304	1,083	987	599	406	0
Yardwaste Collected (tons)	4,000	3,800	4,000	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. 2021 numbers for Recreation, Police and Fire decreased due to restrictions

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

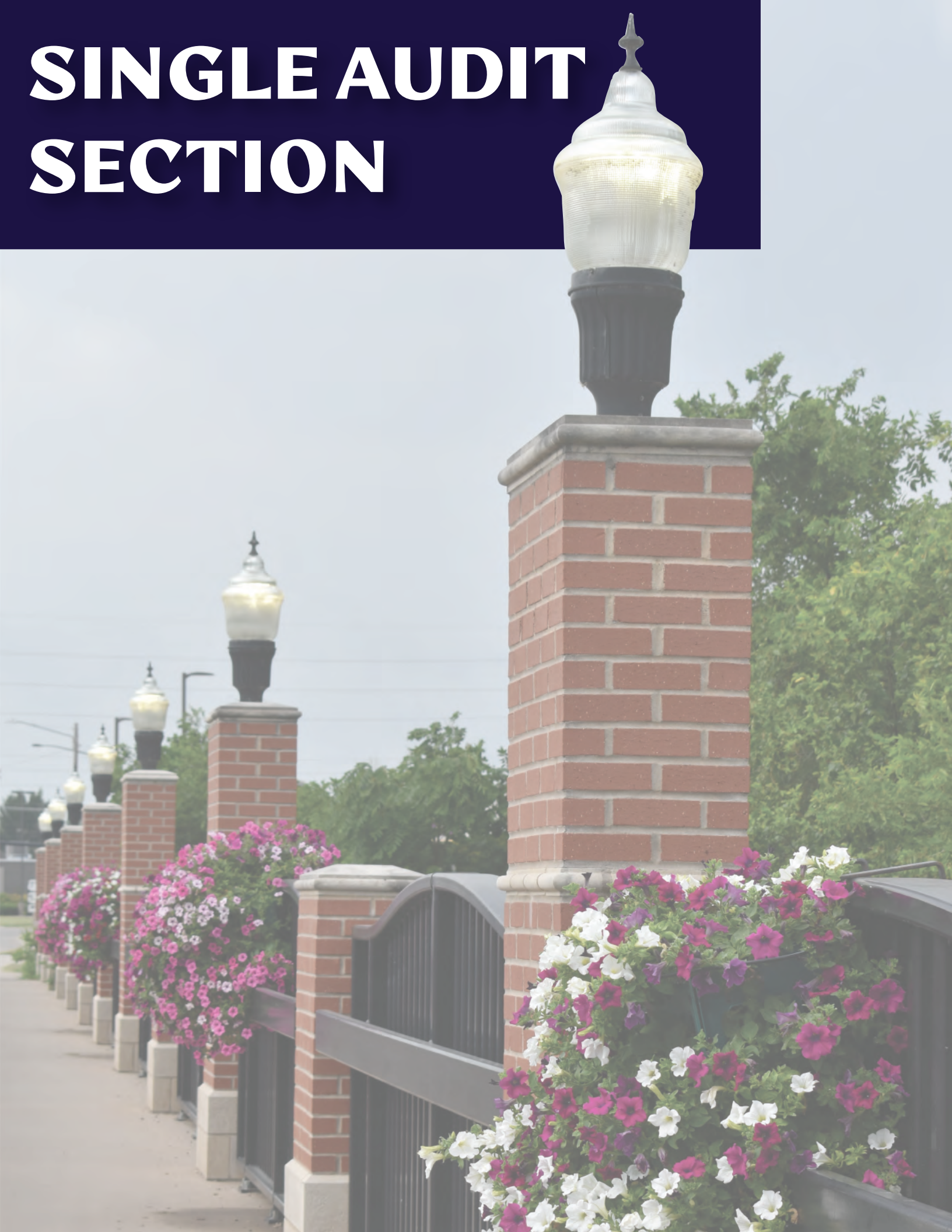
Function	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Square Miles of the City	8.1	9.1	9.1	9.1	9.1	9.1	9.1	9.1	9.16	9.5
Street Operations										
Miles of Paved City Streets	82.2	83.77	84.65	85.06	85.06	85.06	85.06	85.06	85.06	85.47
Miles of Unpaved City Streets	2.89	2.89	2.89	2.89	2.89	2.89	2.89	2.89	2.89	2.89
Traffic Operations										
Traffic Signals	13	13	14	14	14	14	14	14	14	14
Parks and Recreation										
Swimming Pools	2	2	2	2	2	[2] 1	1	1	1	1
Activity Center	1	1	1	1	1	1	1	1	1	1
Ball Diamonds	10	12	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	[1] 122.7	123.20	124.10	124.10	124.10	129.40	129.4	131.1	131.4
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	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00
Sewer										
Sanitary Sewers (miles)	53.94	[1] 90.8	91.30	92.00	92.00	92.00	93.40	93.4	93.9	94.2

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 attendence and desire to maintain a failing structure.

SINGLE AUDIT SECTION



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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, 2021, 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 18, 2022**.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

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*.

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.

Adams Brown, LLC

ADAMSBROWN, LLC
Certified Public Accountants
El Dorado, Kansas

July 18, 2022

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

To the Board of Directors
City of El Dorado, Kansas
El Dorado, Kansas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited **City of El Dorado, Kansas'** compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of **City of El Dorado, Kansas'** major federal programs for the year ended December 31, 2021. **City of El Dorado, Kansas'** major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

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, 2021.

Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of **City of El Dorado, Kansas** and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of **City of El Dorado, Kansas'** compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to **City of El Dorado, Kansas'** federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on **City of El Dorado, Kansas'** compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance and will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about **City of El Dorado, Kansas'** compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding **City of El Dorado, Kansas'** compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of **City of El Dorado, Kansas'** internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 **City of El Dorado, Kansas'** internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in

internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 18, 2022

CITY OF EL DORADO, KANSAS
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2021

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	$ 228,837
Passed Through Kansas Department of Commerce			
Community Development Block Grants	14.228	19-CR-002	2,000
Coronavirus Funding			
Community Development Block Grants	14.228	20-CV-080	35,000
Total U.S. Department of Housing and Urban Development			265,837
U.S. Department of Justice			
Direct Award			
Bulletproof Vest Partnership Program	16.607	N/A	3,760
U.S. Department of Transportation			
Passed Through Kansas Department of Transportation			
Highway Safety Cluster			
State and Community Highway Safety	20.600	SP-1300-21	5,445
Direct Award			
Airport Improvement Program	20.106	3-20-0018-013-2020	545,573
Total U.S. Department of Transportation			551,018
U.S. Institute of Museum and Library Services			
Passed Through Kansas State Library			
Grants to States	45.310	N/A	280
Total Expenditures of Federal Awards			$ **820,895**

Note - There were no awards made to subrecipients for the year ended December 31, 2021.

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, 2021

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, 2021.

CITY OF EL DORADO, KANSAS
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2021

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?	____	Yes	X	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?	____	Yes	X	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

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, 2021

SECTION II – FINANCIAL STATEMENT FINDINGS

None noted in current year.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No material findings or questioned costs are required to be disclosed under the Uniform Guidance.

Summary Schedule of Prior Audit Findings and Questioned Costs
For the Year Ended December 31, 2021

SECTION II – FINANCIAL STATEMENT FINDINGS

SIGNIFICANT DEFICIENCY

2020-001

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

Status
Corrected.

2020-002

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

Status
Corrected.

2020-003

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

Status
Corrected.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

2021-004

Assistance Listing Number – 20.106 (Airport Improvement Program)

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

Status
Corrected.

A CITY OF CHARACTER
220 E. First | El Dorado, KS 67042 | Phone 316.321.9100 | Fax 316.321.6282
www.eldoks.com