

THE FINE ART OF LIVING WELL

CITY OF



EL DORADO  
KANSAS

# 2008 COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2008



**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**of the**  
**CITY OF EL DORADO, KANSAS**

**for the**  
**year ended December 31, 2008**

**Mayor**  
**Tom McKibban**

**Commissioner David Chapin**  
**Commissioner Linda Clark**  
**Commissioner Steve Pershall**  
**Commissioner Steve Reynolds**

**City Manager Herbert E. Llewellyn, Jr.**

**prepared by**  
**Department of Finance**  
**Dee Anne Grunder**  
**Finance Director**

**TABLE OF CONTENTS**

Page

**INTRODUCTORY SECTION**

Director of Finance's Letter of Transmittal.....	I
Government Finance Officers Association Certificate of Achievement .....	XII
Organizational Chart.....	XIII

**FINANCIAL SECTION**

INDEPENDENT AUDITOR’S REPORT .....	1
MANAGEMENT’S DISCUSSION AND ANALYSIS .....	3

**BASIC FINANCIAL STATEMENTS**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS:**

Statement of Net Assets .....	11
Statement of Activities .....	12

**FUND FINANCIAL STATEMENTS:**

Balance Sheet – All Governmental Funds.....	13
Reconciliation of Total Governmental Fund Balances To Net Assets of Governmental Activities.....	14
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.....	15
Reconciliation of Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statements of Activities.....	16
Statement of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual-Budgetary Basis-General Fund .....	17
Statement of Net Assets-Proprietary Funds .....	19
Statement of Revenues, Expenses and Changes in Fund Net Assets-Proprietary Funds.....	21
Statement of Cash Flows-Proprietary Funds.....	22
Statement of Fiduciary Net Assets-Fiduciary Funds .....	24
Statement of Changes in Fiduciary Net Assets – Other Postemployment Benefits Plan Trust Fund.....	25

<b>NOTES TO FINANCIAL STATEMENTS .....</b>	<b>26</b>
--	-----------

**REQUIRED SUPPLEMENTARY INFORMATION:**

Schedule of Funding Progress and Schedule of Employer Contributions – Retiree Health Care Benefit Plan Trust.....	51
--	----

**COMBINING FINANCIAL STATEMENTS AND INDIVIDUAL FUND SCHEDULES:**

Combining Balance Sheet-Nonmajor Governmental Funds- Special Revenue Funds .....	52
Combining Statement of Revenues, Expenditures and Changes in Fund Balances-Nonmajor Governmental Funds- Special Revenue Funds .....	54

**TABLE OF CONTENTS**

(Continued)

	<u>Page</u>
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual- Budgetary Basis for:	
Airport Fund .....	56
Library Fund .....	57
Major Street Improvement Fund.....	58
Industrial Development Fund.....	59
Special Parks and Recreation Fund .....	60
Special Alcohol Program Fund.....	61
Tourism Tax Fund.....	62
Cemetery Fund .....	63
Economic Development Sales Tax Fund .....	64
Stormwater Utility Fund .....	65
Debt Service Fund.....	66
 Enterprise Funds	
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual- Budgetary Basis for:	
Waterworks System Fund .....	67
Sewer System Fund.....	68
Refuse Fund.....	69
 Internal Service Fund	
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual- Budgetary Basis for:	
Data Processing Fund.....	70
 Combining Statement of Changes in Assets and Liabilities-All Agency Funds.....	71
 Component Unit	
Combining Balance Sheet – Bradford Memorial Library .....	73
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Bradford Memorial Library.....	74

**STATISTICAL SECTION**

Financial Trends:	
Net Assets by Component.....	76
Changes in Net Assets .....	77
Fund Balances, Governmental Funds.....	79
Changes in Fund Balances, Governmental Funds .....	80
Tax Revenues by Source, Governmental Funds .....	81

**TABLE OF CONTENTS**

**(Continued)**

	<u>Page</u>
Revenue Capacity	
Property Tax Levies and Collections.....	82
Assessed Value and Estimated Actual Value of Taxable Property .....	83
Direct and Overlapping Property Tax Rates.....	84
Principal Property Taxpayers.....	85
Debt Capacity:	
Ratios of Outstanding Debt by Type .....	86
Ratios of General Bonded Debt Outstanding .....	87
Direct and Overlapping Debt .....	88
Legal Debt Margin .....	89
Revenue Bond Coverage – Waterworks System Revenue Bonds.....	90
Demographic and Economic Information:	
Demographic and Economic Statistics .....	91
Principal Employers .....	92
Operating Information:	
Full-time City Government Employees by Function/Program.....	93
Operating Indicators by Function/Program .....	94
Capital Asset Statistics by Function/Program .....	95

# INTRODUCTORY SECTION





## EL DORADO

THE FINE ART OF LIVING WELL

June 23, 2009

To the Citizens of El Dorado,  
Honorable Mayor and City Commissioners:

The Comprehensive Annual Financial Report of the City of El Dorado, Kansas, for the year ended December 31, 2008, is submitted herewith. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. We believe the data as presented is accurate in all material respects and that it is presented in a manner designed to fairly set forth 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 that the assets of the City are protected 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 internal control structure is designed to provide 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. We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Generally accepted accounting principals (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). The letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

### The Report

The financial report is divided into three sections:

A CITY OF CHARACTER

220 E. First | PO Box 792 | El Dorado, Ks 67042 | Phone 316.321.9100 | Fax 316.321.6282

[www.eldoks.com](http://www.eldoks.com)

1. Introductory Section - consists of the letter of transmittal, an organizational chart, and a copy of the Certificate of Achievement.
2. Financial Section - consists of independent auditors' report, management's discussion and analysis, government-wide financial statements, fund financial statements, notes to the financial statements, required supplementary information, and individual and combining statements and schedules.
3. Statistical Section - consists of pertinent financial information that presents historical trends and other significant data.

### Independent Audit

State statutes require an annual audit of the books of accounts, financial records and transactions of all administrative departments of the City by Independent Certified Public Accountants selected by the City Commission. The goal of the independent audit was to provide reasonable assurance that the financial statements for the year ended December 31, 2008, are free of material misstatement. The opinion of George, Bowerman & Noel, P.A. is included in this report.

## **PROFILE OF THE GOVERNMENT**

El Dorado is located in south-central Kansas, approximately 16 miles east/northeast of Wichita, Kansas. El Dorado is the county seat of Butler County and has a population of approximately 12,600. The City operates under a Commission-Manager form of government.

The City of El Dorado provides a full range of municipal services. These include police and fire protection, health and sanitation, recreation, library, public improvements, building and zoning, general administrative services, water, wastewater, recycling/solid waste collection, airport and cemetery operations. The financial reporting entity consists of the primary government and a component unit, the Bradford Memorial Library.

Expenditures are authorized by a budget approved by the City Commission as required by State statute. The State statute level of budgetary control (i.e. the level at which expenditures cannot legally exceed the appropriated amount) is established at an individual fund level, but is monitored by department within each fund. The Finance Department continually reviews and approves all significant deviations from budget authorizations. The Kansas cash basis and budget laws require cash be on hand before an expenditure is authorized, that all expenditures be budgeted (unless specifically exempted by statute), and that the budget not exceed anticipated revenues, including carry forward balances. Budget-to-actual comparisons are provided in this report for each individual governmental fund in which an adopted annual operating budget is required by Kansas statute.

## **ECONOMIC CONDITION AND OUTLOOK**

The City continues to monitor all the economic factors that affect the local economy. The City Commission has demonstrated a strong willingness to participate in projects that will provide a significant economic boost to the community. In early 1992, the City Commission adopted a statement of policies and procedures regarding tax exemptions and incentives specifically for economic development. An amendment to the Constitution of the State of Kansas, approved by the voters in 1989, allows local governmental units the ability to issue tax incentives for economic development, more specifically, tax abatements. The City Commission continued to utilize tax incentives in 2008. All applications are carefully reviewed to determine that the cost benefit analysis justifies each proposed abatement.

El Dorado Inc., an organization comprised of both public and private community leaders, continues to have a very active role in the economic development effort for El Dorado. Contributions to this organization by the private sector are matched dollar-for-dollar by the City up to a maximum equivalency of one mill. The objective of El Dorado Inc. is creating great jobs and enhanced economic vitality of El Dorado. This organization has had numerous successes, but the board continually discusses the need for additional resources in order to compete with other municipalities in industrial development. During the 2003 sales tax renewal process, the City Commission agreed to the incorporation of an allocation of \$50,000 for economic development/job creation upon a successful local sales tax referendum. The referendum passed overwhelmingly at that time and again during the 2008 sales tax renewal process. The allocation of the sales tax monies continued with street maintenance, property tax relief, and the annual allotment for economic development. These economic development monies provide an additional resource to compete with other entities in attracting new businesses to the community.

A Memorandum of Understanding involving the City, El Dorado Inc., Convention and Visitors Bureau, and Chamber of Commerce was signed near the end of 2007, allowing the Executive Director of El Dorado Inc./Convention and Visitors Bureau to focus entirely on economic development and tourism in the community. Facilities and services are provided by the Chamber. A comprehensive marketing plan has been completed by a consultant and implemented in 2008. The organizations measured accomplishments and determined the marketing plan has created positive changes in maximization of staff and tourism dollars being utilized for promotions.

There were many positive results of economic development efforts during the year. TNT Custom Metal Fabricators, Inc. completed construction of a steel fabrication and manufacturing facility in El Dorado in 2008. The project was funded with \$1,780,000 in taxable industrial revenue bonds. Construction was also completed on a new Walgreen's Drug Store, and the store opened in February 2008. An historic building in El Dorado's downtown has been renovated into District 142, a unique collection of retail stores. The developers desire to attract innovative, original tenants. Three new businesses opened in 2008. By the end of 2008, District 142 housed the Pink Saloon, Beyond Napa Wine and Spirits, Scooter's Coffee House, Salon Knotty, and Satchel Creek Meats. There is also office space upstairs available for rent. District 142 held its grand opening in June 2008.

BG Products began expansion in El Dorado in 2006. The company, located in Wichita, Kansas, manufactures automotive chemicals and additives designed to extend the life of vehicles and improve their performance. The products are distributed throughout the United States and in 50 international markets. In August 2006, the City Commission approved a Resolution of Intent to issue Industrial Revenue Bonds in an amount not to exceed \$32,000,000 for BG to acquire, construct, install, and equip manufacturing and commercial facilities in the City's industrial park. In December 2006, the company purchased a 50,000 sq. ft. spec building to be completed for a shipping and receiving facility, and renovation of that facility, including a 3,000 sq. ft. addition, was completed in 2007. The company employed 13 workers at these two existing facilities by the end of 2007, and seven additional employees are expected to be hired in 2008. Through eminent domain proceedings, the City Commission obtained a 30-acre tract of land located in the Industrial Park. In June 2008, BG purchased that tract and an additional 19-acre tract from the City for the purpose of constructing a manufacturing facility that would be served by the Union Pacific Railroad. It is anticipated the proposed facility will include sufficient equipment to produce the majority of the product line currently produced in Wichita and a million gallon tank farm. Employment for this phase is estimated at 60. In June 2008, the City Commission authorized application to the Kansas Department of Commerce for \$750,000 from the Kansas Small Cities Community Development Block Grant program. If awarded, one-half of the funds would be provided through a low-interest loan that must be repaid by BG over a 10-year period.

Barton Solvents, Inc. has selected El Dorado for the relocation of a \$10,000,000 distribution branch. This will include rail, a warehouse, maintenance garage, tank farm of up to 50 storage tanks, dock, and office to serve Kansas and Oklahoma. This project will bring 25 new jobs to El Dorado. Barton Solvents will be located by BG Products in the El Dorado Industrial Park. According to the president of BG Products, Barton Solvents has been their biggest provider of base products for over 25 years.

M6 Concrete Accessories, a company specializing in custom bending of reinforcing concrete bars, purchased approximately 7 acres in the El Dorado Industrial Park in July 2008 for the construction of a new 20,000 sq. ft. facility. The new \$1,200,000 facility, completed in November 2008, provides twice as much space as their old building that is also located in the City's Industrial Park. The old facility is being purchased by BG Products for warehouse space.

Consolidated Oil Well Services, LLC purchased four acres in the El Dorado Industrial Park in August 2008. The company services oil and gas wells, including well cementing and well stimulation, such as hydraulic fracturing and acidizing. They have been in business for over 50 years and have nine service centers located in Kansas, Oklahoma and Wyoming. The company has outgrown one of their facilities located west of El Dorado, leading to their purchase of the Industrial Park property for the construction of a 3,600 sq. ft. metal building at a cost of \$325,000 for a shop and office. In addition to retaining nine jobs locally, three new jobs will be created.

During 2008, the City of El Dorado purchased an additional 43 acres of land adjacent to the existing Industrial Park. The property has excellent frontage, in addition to being bordered on one side by the Kansas Turnpike. The land is zoned for industrial use and is available to be sold to additional industrial prospects.

The Business Park, completed in 2002, is available for construction. The goal is to attract a business-type tenant in the north half of the property and industrial in the south half. A \$3,500,000 Holiday Inn Express and Suites, a mid-price franchise lodging facility that opened in the fall of 2007, was the first business to locate in this park. This business has encouraged activity in the Business Park, generating interest in 2008 from several potential additional tenants.

Flinthills Services, Inc., an organization that provides services to individuals with developmental disabilities in Butler County, was the second entity to purchase ground in the Business Park. In December 2008, they purchased one lot and they have an option on a second lot for the purpose of constructing a 20,000 sq. ft. facility to combine three existing facilities into one central location. The project is being funded with a \$1,525,000 low interest loan from USDA Rural Development, a \$400,000 Community Development Block Grant, and \$250,000 in tax credits from the Kansas Department of Commerce. Work began on the final architectural design near the end of 2008, and construction will begin in 2009. Upon completion of this project, Flinthills Services will vacate a building they are currently occupying in the City's Industrial Park, which has access to rail. This will allow the City to market that facility to industrial prospects in need of rail service.

The City Commission continues to recognize that the success in economic development in landing industrial prospects results in the need for additional affordable housing. The City continues to be very cooperative in assisting new subdivisions. The Prairie Land Estates Addition, a subdivision initiated in El Dorado in 2006, received approval in 2007 for a second plat covering 18 lots. This brought the Addition to a total of 33 platted residential lots. During 2008, the City installed sanitary sewer, storm sewer, streets, and waterlines in the Prairie Land Estates Second Addition. A third plat will be submitted in the future for a total of 49 residential lots.

Frontier Oil Corporation, a Fortune 500 company, continues to demonstrate its commitment to its operations in El Dorado. The company's El Dorado refinery is the largest refinery in Kansas and the state's only petrochemical complex. Following the company's completion of a \$101,000,000 ultra low sulfur diesel project in 2006, they began work on a \$146,000,000 crude unit and vacuum tower expansion which was completed in 2008. Frontier is also spending approximately \$30,000,000 on several smaller capital projects. In the fall of 2009, the company will be completing two additional projects totaling \$160,000,000. In addition to being a reflection of the success the refinery has experienced, these projects provide a "ripple effect" throughout the community. They bring additional revenues to other industries in the community, such as construction and lodging, which in turn generates increased sales and lodging tax collections.

Susan B. Allen Memorial Hospital continued construction throughout 2008 on a \$5,600,000 renovation of inpatient facilities to be completed in 2009. This follows the recent completion of a \$28,000,000 construction and renovation project that focused on outpatient facilities. The hospital has become a first class regional medical center, providing service to people throughout Butler County and the surrounding areas.

In 2005, citizens of the community approved a \$19,140,000 bond issue for improvements at the El Dorado High School. Construction began in 2006 and was still in process at the end of 2008. All improvements are expected to be complete in 2009. This project provides both short-term and long-term economic benefits. The contract workers bring the community additional sales in such items as materials, tools, food and lodging. Upon completion of the project, the community will have an efficient and modern facility that will help attract new businesses and families to El Dorado.

Main Street continued with its very aggressive and successful purpose of enhancing the downtown identity and heritage. The State partially funds and assists this program, as it continues to work to ensure an economic stability for the heart of El Dorado. This is accomplished through many efforts of design, promotion, organization, and economic revitalization committees. This organization continued to receive awards in 2008. Two Main Street committees, Design and Economic Restructuring, received a Governor's Award of Excellence from the Kansas Department of Commerce, the Interior Renovation/Business Climate Improvement Award. An El Dorado Main Street volunteer also received a Governor's Award of Excellence, a Volunteer of the Year Award. The City continued to fund Main Street in 2008 at a level of \$30,000.

The unemployment rate for El Dorado has steadily decreased over the last few years from 5.9% in 2002 to 3.9% in 2007. However, the rate increased slightly in 2008 to 4.1%. Although some local businesses have had to lay off some employees due to the economic downturn, the lay-offs have in large part been offset by new jobs created through economic development efforts.

While other areas of the country have been hit very hard by the economic downturn, El Dorado has been very fortunate to realize minimal negative overall effects in 2008. Property tax and sales tax collections, the City's two biggest sources of revenue, were on target with past years. The number of foreclosures in El Dorado was at a normal level in 2008, although the average value of the properties foreclosed on increased. Local realtors have indicated there is a waiting list of individuals interested in purchasing foreclosed properties. There were 22 new residential building permits purchased in 2008 totaling \$3.3 million, as compared to the 10-year average of 26 at \$3,600,000; the number purchased was higher than average through August 2008, but then waned with only two being obtained in the last four months of the year. There were four new commercial building permits purchased in 2008 totaling \$1,500,000, as compared to the 10-year average of \$3,900,000.

El Dorado has a variety of different types of businesses and industries. This diversification has allowed the community as a whole to be fairly insulated from the economic downturn. Some sectors have been affected more than others, but the overall community is faring well. El Dorado is an oil community, so although oil prices were down in 2008, oil drilling increased. The community has two new car dealerships that have faced pressures related to the ripple effect of problems experienced by automakers, as well as a reduction in sales related to the economic climate in general. There are many governmental offices in the community, including State, Community College, County, City, and School District. The State of Kansas has experienced budget issues, causing reductions in employment at the El Dorado Correctional Facility. Other

negative impacts are expected as the problems at the State level flow down through the various levels of government. However, lay-offs in some areas have created a positive impact on college employment and enrollment levels, as individuals retrain to be able to work in other areas. El Dorado is also fortunate to have a large water supply with the El Dorado Lake, providing an opportunity to market the community to industries that utilize large volumes of water. The City also has rail-served property located near U.S. 77, K-254, and I-35, making the city appealing to industrial prospects whose interests have been pushed to rail due to gas prices.

### Capital Improvement Plan

The City plans for future capital needs through a six-year Capital Improvement Plan (CIP). This long-range plan is reviewed and updated annually, and subsequently adopted by the City Commission. Input is sought from City Staff, the Planning Commission and the citizens of the community. The primary funding sources for these improvements are local sales tax, general obligation bonds, revenue bonds, federal and state grants, and the City's budgeted funds.

### Cash Management

City staff continues to analyze the City's cash flow and revenue sources to determine when funds are received and expended. This aggressive review is necessary for the City to maximize the use of idle funds. Every three years, the City accepts proposals from the local financial institutions for banking services for the subsequent three-year period. The bid was awarded three years ago to an institution that offered a highly competitive formula for computation of the rate to be paid on the City's investments in certificates of deposit, and the same institution was again awarded the bid in 2008 with terms very similar to the prior three-year period. The City again realized very positive results, considering the decline in the nation's economy. Total interest revenue decreased to \$407,587 in 2008 compared to \$471,580 in 2007, and the average interest rate in 2008 was 3.44% versus 5.12% in 2007.

### Risk Management

City staff recognizes risk management as a basic and fundamental part of sound general management. One of management's functions is to protect all property and people within the organization. An updated safety policy was implemented in 2007, outlining procedures to protect the assets and employees of the City. Monetary incentives, paid quarterly beginning in 2008, were also included and appear to have been very effective in reducing lost-time accidents in their first year of implementation. Risk management is an everyday issue, and the revised policy provides for the review and discussion of accidents and issues on a monthly basis by the Safety Committee. The City continues to monitor all work-related injuries and damage to property and equipment.

The City continued to participate in a wellness program for all full-time employees. A portion of the employees' YMCA membership fees are paid by the City. The program is designed to improve the quality of each employee's life through encouraging healthy activities. The objective is to increase productivity and reduce sick leave, health insurance claims, and on-the-

job injuries. The City also provides tobacco cessation and disease management incentives to encourage healthy lifestyles of employees and their family members. City staff has also been investigating a more in-depth wellness program that would provide on-site services to employees, including health risk assessments, training and individual consultations in nutrition, exercise, and other health-related areas.

### Major Initiatives

A new wastewater treatment facility was completed in 2008, with the exception of a few relatively minor items. The new plant was required under the revised Clean Water Act, and wetlands were also included in the \$12.5 million project. The new plant has a capacity of 6 MGD, as compared to the old plant's capacity of 4 MGD. Construction costs are being funded by a 20-year loan through the Kansas Water Pollution Control Revolving Loan Fund. Sewer rate increases were implemented over several years to accumulate cash for the project and to fund the loan payments. The City has been recognized with several awards for the project, including a national Project of the Year Award from the American Public Works Association (APWA) and a Best Environmental Design Award through the Kansas Chapter of APWA.

The City was awarded a \$400,000 CDBG grant in 2008 to assist in funding \$1,350,000 in sewer improvements throughout El Dorado. The improvements include increasing the pumping capacity of the Eighth Avenue lift station that serves residents in the northeast area of El Dorado, rehabilitating 200 to 300 sewer manholes, enlarging the gravity sewer main to the Eighth Avenue lift station to eliminate bottlenecking flows from the north, and sewer improvements on Douglas Road and Tenth Avenue. By the end of 2008, design work on the Eighth Avenue lift station improvements was in progress, and a contractor had begun the Tenth Avenue sewer improvements.

A water distribution study performed by an engineering consulting firm was completed in 2008, identifying several water issues. The firm recommended changes be made in two phases. Phase I includes increasing water pressure to the west end of the City by placing a pump station in the El Dorado Industrial Park and placing four new 12-inch waterlines in western El Dorado. Phase II includes installing a 24-inch waterline running to the west end of the community from the water plant on the east side of El Dorado. At the end of 2008, design work on Phase I was in progress and a preliminary application had been sent to KDHE for funding through the Kansas Public Water Supply Loan Fund.

El Dorado has two bridges in close proximity to each other that have been under construction since mid-2007. The Ninth Avenue Bridge was replaced, because the design of the old bridge did not meet current standards. This bridge is located one-half block from North Main Street, one of the main corridors of the city. It was completed in late 2008 at a total cost of \$960,000, of which \$619,000 was provided through a federal grant. The North Main Bridge, on the other hand, was not yet complete at the end of the year. This bridge is being widened to provide four 12-foot traffic lanes and a turn lane for safety purposes. The project requires realignment of Eighth Avenue in order to allow appropriate visibility at the intersection of Eighth Avenue and North Main Street. In conjunction with the widening, a 10-foot sidewalk is being added along

one side of the bridge to connect two sections of the City's bike path. The bike path is also being extended under the bridge, so cyclers can safely cross the busy Main Street thoroughfare. The cost of the North Main bridge is estimated at \$2,547,000, with \$1,100,000 being funded through a federal grant. Both bridges were designed with red brick pillars, decorative iron railing, and attractive light fixtures to be aesthetically appealing to people passing through the community.

The City of El Dorado, USD #490, and Butler Community College continued discussions in 2008 concerning the need for improvements at the football stadium, or alternatively constructing a new facility. A committee made up of representatives of each of the three entities was formed in 2007, and a consultant was hired early in 2008 to assist in determining the overall needs for the stadium. Three sites are currently under consideration, including renovation of Blackmore Stadium, the existing facility. An architectural firm was also hired in 2008 to evaluate the proposed sites and determine costs related to each. A temporary office was established by the committee members to give citizens in the community an opportunity to ask questions and provide input. It is anticipated the committee will provide a recommendation on a site for the stadium early in 2009. Once the final site has been selected and financing is secured, the architect will design the facility.

The City approved renewal of the Neighborhood Revitalization Program near the end of 2008 for an additional three-year period. This plan was first implemented in 1996 with the intent to offer an incentive to property owners to revitalize certain areas of the community. The legislation is aimed at encouraging the elimination of abandoned houses and properties, rehabilitation of existing structures, or construction of new structures through a tax rebatement incentive based on the increased valuation of the improvements to the property. The year of 2008 was the twelfth full year of this successful program. Nearly 160 properties have participated, increasing appraised values \$12,112,803 during this twelve-year period.

An update of the City's Comprehensive Plan began in January 2008. The Comprehensive Plan serves as a guide for planning and zoning decisions as well as establishing community-wide goals. A steering committee was established to guide the process, several sub-committees were appointed, and an on-line survey was developed to gather public input. A draft of the plan will be presented early in 2009, with final approval anticipated mid-year. A revision of the Zoning and Subdivision Regulations will then take place. The entire process is scheduled to be completed by the end of 2009.

The update of the Airport Master Plan was completed in August 2008. The City received a grant from the Federal Aviation Administration for 95% of the cost. The Plan prioritizes infrastructure improvements and also addresses economic development at the municipal airport. An Airport Business Plan was also adopted by the City Commission in 2008. The consultant provided many recommendations, including constructing additional T-hangars for multi-engine aircraft, changing the name of the airport to make it easier to locate through internet searches, and splitting the combined position of airport manager and fixed base operator into two separate full-time positions.

The City Commission previously appointed a five-member Storm Water Advisory Committee to provide recommendations on how to address storm water problems in El Dorado. After consideration of the resulting recommendations, the consensus of the Commission was to include seven identified drainage projects in the scope, establish a set monthly fee for residential properties, establish monthly fees for commercial properties based on each property's impervious area, and bill the fees annually on property tax statements. In 2008, City staff determined the impervious area of commercial properties and calculated the fee to be assessed to each residential and commercial property in El Dorado. In July 2008, the City Commission authorized creation of a storm water utility and the rate structure, and the fees were billed on the November 2008 property tax statements. Storm water maintenance is scheduled to begin in January 2009 upon receipt of the fee revenue from the County.

At year-end, the City had \$1,007,364 of uncommitted sales tax. The ordinance states that these monies must be used for street rehabilitation, property tax reduction, capital improvements, and economic development. The City Commission received a recommendation from the Sales Tax Advisory Committee on funding certain projects. The recommendation was approved by the City Commission in 2008 for inclusion in the 2009 budget. The items approved included bike path Phase II lighting, Forest Park restroom facility, North Main Park shelter, and property tax reduction of 7.24 mills. This source of revenue continues to be a viable and important source of funding and enhances the quality of life within the community.

## **AWARDS AND ACKNOWLEDGMENTS**

### *Certificate of Achievement*

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of El Dorado, Kansas, for its Comprehensive Annual Financial Report for the year ended December 31, 2007.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

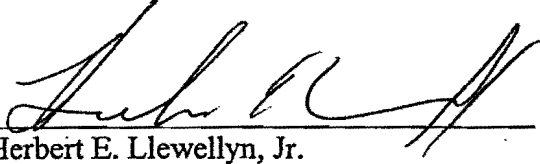
A Certificate of Achievement is valid for a period of one year only. We believe our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to GFOA to determine its eligibility for another certificate. A Certificate of Achievement has been awarded to the City of El Dorado for its reports each year since the year ended December 31, 1977.

### *Acknowledgements*

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire Finance Department staff. We express our appreciation to

the City Commission for their support that has made possible the implementation of innovative concepts in accounting and fiscal management.

Respectfully submitted,



Herbert E. Llewellyn, Jr.  
City Manager



Dee Anne Grunder  
Finance Director

HELjr/DAG:sle

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of El Dorado  
Kansas

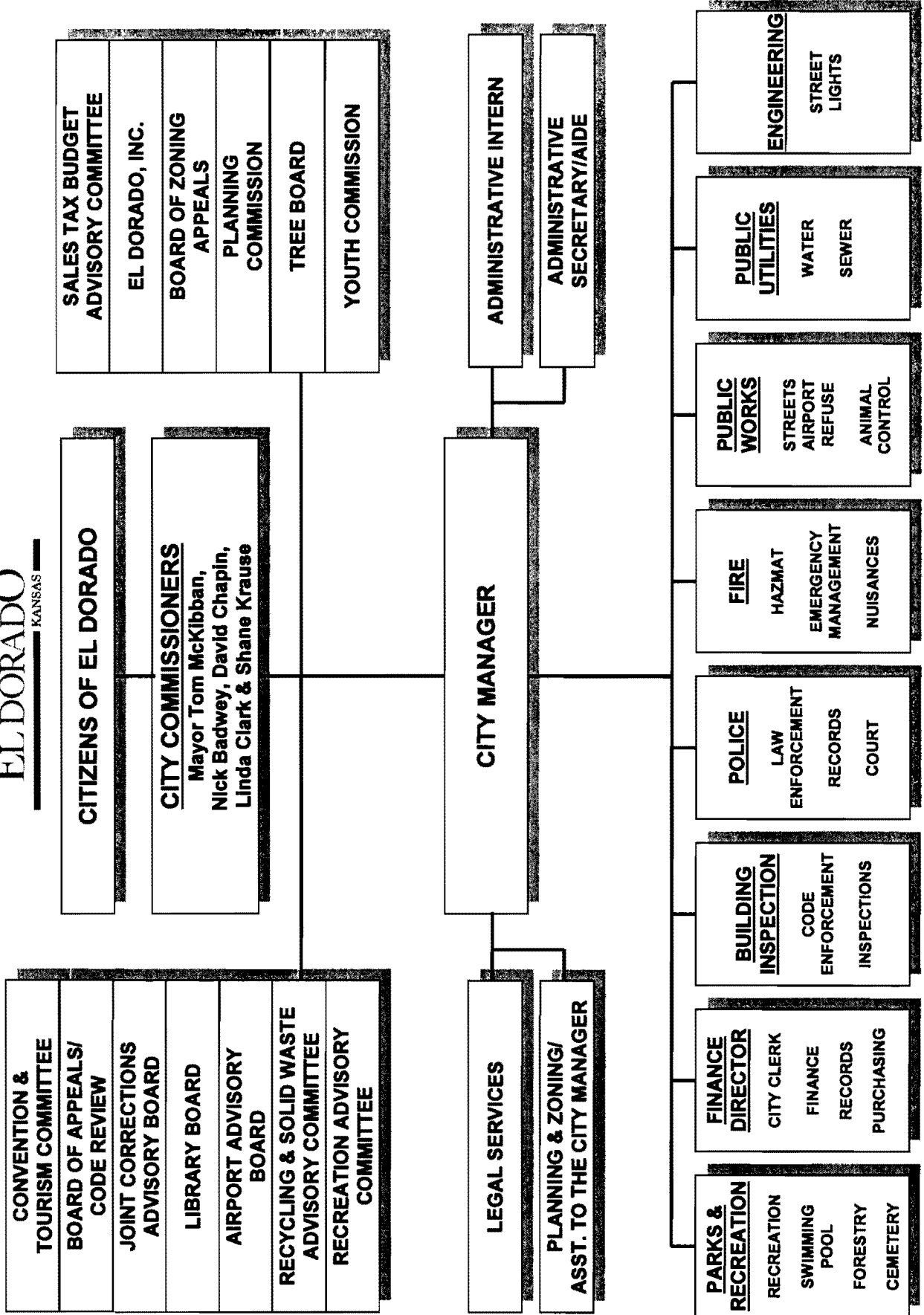
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2007

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director



**(This page left blank intentionally.)**

# FINANCIAL SECTION



# George, Bowerman & Noel, P.A.

Certified Public Accountants  
Management Consultants  
Tax Advisors

Paul R. Bowerman  
Gary L. George

Epic Center 301 N. Main, Suite 1350 Wichita, Kansas 67202 Telephone (316) 262-6277 Fax (316) 265-6150

---

## **INDEPENDENT AUDITOR'S REPORT**

The Honorable Mayor and  
City Commissioners  
El Dorado, Kansas

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of El Dorado, Kansas (City) as of and for the year ended December 31, 2008, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the *Kansas Municipal Audit Guide*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of December 31, 2008, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis and Required Supplementary Information, as listed in the table of contents, is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of El Dorado's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules and statistical section listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual

nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The information in the introductory section and statistical section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on such information.

*George Bowerman & Noel, P.A.*

Wichita, Kansas  
June 19, 2009

## **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, 2008. 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 of the financial statements. 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 assets 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 Assets reports all the City's assets and liabilities. Net assets, the difference between assets and liabilities, are an important measure of the City's overall financial health. Over time, the increases and decreases in net assets 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 assets changed during the most recent fiscal year. All changes in net assets (current year's revenues and expenses) are taken into account regardless of when cash is received or paid. Thus, revenues and expenses are reported in the Statement of Activities for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and accrued vacation leave.)

The City of El Dorado's Statement of Net Assets 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, and refuse utilities, which are self-supporting funds.

The Bradford Memorial Library component unit is also reflected in these statements. Additional information on the component unit 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.

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, and refuse 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 governmental 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 funds include the Sales Tax Agency Fund, Revolving Loan Fund, Neighborhood Revitalization Rebate Program Fund, and the Payroll Withholding Fund. The fiduciary funds are combined into one column on the fiduciary fund statement. A combining statement can be found in the supplementary information following the notes to the financial statements.

## FINANCIAL ANALYSIS OF THE CITY

### Net Assets

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

City of El Dorado, Kansas  
Net Assets  
As of December 31, 2008  
(with comparative totals for December 31, 2007)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Current and other assets	\$14,377,604	\$14,078,613	\$11,630,422	\$10,242,984	\$26,008,026	\$24,321,597
Capital assets	<u>35,545,324</u>	<u>33,531,962</u>	<u>34,572,542</u>	<u>35,060,168</u>	<u>70,117,866</u>	<u>68,592,130</u>
Total assets	<u>49,922,928</u>	<u>47,610,575</u>	<u>46,202,964</u>	<u>45,303,152</u>	<u>96,125,892</u>	<u>92,913,727</u>
Long-term liabilities	14,754,034	13,208,652	17,034,833	17,688,833	31,788,867	30,897,485
Other liabilities	<u>4,638,061</u>	<u>6,615,725</u>	<u>512,606</u>	<u>418,694</u>	<u>5,150,667</u>	<u>7,034,419</u>
Total liabilities	<u>19,392,095</u>	<u>19,824,377</u>	<u>17,547,439</u>	<u>18,107,527</u>	<u>36,939,534</u>	<u>37,931,904</u>
Net assets:						
Invested in capital assets, net of related debt	17,783,134	18,139,230	18,506,653	18,344,423	36,289,787	36,483,653
Restricted	7,734,827	5,514,073	5,275,462	4,232,536	13,010,289	9,746,609
Unrestricted	<u>5,012,872</u>	<u>4,132,895</u>	<u>4,873,410</u>	<u>4,618,666</u>	<u>9,886,282</u>	<u>8,751,561</u>
<b>Total net assets</b>	<u>\$30,530,833</u>	<u>\$27,786,198</u>	<u>\$28,655,525</u>	<u>\$27,195,625</u>	<u>\$59,186,358</u>	<u>\$54,981,823</u>

The City's overall financial position has improved, with an increase in net assets of \$4,204,535. Of that increase, \$2.74 million can be traced to governmental activities. This is due to the net effect of several items. General obligation bonds in the amount of \$3,310,000 were issued in 2008, paying off temporary notes totaling \$3,123,305 and funding several other projects. Cash in the general fund increased due to several factors. The City has intentionally been budgeting to increase cash reserves. Additionally, a contingency that was budgeted was not needed, and collections for fire protection, fines, and interest were much higher than expected during the budget process. Cash reserves for the City's partially self-insured health plan added to the increase in assets for 2008 in comparison to 2007. Additionally, construction work in progress increased considerably, as there were several large construction projects that were not yet complete at the end of the year.

The net assets of business-type activities increased approximately \$1.5 million. This is mainly due to an increase of \$1,036,797 in restricted assets, resulting from an increase in noncurrent cash and investments restricted for retirement of debt to the Corps of Engineers for the water storage space at the El Dorado Reservoir. The increase is due to the change in market value of the investments as well as investment of additional monies. This did not result in a reduction in unrestricted cash in the water fund as would normally

be the case, because a 30% rate increase was implemented in 2006 for the purposes of accumulating additional funds to make annual investments for repayment of the debt to the Corps and building reserves for future capital improvements. Cash and investments in the refuse fund increased \$172,000 due to a 2006 rate increase for the purpose of building cash for future capital purchases. Construction work in progress was eliminated in the sewer fund and corresponding increases are reflected in buildings, machinery and equipment due to capitalization of the new wastewater treatment plant.

Governmental Activities

The table below shows the condensed revenues, expenses and change in net assets for 2008 and 2007.

	<u>Governmental Activities</u>	
	<u>2008</u>	<u>2007</u>
Revenues:		
Program revenues:		
Charges for services	\$2,179,198	\$2,873,325
Operating grants and contributions	1,672,026	1,604,427
Capital grants and contributions	337,156	578,319
General revenues:		
Property taxes	4,069,974	3,730,632
Sales taxes	2,544,465	2,318,150
Franchise taxes	1,320,151	1,258,919
Tourism taxes	189,497	96,864
Investment earnings	<u>182,996</u>	<u>304,221</u>
Total revenues	<u>2,495,463</u>	<u>12,764,857</u>
Expenses:		
General government	1,864,451	2,291,764
Public safety	3,249,257	3,041,945
Highways & streets	1,868,543	2,164,449
Health & sanitation	325,911	348,902
Culture & recreation	1,118,413	1,174,828
Economic development	696,186	447,454
Environmental protection	11,188	10,804
Interest on long-term debt	<u>616,879</u>	<u>636,169</u>
Total expenses	<u>9,750,828</u>	<u>10,116,315</u>
Excess before transfers	2,744,635	2,648,542
Transfers in	<u>-0-</u>	<u>15,781</u>
Increase in net assets	2,744,635	2,664,323
Net assets January 1	<u>27,786,198</u>	<u>25,121,875</u>
Net assets December 31	<u>\$30,530,833</u>	<u>\$27,786,198</u>

The decrease from 2007 to 2008 in charges for services is mainly due to the net effect of two factors. Interest on long-term debt decreased \$1,094,978 as a result of fewer special assessments being levied in 2008. Fire protection payments from El Dorado Township, which are based on the Township's assessed valuation, increased approximately \$270,000 due to a very large increase in the appraised value of one commercial property located in that taxing district.

Although the City's mill levy changed only slightly, property taxes revenue increased in 2008 due to an error being made in the valuation certified to the City in 2006 (2007 collections) for properties in the Neighborhood Revitalization Program. Property tax rebates to those property owners were higher (i.e. collections lower) than anticipated in 2007 due to the error.

Business-Type Activities

The table below shows the condensed revenues, expenses and changes in net assets for 2008 and 2007.

	<b><u>Business-Type Activities</u></b>	
	<b><u>2008</u></b>	<b><u>2007</u></b>
Revenues:		
Program revenues:		
Charges for services	\$7,199,581	\$7,273,182
Operating grants and contributions	-0-	-0-
Capital grants and contributions	213,306	103,092
Investment earnings (loss)	<u>515,030</u>	<u>600,972</u>
Total revenues	<u>7,927,917</u>	<u>7,977,246</u>
Expenses:		
Waterworks system	3,103,040	2,797,316
Sewage system	1,922,659	1,501,977
Refuse	<u>1,442,318</u>	<u>1,535,116</u>
Total expenses	<u>6,468,017</u>	<u>5,834,409</u>
Excess before transfers	1,459,900	2,142,837
Transfers out	<u>-0-</u>	<u>&lt;15,781&gt;</u>
Increase in net assets	1,459,900	2,127,056
Net assets January 1	<u>27,195,625</u>	<u>25,068,569</u>
Net assets December 31	<u>\$28,655,525</u>	<u>\$27,195,625</u>

The water, sewer, and refuse utilities are the business-type activities of the City of El Dorado. Expenses increased in the water fund in both the treatment department and the distribution and maintenance department. Both departments realized large increases in several operational expenses, including fuel, insurance, personnel costs and maintenance. Depreciation expense increased in the sewer fund due to the capitalization of additional assets, and interest expense increased due to the remittance of two payments on the revolving loan for the wastewater treatment plant as compared to only one payment in 2007.

**FUND ANALYSIS**

Overall, there was an increase in fund balance of approximately \$2.9 million in the City's major governmental funds as a result of 2008 operations. \$1.9 million of that increase can be traced to the construction fund. General obligation bonds were issued in 2008, paying off several temporary notes and therefore substantially reducing temporary notes payable. Cash and short-term investments in the construction fund decreased \$496,000. At the end of 2007, there were several construction projects with unexpended cash

balances from the issuance of temporary financing; by the end of 2008, those balances had been spent. Fund balance in the general fund also increased approximately \$900,000, which can be traced to the increase in cash that was previously explained.

Net assets in the business-type activities increased \$1.4 million. Water fund and sewer fund net assets increased approximately \$908,000 and \$406,000, respectively. The water fund change is primarily related to the increase in restricted net assets explained previously. The long-term portion of the revolving loan note payable in the sewer fund decreased approximately \$570,000 due to the remittance of two semi-annual payments in 2008 on the 20-year revolving loan for the new wastewater treatment plant.

### **GENERAL FUND BUDGETARY HIGHLIGHTS**

The general fund budget was not amended. Actual revenue and other financing sources exceeded the expectations of the budget. Revenue was \$1,326,000, or 20%, more than the revenue budget. Sales tax collections were substantially more than projected at the time the budget was prepared. Franchise tax and motor vehicle tax receipts were also well above the amounts budgeted. Charges for services revenue reflects a positive variance as a result of higher than anticipated fire protection receipts described earlier. Additionally, there was \$210,561 in reimbursements that was unanticipated at the time the budget was prepared.

Expenditures were \$580,000, or 7.6%, less than budgeted. This was due to several factors. Administration expenditures reflect a positive variance, because the contingency that is budgeted annually was not spent in 2008. Public safety expenditures were less than expected mainly due to reduced personnel costs in the police and fire departments. Several positions were vacant for a period of time due to the lack of qualified applicants. Additionally, the actual amount of transfers out was much less than budgeted. This is the net effect of the City Commission authorizing an additional 7.24 mills of sales tax to remain in the general fund for property tax reduction and an increase in the amount of the transfer to the equipment reserve fund.

### **CAPITAL ASSETS AND DEBT ADMINISTRATION**

#### *Capital Assets*

The total amount invested in capital assets during 2008, net of current year depreciation, was \$14,797,716. Some of the major additions to capital assets included a wastewater treatment plant (\$10,270,875), industrial park land (\$337,738), construction in process related to a bridge project \$2,075,116), street, sidewalk, bridge, and storm drainage infrastructure improvements (\$1,708,000), wastewater treatment equipment (\$1,307,942) for the new facility, fire truck, patrol vehicles, mini-excavator, skid steer loader, and various other vehicles and equipment (\$1,935,000).

Additional information about the City's capital assets can be found in Note 3 of the Notes to the Financial Statements.

### Debt Administration

The City issued General Obligation bonds in the amount of \$3,310,000 in 2008. These bonds were assigned an "A+" rating by Standard & Poor's. The capacity of the City to issue additional general obligation debt increased in 2008 from \$16,322,792 to \$17,329,687. The ratio of net bonded debt to estimated actual value and the net bonded debt per capita are useful indicators of the City's debt position. The ratio of net bonded debt to estimated actual value increased from 2.60% in 2007 to 2.76% in 2008, and the net bonded debt per capita increased from \$1,087 in 2007 to \$1,195 in 2008.

Additional information about the City's long-term debt can be found in Note 4 of the Notes to the Financial Statements.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

In 2009 (2010 budget), the mill levy is anticipated to remain at the same level as 2008, or possibly decrease slightly. 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 2009. Sales tax will continue to be a significant revenue source for the City. The property tax would currently be approximately 20 mills higher to fund the City's operations without the local sales tax. We continue to improve our 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:

- In February 2009, the City was awarded a \$750,000 CDBG grant to assist in funding a rail spur for BG Products' production and storage facility in the Industrial Park. The contract requires that \$375,000 be paid back by BG Products over a ten-year period at 2%. In May 2009, the City was also awarded a \$1,000,000 grant by the Economic Development Administration to assist with infrastructure improvements to serve BG Products, including water and sewer lines, streets, and rail spur.
- In February 2009, the City received proposals for property casualty insurance, including worker's compensation and automobile. The City awarded the bid in March 2009 at an annual savings of approximately \$76,000.

- In March 2009, the City was awarded a \$750,000 grant through the American Recovery and Reinvestment Act of 2009 for the repaving of Sixth Avenue from Highway 254 to Metcalf. The project is estimated to cost \$2,500,000.
- Fenton Ford, a new car dealership located in El Dorado, closed in March 2009. This will have a sizeable negative impact on the City of El Dorado's local sales tax collections.
- In April 2009, the City entered into an agreement to sell BG Products a facility in the El Dorado Industrial Park for \$4,100,000 in August 2009, contingent upon the existing tenant opting not to exercise their option to purchase the property at that time for \$5,000,000.
- Two investments were called in April and May 2009. An FNMA bond, originally purchased on November 14, 2006 for \$4,244,953 was called on May 14, 2009 at a gain of \$657,549. An FHL bond, originally purchased on December 3, 2008 for \$106,081, was called on April 6, 2009 at a gain of \$2,669. The proceeds from the call of both bonds plus an additional \$225,000 are scheduled for reinvestment in an FHL bond on June 15, 2009.
- As a result of a wind storm on May 8, 2009, the City suffered property damages estimated at \$490,000. Upon completion of repairs and submission of final costs to the insurance provider, the City will be reimbursed for the costs less a \$5,000 deductible.

### **REQUESTS FOR INFORMATION**

The financial report is intended to give 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.

## **BASIC FINANCIAL STATEMENTS**

**(This page left blank intentionally.)**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**CITY OF EL DORADO, KANSAS**

**STATEMENT OF NET ASSETS**

**December 31, 2008**

	Primary Government			Component <u>Unit</u>
	Governmental <u>Activities</u>	Business-Type <u>Activities</u>	Total	
<b><u>ASSETS</u></b>				
Cash and investments	\$ 6,795,999	\$ 4,990,118	\$ 11,786,117	\$ 345,899
Receivables:				
Property taxes	3,855,391	-	3,855,391	-
Special assessment taxes	3,031,320	-	3,031,320	-
Sales taxes	233,961	-	233,961	-
Trade accounts, net	64,727	500,542	565,269	1,462
Loan	-	30,000	30,000	-
Accrued interest	89,574	-	89,574	-
Internal balances	(152,493)	152,493	-	-
Due from other governmental units	293,074	-	293,074	-
Prepaid items	60,561	-	60,561	-
Inventories, at cost	100,240	238,054	338,294	-
Restricted assets	5,250	5,719,215	5,724,465	-
Capital assets:				
Land	3,533,200	755,667	4,288,867	-
Buildings	10,285,020	16,494,562	26,779,582	752,696
Improvements other than buildings	7,570,016	20,159,222	27,729,238	-
Infrastructure	21,121,961	-	21,121,961	-
Water storage space	-	5,862,922	5,862,922	-
Machinery and equipment	4,135,834	4,244,747	8,380,581	43,745
Less accumulated depreciation	(14,347,210)	(13,026,428)	(27,373,638)	(285,194)
Construction work in progress	<u>3,246,503</u>	<u>81,850</u>	<u>3,328,353</u>	<u>-</u>
Total assets	<u>49,922,928</u>	<u>46,202,964</u>	<u>96,125,892</u>	<u>858,608</u>
<b><u>LIABILITIES</u></b>				
Accounts payable	505,742	383,806	889,548	9,423
Accrued payroll payable	54,384	24,138	78,522	3,584
Accrued interest payable	122,294	104,662	226,956	-
Temporary notes payable	95,000	-	95,000	-
Matured bonds and coupons payable	5,250	-	5,250	-
Unearned revenue	3,855,391	-	3,855,391	-
Noncurrent liabilities:				
Due within one year	1,900,409	1,237,030	3,137,439	-
Due in more than one year	<u>12,853,625</u>	<u>15,797,803</u>	<u>28,651,428</u>	<u>-</u>
Total liabilities	<u>19,392,095</u>	<u>17,547,439</u>	<u>36,939,534</u>	<u>13,007</u>
<b><u>NET ASSETS</u></b>				
Invested in capital assets, net of related debt	17,783,134	18,506,653	36,289,787	511,247
Restricted for:				
Debt service	3,624,261	5,275,462	8,899,723	-
Construction	4,110,566	-	4,110,566	-
Unrestricted	<u>5,012,872</u>	<u>4,873,410</u>	<u>9,886,282</u>	<u>334,354</u>
	<u>\$ 30,530,833</u>	<u>\$ 28,655,525</u>	<u>\$ 59,186,358</u>	<u>\$ 845,601</u>

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

CITY OF EL DORADO, KANSAS

STATEMENT OF ACTIVITIES

Year ended December 31, 2008

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			Component Unit
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	
<b>Governmental Activities:</b>								
General government	\$ 1,864,451	\$ 751,574	\$ 919,210	\$ 22,605	\$ (171,062)	\$ -	\$ (171,062)	\$ -
Public safety	3,249,257	823,297	60,281	-	(2,365,679)	-	(2,365,679)	-
Highways and streets	1,868,543	36,072	561,356	54,423	(1,216,692)	-	(1,216,692)	-
Health and sanitation	325,911	87,016	108,161	48,003	(82,731)	-	(82,731)	-
Culture and recreation	1,118,413	114,374	23,018	3,355	(977,666)	-	(977,666)	-
Economic development	696,186	3,606	-	208,770	(483,810)	-	(483,810)	-
Environmental protection	11,188	-	-	-	(11,188)	-	(11,188)	-
Interest on long-term debt	616,879	363,259	-	-	(253,620)	-	(253,620)	-
<b>Total Governmental Activities</b>	<b>\$ 9,750,828</b>	<b>\$ 2,179,198</b>	<b>\$ 1,672,026</b>	<b>\$ 337,156</b>	<b>(5,562,448)</b>	<b>-</b>	<b>(5,562,448)</b>	<b>-</b>
<b>Business-Type Activities:</b>								
Waterworks System	\$ 3,103,040	\$ 3,594,276	\$ -	\$ 22,882	-	514,118	514,118	-
Sewage System	1,922,659	2,065,669	-	190,424	-	333,434	333,434	-
Refuse	1,442,318	1,539,636	-	-	-	97,318	97,318	-
<b>Total Business-Type Activities</b>	<b>\$ 6,468,017</b>	<b>\$ 7,199,581</b>	<b>\$ -</b>	<b>\$ 213,306</b>	<b>-</b>	<b>944,870</b>	<b>944,870</b>	<b>-</b>
<b>Component Unit:</b>								
Bradford Memorial Library	\$ 457,287	\$ 24,143	\$ 94,556	\$ 3,278	-	-	-	(335,310)
<b>General Revenues and Transfers:</b>								
General revenues:								
Property taxes levied for:								
General purposes					2,761,135	-	2,761,135	-
Debt service					1,308,839	-	1,308,839	-
Sales taxes					2,544,465	-	2,544,465	-
Franchise taxes					1,320,151	-	1,320,151	-
Tourism taxes					189,497	-	189,497	-
Payments from City of El Dorado, net					-	-	-	390,788
Investment earnings (loss)					182,996	515,030	698,026	(74,419)
Transfers					-	-	-	-
<b>Total general revenues and transfers</b>					<b>8,307,083</b>	<b>515,030</b>	<b>8,822,113</b>	<b>316,369</b>
Change in net assets					2,744,635	1,459,900	4,204,535	(18,941)
Net assets at beginning of year					27,786,198	27,195,625	54,981,823	864,542
Net assets at end of year					<b>\$ 30,530,833</b>	<b>\$ 28,655,525</b>	<b>\$ 59,186,358</b>	<b>\$ 845,601</b>

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

**(This page left blank intentionally.)**

## **FUND FINANCIAL STATEMENTS**

**CITY OF EL DORADO, KANSAS**  
**BALANCE SHEET – GOVERNMENTAL FUNDS**  
**December 31, 2008**

	<u>General</u>	<u>Debt Service</u>	<u>Construction</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b><u>ASSETS</u></b>					
Cash and short-term investments	\$ 4,126,123	\$ 592,941	\$ 953,110	\$ 876,719	\$ 6,548,893
Cash with fiscal agent	-	5,250	-	-	5,250
Property taxes receivable	2,030,397	1,335,196	-	489,798	3,855,391
Special assessment taxes receivable	-	2,711,135	-	320,185	3,031,320
Accounts receivable, net	59,872	-	-	10,025	69,897
Sales tax receivable	223,936	-	-	-	223,936
Accrued interest receivable	89,574	-	-	-	89,574
Due from other governments	17,937	-	86,249	188,888	293,074
Inventories, at cost	<u>100,240</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>100,240</u>
Total assets	<u>\$ 6,648,079</u>	<u>\$ 4,644,522</u>	<u>\$ 1,039,359</u>	<u>\$ 1,885,615</u>	<u>\$14,217,575</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>					
Liabilities:					
Salaries and wages payable	\$ 42,641	\$ -	\$ -	\$ 6,192	\$ 48,833
Accounts payable	380,942	-	80,296	40,011	501,249
Matured bonds and coupons payable	-	5,250	-	-	5,250
Temporary notes payable	-	-	95,000	-	95,000
Deferred revenue	<u>2,030,397</u>	<u>4,046,331</u>	<u>-</u>	<u>809,983</u>	<u>6,886,711</u>
Total liabilities	<u>2,453,980</u>	<u>4,051,581</u>	<u>175,296</u>	<u>856,186</u>	<u>7,537,043</u>
Fund balances:					
Reserved for encumbrances	146,750	-	349,761	15,943	512,454
Reserved for inventories	100,240	-	-	-	100,240
Unreserved:					
Designated for subsequent years' expenditures for:					
General fund	1,644,055	-	-	-	1,644,055
Debt service fund	-	549,406	-	-	549,406
Special revenue funds	-	-	-	560,536	560,536
Designated for self-insurance	918,812	-	-	-	918,812
Designated for debt service	-	43,535	-	-	43,535
Undesignated reported in:					
General fund	1,384,242	-	-	-	1,384,242
Special revenue funds	-	-	-	452,950	452,950
Construction fund	<u>-</u>	<u>-</u>	<u>514,302</u>	<u>-</u>	<u>514,302</u>
Total fund balances	<u>4,194,099</u>	<u>592,941</u>	<u>864,063</u>	<u>1,029,429</u>	<u>6,680,532</u>
Total liabilities and fund balances	<u>\$ 6,648,079</u>	<u>\$ 4,644,522</u>	<u>\$ 1,039,359</u>	<u>\$ 1,885,615</u>	<u>\$14,217,575</u>

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

**CITY OF EL DORADO, KANSAS**

**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES  
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES**

**December 31, 2008**

Total Governmental Fund Balances \$ 6,680,532

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

Capital assets used in governmental activities are not  
financial resources and therefore are not reported  
in the funds (capital assets net of accumulated  
depreciation):

Cost	\$ 49,837,074	
Accumulated depreciation	<u>(14,299,278)</u>	
		35,537,796

Other assets not available to pay for current period  
expenditures and therefore are not reported in  
the governmental funds:

Special assessments receivable	3,031,320
Prepaid expenses	60,561

Internal Service Funds are used by management  
to charge the costs of information technology  
to individuals funds. Certain assets and liabilities  
of the internal service fund are included in  
governmental activities in the Statement of  
Net Assets

78,510

Long-term liabilities are not due and payable in the  
current period and therefore are not reported  
in the funds:

Accrued interest payable on general obligation bonds	122,294	
Compensated absences payable	219,905	
General obligation bonds payable	<u>14,515,687</u>	
		<u>(14,857,886)</u>

Net Assets of Governmental Activities \$ 30,530,833

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

**CITY OF EL DORADO, KANSAS**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES – GOVERNMENTAL FUNDS**

**Year ended December 31, 2008**

	<u>General</u>	<u>Debt Service</u>	<u>Construction</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>					
Taxes	\$6,140,087	\$1,308,839	\$ -	\$ 675,161	\$ 8,124,087
Special assessment taxes	-	618,132	59,449	-	677,581
Intergovernmental	102,302	-	148,380	673,119	923,801
Licenses and permits	102,447	-	-	9,767	112,214
Charges for services	757,821	-	-	196,166	953,987
Fines and forfeitures	261,838	-	-	-	261,838
Use of money and property	276,465	379,883	31,300	119,834	807,482
Employee/Employer contributions	919,210	-	-	-	919,210
Miscellaneous	<u>262,198</u>	<u>-</u>	<u>11,444</u>	<u>69,294</u>	<u>342,936</u>
<b>Total revenues</b>	<u>8,822,368</u>	<u>2,306,854</u>	<u>250,573</u>	<u>1,743,341</u>	<u>13,123,136</u>
<b>Expenditures:</b>					
<b>Current:</b>					
General government	1,847,008	-	-	149,512	1,996,520
Public safety	3,147,812	-	-	188,428	3,336,240
Highways and streets	457,715	-	-	918,222	1,375,937
Health and sanitation	138,910	-	-	199,957	338,867
Culture and recreation	724,257	-	-	419,685	1,143,942
Environmental protection	11,188	-	-	-	11,188
Economic development	-	-	-	514,590	514,590
Capital improvements	-	-	2,447,695	-	2,447,695
Debt Service	<u>-</u>	<u>2,304,232</u>	<u>99,185</u>	<u>-</u>	<u>2,403,417</u>
<b>Total expenditures</b>	<u>6,326,890</u>	<u>2,304,232</u>	<u>2,546,880</u>	<u>2,390,394</u>	<u>13,568,396</u>
<b>Revenues over (under) expenditures</b>	<u>2,495,478</u>	<u>2,622</u>	<u>(2,296,307)</u>	<u>(647,053)</u>	<u>(445,260)</u>
<b>Other financing sources (uses):</b>					
General obligation bonds issued	-	-	3,310,000	-	3,310,000
Transfers in	274	86,596	918,120	635,990	1,640,980
Transfers out	<u>(1,587,910)</u>	<u>-</u>	<u>(11,596)</u>	<u>(41,474)</u>	<u>(1,640,980)</u>
<b>Total other financing sources (uses)</b>	<u>(1,587,636)</u>	<u>86,596</u>	<u>4,216,524</u>	<u>594,516</u>	<u>3,310,000</u>
<b>Net change in fund balance</b>	907,842	89,218	1,920,217	(52,537)	2,864,740
<b>Fund balances (deficit), beginning of year</b>	<u>3,286,257</u>	<u>503,723</u>	<u>(1,056,154)</u>	<u>1,081,966</u>	<u>3,815,792</u>
<b>Fund balances, end of year</b>	<u>\$4,194,099</u>	<u>\$ 592,941</u>	<u>\$ 864,063</u>	<u>\$1,029,429</u>	<u>\$ 6,680,532</u>

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

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

**Year Ended December 31, 2008**

Net Change in Fund Balances – Total Governmental Funds		\$ 2,864,740
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 as depreciation expense. In the current period, these amounts are:		
Capital outlay	\$ 3,690,165	
Depreciation	<u>(1,389,196)</u>	
Excess of capital outlays over depreciation expense		2,300,969
In the statement of activities, the gain or loss from the disposal of capital assets is reported, whereas in the governmental funds, only any proceeds from the disposal increase financial resources. Thus, the change in net assets differs from the change in fund balances by the cost of the asset sold.		
		(276,471)
In the statement of activities, interest is accrued on outstanding debt, whereas in governmental funds, an interest expenditure is reported when due		
		7,004
In the statement of activities, the issuance of general obligation bonds increases liabilities however, long-term debt proceeds provide current financial resources in the governmental funds statement		
		(3,310,000)
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets:		
General obligation bond payment	1,774,066	
Kansas Department of Commerce loan payment	<u>5,468</u>	
Total payments on long-term liabilities		1,779,534
Internal service funds are used by management to charge the cost of information technology to individual funds. The net revenue (expense) of the internal service fund is reported with governmental activities.		
		22,543
Special assessments are not considered available to liquidate liabilities of the current period, and are therefore deferred in the funds. However, they are recognized as revenue in the statement of activities as soon as the related improvement is completed and the special assessments are levied.		
		(627,673)
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 the funds:		
Prepaid items	1,187	
Compensated absences payable	<u>(17,198)</u>	
Total		<u>(16,011)</u>
Change in Net Assets of Governmental Activities		<u>\$ 2,744,635</u>

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

**CITY OF EL DORADO, KANSAS**

**GENERAL FUND**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE – BUDGET AND ACTUAL –  
BUDGETARY BASIS  
(continued on next page)**

**Year Ended December 31, 2008**

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u> <u>Budgetary</u> <u>Basis</u>	<u>Variance</u> <u>With Final</u> <u>Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Taxes	\$ 5,310,377	\$ 5,310,377	\$ 6,112,201	\$ 801,824
Intergovernmental	84,400	84,400	102,302	17,902
Licenses, fees and permits	130,226	130,226	102,447	(27,779)
Charges for services	591,600	591,600	757,821	166,221
Fines and forfeitures	194,700	194,700	261,837	67,137
Use of money and property	221,000	221,000	305,263	84,263
Miscellaneous	25,649	25,649	51,637	25,988
Reimbursements	–	–	210,561	210,561
Transfers in	<u>19,975</u>	<u>19,975</u>	<u>274</u>	<u>(19,701)</u>
Total revenues and other sources	<u>6,577,927</u>	<u>6,577,927</u>	<u>7,904,343</u>	<u>1,326,416</u>
<b>Expenditures, encumbrances and other uses:</b>				
General government:				
Administration	636,918	636,918	446,431	190,487
Engineering	324,572	324,572	280,397	44,175
Civic Center	79,820	79,820	82,435	(2,615)
Legal and judicial	<u>154,303</u>	<u>154,303</u>	<u>145,664</u>	<u>8,639</u>
Total general government	<u>1,195,613</u>	<u>1,195,613</u>	<u>954,927</u>	<u>240,686</u>
Public safety:				
Police division	1,897,999	1,897,999	1,819,246	78,753
Fire division	1,151,310	1,151,310	1,107,989	43,321
Building and zoning	242,758	242,758	297,644	(54,886)
Building demolition	16,000	16,000	–	16,000
Hazardous materials	<u>16,250</u>	<u>16,250</u>	<u>13,355</u>	<u>2,895</u>
Total public safety	<u>3,324,317</u>	<u>3,324,317</u>	<u>3,238,234</u>	<u>86,083</u>
Public works:				
Public works	357,005	357,005	302,203	54,802
Street lights	<u>142,000</u>	<u>142,000</u>	<u>142,999</u>	<u>(999)</u>
Total public works	<u>499,005</u>	<u>499,005</u>	<u>445,202</u>	<u>53,803</u>

**CITY OF EL DORADO, KANSAS**

**GENERAL FUND**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE – BUDGET AND ACTUAL –  
BUDGETARY BASIS**

(continued from previous page)

Year Ended December 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Health and sanitation:				
Animal control	<u>\$ 153,523</u>	<u>\$ 153,523</u>	<u>\$ 139,565</u>	<u>\$ 13,958</u>
Culture and recreation:				
Park maintenance	210,582	210,582	201,871	8,711
Recreation	373,215	373,215	356,020	17,195
Swimming pool	114,195	114,195	104,921	9,274
Band	6,750	6,750	6,750	–
Recreation concessions	56,867	56,867	46,435	10,432
Library	<u>–</u>	<u>–</u>	<u>11,444</u>	<u>(11,444)</u>
Total culture and recreation	<u>761,609</u>	<u>761,609</u>	<u>727,441</u>	<u>34,168</u>
Conservation of natural resources:				
Forestry	<u>14,500</u>	<u>14,500</u>	<u>11,188</u>	<u>3,312</u>
Other:				
Transfers out	<u>1,736,500</u>	<u>1,736,500</u>	<u>1,587,910</u>	<u>148,590</u>
Total expenditures, encumbrances and other uses	<u>7,685,067</u>	<u>7,685,067</u>	<u>7,104,467</u>	<u>580,600</u>
Revenues and other sources over (under) expenditures, encumbrances and other uses	(1,107,140)	(1,107,140)	799,876	1,907,016
Fund balance, beginning of year	<u>1,107,140</u>	<u>1,107,140</u>	<u>1,914,913</u>	<u>807,773</u>
Fund balance, end of year	<u>\$ –</u>	<u>\$ –</u>	<u>\$2,714,789</u>	<u>\$2,714,789</u>

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

**CITY OF EL DORADO, KANSAS**  
**STATEMENT OF NET ASSETS – PROPRIETARY FUNDS**

December 31, 2008

	Business-Type Activities – Enterprise Funds			Total Enterprise Funds	Governmental Activities Internal Service Fund (Data Processing Fund)
	Waterworks System	Sewer System	Refuse		
<b>ASSETS</b>					
<b>Current assets:</b>					
Cash and investments	\$ 2,239,723	\$ 2,278,656	\$ 471,739	\$ 4,990,118	\$ 247,106
Trade accounts receivable	215,263	207,781	142,949	565,993	4,855
Less allowance for doubtful accounts	(22,513)	(28,191)	(14,747)	(65,451)	-
Current portion of note receivable from Prairie Port Festival	15,000	-	-	15,000	-
Inventories, at cost	202,539	10,743	24,772	238,054	-
<b>Restricted assets:</b>					
Cash and investments restricted for: Retirement of debt for water storage space Sewer facility construction	441,353	-	-	441,353	-
	-	263,598	-	263,598	-
<b>Total current assets</b>	<b>3,091,365</b>	<b>2,732,587</b>	<b>624,713</b>	<b>6,448,665</b>	<b>251,961</b>
<b>Noncurrent assets:</b>					
<b>Restricted assets:</b>					
Cash and investments restricted for: Retirement of debt for water storage space	5,014,264	-	-	5,014,264	-
<b>Property, plant and equipment:</b>					
Land	33,733	721,934	-	755,667	-
Water storage space	5,862,922	-	-	5,862,922	-
Buildings	1,932,252	13,570,843	991,467	16,494,562	-
Improvements other than buildings	10,279,533	9,823,829	55,860	20,159,222	-
Machinery and equipment	1,239,478	2,215,293	789,976	4,244,747	55,460
Construction work in process	81,850	-	-	81,850	-
<b>Total property, plant and equipment</b>	<b>19,429,768</b>	<b>26,331,899</b>	<b>1,837,303</b>	<b>47,598,970</b>	<b>55,460</b>
Less accumulated depreciation	(5,344,526)	(6,823,043)	(858,859)	(13,026,428)	(47,932)
<b>Property, plant and equipment, net</b>	<b>14,085,242</b>	<b>19,508,856</b>	<b>978,444</b>	<b>34,572,542</b>	<b>7,528</b>
<b>Other assets:</b>					
Long-term portion of note receivable from Prairie Port Festival	15,000	-	-	15,000	-
<b>Total noncurrent assets</b>	<b>19,114,506</b>	<b>19,508,856</b>	<b>978,444</b>	<b>39,601,806</b>	<b>7,528</b>
<b>Total assets</b>	<b>22,205,871</b>	<b>22,241,443</b>	<b>1,603,157</b>	<b>46,050,471</b>	<b>259,489</b>

	<u>Business-Type Activities – Enterprise Funds</u>			<u>Total Enterprise Funds</u>	<u>Governmental Activities Internal Service Fund (Data Processing Fund)</u>
	<u>Waterworks System</u>	<u>Sewer System</u>	<u>Refuse</u>		
<b>LIABILITIES</b>					
Current liabilities:					
Salaries and wages payable	\$ 10,511	\$ 5,995	\$ 7,632	\$ 24,138	\$ 5,551
Accounts payable	271,248	44,960	65,198	381,406	4,493
Current portion of compensated absences payable	33,541	18,713	22,912	75,166	16,074
Current portion of general obligation bonds payable	71,165	41,170	-	112,335	-
Current portion of revolving loan note payable	-	571,926	-	571,926	-
Current portion of capitalized lease payable	36,250	-	-	36,250	-
Accrued interest payable	4,819	99,843	-	104,662	-
Current liabilities payable from restricted assets:					
Accounts payable	-	2,400	-	2,400	-
Water storage space payable	<u>441,353</u>	<u>-</u>	<u>-</u>	<u>441,353</u>	<u>-</u>
Total current liabilities	<u>868,887</u>	<u>785,007</u>	<u>95,742</u>	<u>1,749,636</u>	<u>26,118</u>
Noncurrent liabilities:					
Long-term portion of compensated absences payable	4,941	2,756	3,375	11,072	2,368
Long-term portion of capitalized lease payable	15,848	-	-	15,848	-
Long-term portion of general obligation bonds	595,694	396,284	-	991,978	-
Long-term portion of revolving loan note	-	10,190,383	-	10,190,383	-
Long-term portion of water storage space	<u>4,588,522</u>	<u>-</u>	<u>-</u>	<u>4,588,522</u>	<u>-</u>
Total noncurrent liabilities	<u>5,205,005</u>	<u>10,589,423</u>	<u>3,375</u>	<u>15,797,803</u>	<u>2,368</u>
Total liabilities	<u>6,073,892</u>	<u>11,374,430</u>	<u>99,117</u>	<u>17,547,439</u>	<u>28,486</u>
<b>NET ASSETS</b>					
Net assets:					
Invested in capital assets, net	9,219,116	8,309,093	978,444	18,506,653	7,528
Restricted	5,014,264	261,198	-	5,275,462	-
Unrestricted	<u>1,898,599</u>	<u>2,296,722</u>	<u>525,596</u>	<u>4,720,917</u>	<u>223,475</u>
Total net assets	<u>\$ 16,131,979</u>	<u>\$ 10,867,013</u>	<u>\$ 1,504,040</u>	<u>\$ 28,503,032</u>	<u>\$ 231,003</u>
Total net assets				\$ 28,503,032	
Some amounts reported for business-type activities in the statement of net assets are different because certain internal service fund assets and liabilities are included with business-type activities				<u>152,493</u>	
Net assets of business-type activities				<u>\$ 28,655,525</u>	

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

**CITY OF EL DORADO, KANSAS**  
**STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN FUND NET ASSETS –**  
**PROPRIETARY FUNDS**

**Year ended December 31, 2008**

	Business-Type Activities – Enterprise Funds			Total Enterprise Funds	Governmental Activities Internal Service Fund (Data Processing Fund)
	Waterworks System	Sewer System	Refuse		
Operating revenues:					
Charges for services	\$ 3,504,050	\$ 2,008,328	\$ 1,497,143	\$ 7,009,521	\$ 520,000
Miscellaneous	46,892	20,810	33,874	101,576	5,541
Rents and royalties	16,812	27,912	-	44,724	-
<b>Total operating revenues</b>	<b><u>3,567,754</u></b>	<b><u>2,057,050</u></b>	<b><u>1,531,017</u></b>	<b><u>7,155,821</u></b>	<b><u>525,541</u></b>
Operating expenses:					
General and administrative	1,057,203	247,676	-	1,304,879	458,101
Treatment	623,964	518,999	-	1,142,963	-
Distribution and maintenance	434,255	239,175	-	673,430	-
Supply	120,387	-	-	120,387	-
Collection	-	-	931,529	931,529	-
Recycling	-	-	428,269	428,269	-
Stores	33,525	-	-	33,525	-
Provision for uncollectible accounts	2,549	8,968	1,528	13,045	-
Depreciation	307,113	556,089	80,992	944,194	7,949
<b>Total operating expenses</b>	<b><u>2,578,996</u></b>	<b><u>1,570,907</u></b>	<b><u>1,442,318</u></b>	<b><u>5,592,221</u></b>	<b><u>466,050</u></b>
<b>Operating income (loss)</b>	<b><u>988,758</u></b>	<b><u>486,143</u></b>	<b><u>88,699</u></b>	<b><u>1,563,600</u></b>	<b><u>59,491</u></b>
Nonoperating revenues (expense):					
Interest income	76,657	81,400	13,100	171,157	-
Interest expense	(515,028)	(312,966)	-	(827,994)	-
Gain (loss) on investments	343,873	-	-	343,873	-
Gain (loss) on disposal of assets	(4,016)	(33,786)	-	(37,802)	(3,188)
<b>Total nonoperating revenue (expense)</b>	<b><u>(98,514)</u></b>	<b><u>(265,352)</u></b>	<b><u>13,100</u></b>	<b><u>(350,766)</u></b>	<b><u>(3,188)</u></b>
Income (loss) before contributions and transfers	890,244	220,791	101,799	1,212,834	56,303
Capital contributions	22,882	190,424	-	213,306	-
Transfers from other funds	-	-	-	-	10,000
Transfers to other funds	(5,000)	(5,000)	-	(10,000)	-
Change in net assets	908,126	406,215	101,799	1,416,140	66,303
Net assets, beginning of year	<u>15,223,853</u>	<u>10,460,798</u>	<u>1,402,241</u>	<u>27,086,892</u>	<u>164,700</u>
<b>Net assets, end of year</b>	<b><u>\$ 16,131,979</u></b>	<b><u>\$ 10,867,013</u></b>	<b><u>\$ 1,504,040</u></b>	<b><u>\$ 28,503,032</u></b>	<b><u>\$ 231,003</u></b>
				\$ 1,416,140	
				43,760	
				<u>\$ 1,459,900</u>	

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

CITY OF EL DORADO, KANSAS

STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS  
(continued on next page)

Year ended December 31, 2008

	Business-Type Activities – Enterprise Funds			Total Enterprise Funds	Governmental Activities Internal Service Fund (Data Processing Fund)
	Waterworks System	Sewer System	Refuse		
Cash flows from operating activities:					
Cash received from customers	\$ 3,510,756	\$2,013,570	\$1,516,480	\$ 7,040,806	\$ 520,685
Cash payments for materials and services	(1,287,665)	(522,171)	(748,413)	(2,558,249)	(62,383)
Cash payments to employees for services	(867,290)	(496,816)	(642,752)	(2,006,858)	(406,809)
Other cash received	63,704	48,722	33,874	146,300	—
Net cash provided by operating activities	<u>1,419,505</u>	<u>1,043,305</u>	<u>159,189</u>	<u>2,621,999</u>	<u>51,493</u>
Cash flows from capital and related financing activities:					
Principal paid on general obligation bonds	(67,775)	(39,159)	—	(106,934)	—
Principal paid on revolving loan note	—	(556,590)	—	(556,590)	—
Principal paid on capital leases	(36,250)	—	—	(36,250)	—
Interest paid on debt	(465,668)	(318,373)	—	(784,041)	—
Loan payment from Prairie Port Festival	5,000	—	—	5,000	—
Acquisition and construction of capital assets	(259,563)	(21,501)	—	(276,064)	—
Net cash provided (used) by capital and related financing activities	<u>(824,256)</u>	<u>(935,623)</u>	<u>—</u>	<u>(1,754,879)</u>	<u>—</u>
Cash flows from noncapital financing activities:					
Transfers (to) from other funds	(5,000)	(5,000)	—	(10,000)	10,000
Cash flows from investing activities:					
Proceeds from sale of investments	343,873	—	—	343,873	—
Interest income	76,657	81,400	13,100	171,157	—
Net cash provided by investing activities	<u>420,530</u>	<u>81,400</u>	<u>13,100</u>	<u>515,030</u>	<u>—</u>
Net increase (decrease) in cash and cash equivalents	1,010,779	184,082	172,289	1,367,150	61,493
Cash and cash equivalents, beginning of year	6,684,561	2,358,172	299,450	9,342,183	185,613
Cash and cash equivalents, end of year	<u>\$ 7,695,340</u>	<u>\$2,542,254</u>	<u>\$ 471,739</u>	<u>\$10,709,333</u>	<u>\$ 247,106</u>
Cash and cash equivalents	\$ 2,239,723	\$2,278,656	\$ 471,739	\$ 4,990,118	\$ 247,106
Restricted cash and cash equivalents included in restricted cash and investments	<u>5,455,617</u>	<u>263,598</u>	<u>—</u>	<u>5,719,215</u>	<u>—</u>
Cash and cash equivalent, end of year	<u>\$ 7,695,340</u>	<u>\$2,542,254</u>	<u>\$ 471,739</u>	<u>\$10,709,333</u>	<u>\$ 247,106</u>

**CITY OF EL DORADO, KANSAS**

**STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS**  
(continued from previous page)

Year ended December 31, 2008

	<u>Business-Type Activities – Enterprise Funds</u>			<u>Total Enterprise Funds</u>	<u>Governmental Activities Internal Service Fund (Data Processing Fund)</u>
	<u>Waterworks System</u>	<u>Sewer System</u>	<u>Refuse</u>		
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ 988,758	\$ 486,144	\$ 88,699	\$ 1,563,601	\$ 59,490
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation expense	307,113	556,089	80,992	944,194	7,949
Changes in assets and liabilities:					
Decrease (increase) in accounts receivable	9,252	14,209	20,865	44,326	(4,855)
Decrease (increase) in inventories	(23,520)	3,182	(5,516)	(25,854)	-
Increase (decrease) in salaries and wages payable	(25,001)	(13,593)	(19,066)	(57,660)	(11,085)
Increase (decrease) in accounts payable	160,120	(902)	(1,682)	157,536	2,276
Increase (decrease) in compensated absences payable	<u>2,783</u>	<u>(1,824)</u>	<u>(5,103)</u>	<u>(4,144)</u>	<u>(2,282)</u>
Net cash provided by (used for) operating activities	<u>\$ 1,419,505</u>	<u>\$1,043,305</u>	<u>\$ 159,189</u>	<u>\$ 2,621,999</u>	<u>\$ 51,493</u>

**Noncash capital and related financing activities:**

The Waterworks System Fund and Sewer System Fund received noncash contributions of assets from the municipality for improvements and equipment during 2008 in the amount of \$22,882 and \$190,424, respectively.

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

**CITY OF EL DORADO, KANSAS**  
**STATEMENT OF FIDUCIARY NET ASSETS –**  
**FIDUCIARY FUNDS**

**December 31, 2008**

	Retiree Health Care Benefit Plan Trust Fund	Agency Funds
	<u>          </u>	<u>          </u>
Assets:		
Cash including investments	\$       –	\$ 25,648
Accounts receivable	<u>78,192</u>	<u>1,119</u>
Total assets	<u>78,192</u>	<u>26,767</u>
Liabilities:		
Accounts payable	<u>78,192</u>	<u>26,767</u>
Net assets	<u>\$       –</u>	<u>\$       –</u>

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

**CITY OF EL DORADO, KANSAS**  
**STATEMENT OF CHANGES IN FIDUCIARY**  
**NET ASSETS – OTHER POSTEMPLOYMENT**  
**BENEFITS PLAN TRUST FUND**

**Year ended December 31, 2008**

	Retiree Health Care Benefit Plan Trust Fund
Additions:	
Employer contributions	\$ 78,192
Deductions:	
Benefits	78,192
Change in net assets	–
Net assets – beginning of year	–
Net assets – end of year	\$ –

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

**CITY OF EL DORADO, KANSAS**  
**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2008**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES**

**Reporting entity**

The City of El Dorado 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, these financial statements present the City of El Dorado, Kansas (primary government) and its component units, entities for which the City is considered to be financially accountable. The component unit discussed in the following paragraph is included in the City's reporting entity because of the significance of its operational or financial relationship with the City.

**Discretely presented component unit**

The component unit columns in the financial statements include the financial data of the City's component unit, the Bradford Memorial Library (the Library). It is reported in a separate column to emphasize that it is legally separate from the City; however, the City Commission appoints the governing body of the component unit. The City's component unit is accounted for using the same principles as the governmental fund types of the City.

The Bradford Memorial Library operates the public library in the City. The Library Board 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 Board taxes are levied under the taxing authority of the City and are included as part of the City's total tax levy. These taxes are accounted for in the Library special revenue fund of the City. The Library Board 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 (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 Board to supplement the resources that are available to the Library Board in support of its programs. The Library Board does not issue separate financial statements.

**Other organizations**

The Firemen's Relief Association is not included in the reporting entity because the City has no accountability for its fiscal matters. The Firemen's Relief Association provides insurance and other benefits to firemen. The Association is organized under the laws of the State of Kansas and the Association's board consists of firefighters elected by popular vote of its members. Kansas statutes provide for funding through assessing a charge on fire insurance premiums paid. Separate financial statements for the Firemen's Relief Association are available at the City administrative offices.

## **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

### **Basis of presentation**

The financial statements of the City have been prepared in conformity with generally accepted accounting principles as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The City also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989 to its governmental activities provided they do not conflict with or contradict GASB pronouncements.

The City's basic financial statements include both government-wide, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

### **Government-wide financial statements**

The government-wide financial statements, consisting of the statement of net assets and the statement of activities, display all the nonfiduciary activities of the primary government and its component units. Generally, the effect of interfund activity has been removed from these statements. 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. In addition, the primary government is reported discretely from the legally separate component unit for which the primary government is financially accountable. The statement of net assets presents the financial condition of the City and its component unit at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the City's governmental and business-type activities. Direct expenses are those that are specifically associated with a service, program or department and therefore are clearly identifiable to a particular function. Program revenues include (1) charges paid by the recipient for goods or services or privileges provided by a given function or activity and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported instead as general revenues. The comparison of direct expenses with program revenues identifies the extent to which a given function or segment is self-financing or draws from the general revenues of the City.

### **Fund financial statements**

During the year, the City segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at a more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is reported in a separate column. Nonmajor funds are aggregated and presented in a single column in the fund financial statements.

### **Measurement focus and basis of accounting**

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

## **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

Property taxes and special assessments, though measurable, are not available soon enough in the subsequent year to finance current period obligations. Therefore, property tax and special assessment receivables are recorded and deferred until they become available. Charges for services and interest associated with the current fiscal period are considered susceptible to accrual and so have been recognized as revenues of the current period. Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

Agency funds are custodial in nature and do not measure results of operations or have a measurement focus. Agency funds do, however, use the accrual basis of accounting.

The City reports the following major governmental funds:

**General Fund** – The general fund is used to account for all financial resources except those required to be accounted for in another fund.

**Debt Service Fund** – The debt service fund is used to account 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 is used to account for the resources accumulated and payments made for the acquisition of fixed 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 is used to account for the operation of the municipal water utility including water supply, treatment and distribution.

**Sewer System Fund** – The sewer system fund is used to account for the operation of the municipal sewer utility including the collection and treatment of wastewater.

**Refuse Fund** – The refuse fund is used to account 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:

**Special Revenue Funds** – Special revenue funds are used to account for the proceeds of specific revenue sources that are restricted by law or administrative action to expenditure for specified purposes.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 Funds – The Retiree Health Care Benefit Plan trust fund is used to accumulate the resources for post-employment health care benefits to qualified employees. The agency funds are used to report resources held by the City in a custodial capacity for remittance of fiduciary resources to individuals, private organizations or other governments. The City utilizes separate agency funds for the following purposes – sales tax collection and remittance; revolving loan collection and remittance; neighborhood revitalization property tax collection and refunds; and payroll withholdings and remittances.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments for franchise fees and other charges between the City's enterprise funds and various other functions of government and the costs of the City's self-insurance program reported in the General Fund. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. In addition, general revenues include all taxes.

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 the proprietary funds' principal ongoing operations. Principal operating revenues of the proprietary funds are charges to customers for sales and services. Operating expenses for Enterprise and Internal Service Funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting these criteria are reported as nonoperating revenues and expenses.

Property taxes are not susceptible to accrual. Sales taxes collected and held by the State at year end on behalf of the City are recognized as revenue. Recognized state shared taxes represent payments received during the current fiscal period. State statutes specify distribution dates for such shared taxes and consequently, for revenue recognition purposes, amounts collected and held by the State on behalf of the City at year-end are not due and receivable until the ensuing year.

Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. Unrestricted aid is reported as revenue in the fiscal year the entitlement is received.

Licenses, fees, fines, forfeitures and other revenue are generally not susceptible to accrual and are recorded when received in cash.

### **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. Each fund type's portion of the pool is displayed on the financial statements as "cash including investments".

## **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

For purposes of the statement of cash flows, the City considers all highly liquid investments (including restricted assets) with a maturity of three months or less to be cash equivalents.

Earnings from investments are allocated to the funds on the basis of the average monthly balance and in accordance with the adopted budget.

Investments are carried at fair value determined on a selected basis. Deposits are reported at their carrying amount which approximates fair value.

### **Property taxes and other receivables**

In accordance with governing State statutes, property taxes levied during the current year are a revenue source to be used to finance the budget of the ensuing year. Taxes are assessed on January 1 and are levied and become a lien on the property on November 1 of each year. The County Treasurer is the tax collection agent for all taxing entities within the County. Property owners have the option of paying one-half or the full amount of the taxes levied on or before December 20th during the year levied with the balance to be paid on or before May 10th of the ensuing year. State statutes prohibit the County Treasurer from distributing taxes collected in the year levied prior to January 1 of the ensuing year. Consequently, for revenue recognition purposes, the taxes levied during the current year are not due and receivable until the ensuing year. At December 31 such taxes are a lien on the property and are recorded as taxes receivable, net of anticipated delinquencies, with a corresponding amount recorded as deferred revenue on the balance sheets of the appropriate funds. It is not practicable to apportion delinquent taxes held by the County Treasurer at the end of the year and, further, the amounts thereof are not material in relationship to the financial statements taken as a whole.

Recognized State-shared taxes represent payments received during the current fiscal period. State statutes specify distribution dates for such shared taxes. For revenue recognition purposes, amounts collected and held by the State on behalf of the City at year-end are not due and receivable until the ensuing year.

Federal and state grant aid is reported as revenue when the related reimbursable expenditures are incurred. Unrestricted aid is reported as revenue in the fiscal year the entitlement is received.

### **Special assessments 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, State 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 fifteen-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. At 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 funds statement, the special assessments receivable are reported as unearned revenue in the funds statements.

## **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Beginning in November 2008, the City levied special assessments to property owners within the City for stormwater maintenance and improvements. At 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 fund and accrued as revenues in the statement of activities. Since they are not considered available spendable resources for the funds statement, the stormwater special assessments receivable are reported as unearned revenue in the funds statements.

### **Sales tax receivable**

The City has a 1% local sales tax which is collected by the State and remitted to the City monthly. As required by City ordinance, sales tax revenues of \$500,000 are to be used for street improvements, \$1,050,000 for property tax relief and \$50,000 for economic development. The use of sales tax revenue in excess of \$1,600,000 will be used as directed by the governing body following the public hearing process. The accrued sales tax receivable represents the sales tax collected by the merchants and held by the State at year-end.

### **Inventories and prepaid items**

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. Reported inventories in the governmental funds are equally offset by a fund balance reserve, which indicates they are unavailable for appropriation even though they are a component of reported assets. Inventories in the general fund consist of expendable supplies held for consumption.

Prepaid expenses, which benefit future periods, are recorded as expenditures during the year of purchase in the governmental fund financial statements.

### **Capital assets**

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, curbs and gutters, sidewalks and similar items), 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 subsequent to January 1, 1980. Donated capital assets are valued at their estimated fair value on the date donated. 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 are offset against the related interest costs in determining either capitalization rates or limitations on the amount of interest costs to be capitalized.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment of the primary government and its component unit is 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 (streets)	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 capital leases is included in depreciation.

### **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' continuous service) and a maximum accumulation of ninety days' sick leave. Policies prohibit payment for personal leave in lieu of time off and require the cancellation of accumulated sick leave on date of employment termination. The liability for accrued personal leave is accrued when incurred in the government-wide and proprietary fund financial statements. The liability is classified as a current or long-term based on previous history of usage by employees. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee terminations or retirement.

### **Accrued liabilities and long-term debt**

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences, general obligation bonds and capital lease obligations that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year.

For governmental funds, bond premiums and discounts, as well as issuance costs, are recognized during the current period. Bond proceeds are reported as an other financing source net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

Bond costs are being amortized by the interest method over the life of the related revenue bonds in the enterprise funds.

Long-term liabilities for revenue bond obligations, certain general obligation bonds and the revolving loan note payable are recorded as liabilities in the enterprise funds. Principal payments are deducted from the liability as made.

### **Pension plan**

Substantially all full-time employees are members of the State of Kansas Public Employees' Retirement System which is a cost sharing multi-employer statewide pension plan. The City's policy is to fund all pension costs accrued; such costs to be funded are determined annually by the System's actuary.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Other post-employment benefits

The City provides post-retirement health care benefits, in accordance with state statutes and City policies as discussed in Note 10.

### Concentration of credit risk

The City routinely grants credit to utility customers, in accordance with applicable utility rate ordinances, all of which are located within the environs of the City. The City does not require security deposits for such service; however at inception of service a connection fee of \$15 is collected.

### Risk management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City carries commercial insurance for all risks of loss and there have been no significant reductions in insurance coverage. Settled claims resulting from these risks have not exceeded commercial insurance coverage in the current or any previous year.

During 2002, the City established a self-insurance health insurance program for employees for which the City retains risk of loss with certain limitations. The City's risk is limited through stop loss insurance coverage carried with a commercial insurance carrier. This policy provides for complete insurance coverage after the City has incurred \$50,000 of claims for any individual, in any one plan year, and also limits the City's paid claims to 125% of expected claims computed on a cumulative basis by month for any plan year. All City funds incurring payroll expenditures participate in the program and make payments to the program (which includes employee and employer contributions) based on actuarial estimates of the amounts needed to pay prior and current year claims. In accordance with Governmental Accounting Standards Board Statement No. 10, the City currently reports all its risk management activities in its General Fund. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include payments to cover deductibles and other liabilities related to the City's risk of loss and include an estimate of claims that have been incurred but not reported. At December 31, 2008, the amount of these liabilities was \$178,004. Changes in the reported liability since December 31, 2006 are as follows:

	<u>Beginning of Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance at Year End</u>
2007	\$ 98,343	\$ 957,238	\$ 927,399	\$128,182
2008	128,182	886,583	836,761	178,004

At December 31, 2008, General Fund cash and investments of \$1,096,816 were held for purposes of funding the City's current accrued liabilities and future claims liabilities. As a result, \$918,812 of the General Fund balance is designated for payment of future claims liabilities.

## **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

### **Net assets**

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the governing body or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, the City's policy is to apply restricted net assets first.

### **Reservations and designations of fund equity**

The fund balances of the governmental funds include the following reservations, which represent amounts that are not appropriable or are legally segregated for a specific purpose:

Reserved for encumbrances - used to segregate a portion of fund balance for commitments related to unperformed (executory) contracts for goods or services not yet performed by vendors.

Reserved for inventory - used to segregate a portion of fund balance to indicate that inventories do not represent available spendable resources.

The fund balances of the governmental funds include the following designations, which represent management plans that are subject to change:

Designated for subsequent year's budget - used to segregate a portion of fund balance for current resources which were included in the subsequent year's budget to be used to finance operations of the ensuing year.

Designated for self-insurance - used to segregate a portion of fund balance representing a reserve for future payment of claims liabilities under the City's risk financing activities.

Designated for debt service - used to segregate a portion of fund balance for debt service resources for the payment of general long-term debt principal and interest amounts of future years.

The net assets of the proprietary funds include the following reservations, which represent amounts that are legally segregated for a specific purpose:

Reserved for revenue bond requirements - used to segregate a portion of net assets restricted for future debt service and other reserve requirements provided for in the authorizing revenue bond ordinances and/or resolutions.

### **Budgetary principles**

The City is required by State statute to legally adopt annual operating budgets for the general fund, special revenue funds (unless exempted by specific statute), debt service fund, enterprise funds and internal service fund. The Special Street Equipment, Equipment Reserve, Family Life Center, Youth Activity Donations, Fire Recovery and Law Enforcement Trust special revenue fund types are exempted from a legally adopted budget. The statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. This process requires a notice of public hearing to amend the budget to be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. During 2008, the governing body amended the originally adopted budget of expenditures for the following funds:

<u>Fund</u>	<u>Original budget</u>	<u>Amended budget</u>
Industrial Development	\$ 182,254	\$ 450,000

Kansas 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 appropriations at the fund level.

All legal annual operating budgets are prepared using the modified accrual basis of accounting, modified further by the encumbrance method of accounting. For budgetary purposes, encumbrances of the budgeted governmental fund types, representing purchase orders, contracts and other commitments, are reported as a charge to the current year budget. All unencumbered appropriations (legal budget expenditure authority) lapse at the end of the year, except for capital project fund appropriations which are carried forward until such time as the project is completed or terminated. Encumbered appropriations are not reappropriated in the ensuing year's budget but are carried forward until liquidated or canceled.

Controls over spending in funds which are not subject to legal budgets are maintained by other statutes or by the use of internal spending limits established by management.

### **Reimbursed expenditures**

Kansas statutes allow for expenditures incurred during the year for which the City receives reimbursement to be treated as a budget credit for comparison of actual expenditures incurred to the legally adopted budget of expenditures. During 2008, the General Fund received \$210,561 of such reimbursements. These reimbursements include School Resource Officer wage and benefit reimbursements, insurance recoveries for expenditures incurred related to covered property, health insurance reimbursements from individuals for which the City provides post retirement benefits, and other miscellaneous items.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

## 2. DEPOSITS AND INVESTMENTS

### Deposits and investments

At December 31, 2008 the City had the following investments:

<u>Investment Type</u>	<u>Fair Value/ Carrying Amount</u>	<u>Cost</u>	<u>Weighted Average Months to Maturity</u>	<u>Rating</u>
Federal National Mortgage Association	\$ 4,757,530	\$ 4,244,953	346.47	Moody AAA;S&P AAA
Federal National Mortgage Association	246,583	248,298	132.00	Moody AAA;S&P AAA
Federal Home Loan Mortgage Corp.	68,683	71,824	360.00	Moody AAA;S&P AAA
Federal Home Loan Mortgage Corp.	79,839	64,973	228.00	Moody AAA;S&P AAA
Federal Home Loan Mortgage Corp.	204,441	164,460	276.00	Moody AAA;S&P AAA
Federal Home Loan Mortgage Corp.	<u>94,740</u>	<u>106,081</u>	324.00	Moody AAA;S&P AAA
	<u>\$ 5,451,816</u>	<u>\$ 4,900,589</u>		

During 2008, the City incurred no realized net gains from the sale of investments. The calculation of realized gains is independent of the calculation of the net increase or decrease in the fair value of investments. Realized gains and losses on investments that have been held in more than one fiscal year and sold in the current year may have been recognized as an increase or decrease in fair value of investments reported in the prior year. The net increase in the fair value of investments during 2008 was \$343,873 recorded in the Waterworks System Fund. This amount takes into account all changes in fair value (including purchases and sales) that occurred during the year. The unrealized gain on investments held at year-end was \$551,227.

Kansas Statutes Annotated (K.S.A.) 9-1401 establishes the depositories which may be used by governmental entities in Kansas. The statute requires banks eligible to hold the City's funds have a main or branch bank in the county in which the City is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of Federal Depository Insurance Corporation coverage. The City has no other policies that would further limit interest rate risk.

**2. DEPOSITS AND INVESTMENTS (continued)**

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**

State 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. The City’s allocation of investments as of December 31, 2008, is as follows:

<u>Investment</u>	<u>Percentage of Investments</u>
Federal National Mortgage Association	92%
Federal Home Loan Mortgage Corp.	8%

**Custodial credit risk – deposits**

Custodial credit risk for deposits is the risk that in the event of bank failure, the City’s deposits may not be returned or the City will not be able to recover collateral securities in the possession of an outside party. The City’s policy follows applicable State Statutes and requires deposits to be 100% secured by collateral (pledged securities) valued at market, less the amount of the Federal Deposit Insurance Corporation (FDIC) insurance. State Statutes define the allowable pledged securities.

At year-end, the carrying amount of the City’s deposits was \$12,078,114 with the bank balances of such accounts being \$11,983,583. Of the bank balances, \$256,046 was covered by federal depository insurance and the remaining balance of \$11,727,537 was covered by collateral held by the City's custodial bank in joint custody in the name of the City and its bank. The fair value of those pledged securities held by the City's custodial bank was \$11,803,661 at December 31, 2008.

The City's component unit’s cash and investments at December 31, 2008 consisted of checking, savings, certificate of deposit accounts and investment securities of the Bradford Memorial Library Endowment. At year-end, the carrying amount of the City’s component unit’s deposits was \$201,969 and the bank balances were \$201,969, which was entirely covered by federal depository insurance.

A reconciliation of cash and investments as reported in the financial statements at December 31, 2008 is as follows:

Cash on hand	\$ 1,050
Carrying amount of deposits – City	12,078,114
Carrying amount of deposits –component unit	201,969
Cash with fiscal agent	5,250
Carrying amount of investments – City	5,451,816
Carrying amount of investments – component unit	<u>143,930</u>
<b>Total</b>	<b><u>\$ 17,882,129</u></b>

## 2. DEPOSITS AND INVESTMENTS (continued)

Amounts per statement of net assets:	
Cash including investments	\$ 11,786,117
Component unit cash and investments	345,899
Cash with fiscal agent	5,250
Cash held in fiduciary funds	25,648
Restricted cash and investments	<u>5,719,215</u>
Total	<u>\$ 17,882,129</u>

## 3. CAPITAL ASSETS

A summary of changes in capital assets of the City for the year ended December 31, 2008 is as follows:

	<u>Balance January 1, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31, 2008</u>
<b><u>Governmental Activities:</u></b>				
Capital assets not being depreciated:				
Land	\$ 3,218,305	\$ 366,422	\$ 51,527	\$ 3,533,200
Construction work in progress	<u>2,407,511</u>	<u>2,158,429</u>	<u>1,319,437</u>	<u>3,246,503</u>
Total capital assets not being depreciated	<u>5,625,816</u>	<u>2,524,851</u>	<u>1,370,964</u>	<u>6,779,703</u>
Capital assets being depreciated:				
Buildings	10,342,753	-	57,733	10,285,020
Improvements other than buildings	7,200,038	371,898	1,920	7,570,016
Infrastructure	19,565,752	1,708,357	152,148	21,121,961
Machinery and equipment	<u>3,916,903</u>	<u>404,496</u>	<u>185,565</u>	<u>4,135,834</u>
Total capital assets being depreciated	<u>41,025,446</u>	<u>2,484,751</u>	<u>397,366</u>	<u>43,112,831</u>
Less accumulated depreciation for:				
Buildings	3,412,229	189,240	5,413	3,596,056
Improvements other than buildings	1,670,698	164,247	1,665	1,833,280
Infrastructure	6,862,591	802,327	10,008	7,654,910

### 3. CAPITAL ASSETS (continued)

	<u>Balance January 1, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31, 2008</u>
Machinery and equipment	\$ 1,173,782	\$ 241,331	\$ 152,149	\$ 1,262,964
Total accumulated depreciation	<u>13,119,300</u>	<u>1,397,145</u>	<u>169,235</u>	<u>14,347,210</u>
Total capital assets being depreciated, net	<u>27,906,146</u>	<u>1,087,606</u>	<u>228,131</u>	<u>28,765,621</u>
Governmental activities capital assets, net	<u>\$ 33,531,962</u>	<u>\$ 3,612,457</u>	<u>\$ 1,599,095</u>	<u>\$ 35,545,324</u>
<b><u>Business-Type Activities:</u></b>				
Capital assets, not being depreciated				
Land	\$ 755,667	\$ -	\$ -	\$ 755,667
Water storage space	5,862,922	-	-	5,862,922
Construction in process	<u>11,568,657</u>	<u>93,452</u>	<u>11,580,259</u>	<u>81,850</u>
Total capital assets not being depreciated	<u>18,187,246</u>	<u>93,452</u>	<u>11,580,259</u>	<u>6,700,439</u>
Capital assets being depreciated:				
Buildings	6,313,687	10,270,875	90,000	16,494,562
Improvements other than buildings	20,016,655	234,222	91,655	20,159,222
Machinery and equipment	<u>2,727,553</u>	<u>1,530,904</u>	<u>13,710</u>	<u>4,244,747</u>
Total capital assets being depreciated	<u>29,057,895</u>	<u>12,036,001</u>	<u>195,365</u>	<u>40,898,531</u>
Less accumulated depreciation for:				
Buildings	3,300,828	387,321	49,621	3,638,528
Improvements other than buildings	7,541,192	369,753	54,832	7,856,113

### 3. CAPITAL ASSETS (continued)

	Balance January 1, <u>2008</u>	Additions	Deletions	Balance December 31, <u>2008</u>
Machinery and equipment	\$ 1,342,953	\$ 187,120	\$ 10,564	\$ 1,519,509
Total accumulated depreciation	<u>12,184,973</u>	<u>944,194</u>	<u>115,017</u>	<u>13,014,150</u>
Total capital assets being depreciated, net	<u>16,872,922</u>	<u>11,091,807</u>	<u>80,348</u>	<u>27,884,381</u>
Business-type activities capital assets, net	<u>\$ 35,060,168</u>	<u>\$ 11,185,259</u>	<u>\$ 11,660,607</u>	<u>\$ 34,584,820</u>

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

Governmental activities:	
General government	\$ 213,469
Public safety	134,746
Highways and streets (including depreciation of infrastructure assets)	884,252
Health and sanitation	3,027
Culture and recreation	153,513
Economic development	189
Capital assets held by the City's internal service fund is charged to the various functions based on their usage	<u>7,949</u>
Total depreciation expense – governmental activities	<u>\$ 1,397,145</u>
Business-type activities:	
Waterworks utility	\$ 307,113
Sewer utility	556,089
Refuse	<u>80,992</u>
Total depreciation expense – business-type activities	<u>\$ 944,194</u>

### 4. LONG-TERM DEBT

The following is a summary of changes in long-term debt transactions of the City for the year ended December 31, 2008:

#### 4. LONG-TERM DEBT (continued)

	Outstanding January 1, <u>2008</u>	Additions	Deletions	Outstanding December 31, <u>2008</u>	Due Within One Year
<b><u>Governmental activities</u></b>					
General obligation bonds	\$12,979,753	\$ 3,310,000	\$ 1,774,066	\$14,515,687	\$ 1,692,666
Kansas Department of Commerce note payable	5,468	-	5,468	-	-
Compensated absences	<u>223,431</u>	<u>266,720</u>	<u>251,804</u>	<u>238,347</u>	<u>207,743</u>
Total long-term liabilities – Governmental activities	<u>\$13,208,652</u>	<u>\$ 3,576,720</u>	<u>\$ 2,031,338</u>	<u>\$14,754,034</u>	<u>\$ 1,900,409</u>
<b><u>Business-type activities</u></b>					
General obligation bonds	\$ 1,211,247	\$ -	\$ 106,934	\$ 1,104,313	\$ 112,335
Notes payable	11,318,899	-	556,590	10,762,309	571,926
Capitalized lease obligations	88,348	-	36,250	52,098	36,250
Water storage space	4,979,957	49,918	-	5,029,875	441,353
Compensated absences	<u>90,382</u>	<u>94,630</u>	<u>98,774</u>	<u>86,238</u>	<u>75,166</u>
Total long-term liabilities – Business-Type activities	<u>\$17,688,833</u>	<u>\$ 144,548</u>	<u>\$ 798,548</u>	<u>\$17,034,833</u>	<u>\$1,237,030</u>

#### **General obligation bonds**

General obligation bonds are issued to provide funds for the acquisition and construction of major capital facilities. General obligation bonds payable are serial bonds to be retired through calendar year 2026. At December 31, 2008 the bonds consist of the following:

	Interest <u>rates</u>	Bonds <u>outstanding</u>
General Obligation Internal Improvement Bonds, Series 1996-A, issued February 1, 1996	4.70 - 8.50	\$ 1,845,000
General Obligation Internal Improvement Bonds, Series 1997-A, issued September 1, 1997	4.60 - 6.75	620,000
General Obligation Public Building Bonds, Series A 1999, issued November 1, 1999	4.50 - 6.00	110,000
General Obligation Internal Improvement Bonds, Series 2001, issued October 1, 2001	3.20 - 5.00	1,410,000
General Obligation Bonds, Series 2002, issued November 1, 2002	3.10 - 5.00	1,085,000
General Obligation Bonds, Series 2004, issued October 1, 2004	2.80 - 3.60	2,915,000
General Obligation Bonds, Series 2006, issued November 15, 2006	3.60 - 4.50	4,325,000
General Obligation Bonds, Series 2008, issued December 1, 2008	2.20 - 4.25	<u>3,310,000</u>
Total general obligation bonds payable		15,620,000
Less amount to be serviced from enterprise funds		<u>(1,104,313)</u>
Total general obligation bonds outstanding – payable from governmental activities		<u>\$ 14,515,687</u>

#### 4. LONG-TERM DEBT (continued)

Remaining debt service requirements for general obligation bonds will be paid from the debt service fund with future property tax revenues and special assessment taxes. Annual debt service requirements to maturity for general obligation bonds to be retired from the debt service fund are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 1,692,666	\$ 562,706	\$ 2,255,372
2010	1,642,990	509,372	2,152,362
2011	1,709,009	447,279	2,156,288
2012	1,269,162	381,242	1,650,404
2013	1,024,487	336,818	1,361,305
2014	1,064,641	300,464	1,365,105
2015	659,196	261,374	920,570
2016	687,114	235,365	922,479
2017	705,726	207,612	913,338
2018	648,644	178,355	826,999
2019	676,562	151,199	827,761
2020	713,786	122,443	836,229
2021	746,704	91,895	838,599
2022	400,000	59,811	459,811
2023	425,000	41,046	466,046
2024	140,000	21,090	161,090
2025	150,000	13,043	163,043
2026	<u>160,000</u>	<u>4,440</u>	<u>164,440</u>
	<u>\$ 14,515,687</u>	<u>\$ 3,925,554</u>	<u>\$ 18,441,241</u>

#### General obligation bonds payable from enterprise funds

Remaining debt service requirements for general obligation bonds to be paid from the Waterworks and Sewage Treatment Funds are as follows:

<u>Year</u>	<u>Waterworks Utility</u>			<u>Sewage Treatment Utility</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 71,165	\$ 23,557	\$ 94,722	\$ 41,170	\$ 15,909	\$ 57,079
2010	74,048	21,237	95,285	42,962	14,482	57,444
2011	76,553	18,761	95,314	44,439	12,980	57,419
2012	79,641	16,116	95,757	46,196	11,386	57,582
2013	82,524	13,359	95,883	47,989	9,733	57,722
2014	85,612	10,567	96,179	49,747	8,092	57,839
2015	24,948	7,597	32,545	20,856	6,351	27,207
2016	26,082	6,674	32,756	21,804	5,579	27,383
2017	26,838	5,695	32,533	22,436	4,761	27,197
2018	27,972	4,676	32,648	23,384	3,909	27,293
2019	29,106	3,599	32,705	24,332	3,009	27,341
2020	30,618	2,464	33,082	25,596	2,060	27,656
2021	<u>31,752</u>	<u>1,254</u>	<u>33,006</u>	<u>26,543</u>	<u>1,049</u>	<u>27,592</u>
	<u>\$ 666,859</u>	<u>\$ 135,556</u>	<u>\$ 802,415</u>	<u>\$ 437,454</u>	<u>\$ 99,300</u>	<u>\$ 536,754</u>

**4. LONG-TERM DEBT (continued)**

**Kansas Department of Commerce note payable**

During 1999, the City entered into a loan agreement with the Kansas Department of Commerce and Housing for financing of certain capital improvements in the City's industrial park. The loan agreement provided for semi-annual payments in the amount of \$5,545, including interest at 2%, through February 2008. The debt service payments were serviced through the Debt Service Fund of the City through lease rentals received from tenants in the industrial park. The debt was fully retired during 2008.

**Notes Payable**

During 1999, the City entered into a loan agreement with the Kansas Department of Health and Environment for financing wastewater treatment plant improvements. The maximum loan commitment was for \$1,200,000 at an interest rate of 3.00%. At December 31, 2008, the outstanding principal balance under the loan agreement was \$339,000. The original terms of the loan agreement provide for semi-annual payments in the amount of \$55,500, including interest, commencing in September 1999 over a fourteen-year period. Annual debt service requirements to maturity based on the outstanding loan balance at December 31, 2008 are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 101,586	\$ 9,414	\$ 111,000
2010	104,657	6,343	111,000
2011	107,820	3,180	111,000
2012	<u>24,937</u>	<u>374</u>	<u>25,311</u>
	<u>\$ 339,000</u>	<u>\$ 19,311</u>	<u>\$ 358,311</u>

During 2005, the City entered into a second loan agreement with the Kansas Department of Health and Environment for financing the construction of a new activated sludge wastewater treatment plant and modification to the existing facility. The maximum loan commitment under the original agreement was for \$10,300,000 and was subsequently amended during 2006 to \$11,500,000 at an interest rate of 2.68%. At December 31, 2008, the outstanding principal balance under the loan agreement was \$10,423,309. The original terms of the loan agreement provide for semi-annual payments in the amount of \$373,277, including interest, commencing in September 2007 over a twenty-year period. Annual debt service requirements to maturity based on the outstanding loan balance at December 31, 2008 are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 470,340	\$ 276,214	\$ 746,554
2010	483,030	263,524	746,554
2011	496,062	250,492	746,554
2012	509,445	237,109	746,554
2013	523,190	223,364	746,554
2014	537,305	209,249	746,554
2015	551,802	194,752	746,554
2016	566,689	179,865	746,554
2017	581,978	164,576	746,554
2018	597,679	148,875	746,554
2019	613,805	132,749	746,554

#### 4. LONG-TERM DEBT (continued)

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 630,365	\$ 116,189	\$ 746,554
2021	647,372	99,182	746,554
2022	664,838	81,716	746,554
2023	682,774	63,780	746,554
2024	701,195	45,359	746,554
2025	720,113	26,441	746,554
2026	<u>445,327</u>	<u>7,013</u>	<u>452,340</u>
	<u>\$ 10,423,309</u>	<u>\$ 2,720,449</u>	<u>\$ 13,143,758</u>

#### Capitalized lease obligations

During 2006, the City entered into a lease purchase agreement with a financial institution for the purchase of software utilized by the Waterworks System utility and in other operations of the City. The maximum amount of the lease agreement is \$145,000, however drawdowns under the lease agreement aggregated only \$124,598. The lease agreement provides for annual principal payments of \$36,250 plus accrued interest to the payment due dates through 2010. The total payments based on the City's liability at December 31, 2008 range from \$39,780 in 2008 to \$16,480 in 2010.

The outstanding lease qualifies as a capital lease for accounting purposes and, accordingly, has been recorded at the present value of the minimum payments at the date of lease inception. The annual requirements to amortize the capital lease obligation outstanding at December 31, 2008, including interest payments, are as follows:

<u>Year ending December 31,</u>	<u>Business-Type Activities</u> Waterworks System Software
2009	\$ 38,326
2010	<u>16,480</u>
Total minimum lease payments	54,806
Less amount representing interest	<u>(2,708)</u>
Present value of net minimum lease payments	<u>\$ 52,098</u>

The amount of capital assets acquired under the capital lease arrangements by major class are as follows:

	<u>Business- Type Activities</u>
Machinery and equipment	\$ 311,526
Accumulated depreciation	<u>(48,213)</u>
Net assets under outstanding capital leases	<u>\$ 263,313</u>

#### **4. LONG-TERM DEBT (continued)**

##### **Liability for water storage space**

In 1972, the City entered into a contract with the United States Army Corps of Engineers (the Corps) whereby the City provided land and waterworks system assets (book value of \$1,346,307) 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. For financial reporting purposes, this contract was accounted for as a financing contract whereby total expected cash outflows were discounted at the City's 1983 incremental borrowing rate of 9.8%. This resulted in an asset and a corresponding liability for water storage space of \$56,952 being recorded in the waterworks system fund during the year ended December 31, 1990.

During 1992, water usage exceeded the minimum quantity and, accordingly, the change in present value of the revised cash outflows of \$1,269,018 was recorded as an increase to the original water storage space asset and liability. Annual payments of \$125,535 are due on this portion of the excess usage beginning July 15, 1993 and ending July 15, 2041.

During 2003, the water usage again exceeded the minimum quantity and, accordingly, the change in the present value of the revised cash outflows of \$3,189,619 was recorded as an increase to the water storage space asset and liability. Annual payments of \$315,818 are due on this portion of the excess usage beginning July 15, 2003 and ending July 15, 2051. The aggregate liability at December 31, 2008 is \$5,029,875, and interest charged to operations during 2008 was \$486,108. Should payments again accelerate, the change in present value of the revised cash outflows will be recorded as adjustments to the asset and liability in the period of change.

The City also pays the Corps its share of the costs of operation and maintenance. During the year ended December 31, 2008 the City paid \$115,224 for lake operation and maintenance costs.

##### **Conduit debt**

The City has issued Industrial Revenue Bonds and Multi-Family Housing Revenue Bonds for the purpose of financing capital activities of private-sector entities. Although conduit debt obligations bear the name of the City, they are payable solely from resources provided by leases or loans with the third parties on whose behalf they were issued. The bonds do not constitute an indebtedness or pledge of the faith or credit of the City of El Dorado, and accordingly, are not included as liabilities in the accompanying financial statements. At December 31, 2008, there were six separate series of such Revenue Bonds outstanding, with an aggregate principal amount payable of \$9,084,909. During 2008, there was \$104,159 in bond principal retirements.

#### **5. TEMPORARY NOTES**

Kansas law permits the issuance of temporary notes to finance certain capital improvement projects which will be refinanced with general obligation bonds. Prior to the issuance of the temporary notes, the governing body must take necessary legal steps to authorize the issuance of general obligation bonds. Temporary notes issued may not exceed the aggregate amount of bonds authorized, are interest bearing and have a maturity date not later than four years from the date of issuance. Temporary notes outstanding at December 31, 2008 are payable as follows:

**5. TEMPORARY NOTES (continued)**

	<u>Interest Rate</u>	<u>Amount Outstanding</u>	<u>Maturity Date</u>
Construction Fund:			
Street improvements	4.26%	\$ 95,000	01-02-09

During 2008, the City issued \$707,000 and retired \$3,123,305 of temporary notes for the various capital improvement projects.

<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
\$ 2,511,305	\$ 707,000	\$ 3,123,305	\$ 95,000

**6. CAPITAL PROJECT AUTHORIZATIONS**

The City prepares annual operating budgets for most of the governmental funds; however, for the Construction Fund, which accounts for individual capital improvement projects, a project-length authorization is prepared and then approved by the City Commission. Inception-to-date expenditures for the individual projects included within the Construction Fund did not exceed the governing body authorizations for such individual projects at December 31, 2008.

**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. A summary of interfund transfers by individual fund is as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major Funds:		
General	\$ 274	\$ 1,587,910
Debt Service	86,596	-
Construction	918,120	11,596
Waterworks System	-	5,000
Sewer System	-	5,000
	<u>1,004,990</u>	<u>1,609,506</u>
Nonmajor Governmental Funds:		
Major Street Improvement	375,000	41,200
Cemetery	85,000	-
Economic Development Sales Tax	50,000	-
Equipment Reserve	125,000	-
Family Life Center	-	274
Youth Activity Donations	964	-
Fire Recovery	26	-
	<u>635,990</u>	<u>41,474</u>

**7. INTERFUND TRANSFERS (continued)**

	<u>Transfers In</u>	<u>Transfers Out</u>
Internal Service Fund:		
Data Processing	\$ 10,000	\$ -
Total transfers	<u>\$ 1,650,980</u>	<u>\$ 1,650,980</u>

Non-routine transfers from the General Fund to the Equipment Reserve Fund of \$125,000 and to the Debt Service Fund of \$75,000 were made to set aside moneys for future equipment replacement and reduce the property tax increase, respectively. In addition, the General Fund transferred \$375,000 to the Major Street Improvement Fund to provide resources for specified street improvements.

The Waterworks System and Sewer System Funds transferred to the Data Processing Fund \$5,000 and \$5,000, respectively, to provide for equipment replacements. The Major Street Improvement Fund transferred \$41,200 to the Construction Fund to provide resources for street improvement capital projects. The Construction Fund transferred excess project resources in the amount of \$11,596 to the Debt Service Fund.

The General Fund routinely transfers to the Cemetery Fund, Economic Development Sales Tax Fund, Youth Activity Fund and Construction Fund to provide operating funding and sales tax resources for street improvement projects. Amounts transferred to those funds during 2008 were \$85,000, \$50,000, \$964 and \$876,920, respectively.

**8. PENSION PLAN**

**Plan description**

The City participates in the Kansas Public Employees Retirement System (KPERS), a cost sharing multiple employer defined benefit pension plan as provided by K.S.A. 74-4901, et. seq. KPERS provides retirement benefits, life insurance, disability income benefits and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS, 611 S. Kansas Avenue, Suite 100, Topeka, Kansas 66603-3803.

**Funding policy**

K.S.A. 74-4919 establishes the KPERS member-employee contribution rate at 4% of covered salary. Member-employees' contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code. State law provides that the employer contribution rate be determined annually based on the results of an annual actuarial valuation. KPERS is funded on an actuarial reserve basis. State law sets a limitation on annual increases in the contribution rates for KPERS employers. The employer rate established by statute for the period January 1, 2008 to December 31, 2008 was 5.93%. The City's contributions to KPERS for the years ending December 31, 2008, 2007 and 2006 were \$272,947, \$222,727 and \$178,359, respectively, equal to the statutory required contributions for each year.

## 9. BUDGETARY DATA

As described in Note 1 the actual data presented in the budgetary comparison statements differ from data presented in accordance with generally accepted accounting principles (GAAP) for the governmental fund types. The following reconciliations are presented to provide a correlation between the "GAAP" basis of reporting and the budgetary basis of reporting:

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Other Nonmajor Governmental Funds</u>
GAAP Fund Balance at December 31, 2008	\$ 4,194,099	\$ 592,941	\$ 1,029,429
Adjustments:			
Reserved for self-insurance claims	(918,812)	-	-
Reserved for encumbrances (budgeted funds)	(146,750)	-	(15,943)
Accrued sales tax revenues	(223,936)	-	-
Accrued interest receivable	(89,572)	-	-
Inventories	(100,240)	-	-
Unreserved fund balances not subject to the Kansas budget law	-	-	(306,442)
 Budgetary Fund Balance at December 31, 2008	 <u>\$ 2,714,789</u>	 <u>\$ 592,941</u>	 <u>\$ 707,044</u>

## 10. OTHER POST-EMPLOYMENT BENEFITS

The City of El Dorado other post-employment benefits (OPEB) are accounted for through the Retiree Health Care Benefit Plan Trust (Plan). The Plan is a single employer defined benefit health care plan administered by the City to provide medical care insurance benefits to eligible retirees and their spouses. Eligible employees are those who retire from the City with full KPERs benefits prior to age 62 with at least 20 years of service with the City. During 2008, three retirees met those eligibility requirements. The City provides 50% of the single or family monthly medical premium cost of the pre-Medicare retirees, and retirees between age 62 and 65 are responsible for 100% of their premiums. The Plan is considered part of the City's reporting entity and is presented solely in the accompanying basic financial statements as a post-employment benefit trust fund in the fiduciary fund type.

Membership in the Plan comprised the following at January 1, 2008:

Active employees	124
Retired participants medical	2
Retired participants spouse medical	1

The annual required contribution (ARC) is the basic annual expense recognized under Governmental Accounting Standards Board Statement No. 45, though there is no requirement to fund the ARC. ARC is calculated under the actuarial cost method that was chosen and is comprised of the normal cost plus amortization of the unfunded actuarial accrued liability

**10. OTHER POST-EMPLOYMENT BENEFITS (continued)**

(excess of the past service liability over the actuarial value of the assets). The required contribution is based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined annually. For 2008, the City contributed \$78,192 to the Plan. Plan members receiving benefits contributed \$6,718, or .7% of the total premiums.

Other post-employment benefit cost expense is computed based on the ARC of the City. If funded on a regular basis, the ARC is an amount of funding that is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. The following table shows the components that comprise the City of El Dorado's OPEB cost for 2008:

Annual required contribution	<u>\$ 78,192</u>
Annual OPEB cost (expense)	78,192
Contributions made	<u>78,192</u>
Increase in net OPEB obligation (asset)	-
Net OPEB obligation – beginning of year	<u>-</u>
Net OPEB obligation – end of year	<u>\$ -</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation (asset) for 2008 are as follows:

<u>Year Ended</u>	<u>OPEB Cost</u>	<u>% of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation (Asset)</u>
12-31-08	\$ 78,192	100%	\$ -

As of December 31, 2008, the Plan was 0% funded. The actuarial accrued liability for benefits was \$699,820 and the actuarial value of assets was \$-0-, resulting in an unfunded actuarial accrued liability of \$699,820. The covered payroll (annual payroll of active employees covered by the Plan) was \$4,344,648, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 16.1%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about future employment, mortality and the health care cost trend. Amounts determined regarding the funded status of the Plan and the ARC of the City are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents only the initial year trend information.

Projections of benefits for financial reporting purposes are based on the substantive plan (the Plan as understood by the employer and the Plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and Plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

**10. OTHER POST-EMPLOYMENT BENEFITS (continued)**

At December 31, 2008, the projected unit credit cost method was used to determine the annual required contribution. The actuarial assumptions included a 6 percent investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on Plan assets and on the City's own investments calculated based on the funded level of the Plan at the valuation date, and the annual health care cost trend rate of 10 percent for medical claims, reduced by decrements of one-half of one percent to an ultimate rate of 5 percent after ten years. The unfunded actuarial accrued liability is being amortized as a level dollar amount on an open basis over a period of 30 years.

**11. COMMITMENTS AND CONTINGENCIES**

The City is a defendant in various legal actions pending or in process for miscellaneous claims. The ultimate liability that might result from the final resolution of these matters is not presently determinable. The City has taken the position that it will vigorously defend against these actions.

At December 31, 2008, the City has commitments outstanding related to street improvements, sanitary sewers and other improvement projects totaling \$349,761. In addition, the City has outstanding engineering and construction commitments related to a new activated sludge wastewater treatment plant and modifications to the existing facility totaling \$205,538.

**CITY OF EL DORADO, KANSAS**  
**RETIREES HEALTH CARE BENEFIT PLAN TRUST**  
**REQUIRED SUPPLEMENTARY INFORMATION**

Schedule of Employer Contributions

<u>Year</u>	<u>Annual OPEB Costs</u>	<u>Net Employer Contributions</u>	<u>Percentage Contributed</u>	<u>End of Year OPEB Obligation</u>
2008	\$ 78,192	\$ 78,192	100%	\$ -

Schedule of Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) (b)</u>	<u>Unfunded AAL (b - a)</u>	<u>Funded Ratio (a ÷ b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percent of Covered Payroll ((b - a) ÷ c)</u>
12/31/08	\$ -	\$ 699,820	\$ 699,820	0.0%	\$ 4,344,648	16.1%

**COMBINING FINANCIAL STATEMENTS  
AND  
INDIVIDUAL FUND SCHEDULES**

**(This page left blank intentionally.)**

## **GOVERNMENTAL FUNDS**

### **NONMAJOR SPECIAL REVENUE FUNDS**

The primary purpose of the Special Revenue Funds is to account for the proceeds of designated revenue sources which are used to finance specified activities as required by law or administrative regulation. The following nonmajor Special Revenue Funds are reported:

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

**Library Fund** – to account for the funding for the operation of the municipal library.

**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 state shared tax and park land development fees for parks and recreation.

**Special Alcohol Programs Fund** – to account for the state shared tax for the prevention or treatment of alcohol and substance abuse.

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

**Cemetery Fund** – to account for the operations of the City/Township owned cemeteries.

**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.

**Special Street Equipment Fund** – to account for street equipment purchases. Financing is provided through state gas tax moneys.

**Equipment Reserve Fund** – to account for the funding mechanism to secure the orderly acquisition and replacement of equipment for the efficient and effective operation of the City.

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

**Youth Activity Donations Fund** – to account for public donations and grant programs to sponsor specified youth activities and other community activities conducted by the City.

**Fire Recovery Fund** - to account for resources through private-sector insurance proceeds and other City resources utilized in the cleanup operations of fire damages.

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

**CITY OF EL DORADO, KANSAS**

**COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS – SPECIAL REVENUE FUNDS  
(continued on next page)**

**December 31, 2008**

	<u>Airport</u>	<u>Library</u>	<u>Major Street Improve- ment</u>	<u>Industrial Develop- ment</u>	<u>Special Parks and Recreation</u>	<u>Special Alcohol Programs</u>	<u>Tourism Tax</u>	<u>Cemetery</u>
<b><u>ASSETS</u></b>								
Cash and short-term investments	\$ 121,180	\$ –	\$ 49,862	\$ 54,659	\$ 57,475	\$ 28,205	\$ 170,519	\$ 17,008
Taxes receivable	23,955	382,953	–	82,890	–	–	–	–
Special assessments receivable	–	–	–	–	–	–	–	–
Due from other governments	9,520	–	14,707	–	–	–	–	164,661
Accounts receivable, net	<u>2,625</u>	<u>–</u>	<u>5,995</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>1,405</u>
 Total assets	 <u>\$ 157,280</u>	 <u>\$ 382,953</u>	 <u>\$ 70,564</u>	 <u>\$ 137,549</u>	 <u>\$ 57,475</u>	 <u>\$ 28,205</u>	 <u>\$ 170,519</u>	 <u>\$ 183,074</u>
 <b><u>LIABILITIES AND FUND BALANCES</u></b>								
Liabilities:								
Salaries and wages payable	\$ –	\$ –	\$ 5,281	\$ –	\$ –	\$ –	\$ –	\$ 911
Accounts payable	5,425	–	13,532	1,027	8,429	4,050	10	6,169
Deferred revenue	<u>23,955</u>	<u>382,953</u>	<u>–</u>	<u>82,890</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
 Total liabilities	 <u>29,380</u>	 <u>382,953</u>	 <u>18,813</u>	 <u>83,917</u>	 <u>8,429</u>	 <u>4,050</u>	 <u>10</u>	 <u>7,080</u>
Fund balances:								
Reserved for encumbrances	430	–	5,556	8,750	–	–	–	1,207
Unreserved:								
Designated for subsequent years' expenditures	102,800	–	647	44,882	49,046	21,624	129,455	142,082
Undesignated	<u>24,670</u>	<u>–</u>	<u>45,548</u>	<u>–</u>	<u>–</u>	<u>2,531</u>	<u>41,054</u>	<u>32,705</u>
 Total fund balances	 <u>127,900</u>	 <u>–</u>	 <u>51,751</u>	 <u>53,632</u>	 <u>49,046</u>	 <u>24,155</u>	 <u>170,509</u>	 <u>175,994</u>
 Total liabilities and fund balances	 <u>\$ 157,280</u>	 <u>\$ 382,953</u>	 <u>\$ 70,564</u>	 <u>\$ 137,549</u>	 <u>\$ 57,475</u>	 <u>\$ 28,205</u>	 <u>\$ 170,519</u>	 <u>\$ 183,074</u>

**CITY OF EL DORADO, KANSAS**

**COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS – SPECIAL REVENUE FUNDS  
(continued from previous page)**

**December 31, 2008**

	<u>Economic Develop- ment Sales Tax</u>	<u>Stormwater Utility</u>	<u>Special Street Equipment</u>	<u>Equipment Reserve</u>	<u>Family Life Center</u>	<u>Youth Activity Donations</u>	<u>Fire Recovery</u>	<u>Law Enforce- ment Trust</u>	<u>Total Nonmajor Special Revenue Funds</u>
<b><u>ASSETS</u></b>									
Cash and short-term investments	\$ 70,000	\$ -	\$ 4,411	\$ 247,123	\$ 407	\$ 33,554	\$ 20,782	\$ 1,534	\$ 876,719
Taxes receivable	-	-	-	-	-	-	-	-	489,798
Special assessments receivable	-	320,185	-	-	-	-	-	-	320,185
Due from other governments	-	-	-	-	-	-	-	-	188,888
Accounts receivable, net	-	-	-	-	-	-	-	-	10,025
Total assets	<u>\$ 70,000</u>	<u>\$ 320,185</u>	<u>\$ 4,411</u>	<u>\$ 247,123</u>	<u>\$ 407</u>	<u>\$ 33,554</u>	<u>\$ 20,782</u>	<u>\$ 1,534</u>	<u>\$1,885,615</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>									
Liabilities:									
Salaries and wages payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,192
Accounts payable	-	-	-	-	407	962	-	-	40,011
Deferred revenue	-	320,185	-	-	-	-	-	-	809,983
Total liabilities	<u>-</u>	<u>320,185</u>	<u>-</u>	<u>-</u>	<u>407</u>	<u>962</u>	<u>-</u>	<u>-</u>	<u>856,186</u>
Fund balances:									
Reserved for encumbrances	-	-	-	-	-	-	-	-	15,943
Unreserved:									
Designated for subsequent years' expenditures	70,000	-	-	-	-	-	-	-	560,536
Undesignated	-	-	4,411	247,123	-	32,592	20,782	1,534	452,950
Total fund balances	<u>70,000</u>	<u>-</u>	<u>4,411</u>	<u>247,123</u>	<u>-</u>	<u>32,592</u>	<u>20,782</u>	<u>1,534</u>	<u>1,029,429</u>
Total liabilities and fund balances	<u>\$ 70,000</u>	<u>\$ 320,185</u>	<u>\$ 4,411</u>	<u>\$ 247,123</u>	<u>\$ 407</u>	<u>\$ 33,554</u>	<u>\$ 20,782</u>	<u>\$ 1,534</u>	<u>\$1,885,615</u>

**CITY OF EL DORADO, KANSAS**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS – SPECIAL REVENUE FUNDS  
(continued on next page)**

**Year ended December 31, 2008**

	<u>Airport</u>	<u>Library</u>	<u>Major Street Improve- ment</u>	<u>Industrial Develop- ment</u>	<u>Special Parks and Recreation</u>	<u>Special Alcohol Programs</u>	<u>Tourism Tax</u>	<u>Cemetery</u>
<b>Revenues:</b>								
Taxes	\$ 24,386	\$ 379,344	\$ -	\$ 81,934	\$ -	\$ -	\$ 189,497	\$ -
Intergovernmental	22,605	-	542,353	-	23,018	23,018	-	50,290
Licenses and permits	-	-	4,608	-	5,159	-	-	-
Charges for services	116,396	-	-	-	-	-	-	67,997
Use of money and property	5,830	-	3,526	95,278	-	-	4,200	-
Miscellaneous	<u>833</u>	<u>-</u>	<u>27,275</u>	<u>3,063</u>	<u>-</u>	<u>48</u>	<u>543</u>	<u>1,773</u>
<b>Total revenues</b>	<u>170,050</u>	<u>379,344</u>	<u>577,762</u>	<u>180,275</u>	<u>28,177</u>	<u>23,066</u>	<u>194,240</u>	<u>120,060</u>
<b>Expenditures:</b>								
General government	149,512	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-
Highways and streets	-	-	918,222	-	-	-	-	-
Health and sanitation	-	-	-	-	-	18,130	-	155,543
Culture and recreation	-	379,344	-	-	26,343	-	-	-
Economic development	<u>-</u>	<u>-</u>	<u>-</u>	<u>402,429</u>	<u>-</u>	<u>-</u>	<u>111,526</u>	<u>-</u>
<b>Total expenditures</b>	<u>149,512</u>	<u>379,344</u>	<u>918,222</u>	<u>402,429</u>	<u>26,343</u>	<u>18,130</u>	<u>111,526</u>	<u>155,543</u>
<b>Revenues over (under) expenditures</b>	<u>20,538</u>	<u>-</u>	<u>(340,460)</u>	<u>(222,154)</u>	<u>1,834</u>	<u>4,936</u>	<u>82,714</u>	<u>(35,483)</u>
<b>Other financing sources (uses):</b>								
Transfers in	-	-	375,000	-	-	-	-	85,000
Transfers out	<u>-</u>	<u>-</u>	<u>(41,200)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>333,800</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>85,000</u>
<b>Net change in fund balances</b>	20,538	-	(6,660)	(222,154)	1,834	4,936	82,714	49,517
<b>Fund balances, beginning of year</b>	<u>107,362</u>	<u>-</u>	<u>58,411</u>	<u>275,786</u>	<u>47,212</u>	<u>19,219</u>	<u>87,795</u>	<u>126,477</u>
<b>Fund balances, end of year</b>	<u>\$ 127,900</u>	<u>\$ -</u>	<u>\$ 51,751</u>	<u>\$ 53,632</u>	<u>\$ 49,046</u>	<u>\$ 24,155</u>	<u>\$ 170,509</u>	<u>\$ 175,994</u>

**CITY OF EL DORADO, KANSAS**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS – SPECIAL REVENUE FUNDS  
(continued from previous page)**

**Year ended December 31, 2008**

	Economic Develop- ment <u>Sales Tax</u>	Stormwater <u>Utility</u>	Special Street <u>Equipment</u>	Equipment <u>Reserve</u>	Family Life <u>Center</u>	Youth Activity <u>Donations</u>	Fire <u>Recovery</u>	Law Enforce- ment <u>Trust</u>	Total Nonmajor Special Revenue <u>Funds</u>
<b>Revenues:</b>									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 675,161
Intergovernmental	-	-	-	-	11,835	-	-	-	673,119
Licenses and permits	-	-	-	-	-	-	-	-	9,767
Charges for services	-	-	-	-	-	11,773	-	-	196,166
Use of money and property	-	-	-	11,000	-	-	-	-	119,834
Miscellaneous	-	-	-	-	-	4,305	31,454	-	69,294
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,000</u>	<u>11,835</u>	<u>16,078</u>	<u>31,454</u>	<u>-</u>	<u>1,743,341</u>
<b>Expenditures:</b>									
General government	-	-	-	-	-	-	-	-	149,512
Public safety	-	-	-	186,500	-	1,928	-	-	188,428
Highways and streets	-	-	-	-	-	-	-	-	918,222
Health and sanitation	-	-	-	-	11,561	-	14,723	-	199,957
Culture and recreation	-	-	-	-	-	13,998	-	-	419,685
Economic development	-	-	-	-	-	635	-	-	514,590
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>186,500</u>	<u>11,561</u>	<u>16,561</u>	<u>14,723</u>	<u>-</u>	<u>2,390,394</u>
<b>Revenues over (under) expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(175,500)</u>	<u>274</u>	<u>(483)</u>	<u>16,731</u>	<u>-</u>	<u>(647,053)</u>
<b>Other financing sources (uses):</b>									
Transfers in	50,000	-	-	125,000	-	964	26	-	635,990
Transfers out	-	-	-	-	(274)	-	-	-	(41,474)
<b>Total other financing sources (uses)</b>	<u>50,000</u>	<u>-</u>	<u>-</u>	<u>125,000</u>	<u>(274)</u>	<u>964</u>	<u>26</u>	<u>-</u>	<u>594,516</u>
<b>Net change in fund balances</b>	50,000	-	-	(50,500)	-	481	16,757	-	(52,537)
<b>Fund balances, beginning of year</b>	20,000	-	4,411	297,623	-	32,111	4,025	1,534	1,081,966
<b>Fund balances, end of year</b>	<u>\$ 70,000</u>	<u>\$ -</u>	<u>\$ 4,411</u>	<u>\$ 247,123</u>	<u>\$ -</u>	<u>\$ 32,592</u>	<u>\$ 20,782</u>	<u>\$ 1,534</u>	<u>\$ 1,029,429</u>

**CITY OF EL DORADO, KANSAS**

**AIRPORT FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE – BUDGET AND ACTUAL –  
BUDGETARY BASIS**

**Year Ended December 31, 2008**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>With Final</u>
			<u>Budgetary</u>	<u>Budget</u>
			<u>Basis</u>	<u>Positive</u>
				<u>(Negative)</u>
<b>Revenues:</b>				
Taxes	\$ 24,624	\$ 24,624	\$ 24,386	\$ (238)
Intergovernmental	–	–	22,605	22,605
Charges for services	120,000	120,000	116,396	(3,604)
Use of money and property	3,000	3,000	5,830	2,830
Miscellaneous	<u>2,000</u>	<u>2,000</u>	<u>833</u>	<u>(1,167)</u>
<b>Total revenues</b>	<u>149,624</u>	<u>149,624</u>	<u>170,050</u>	<u>20,426</u>
<b>Expenditures:</b>				
Contractual services	59,050	59,050	48,818	10,232
Commodities	81,350	81,350	71,963	9,387
Capital outlay	<u>80,714</u>	<u>80,714</u>	<u>–</u>	<u>80,714</u>
<b>Total expenditures</b>	<u>221,114</u>	<u>221,114</u>	<u>120,781</u>	<u>100,333</u>
<b>Revenues over (under)</b>				
<b>expenditures</b>	(71,490)	(71,490)	49,269	120,759
<b>Fund balance,</b>				
<b>beginning of year</b>	<u>71,490</u>	<u>71,490</u>	<u>78,201</u>	<u>6,711</u>
<b>Fund balance, end of year</b>	<u>\$ –</u>	<u>\$ –</u>	<u>\$127,470</u>	<u>\$ 127,470</u>

**CITY OF EL DORADO, KANSAS**

**LIBRARY FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE – BUDGET AND ACTUAL –  
BUDGETARY BASIS**

**Year Ended December 31, 2008**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>With Final</u>
			<u>Budgetary</u>	<u>Budget</u>
			<u>Basis</u>	<u>Positive</u>
				<u>(Negative)</u>
Revenues:				
Taxes	\$ 379,344	\$ 379,344	\$ 379,344	\$ -
Expenditures:				
Appropriations to Library Board	<u>379,344</u>	<u>379,344</u>	<u>379,344</u>	<u>-</u>
Revenues over expenditures	-	-	-	-
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF EL DORADO, KANSAS**

**MAJOR STREET IMPROVEMENT FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE – BUDGET AND ACTUAL –  
BUDGETARY BASIS**

**Year Ended December 31, 2008**

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u> <u>Budgetary</u> <u>Basis</u>	<u>Variance</u> <u>With Final</u> <u>Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues and other sources:				
Intergovernmental	\$ 502,579	\$ 502,579	\$ 542,353	\$ 39,774
Licenses and permits	100	100	4,608	4,508
Use of money and property	1,000	1,000	3,526	2,526
Miscellaneous	500	500	171	(329)
Reimbursements	–	–	27,104	27,104
Transfers in	<u>405,000</u>	<u>405,000</u>	<u>375,000</u>	<u>(30,000)</u>
Total revenues and other sources	<u>909,179</u>	<u>909,179</u>	<u>952,762</u>	<u>43,583</u>
Expenditures and other uses:				
Personal services	498,696	498,696	488,422	10,274
Contractual services	131,200	131,200	147,219	(16,019)
Commodities	121,600	121,600	152,584	(30,984)
Capital outlay	309,000	309,000	135,553	173,447
Transfers out	<u>–</u>	<u>–</u>	<u>41,200</u>	<u>(41,200)</u>
Total expenditures and other uses	<u>1,060,496</u>	<u>1,060,496</u>	<u>964,978</u>	<u>95,518</u>
Revenues and other sources over (under) expenditures and other uses	(151,317)	(151,317)	(12,216)	139,101
Fund balance, beginning of year	<u>153,301</u>	<u>153,301</u>	<u>58,411</u>	<u>(94,890)</u>
Fund balance, end of year	<u>\$ 1,984</u>	<u>\$ 1,984</u>	<u>\$ 46,195</u>	<u>\$ 44,211</u>

**CITY OF EL DORADO, KANSAS**

**INDUSTRIAL DEVELOPMENT FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE – BUDGET AND ACTUAL –  
BUDGETARY BASIS**

**Year Ended December 31, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Taxes	\$ 83,285	\$ 81,934	\$ 81,934	\$ –
Use of money and property	28,200	94,097	95,278	1,181
Miscellaneous	<u>–</u>	<u>2,063</u>	<u>6,943</u>	<u>4,880</u>
<b>Total revenues</b>	<u>111,485</u>	<u>178,094</u>	<u>184,155</u>	<u>6,061</u>
<b>Expenditures:</b>				
Contractual services	92,416	102,792	64,141	38,651
Commodities	–	1,180	1,010	170
Capital outlay	<u>89,838</u>	<u>346,028</u>	<u>346,028</u>	<u>–</u>
<b>Total expenditures</b>	<u>182,254</u>	<u>450,000</u>	<u>411,179</u>	<u>38,821</u>
<b>Revenues over (under) expenditures</b>	(70,769)	(271,906)	(227,024)	44,882
<b>Fund balance, beginning of year</b>	<u>70,769</u>	<u>271,906</u>	<u>271,906</u>	<u>–</u>
<b>Fund balance, end of year</b>	<u>\$ –</u>	<u>\$ –</u>	<u>\$ 44,882</u>	<u>\$ 44,882</u>

**CITY OF EL DORADO, KANSAS**  
**SPECIAL PARKS AND RECREATION FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE – BUDGET AND ACTUAL –**  
**BUDGETARY BASIS**

**Year Ended December 31, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Liquor tax	\$ 18,000	\$ 18,000	\$ 23,018	\$ 5,018
Fees	<u>8,000</u>	<u>8,000</u>	<u>5,159</u>	<u>(2,841)</u>
<b>Total revenues</b>	<u>26,000</u>	<u>26,000</u>	<u>28,177</u>	<u>2,177</u>
<b>Expenditures:</b>				
Contractual services	–	–	6,564	(6,564)
Commodities	–	–	4,188	(4,188)
Capital outlay	<u>80,059</u>	<u>80,059</u>	<u>15,591</u>	<u>64,468</u>
<b>Total expenditures</b>	<u>80,059</u>	<u>80,059</u>	<u>26,343</u>	<u>53,716</u>
<b>Revenues over (under)</b> <b>expenditures</b>	(54,059)	(54,059)	1,834	55,893
<b>Fund balance,</b> <b>Beginning of year</b>	<u>54,059</u>	<u>54,059</u>	<u>47,212</u>	<u>(6,847)</u>
<b>Fund balance, end of year</b>	<u>\$ –</u>	<u>\$ –</u>	<u>\$ 49,046</u>	<u>\$ 49,046</u>

**CITY OF EL DORADO, KANSAS**  
**SPECIAL ALCOHOL PROGRAM FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE – BUDGET AND ACTUAL –**  
**BUDGETARY BASIS**

**Year Ended December 31, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Liquor tax	\$ 18,000	\$ 18,000	\$ 23,018	\$ 5,018
Miscellaneous	<u>          —</u>	<u>          —</u>	<u>          48</u>	<u>          48</u>
Total revenues	<u>18,000</u>	<u>18,000</u>	<u>23,066</u>	<u>5,066</u>
<b>Expenditures:</b>				
Contractual service	<u>32,335</u>	<u>32,335</u>	<u>18,130</u>	<u>14,205</u>
Revenues over (under) expenditures	(14,335)	(14,335)	4,936	19,271
Fund balance, beginning of year	<u>14,335</u>	<u>14,335</u>	<u>19,219</u>	<u>4,884</u>
Fund balance, end of year	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 24,155</u>	<u>\$ 24,155</u>

**CITY OF EL DORADO, KANSAS**

**TOURISM TAX FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE – BUDGET AND ACTUAL –  
BUDGETARY BASIS**

**Year Ended December 31, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Motel taxes	\$110,000	\$110,000	\$ 189,497	\$ 79,497
Use of money and property	4,000	4,000	4,200	200
Miscellaneous	<u>—</u>	<u>—</u>	<u>543</u>	<u>543</u>
Total revenues	<u>114,000</u>	<u>114,000</u>	<u>194,240</u>	<u>80,240</u>
Expenditures:				
Contractual services	223,206	223,206	106,883	116,323
Commodities	<u>—</u>	<u>—</u>	<u>4,643</u>	<u>(4,643)</u>
Total expenditures	<u>223,206</u>	<u>223,206</u>	<u>111,526</u>	<u>111,680</u>
Expenditures over revenues	(109,206)	(109,206)	82,714	191,920
Fund balance, Beginning of year	<u>109,207</u>	<u>109,207</u>	<u>87,795</u>	<u>(21,412)</u>
Fund balance, end of year	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 170,509</u>	<u>\$170,508</u>

**CITY OF EL DORADO, KANSAS**

**CEMETERY FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE – BUDGET AND ACTUAL –  
BUDGETARY BASIS**

**Year Ended December 31, 2008**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>With Final</u>
			<u>Budgetary</u>	<u>Budget</u>
			<u>Basis</u>	<u>Positive</u>
				<u>(Negative)</u>
Revenues and other sources:				
Intergovernmental	\$ 30,000	\$ 30,000	\$ 50,290	\$ 20,290
Charges for services	82,000	82,000	67,997	(14,003)
Miscellaneous	3,500	3,500	1,773	(1,727)
Transfers in	<u>52,000</u>	<u>52,000</u>	<u>85,000</u>	<u>33,000</u>
Total revenues and other sources	<u>167,500</u>	<u>167,500</u>	<u>205,060</u>	<u>37,560</u>
Expenditures:				
Personal services	117,217	117,217	109,570	7,647
Contractual services	17,150	17,150	19,005	(1,855)
Commodities	<u>35,500</u>	<u>35,500</u>	<u>27,595</u>	<u>7,905</u>
Total expenditures	<u>169,867</u>	<u>169,867</u>	<u>156,170</u>	<u>13,697</u>
Revenues and other sources over (under) expenditures	(2,367)	(2,367)	48,890	51,257
Fund balance, Beginning of year	<u>28,008</u>	<u>28,008</u>	<u>125,897</u>	<u>97,889</u>
Fund balance, end of year	<u>\$ 25,641</u>	<u>\$ 25,641</u>	<u>\$174,787</u>	<u>\$149,146</u>

**CITY OF EL DORADO, KANSAS**  
**ECONOMIC DEVELOPMENT SALES TAX FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE – BUDGET AND ACTUAL –**  
**BUDGETARY BASIS**

**Year Ended December 31, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues and other sources:				
Transfers in	\$ 50,000	\$ 50,000	\$ 50,000	\$ -
Expenditures:				
Contractual services	<u>210,000</u>	<u>210,000</u>	<u>-</u>	<u>210,000</u>
Revenues and other sources over (under) expenditures	(160,000)	(160,000)	50,000	210,000
Fund balance, Beginning of year	<u>160,000</u>	<u>160,000</u>	<u>20,000</u>	<u>(140,000)</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 70,000</u>	<u>\$ 70,000</u>

**CITY OF EL DORADO, KANSAS**

**STORMWATER UTILITY FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE – BUDGET AND ACTUAL –  
BUDGETARY BASIS**

**Year Ended December 31, 2008**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>With Final</u>
			<u>Budgetary</u>	<u>Budget</u>
			<u>Basis</u>	<u>Positive</u>
				<u>(Negative)</u>
Revenues and other sources:				
Charges for services	<u>\$ 303,112</u>	<u>\$ 303,112</u>	<u>\$ —</u>	<u>\$(303,112)</u>
Expenditures:				
Personal services	158,545	158,545	—	158,545
Contractual service	108,705	108,705	—	108,705
Commodities	33,025	33,025	—	33,025
Capital outlay	3,500	3,500	—	3,500
Transfers out	<u>19,975</u>	<u>19,975</u>	<u>—</u>	<u>19,975</u>
Total expenditures	<u>323,750</u>	<u>323,750</u>	<u>—</u>	<u>323,750</u>
Revenues and other sources over (under) expenditures	(20,638)	(20,638)	—	20,638
Fund balance, Beginning of year	<u>32,100</u>	<u>32,100</u>	<u>—</u>	<u>(32,100)</u>
Fund balance, end of year	<u>\$ 11,462</u>	<u>\$ 11,462</u>	<u>\$ —</u>	<u>\$ (11,462)</u>

**CITY OF EL DORADO, KANSAS**

**DEBT SERVICE FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE – BUDGET AND ACTUAL –  
BUDGETARY BASIS**

**Year Ended December 31, 2008**

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u> <u>Budgetary</u> <u>Basis</u>	<u>Variance</u> <u>With Final</u> <u>Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues and other sources:</b>				
Taxes	\$1,317,569	\$1,317,569	\$1,308,839	\$ (8,730)
Special assessments	535,943	535,943	618,132	82,189
Use of money and property	12,000	12,000	7,083	(4,917)
Lease payments	372,000	372,000	372,800	800
Transfers in	<u>75,000</u>	<u>75,000</u>	<u>86,596</u>	<u>11,596</u>
 Total revenues and other sources	 <u>2,312,512</u>	 <u>2,312,512</u>	 <u>2,393,450</u>	 <u>80,938</u>
 <b>Expenditures and other uses:</b>				
Debt redemption	2,304,222	2,304,222	2,304,232	(10)
Cash basis reserve	<u>513,622</u>	<u>513,622</u>	<u>—</u>	<u>513,622</u>
 Total expenditures and other uses	 <u>2,817,844</u>	 <u>2,817,844</u>	 <u>2,304,232</u>	 <u>513,612</u>
 Revenues and other sources over (under) expenditures and other uses	 (505,332)	 (505,332)	 89,218	 594,550
Fund balance, beginning of year	<u>505,332</u>	<u>505,332</u>	<u>503,723</u>	<u>(1,609)</u>
 Fund balance, end of year	 <u>\$ —</u>	 <u>\$ —</u>	 <u>\$ 592,941</u>	 <u>\$ 592,941</u>

## **ENTERPRISE FUNDS**

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The fund measurement focus is upon determination of net income, financial position and change in financial position. The following major Enterprise Funds are reported:

**Waterworks Utility** – to account for the operation of municipal water utility including water supply, treatment and distribution.

**Sewer System Fund** – to account for the operation of sewer utility including the collection and treatment of wastewater.

**Refuse Fund** – to account for the operation of refuse utility including the collection and disposal of solid waste.

**(This page left blank intentionally.)**

**CITY OF EL DORADO, KANSAS**

**WATERWORKS SYSTEM FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE – BUDGET AND ACTUAL –  
BUDGETARY BASIS**

**Year Ended December 31, 2008**

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
<b>Revenues:</b>				
Charges for services	\$3,646,500	\$3,646,500	\$3,504,050	\$ (142,450)
Use of money and property	65,000	65,000	76,657	11,657
Rents and royalties	7,000	7,000	16,812	9,812
Miscellaneous	<u>36,465</u>	<u>36,465</u>	<u>56,892</u>	<u>20,427</u>
<b>Total revenues</b>	<u><b>3,754,965</b></u>	<u><b>3,754,965</b></u>	<u><b>3,654,411</b></u>	<u><b>(100,554)</b></u>
<b>Expenditures, encumbrances and other uses:</b>				
Administration	761,316	761,316	750,687	10,629
Treatment	680,743	680,743	668,056	12,687
Maintenance and distribution	496,904	496,904	405,415	91,489
Supply	1,075,000	1,075,000	556,577	518,423
Stores	-	-	34,666	(34,666)
Capital outlay	180,000	180,000	177,712	2,288
Debt service	134,432	134,432	133,503	929
Transfers out	<u>315,000</u>	<u>315,000</u>	<u>432,153</u>	<u>(117,153)</u>
<b>Total expenditures, encumbrances and other uses</b>	<u><b>3,643,395</b></u>	<u><b>3,643,395</b></u>	<u><b>3,158,769</b></u>	<u><b>484,626</b></u>
<b>Revenues over (under) expenditures, encumbrances and other uses</b>	<b>111,570</b>	<b>111,570</b>	<b>495,642</b>	<b>384,072</b>
<b>Fund balance, beginning of year</b>	<u><b>6,365,608</b></u>	<u><b>6,365,608</b></u>	<u><b>6,483,298</b></u>	<u><b>117,690</b></u>
<b>Fund balance, end of year</b>	<u><b>\$6,477,178</b></u>	<u><b>\$6,477,178</b></u>	<u><b>\$6,978,940</b></u>	<u><b>\$ 501,762</b></u>

**CITY OF EL DORADO, KANSAS**

**SEWER SYSTEM FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE – BUDGET AND ACTUAL –  
BUDGETARY BASIS**

**Year Ended December 31, 2008**

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
<b>Revenues:</b>				
Charges for services	\$2,057,441	\$2,057,441	\$2,008,328	\$ (49,113)
Use of money and property	20,000	20,000	109,312	89,312
Miscellaneous	<u>27,500</u>	<u>27,500</u>	<u>34,977</u>	<u>7,477</u>
<b>Total revenues</b>	<u>2,104,941</u>	<u>2,104,941</u>	<u>2,152,617</u>	<u>47,676</u>
<b>Expenditures, encumbrances and other uses:</b>				
Administration	257,794	257,794	257,750	44
Treatment	486,559	486,559	518,152	(31,593)
Maintenance and distribution	319,818	319,818	386,272	(66,454)
Capital outlay	106,800	106,800	9,899	96,901
Debt service	914,121	914,121	914,121	-
Transfers out	<u>64,000</u>	<u>64,000</u>	<u>60,000</u>	<u>4,000</u>
<b>Total expenditures, encumbrances and other uses</b>	<u>2,149,092</u>	<u>2,149,092</u>	<u>2,146,194</u>	<u>2,898</u>
<b>Revenues over expenditures, encumbrances and other uses</b>	(44,151)	(44,151)	6,423	50,574
<b>Fund balance, beginning of year</b>	<u>2,363,746</u>	<u>2,363,746</u>	<u>2,153,746</u>	<u>(210,000)</u>
<b>Fund balance, end of year</b>	<u>\$2,319,595</u>	<u>\$2,319,595</u>	<u>\$2,160,169</u>	<u>\$(159,426)</u>

**CITY OF EL DORADO, KANSAS**

**REFUSE FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE – BUDGET AND ACTUAL –  
BUDGETARY BASIS**

**Year Ended December 31, 2008**

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
<b>Revenues:</b>				
Charges for services	\$1,430,200	\$1,430,200	\$1,497,143	\$ 66,943
Use of money and property	11,000	11,000	13,100	2,100
Miscellaneous	16,500	16,500	13,923	(2,577)
Reimbursed expenditures	<u>—</u>	<u>—</u>	<u>19,951</u>	<u>19,951</u>
<b>Total revenues</b>	<u>1,457,700</u>	<u>1,457,700</u>	<u>1,544,117</u>	<u>86,417</u>
<b>Expenditures, encumbrances and other uses:</b>				
Personal services	699,610	699,610	618,583	81,027
Contractual services	447,600	447,600	469,486	(21,886)
Commodities	216,450	216,450	222,496	(6,046)
Capital outlay	44,000	44,000	331	43,669
Transfers out	<u>64,000</u>	<u>64,000</u>	<u>64,000</u>	<u>—</u>
<b>Total expenditures, encumbrances and other uses</b>	<u>1,471,660</u>	<u>1,471,660</u>	<u>1,374,896</u>	<u>96,764</u>
<b>Revenues over (under) expenditures, encumbrances and other uses</b>	(13,960)	(13,960)	169,221	183,181
<b>Fund balance, beginning of year</b>	<u>214,690</u>	<u>214,690</u>	<u>322,238</u>	<u>107,548</u>
<b>Fund balance, end of year</b>	<u>\$ 200,730</u>	<u>\$ 200,730</u>	<u>\$ 491,459</u>	<u>\$ 290,729</u>

**(This page left blank intentionally.)**

## **INTERNAL SERVICE FUND**

Internal Service Funds are used to account for the financing and administration of general services rendered to the various departments of the City.

**Data Processing Fund** – to account for the financing of data processing services provided by one department to other departments of the City and to other governmental units, on a cost reimbursement basis.

**(This page left blank intentionally.)**

**CITY OF EL DORADO, KANSAS**

**DATA PROCESSING FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE – BUDGET AND ACTUAL –  
BUDGETARY BASIS**

**Year Ended December 31, 2008**

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u> <u>Budgetary</u> <u>Basis</u>	<u>Variance</u> <u>With Final</u> <u>Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues and other sources:				
Charges for services	\$520,000	\$520,000	\$520,000	\$ –
Miscellaneous	–	–	21,083	21,083
Transfers in	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>–</u>
Total revenues and other sources	530,000	530,000	551,083	21,083
Expenditures:				
Administration	<u>555,703</u>	<u>555,703</u>	<u>463,178</u>	<u>92,525</u>
Revenues and other sources over (under) expenditures	(25,703)	(25,703)	87,905	113,608
Fund balance, beginning of year	<u>109,867</u>	<u>109,867</u>	<u>129,967</u>	<u>20,100</u>
Fund balance, end of year	<u>\$ 84,164</u>	<u>\$ 84,164</u>	<u>\$217,872</u>	<u>\$133,708</u>

**(This page left blank intentionally.)**

## **FIDUCIARY FUNDS**

Fiduciary Funds are used to report assets held in a trustee or agent capacity for others and, therefore, are not used to support the government's own programs.

### **AGENCY FUNDS**

**Sales Tax Agency Fund** – to account for the collection of State and local sales tax on water sales and other miscellaneous sales.

**Revolving Loan Fund** – to account for the collection of principal and interest from Community Development Block Grant loans and remittances to the State of Kansas.

**Neighborhood Revitalization Rebate Program Fund** – to account for the rebate of local property taxes related to improvements to real property authorized by State statute under the Neighborhood Revitalization Program.

**Payroll Withholding Fund** – to account for payroll tax and other withholdings from employee wages due to other governmental agencies or others.

**(This page left blank intentionally.)**

**CITY OF EL DORADO, KANSAS**

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES –  
ALL AGENCY FUNDS  
(continued on next page)**

**Year ended December 31, 2008**

	<u>Balance January 1, 2008</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31, 2008</u>
<b><u>SALES TAX FUND</u></b>				
<b><u>ASSETS</u></b>				
Cash and investments	\$ 2,049	\$ 14,337	\$ 14,639	\$ 1,747
Accounts receivable	<u>1,097</u>	<u>1,119</u>	<u>1,097</u>	<u>1,119</u>
Total assets	<u>\$ 3,146</u>	<u>\$ 15,456</u>	<u>\$ 15,736</u>	<u>\$ 2,866</u>
<b><u>LIABILITIES</u></b>				
Accounts payable	<u>\$ 3,146</u>	<u>\$ 15,456</u>	<u>\$ 15,736</u>	<u>\$ 2,866</u>
<b><u>REVOLVING LOAN FUND</u></b>				
<b><u>ASSETS</u></b>				
Cash including investments	<u>\$ —</u>	<u>\$ 82,018</u>	<u>\$ 78,018</u>	<u>\$ 4,000</u>
<b><u>LIABILITIES</u></b>				
Accounts payable	<u>\$ —</u>	<u>\$ 82,018</u>	<u>\$ 78,018</u>	<u>\$ 4,000</u>
<b><u>NEIGHBORHOOD REVITALIZATION REBATE PROGRAM FUND</u></b>				
<b><u>ASSETS</u></b>				
Cash including investments	<u>\$ —</u>	<u>\$ 252,899</u>	<u>\$ 252,899</u>	<u>\$ —</u>
<b><u>LIABILITIES</u></b>				
Accounts payable	<u>\$ —</u>	<u>\$ 252,899</u>	<u>\$ 252,899</u>	<u>\$ —</u>

**CITY OF EL DORADO, KANSAS**

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES –  
ALL AGENCY FUNDS  
(continued from previous page)**

**Year ended December 31, 2008**

	<u>Balance January 1, 2008</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31, 2008</u>
<b><u>PAYROLL WITHHOLDING FUND</u></b>				
<b><u>ASSETS</u></b>				
Cash including investments	\$ <u>9,205</u>	\$ <u>4,780,923</u>	\$ <u>4,770,227</u>	\$ <u>19,901</u>
<b><u>LIABILITIES</u></b>				
Accounts payable	\$ <u>9,205</u>	\$ <u>4,780,923</u>	\$ <u>4,770,227</u>	\$ <u>19,901</u>
<b><u>TOTALS – ALL AGENCY FUNDS</u></b>				
<b><u>ASSETS</u></b>				
Cash and investments	\$ 11,254	\$ 5,130,177	\$ 5,115,783	\$ 25,648
Accounts receivable	<u>1,097</u>	<u>1,119</u>	<u>1,097</u>	<u>1,119</u>
Total assets	\$ <u>12,351</u>	\$ <u>5,131,296</u>	\$ <u>5,116,880</u>	\$ <u>26,767</u>
<b><u>LIABILITIES</u></b>				
Accounts payable	\$ <u>12,351</u>	\$ <u>5,131,296</u>	\$ <u>5,116,880</u>	\$ <u>26,767</u>

## **COMPONENT UNIT**

The Bradford Memorial Library is reported as a discretely presented component unit within the financial statements of the City of El Dorado (the reporting entity) to emphasize its separate legal status. The Bradford Memorial Library Board is appointed by the City Commission and operates the public library of the City. The Library Board taxes are levied under the taxing authority of the City and are included as part of the City's total tax levy. These taxes are accounted for in the Library special revenue fund of the City. The Library Board also receives funding through state assistance programs, charges for services and donations from the public. Also reported with the Bradford Memorial Library is its component unit, the Bradford Memorial Library Endowment. The following funds are used to account for the operations of the Bradford Memorial Library:

**General Fund** – to account for all operating activities of the public library that are not required to be accounted for in another fund.

**Capital Improvement Reserve Fund** – to account for capital equipment and improvement expenditures. Financing is provided through transfers from the General Fund.

**Bradford Memorial Library Endowment** – the endowment is a legally separate, tax-exempt component unit of the Bradford Memorial Library. The endowment 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 Board to supplement the resources that are available to the Library Board in support of its programs.

**(This page left blank intentionally.)**

**CITY OF EL DORADO, KANSAS**

**COMBINING BALANCE SHEET – BRADFORD MEMORIAL LIBRARY**

**December 31, 2008**

	<u>General</u>	<u>Capital Improvement Reserve</u>	<u>Bradford Memorial Library Endowment</u>	<u>Total</u>
<b><u>ASSETS</u></b>				
Cash and investments	\$73,168	\$128,801	\$143,930	\$ 345,899
Accounts receivable	<u>1,462</u>	<u>—</u>	<u>—</u>	<u>1,462</u>
<b>Total assets</b>	<b><u>\$74,630</u></b>	<b><u>\$128,801</u></b>	<b><u>\$143,930</u></b>	<b><u>\$ 347,361</u></b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>				
<b>Liabilities:</b>				
Salaries and wages payable	\$ 3,584	\$ —	\$ —	\$ 3,584
Accounts payable	<u>9,423</u>	<u>—</u>	<u>—</u>	<u>9,423</u>
<b>Total liabilities</b>	<b><u>13,007</u></b>	<b><u>—</u></b>	<b><u>—</u></b>	<b><u>13,007</u></b>
<b>Fund balances:</b>				
Reserved for encumbrances	2,223	—	—	2,223
Reserved for library operations	—	—	143,930	143,930
Unreserved	<u>59,400</u>	<u>128,801</u>	<u>—</u>	<u>188,201</u>
<b>Total fund balances</b>	<b><u>61,623</u></b>	<b><u>128,801</u></b>	<b><u>143,930</u></b>	<b><u>334,354</u></b>
<b>Total liabilities and fund balances</b>	<b><u>\$74,630</u></b>	<b><u>\$128,801</u></b>	<b><u>\$143,930</u></b>	<b><u>\$ 347,361</u></b>
 <b>Reconciliation to total net assets:</b>				
Total fund balances per above				\$ 334,354
Add long-term capital assets				796,441
Less accumulated depreciation on long-term capital assets				<u>(285,194)</u>
<b>Total net assets</b>				<b><u>\$ 845,601</u></b>

**CITY OF EL DORADO, KANSAS**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES – BRADFORD MEMORIAL LIBRARY**

**Year ended December 31, 2008**

	General	Capital Improvement Reserve	Bradford Memorial Library Endowment	Total
<b>Revenues:</b>				
Appropriations from City of El Dorado, net	\$ 390,788	\$ -	\$ -	\$ 390,788
Intergovernmental	51,963	-	-	51,963
Charges for services	3,396	-	-	3,396
Fines and forfeitures	15,149	-	-	15,149
Use of money and property	7,175	-	(81,594)	(74,419)
Miscellaneous	<u>25,958</u>	<u>-</u>	<u>22,233</u>	<u>48,191</u>
<b>Total revenues</b>	<u>494,429</u>	<u>-</u>	<u>(59,361)</u>	<u>435,068</u>
<b>Expenditures:</b>				
Personal services	301,455	-	-	301,455
Contractual services	36,397	-	1,922	38,319
Commodities	<u>97,048</u>	<u>-</u>	<u>-</u>	<u>97,048</u>
<b>Total expenditures</b>	<u>434,900</u>	<u>-</u>	<u>1,922</u>	<u>436,822</u>
<b>Revenues over expenditures</b>	<u>59,529</u>	<u>-</u>	<u>(61,283)</u>	<u>(1,754)</u>
<b>Other financing sources (uses):</b>				
Transfers in	5,597	50,195	-	55,792
Transfer out	<u>(50,195)</u>	<u>-</u>	<u>(5,597)</u>	<u>(55,792)</u>
<b>Total other financing sources (uses)</b>	<u>(44,598)</u>	<u>50,195</u>	<u>(5,597)</u>	<u>-</u>
<b>Net change in fund balance</b>	14,931	50,195	(66,880)	(1,754)
Fund balances, beginning of year	<u>46,692</u>	<u>78,606</u>	<u>210,810</u>	<u>336,108</u>
<b>Fund balances, end of year</b>	<u>\$ 61,623</u>	<u>\$128,801</u>	<u>\$143,930</u>	<u>\$ 334,354</u>
<b>Reconciliation of change in net assets:</b>				
Net change in fund balance per above				\$ (1,754)
Add current year capital asset additions				3,278
Less current year depreciation on capital assets				<u>(20,465)</u>
<b>Change in net assets</b>				<u>\$ (18,941)</u>

# STATISTICAL SECTION



## STATISTICAL SECTION

This part of the City of El Dorado's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information indicates about the government's overall financial health.

<u>Contents</u>	<u>Page</u>
<b>Financial Trends</b>	
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	73
<b>Revenue Capacity</b>	
These schedules contain information to help the reader assess the City's most significant local revenue source.	79
<b>Debt Capacity</b>	
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.	83
<b>Demographic and Economic Information</b>	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	89
<b>Operating Information</b>	
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	91

**Sources:** *Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement 34 in 2004; schedules presenting government-wide information include information beginning in that year.*

**(This page left blank intentionally.)**

**City of El Dorado**  
**Net Assets by Component**  
**Last Six Years**  
(accrual basis of accounting)

	2003 <sup>1</sup>	2004	2005	2006	2007	2008
<b>Governmental Activities</b>						
Invested in capital assets, net of related debt	\$ 9,553,609	\$ 12,676,234	\$ 18,522,555	\$ 17,729,832	\$ 18,139,230	\$ 17,783,134
Restricted	3,357,088	3,524,319	3,023,055	3,301,019	5,514,073	7,734,827
Unrestricted	2,941,503	2,328,514	(1,121,761)	4,091,024	4,132,895	5,012,872
Total Governmental Activities Net Assets	<u>\$ 15,852,200</u>	<u>\$ 18,529,067</u>	<u>\$ 20,423,849</u>	<u>\$ 25,121,875</u>	<u>\$ 27,786,198</u>	<u>\$ 30,530,833</u>
<b>Business-Type Activities</b>						
Invested in capital assets, net of related debt	\$ 16,275,696	\$ 17,079,534	\$ 17,443,893	\$ 16,531,797	\$ 18,344,423	\$ 18,506,653
Restricted	3,895,333	3,888,639	4,184,789	3,707,081	4,232,536	5,275,462
Unrestricted	2,009,542	1,633,710	2,663,221	4,829,691	4,618,666	4,873,410
Total Business-type Activities Net Assets	<u>\$ 22,180,571</u>	<u>\$ 22,601,883</u>	<u>\$ 24,291,903</u>	<u>\$ 25,068,569</u>	<u>\$ 27,195,625</u>	<u>\$ 28,655,525</u>
<b>Primary Government</b>						
Invested in capital assets, net of related debt	\$ 25,829,305	\$ 29,755,768	\$ 35,966,448	\$ 34,261,629	\$ 36,483,653	\$ 36,289,787
Restricted	7,252,421	7,412,958	7,207,844	7,008,100	9,746,609	13,010,289
Unrestricted	4,951,045	3,962,224	1,541,460	8,920,715	8,751,561	9,886,282
Total Primary Government Net Assets	<u>\$ 38,032,771</u>	<u>\$ 41,130,950</u>	<u>\$ 44,715,752</u>	<u>\$ 50,190,444</u>	<u>\$ 54,981,823</u>	<u>\$ 59,186,358</u>

Notes: The City began to report information when it implemented GASB Statement 34 in fiscal year 2003.

<sup>1</sup> Amounts have been restated due to a prior period adjustment in 2004.

**City of El Dorado**  
**Changes in Net Assets**  
**Last Six Years**  
(accrual basis of accounting)

	2003 <sup>2</sup>	2004	2005	2006	2007	2008
<b>Expenses</b>						
Governmental activities						
General government	\$ 2,276,284	\$ 3,272,598	\$ 2,864,170	\$ 2,503,587	\$ 2,291,764	\$ 1,864,451
Public safety	2,246,628	2,373,977	2,359,756	2,681,827	3,041,945	3,249,257
Highways and streets	1,201,826	1,360,794	2,213,625	2,013,623	2,164,449	1,868,543
Health and sanitation	399,288	344,901	379,600	297,420	348,902	325,911
Culture and recreation	949,575	903,661	868,159	1,014,813	1,174,828	1,118,413
Economic development	241,841	238,402	341,995	393,419	447,454	696,186
Environmental protection	10,865	19,492	10,388	11,309	10,804	11,188
Interest on long-term debt	607,779	621,517	602,566	653,630	636,169	616,879
Total Governmental Activities Expenses	<u>7,934,086</u>	<u>9,135,342</u>	<u>9,640,259</u>	<u>9,569,628</u>	<u>10,116,315</u>	<u>9,750,828</u>
Business-type activities						
Waterworks system	2,745,444	2,821,683	2,598,856	3,145,188	2,797,316	3,103,040
Sewer system	1,000,684	1,015,858	1,075,197	1,207,985	1,501,977	1,922,659
Refuse	1,250,397	1,307,863	1,385,831	1,393,688	1,535,116	1,442,318
Total business-type activities expenses	<u>4,996,525</u>	<u>5,145,404</u>	<u>5,059,884</u>	<u>5,746,861</u>	<u>5,834,409</u>	<u>6,468,017</u>
Total Primary Government Expenses	<u>\$ 12,930,611</u>	<u>\$ 14,280,746</u>	<u>\$ 14,700,143</u>	<u>\$ 15,316,489</u>	<u>\$ 15,950,724</u>	<u>\$ 16,218,845</u>
<b>Program Revenues</b>						
Governmental activities						
Charges for services:						
General government	\$ 424,680	\$ 731,152	\$ 842,000	\$ 663,635	\$ 567,263	\$ 751,574
Public safety	373,853	417,104	372,886	462,950	605,032	823,297
Highways and streets	104,738	7,953	113,563	23,692	21,300	36,072
Health and sanitation	86,135	239,418	21,417	0	105,241	87,016
Culture and recreation	112,018	128,368	137,379	114,152	115,002	114,374
Economic development	0	13,302	8,736	2,316	1,250	3,606
Environmental protection	1,468	0	0	938	0	0
Interest on long-term debt	954,555	1,326,150	800,713	1,341,171	1,458,237	363,259
Operating grants and contributions	1,835,732	1,499,321	1,590,548	1,695,157	1,604,427	1,672,026
Capital grants and contributions <sup>3</sup>	433,528	1,099,606	1,001,489	2,176,771	578,319	337,156
Total Governmental Activities Program Revenues	<u>4,326,707</u>	<u>5,462,374</u>	<u>4,888,731</u>	<u>6,480,782</u>	<u>5,056,071</u>	<u>4,188,380</u>
Business-type activities:						
Charges for services:						
Waterworks system	2,535,347	2,678,536	3,039,313	3,820,574	3,647,786	3,594,276
Sewer system	1,296,924	1,415,645	1,316,540	1,935,273	1,986,491	2,065,669
Refuse	1,171,255	1,279,935	1,294,777	1,291,569	1,638,905	1,539,636
Operating grants & contributions	3,363	36,881	9,040	0	0	0
Capital grants & contributions	405,222	254,284	747,639	35,021	103,092	213,306
Total business-type activities program revenues	<u>5,412,111</u>	<u>5,665,281</u>	<u>6,407,309</u>	<u>7,082,437</u>	<u>7,376,274</u>	<u>7,412,887</u>
Total Primary Government Program Revenues	<u>\$ 9,738,818</u>	<u>\$ 11,127,655</u>	<u>\$ 11,296,040</u>	<u>\$ 13,563,219</u>	<u>\$ 12,432,345</u>	<u>\$ 11,601,267</u>
<b>Net (Expense) Revenue</b>						
Governmental activities	\$ (3,607,379)	\$ (3,672,968)	\$ (4,751,528)	\$ (3,088,846)	\$ (5,060,244)	\$ (5,562,448)
Business-type activities	415,586	519,877	1,347,425	1,335,576	1,541,865	944,870
Total Primary Government Net Expense	<u>\$ (3,191,793)</u>	<u>\$ (3,153,091)</u>	<u>\$ (3,404,103)</u>	<u>\$ (1,753,270)</u>	<u>\$ (3,518,379)</u>	<u>\$ (4,617,578)</u>

**City of El Dorado**  
**Changes in Net Assets**  
**Last Six Years (Continued)**  
(accrual basis of accounting)

	2003 <sup>2</sup>	2004	2005	2006	2007	2008
<b>General Revenues:</b>						
Governmental activities:						
Taxes						
Property taxes	\$ 3,178,820	\$ 3,116,087	\$ 3,141,373	\$ 3,233,530	\$ 3,730,632	\$ 4,069,974
Sales taxes	1,744,446	1,955,601	2,076,769	2,186,737	2,318,150	2,544,465
Franchise taxes	1,041,240	1,120,969	1,174,076	1,248,377	1,258,919	1,320,151
Tourism taxes	95,760	93,698	101,192	111,064	96,864	189,497
Investment earnings	91,175	32,426	144,540	284,758	304,221	182,996
Transfers in (out)	80,117	31,054	8,360	722,406	15,781	0
<b>Total Governmental Activities</b>	<b>6,231,558</b>	<b>6,349,835</b>	<b>6,646,310</b>	<b>7,786,872</b>	<b>7,724,567</b>	<b>8,307,083</b>
Business-type activities						
Investment earnings <sup>1</sup>	25,349	(67,511)	350,955	163,496	600,972	515,030
Transfer in (out)	(80,117)	(31,054)	(8,360)	(722,406)	(15,781)	0
<b>Total business-type activities</b>	<b>(54,768)</b>	<b>(98,565)</b>	<b>342,595</b>	<b>(558,910)</b>	<b>585,191</b>	<b>515,030</b>
<b>Total Primary Government</b>	<b>\$ 6,176,790</b>	<b>\$ 6,251,270</b>	<b>\$ 6,988,905</b>	<b>\$ 7,227,962</b>	<b>\$ 8,309,758</b>	<b>\$ 8,822,113</b>
<b>Change In Net Assets</b>						
Governmental activities	\$ 2,624,179	\$ 2,676,867	\$ 1,894,782	\$ 4,698,026	\$ 2,664,323	\$ 2,744,635
Business-type activities	360,818	421,312	1,690,020	776,666	2,127,056	1,459,900
<b>Total Primary Government</b>	<b>\$ 2,984,997</b>	<b>\$ 3,098,179</b>	<b>\$ 3,584,802</b>	<b>\$ 5,474,692</b>	<b>\$ 4,791,379</b>	<b>\$ 4,204,535</b>

Notes: The City began to report information when it implemented GASB Statement 34 in fiscal year 2003.

<sup>1</sup> In 2004, the decrease in fair value of investments for the water fund created a negative revenue.

<sup>2</sup> Amounts have been restated due to a prior period adjustment in 2004.

<sup>3</sup> In 2006 a \$1.4 million bike path was constructed, of which \$1,088,000 was funded by a federal grant and \$40,000 by a Kansas Wildlife and Parks grant.

**City of El Dorado**  
**Fund Balances, Governmental Funds**  
**Last Six Years**  
(modified accrual basis of accounting)

	2003	2004	2005	2006	2007	2008
<b>General Fund</b>						
Reserved	\$ 134,750	\$ 127,753	\$ 130,564	\$ 128,925	\$ 170,740	\$ 246,990
Unreserved	1,590,899	1,737,620	1,856,435	2,408,863	3,115,517	3,947,109
<b>Total General Fund</b>	<b>\$ 1,725,649</b>	<b>\$ 1,865,373</b>	<b>\$ 1,986,999</b>	<b>\$ 2,537,788</b>	<b>\$ 3,286,257</b>	<b>\$ 4,194,099</b>
<b>All Other Governmental Funds</b>						
Reserved	\$ 1,112,532	\$ 657,341	\$ 1,771,014	\$ 417,518	\$ 457,670	\$ 365,704
Unreserved, reported in:						
Special revenue funds	421,429	508,834	598,722	813,310	1,048,345	1,013,486
Construction fund	(3,591,400)	(547,717)	(5,389,115)	164,914	(1,480,203)	514,302
Debt service fund	863,472	712,706	261,816	117,689	503,723	592,941
<b>Total All Other Governmental Funds</b>	<b>\$ (1,193,967)</b>	<b>\$ 1,331,164</b>	<b>\$ (2,757,563)</b>	<b>\$ 1,513,431</b>	<b>\$ 529,535</b>	<b>\$ 2,486,433</b>

Notes: The City began to report information when it implemented GASB Statement 34 in fiscal year 2003.

Bonds are generally issued for the City's construction projects every two years. Bond issues in 2004, 2006 and 2008 reduced or eliminated the deficit in the Construction Fund.

**City of El Dorado**  
**Changes in Fund Balances, Governmental Funds**  
**Last Six Years**  
(modified accrual basis of accounting)

	2003	2004	2005	2006	2007	2008
<b>Revenues</b>						
Property taxes	\$ 5,930,156	\$ 6,286,355	\$ 6,493,410	\$ 6,779,708	\$ 7,404,565	\$ 8,124,087
Special assessment taxes	626,819	648,510	611,458	839,838	637,305	677,581
Intergovernmental	943,410	1,627,618	1,709,223	2,420,539	982,750	923,801
Licenses and permits	88,121	100,353	90,126	119,693	130,329	112,214
Charges for services	584,684	736,373	788,675	636,989	659,960	953,987
Fines and forfeitures	196,218	189,051	151,686	161,239	209,248	261,838
Use of money and property	592,733	575,374	581,624	995,840	1,085,384	807,482
Employee/Employer contributions	989,385	745,256	723,893	832,258	883,226	919,210
Miscellaneous	396,512	554,268	426,960	337,053	296,427	342,936
Total revenues	<u>\$ 10,348,038</u>	<u>\$ 11,463,158</u>	<u>\$ #####</u>	<u>\$ #####</u>	<u>\$ #####</u>	<u>\$ 13,123,136</u>
<b>Expenditures</b>						
Current:						
General government	\$ 2,051,469	\$ 2,373,098	\$ 2,517,709	\$ 2,319,665	\$ 2,078,510	\$ 1,996,520
Public Safety	2,282,461	2,341,794	2,287,461	2,588,050	2,883,542	3,336,240
Highways and streets	851,546	943,755	1,051,181	1,001,635	1,313,579	1,375,937
Health and sanitation	398,494	301,475	259,284	295,704	385,370	338,867
Culture and recreation	867,053	832,514	903,834	925,308	1,029,816	1,143,942
Environmental protection	10,639	12,797	10,188	10,179	10,804	11,188
Economic development	119,214	124,365	190,213	393,230	447,454	514,590
Capital improvements	5,303,937	4,246,506	5,892,138	2,900,782	2,218,074	2,447,695
Debt service						
Principal	1,582,927	1,618,279	1,790,086	1,878,140	1,524,065	1,779,535
Interest	620,424	559,774	650,422	643,326	649,188	623,882
Total expenditures	<u>\$ 14,088,164</u>	<u>\$ 13,354,357</u>	<u>\$ #####</u>	<u>\$ #####</u>	<u>\$ #####</u>	<u>\$ 13,568,396</u>
Excess of revenues over (under) expenditures	\$ (3,740,126)	\$ (1,891,199)	\$ (3,975,461)	\$ 167,138	\$ (251,208)	\$ (445,260)
<b>Other financing sources (uses)</b>						
Proceeds of general obligation bonds	\$ 0	\$ 4,525,000	\$ 0	\$ 3,932,239	\$ 0	\$ 3,310,000
Transfers in	1,206,690	1,256,504	1,541,769	1,792,942	1,608,575	1,640,980
Transfers out	(1,126,573)	(1,225,450)	(1,533,409)	(1,070,536)	(1,592,794)	(1,640,980)
Total other financing sources (uses)	<u>\$ 80,117</u>	<u>\$ 4,556,054</u>	<u>\$ 8,360</u>	<u>\$ 4,654,645</u>	<u>\$ 15,781</u>	<u>\$ 3,310,000</u>
Net change in Fund Balances	\$ (3,660,009)	\$ 2,664,855	\$ (3,967,101)	\$ 4,821,783	\$ (235,427)	\$ 2,864,740
Debt service as a percentage of noncapital expenditures	19.6%	20.4%	23.3%	24.8%	22.3%	24.3%

Note: The City began to report information when it implemented GASB Statement 34 in fiscal year 2003.

**City of El Dorado**  
**Tax Revenues by Source, Governmental Funds**  
**Last Six Years**

(modified accrual basis of accounting)

Fiscal Year	Property Tax	Motor Vehicle Tax	Sales Tax	Franchise Tax	Transient Guest Tax	Total
2003	\$ 2,544,932	\$ 503,778	\$ 1,744,446	\$ 1,041,240	\$ 95,760	\$ 5,930,156
2004	\$ 2,578,603	\$ 537,483	\$ 1,955,602	\$ 1,120,969	\$ 93,698	\$ 6,286,355
2005	\$ 2,603,408	\$ 537,966	\$ 2,076,768	\$ 1,174,076	\$ 101,192	\$ 6,493,410
2006	\$ 2,702,223	\$ 531,307	\$ 2,186,737	\$ 1,248,377	\$ 111,064	\$ 6,779,708
2007 <sup>1</sup>	\$ 3,219,602	\$ 511,030	\$ 2,318,150	\$ 1,258,919	\$ 96,864	\$ 7,404,565
2008 <sup>2</sup>	\$ 3,506,113	\$ 563,862	\$ 2,544,465	\$ 1,320,150	\$ 189,497	\$ 8,124,087

Notes: The City began to report information when it implemented GASB Statement 34 in fiscal year 2003.

<sup>1</sup> An explanation for the increase in Property Tax Revenues can be found on the Direct & Overlapping Property Tax Rates schedule.

<sup>2</sup> The increase in Transient Guest Tax Revenues is due to the combination of a new Holiday Inn Express opening in El Dorado and many additional laborers in town seeking lodging while working on capital projects for Frontier Oil Corporation.

**City of El Dorado**  
**Property Tax Levies and Collections**  
**Last Ten Years**

<b>Fiscal Year<sup>2</sup></b>	<b>Total Tax Levy<sup>1</sup></b>	<b>Current Tax Collections</b>	<b>Percent of Levy Collected</b>	<b>Delinquent Tax Collections</b>	<b>Total Tax Collections</b>	<b>Percent of Total Tax Collections to Tax Levy</b>
1999	\$ 1,997,560	\$ 1,901,502	95.19%	\$ 51,453	\$ 1,952,955	97.77%
2000	\$ 2,191,042	\$ 2,106,033	96.12%	\$ 74,827	\$ 2,180,860	99.54%
2001	\$ 2,323,930	\$ 2,263,076	97.38%	\$ 71,327	\$ 2,334,803	100.47%
2002	\$ 2,412,536	\$ 2,243,536	92.99%	\$ 98,116	\$ 2,341,651	97.06%
2003	\$ 2,581,099	\$ 2,360,525	91.45%	\$ 184,407	\$ 2,544,932	98.60%
2004	\$ 2,587,625	\$ 2,448,475	94.62%	\$ 130,128	\$ 2,578,603	99.65%
2005 <sup>3</sup>	\$ 2,731,085	\$ 2,492,472	91.26%	\$ 110,936	\$ 2,603,408	95.33%
2006	\$ 2,771,416	\$ 2,590,007	93.45%	\$ 112,216	\$ 2,702,223	97.50%
2007 <sup>3,4</sup>	\$ 3,486,822	\$ 3,095,084	88.77%	\$ 124,518	\$ 3,219,602	92.34%
2008 <sup>3</sup>	\$ 3,658,934	\$ 3,357,533	91.76%	\$ 148,580	\$ 3,506,113	95.82%

**Notes:**

<sup>1</sup> As computed and certified by Butler County Clerk on November 1 of levy year.

<sup>2</sup> The year in which the tax was collected.

<sup>3</sup> The percentage of collections were low as a result of exemption of real & personal property taxes on a large manufacturing company after taxes had been levied on the property.

<sup>4</sup> The percentage of collections were low due to additional factors. Taxes levied were considerably higher than in previous years; however, since delinquency collections were for prior years with lower levies, the delinquency collections did not increase at the same rate as the levy. Additionally, the City increases the amount levied each year to offset collections that are rebated to property owners under the Neighborhood Revitalization Program (NRP). In 2007, an incorrect valuation on the NRP properties was certified to the City, thus rebates were higher (i.e. collections lower) than anticipated.

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

<b>Levy Year</b>	<b>Real Property</b>	<b>Personal Property<sup>1</sup></b>	<b>Utilities<sup>2</sup></b>	<b>Oil &amp; Gas<sup>2</sup></b>	<b>Total Assessed Value</b>	<b>Total Direct Tax Rate</b>	<b>Estimated Actual Value</b>	<b>Assessed Value as a Percentage of Actual Value</b>
1999	\$ 43,878,994	\$ 5,186,185			\$ 49,065,179	44.656	\$ 356,903,697	13.75%
2000	\$ 47,876,049	\$ 4,219,483			\$ 52,095,532	44.609	\$ 379,485,986	13.73%
2001	\$ 47,912,849	\$ 7,854,148			\$ 55,766,997	43.261	\$ 394,278,482	14.14%
2002	\$ 51,299,878	\$ 8,415,988			\$ 59,715,866	43.223	\$ 384,617,537	15.53%
2003	\$ 51,542,226	\$ 5,101,950	\$ 3,813,332	\$ 30,703	\$ 60,488,211	42.779	\$ 412,016,273	14.68%
2004	\$ 54,825,872	\$ 6,875,466	\$ 3,832,969	\$ 22,223	\$ 65,556,530	41.660	\$ 442,708,893	14.81%
2005	\$ 59,942,605	\$ 7,657,836	\$ 3,671,307	\$ 40,720	\$ 71,312,468	38.863	\$ 473,630,300	15.06%
2006	\$ 63,532,483	\$ 9,180,146	\$ 3,753,209	\$ 81,813	\$ 76,547,651	45.551	\$ 502,246,861	15.24%
2007	\$ 69,465,387	\$ 7,118,214	\$ 3,716,185	\$ 95,140	\$ 80,394,926	45.512	\$ 526,474,246	15.27%
2008	\$ 72,305,376	\$ 5,575,066	\$ 3,894,863	\$ 146,999	\$ 81,922,304	47.061	\$ 543,546,896	15.07%

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%.

<sup>1</sup> Assessed values for Personal Property do not include motor vehicle valuation.

<sup>2</sup> Assessed values for Utilities and Oil & Gas were included in the Real Property amount in years 1999 through 2002.

**City of El Dorado**  
**Direct and Overlapping Property Tax Rates**  
**(Per \$1,000 of Assessed Value)**  
**Last Ten Years**

Year <sup>1</sup>	City of El Dorado										Other Overlapping Governments <sup>2</sup>		
	General	Library	Employee Benefits	Industrial 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
1999	18.347	3.916	5.270	1.050	15.758	0.315	44.656	30.868	19.757	1.500	42.587	47.603	48.356
2000	16.616	3.846	5.094	0.999	17.740	0.314	44.609	31.395	17.132	1.500	44.137	50.269	54.345
2001	14.805	4.005	5.089	1.004	18.057	0.301	43.261	35.970	15.133	1.500	49.133	50.500	47.174
2002	15.492	3.997	4.997	0.999	17.440	0.298	43.223	35.701	16.088	1.500	44.449	50.327	53.602
2003	14.242	4.205	6.008	1.001	17.023	0.300	42.779	35.700	16.907	1.500	41.203	50.757	49.672
2004	13.847	4.118	5.851	0.974	16.578	0.292	41.660	35.481	16.802	1.500	43.528	50.293	50.812
2005	11.805	3.934	5.827	0.498	16.510	0.289	38.863	35.932	17.478	1.500	46.762	53.207	50.970
2006 <sup>3</sup>	19.643	4.745	0.000	1.002	19.872	0.289	45.551	35.723	17.363	1.500	48.177	52.209	49.169
2007 <sup>4</sup>	23.312	4.554	0.000	0.999	16.358	0.289	45.512	35.440	17.225	1.500	46.936	52.430	50.767
2008 <sup>5</sup>	24.784	4.675	0.000	1.012	16.298	0.292	47.061	36.434	18.195	1.500	49.865	53.001	51.181

Source: Butler County Clerk

Notes:

- <sup>1</sup> The year shown is the year in which taxes are levied for collection in the following fiscal year.
- <sup>2</sup> 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.
- <sup>3</sup> In 2006 the Employee Benefits fund was eliminated, which resulted in increases in the City of El Dorado's General and Library mill levies. The increase in the total City mill levy was due to several factors. In an effort to delay a mill levy increase, cash reserves in the Debt Service fund were decreased over the previous several years; however, an increase in the mill levy was necessary in 2006 to restore cash balance in the fund to an adequate level to fund the City's debt and maintain a prudent fund balance. Additionally, due to inadequate gas tax revenues to properly maintain the City's streets, the City had to begin supplementing the Major Street fund through transfers from the General fund. Due to increased activity in the recruitment of new businesses to El Dorado, the Industrial Mill Levy fund was also increased 1/2 mill. Significant increases in costs of insurance, fuel, and utilities account for most of the remainder of the mill levy increase.
- <sup>4</sup> In 2007 the one-year increase in the Debt Service mill levy that was necessary in 2006 to restore fund balance was no longer needed, so the fund's mill levy was returned to approximately the same level as 2005. The General mill levy was increased to provide a substantially larger transfer to the Major Street fund to allow the City's streets to be maintained at a higher level. The increase provided funds to purchase essential equipment items and to increase maintenance such as crack sealing, reclaimer, and other preventative maintenance coatings.
- <sup>5</sup> The General mill levy was increased for the purpose of accumulating funds for possible later implementation of a new retirement plan for City employees. A final decision will be made in 2009 on whether to move forward with this new benefit.

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

<u>Taxpayer</u>	<u>2008</u>			<u>1999</u>		
	Assessed Value	Rank	Percentage of Total Assessed Value	Assessed Value	Rank	Percentage of Total Assessed Value
Wal-Mart Real Estate	\$2,861,003	1	3.00%	---		---
Kansas Gas & Electric	1,268,469	2	1.33%	\$1,709,178	1	2.88%
Vlomis, Ted & Elizabeth	1,090,121	3	1.14%	---		---
Kansas Gas Service <sup>1</sup>	972,160	4	1.02%	486,352	6	0.82%
Southwestern Bell Telephone	707,967	5	0.74%	1,314,244	2	2.21%
Pioneer Balloon	597,855	6	0.63%	874,931	4	1.47%
Sutherland Lumber	532,698	7	0.56%	---		---
El Dorado Group II LLC	472,260	8	0.50%	347,968	7	0.59%
Ted & Barbara Dankert LP	469,524	9	0.49%	---		---
Prairie Land Enterprises Inc	459,275	10	0.48%	---		---
Wal-Mart Stores, Inc.	---		---	1,016,756	3	1.71%
Cardwell International	---		---	496,494	5	0.84%
Butler Rural Electric	---		---	310,843	8	0.52%
J. Larry Fugate	---		---	291,415	9	0.49%
Edmund & Barbara Terry	---		---	290,186	10	0.49%
<b>Total</b>	<u>\$9,431,332</u>		<u>9.89%</u>	<u>\$7,138,367</u>		<u>12.02%</u>
<b>Total Assessed Value<sup>2</sup></b>	\$95,326,732			\$59,409,592		

Source: Butler County 2008 tax roll

Notes:

<sup>1</sup> Formerly Western Resources - Gas Division

<sup>2</sup> Includes motor vehicle valuation

**City of El Dorado**  
**Ratios of Outstanding Debt by Type**  
**Last Six Years**

Fiscal Year	Governmental Activities					Business-Type Activities					Total Primary Government	Percentage of Personal Income	Debt Per Capita
	General Obligation Bonds	Temporary Notes	Capital Leases	KS Dept of Commerce & Housing Agreement Note Payable	Interlocal with USD 490	General Obligation Bonds	Revenue Bonds	US Corps of Engineering Contract	KS Dept of Health & Environment Loans	Capital Leases			
2003	\$ 12,025,000	\$ 3,484,000	\$ 48,555	\$ 47,479	\$ 35,400	-	\$ 1,450,000	\$ 4,821,037	\$ 803,936	\$ 170,475	\$ 22,885,882	9.31%	\$ 1,801
2004	\$ 14,172,627	-	\$ 35,467	\$ 37,288	-	\$ 782,373	\$ 1,125,000	\$ 4,855,381	\$ 716,403	\$ 108,707	\$ 21,833,246	8.74%	\$ 1,721
2005	\$ 12,406,600	\$ 4,789,228	\$ 21,803	\$ 26,892	-	\$ 718,400	\$ 775,000	\$ 4,893,090	\$ 3,585,696	\$ 55,068	\$ 27,271,777	10.76%	\$ 2,154
2006	\$ 14,493,000	\$ 395,305	-	\$ 16,286	-	\$ 1,283,000	\$ 400,000	\$ 4,934,495	\$ 10,407,629	\$ 111,717	\$ 32,041,432	12.39%	\$ 2,519
2007	\$ 12,979,753	\$ 2,511,305	-	\$ 5,468	-	\$ 1,211,247	-	\$ 4,979,957	\$ 11,318,899	\$ 88,348	\$ 33,094,977	13.41%	\$ 2,627
2008	\$ 14,515,687	\$ 95,000	-	-	-	\$ 1,104,313	-	\$ 5,029,875	\$ 10,762,309	\$ 52,098	\$ 31,559,282	12.43%	\$ 2,509

Notes: The City began to report information when it implemented GASB Statement 34 in fiscal year 2003.

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

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

<b>Fiscal Year</b>	<b>General Obligation Debt</b>	<b>Less Debt Service Funds</b>	<b>Net Bonded Debt</b>	<b>Net Bonded Debt Per Capita</b>	<b>Net Bonded Debt to Estimated Actual Value</b>
1999	\$ 11,660,000 <sup>1</sup>	\$ 728,757	\$ 10,931,243	\$ 835.85	3.06%
2000	\$ 10,380,000 <sup>1</sup>	\$ 791,322	\$ 9,588,678	\$ 748.18	2.53%
2001	\$ 13,095,000 <sup>1</sup>	\$ 917,453	\$ 12,177,547	\$ 957.73	3.09%
2002	\$ 13,550,000	\$ 1,092,304	\$ 12,457,696	\$ 982.16	3.24%
2003	\$ 12,025,000	\$ 863,472	\$ 11,161,528	\$ 878.38	2.71%
2004	\$ 14,955,000 <sup>1</sup>	\$ 712,706	\$ 14,242,294	\$ 1,122.41	3.22%
2005	\$ 13,125,000 <sup>1</sup>	\$ 261,816	\$ 12,863,184	\$ 1,016.13	2.72%
2006	\$ 15,776,000 <sup>1</sup>	\$ 117,689	\$ 15,658,311	\$ 1,231.19	3.12%
2007	\$ 14,191,000 <sup>1</sup>	\$ 503,723	\$ 13,687,277	\$ 1,086.64	2.60%
2008	\$ 15,620,000 <sup>1</sup>	\$ 592,941	\$ 15,027,059	\$ 1,194.61	2.76%

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.

<sup>1</sup> Includes the portion of 1991, 2004 and 2006 General Obligation Bonds funded from water and sewer funds.

**City of El Dorado**  
**Direct and Overlapping Debt**  
**December 31, 2008**

	Debt Outstanding	Estimated Percentage Applicable <sup>1</sup>	Estimated Share of Overlapping Debt
<b>Overlapping Debt:</b>			
Butler County <sup>2</sup>	\$ 2,807,000	13.60%	\$ 381,752
Unified School District No. 490	19,455,000	37.92%	7,377,336
Unified School District No. 375	33,555,000	17.89%	6,002,990
Butler Community College	-	13.60%	-
	\$ 55,817,000		\$ 13,762,078
 <b>Direct Debt:</b>			
Net Bonded Debt	15,027,059		15,027,059
<b>Total direct and overlapping debt</b>	<b>\$ 70,844,059</b>		<b>\$ 28,789,137</b>

**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.

<sup>1</sup> 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.

<sup>2</sup> Butler County has \$23,930,000 outstanding in Public Building Commission revenue bonds that is not included in this debt outstanding figure.

**City of El Dorado**  
**Legal Debt Margin**  
**Last Ten Years**

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Assessed Valuation	\$ 49,065,179	\$ 52,095,532	\$ 55,766,997	\$ 59,715,866	\$ 60,488,211	\$ 65,556,530	\$ 71,312,468	\$ 76,547,651	\$ 80,394,926	\$ 81,922,304
Assessed Valuation on Motor Vehicles	10,344,413	10,643,419	6,672,848	7,920,865	12,276,663	12,592,448	12,687,701	12,811,634	13,124,330	13,404,428
Total Assessed Valuation <sup>1</sup>	<u>\$ 59,409,592</u>	<u>\$ 62,738,951</u>	<u>\$ 62,439,845</u>	<u>\$ 67,636,731</u>	<u>\$ 72,764,874</u>	<u>\$ 78,148,978</u>	<u>\$ 84,000,169</u>	<u>\$ 89,359,285</u>	<u>\$ 93,519,256</u>	<u>\$ 95,326,732</u>
Legal Debt Limit <sup>2</sup>	<u>\$ 17,822,878</u>	<u>\$ 18,821,685</u>	<u>\$ 18,731,954</u>	<u>\$ 20,291,019</u>	<u>\$ 21,829,462</u>	<u>\$ 23,444,693</u>	<u>\$ 25,200,051</u>	<u>\$ 26,807,786</u>	<u>\$ 28,055,777</u>	<u>\$ 28,598,020</u>
Bonded Indebtedness	\$ 14,290,000	\$ 12,735,000	\$ 15,160,000	\$ 15,315,000	\$ 13,475,000	\$ 16,080,000	\$ 13,900,000	\$ 16,176,000	\$ 14,191,000	\$ 15,620,000
Temporary Notes	844,750	1,544,750	0	1,200,000	3,484,000	0	4,789,228	395,305	2,511,305	95,000
Total Debt	<u>\$ 15,134,750</u>	<u>\$ 14,279,750</u>	<u>\$ 15,160,000</u>	<u>\$ 16,515,000</u>	<u>\$ 16,959,000</u>	<u>\$ 16,080,000</u>	<u>\$ 18,689,228</u>	<u>\$ 16,571,305</u>	<u>\$ 16,702,305</u>	<u>\$ 15,715,000</u>
Less:										
Assets in Debt Service Fund	\$ 728,757	\$ 791,322	\$ 917,453	\$ 1,092,304	\$ 863,472	\$ 712,706	\$ 261,816	\$ 117,689	\$ 503,723	\$ 592,941
Exempted Debt (KSA 10-309)-G.O. Bonds	1,840,987	1,501,129	2,582,877	1,983,045	1,675,473	3,499,721	3,053,370	4,830,905	4,408,652	3,853,726
Exempted Debt (KSA 10-309)-Temporary Notes	0	0	0	0	1,107,180	0	1,979,124	0	56,945	0
Waterworks Revenue Bonds	2,630,000	2,355,000	2,065,000	1,765,000	1,450,000	1,125,000	775,000	400,000	0	0
Sewer System Revenue Bonds	0	0	0	0	0	0	0	0	0	0
Total Deductions	<u>\$ 5,199,744</u>	<u>\$ 4,647,451</u>	<u>\$ 5,565,330</u>	<u>\$ 4,840,349</u>	<u>\$ 5,096,125</u>	<u>\$ 5,337,427</u>	<u>\$ 6,069,310</u>	<u>\$ 5,348,594</u>	<u>\$ 4,969,320</u>	<u>\$ 4,446,667</u>
Total Amount Applicable to Debt Limit	<u>\$ 9,935,006</u>	<u>\$ 9,632,299</u>	<u>\$ 9,594,870</u>	<u>\$ 11,674,651</u>	<u>\$ 11,862,875</u>	<u>\$ 10,742,573</u>	<u>\$ 12,619,918</u>	<u>\$ 11,222,711</u>	<u>\$ 11,732,985</u>	<u>\$ 11,268,333</u>
Legal Debt Margin	<u>\$ 7,887,872</u>	<u>\$ 9,189,386</u>	<u>\$ 9,137,884</u>	<u>\$ 8,616,368</u>	<u>\$ 9,966,587</u>	<u>\$ 12,702,120</u>	<u>\$ 12,580,133</u>	<u>\$ 15,585,075</u>	<u>\$ 16,322,792</u>	<u>\$ 17,329,687</u>
Legal Debt Margin as a percentage of the Debt Limit	<u>44.26%</u>	<u>48.82%</u>	<u>48.78%</u>	<u>42.46%</u>	<u>45.66%</u>	<u>54.18%</u>	<u>49.92%</u>	<u>58.14%</u>	<u>58.18%</u>	<u>60.60%</u>

Notes:

<sup>1</sup> Computed in accordance with KSA 10-310.

<sup>2</sup> 30% of Assessed Valuation (KSA 10-308).

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

<u>Fiscal Year</u>	<u>Gross Revenue</u>	<u>Operating Expenses<sup>1</sup></u>	<u>Net Revenue Available for Debt Service</u>	<u>Principal<sup>2</sup> Requirements</u>	<u>Interest<sup>2</sup> Requirements</u>	<u>Total</u>	<u>Coverage</u>
1999	\$ 2,469,719	\$ 1,435,551	\$ 1,034,168	\$ 275,000	\$ 118,925	\$ 393,925	2.63
2000	\$ 3,165,755	\$ 1,595,264	\$ 1,570,491	\$ 290,000	\$ 107,375	\$ 397,375	3.95
2001	\$ 2,985,097	\$ 1,540,296	\$ 1,444,801	\$ 300,000	\$ 94,905	\$ 394,905	3.66
2002	\$ 2,815,405	\$ 1,875,022	\$ 940,383	\$ 315,000	\$ 81,705	\$ 396,705	2.37
2003	\$ 2,553,269	\$ 1,981,585	\$ 571,684	\$ 325,000	\$ 67,688	\$ 392,688	1.46
2004	\$ 2,699,797	\$ 2,045,171	\$ 654,626	\$ 350,000	\$ 52,900	\$ 402,900	1.62
2005	\$ 3,350,268	\$ 1,918,348	\$ 1,431,920	\$ 375,000	\$ 36,625	\$ 411,625	3.48
2006	\$ 3,881,436	\$ 2,011,828	\$ 1,869,608	\$ 400,000	\$ 19,000	\$ 419,000	4.46
2007	\$ 4,121,758	\$ 1,999,237	\$ 2,122,521	\$ -	\$ -	\$ -	N/A
2008	\$ 3,988,284	\$ 2,271,883	\$ 1,716,401	\$ -	\$ -	\$ -	N/A

Notes:

<sup>1</sup> Excludes depreciation.

<sup>2</sup> 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 Years**

<b>Fiscal Year</b>	<b>Population <sup>1</sup></b>	<b>Personal Income</b>	<b>Per Capita Personal Income <sup>2</sup></b>	<b>Unemployment Rate % <sup>3</sup></b>
1999	13,078	N/A	N/A	2.9%
2000	12,816	\$ 235,429,920	\$ 18,370	2.9%
2001	12,715	\$ 237,630,635	\$ 18,689	3.2%
2002	12,684	\$ 241,186,260	\$ 19,015	5.9%
2003	12,707	\$ 245,816,915	\$ 19,345	5.4%
2004	12,689	\$ 249,744,898	\$ 19,682	5.2%
2005	12,659	\$ 253,483,816	\$ 20,024	4.8%
2006	12,718	\$ 258,633,248	\$ 20,336	4.7%
2007	12,596	\$ 246,875,790	\$ 19,410	3.9%
2008	12,579	\$ 253,806,483	\$ 20,177	4.1%

Sources:

<sup>1</sup> Population estimates, with the exception of the most recent year, 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.

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

<sup>3</sup> Bureau of Labor Statistics.

N/A Not available.

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

<b>Employer</b>	<b>2008</b>			<b>1999</b>		
	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total City Employment</b>	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total City Employment</b>
USD #490	900	1	14.33%	550	1	8.62%
El Dorado Correctional Facility	467	2	7.44%	450	2	7.05%
El Dorado Frontier Refining <sup>2</sup>	413	3	6.58%	400	3	6.27%
Butler Community College	403	4	6.42%	306	4	4.79%
Butler County Government	367	5	5.84%	300	5	4.70%
SBA Memorial Hospital	310	6	4.94%	200	8	3.13%
C-Tech <sup>3</sup>	250	7	3.98%	114	10	1.79%
Pioneer Balloon	200	8	3.19%	213	7	3.34%
Wal-Mart	190	9	3.03%	135	9	2.11%
City of El Dorado	132	10	2.10%	---	---	---
Cannon Valley Woodwork	---		---	215	6	3.37%
<b>Total</b>	<b>3,632</b>		<b>57.84%</b>	<b>2,883</b>		<b>45.16%</b>
Total Employment <sup>1</sup>	6,279			6,384		

Source: City of El Dorado Survey of Employers

Notes:

<sup>1</sup> 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.

<sup>2</sup> Formerly Texaco Refining & Marketing; then Equilon Enterprises

<sup>3</sup> Formerly Blackburn Construction

**City of El Dorado**  
**Full-Time City Government Employees by Function/Program**  
**Last Six Years**

<b>Function/Program</b>	<b>Full-Time Employees as of December 31</b>					
	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
General Government						
Administration	5	2	3	1	1	1
Airport	0	0	0	0	0	1
Engineering	6	4	5	4	4	4
Legal/Judicial	3	3	3	2	4	3
Public Safety						
Police	29	27	28	25	26	28
Fire	13	14	12	16	14	17
Building/Zoning	1	1	1	2	3	2
Public Works						
Public Works	3	5	4	4	3	6
Major Street Improvements	11	11	8	8	9	10
Culture/Recreation						
Park Maintenance	3	2	3	2	2	1
Recreation	2	3	2	3	3	4
Health & Sanitation						
Health & Sanitation	2	2	2	2	2	2
Cemetery	2	1	1	2	2	2
Water	15	15	16	15	15	18
Sewer	7	6	5	6	7	5
Refuse	11	14	14	12	20	17
Data Processing	8	7	6	11	10	11
<b>Total</b>	<b>121</b>	<b>117</b>	<b>113</b>	<b>115</b>	<b>125</b>	<b>132</b>

Source: City Budget Office

Notes: The City began to report information when it implemented GASB Statement 34 in fiscal year 2003.

Grant funds were received in 2006, enabling the City to hire additional firemen. Several employees were reclassified to Data Processing in 2006 to more accurately reflect internal service costs. A Code Enforcement officer was also hired in Building/Zoning in 2006. Several vacant positions were not rehired in the Major Street department in 2005 and 2006 due to inadequate funding.

In 2007, numerous part-time recycle laborer positions in the Refuse Department were replaced with full-time positions with benefits in order to reduce turnover at the Recycling Center. At the end of 2006, the position of City Attorney, which also included the duties of a prosecutor, was vacant. Due to difficulties in filling the dual-role position, separate City Attorney and City Prosecutor positions were created and filled in 2007. A new Planning Director position was also hired in the Building/Zoning Department in 2007 in order to eliminate the more costly contract labor previously used.

In 2008, the Code Enforcement Officer was moved from the Building/Zoning Department to the Public Works Department. Upon the vacancy of the City Attorney position, the duties were again combined with the City Prosecutor, reinstating the former dual role. A new Finance Assistant position was hired in Data Processing. The Airport Manager position, formerly a contract laborer, was rehired as an employee. The Senior Center Director position was also formerly a contract laborer and was rehired in 2008 as a recreation employee.

**City of El Dorado**  
**Operating Indicators by Function/Program**  
**Last Six Years**

<b>Function/Program</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
<b>Municipal Court</b>						
Citations Issued	4,532	4,655	3,067	3,271	3,230	3,687
Warrants Issued	308	411	322	332	230	292
Warrants Served	195	185	146	159	139	198
<b>Airport</b>						
Fuel Sales (gallons)	30,568	34,130	26,146	23,691	18,869	17,101
<b>Fire</b>						
Total Number of Incidents	798	781	969	1,154	1,267	1,285
Fire Calls	165	156	183	227	144	129
Rescue & Emergency Medical Calls	218	247	321	517	665	752
Hazardous Materials Calls	94	83	167	48	73	65
Inspections	1,101	1,353	1,049	1,165	1,079	1,145
Hydrants Tested	214	276	291	648	0	406
<b>Police</b>						
Criminal Violations Reported	1,755	1,785	1,902	1,636	1,578	1,668
Traffic Accidents	540	527	486	634	490	481
DUI Arrests	81	79	69	54	57	94
<b>Building &amp; Zoning</b>						
New Residential Construction Permits	18	24	22	30	29	22
New Commercial Construction Permits	8	11	5	7	5	4
<b>Street Operations</b>						
Streets Swept (Curb Miles)	5,762	3,968	2,246	2,925	3,673	4,406
<b>Animal Control</b>						
Animal Licenses	1,695	1,617	1,628	1,436	1,543	1,480
Animal Control Calls	876	727	916	843	1,051	984
Animal Citations	178	121	98	130	188	196
<b>Cemetery</b>						
Burials	166	143	154	147	151	138
<b>Parks and Recreation</b>						
Youth Soccer Participants	259	237	297	312	276	259
Swimming Pool Attendance	16,265	17,464	17,877	17,052	12,223	15,567
Youth Baseball/Softball Participants	721	735	715	628	595	369
Youth Basketball Participants	373	282	248	150	138	145
Youth Volleyball Participants	108	144	148	170	196	222
Adult Softball Teams	50	46	41	39	33	27
Adult Flag Football Teams	7	8	6	5	8	5
Adult Basketball Teams	18	9	10	7	5	7
<b>Water</b>						
New Meters	62	38	46	41	54	32
Treated Water Pumped (millions of gallon)	1303	1295	1236	1286	1,194	1,159
Water Distribution Service Calls	461	503	530	307	326	303
Water Leaks Repaired	141	133	137	108	92	100
<b>Sewer</b>						
Sewer Maintenance Service Calls	460	492	315	341	420	506
<b>Refuse</b>						
Refuse Collected (tons)	7085	6720	6722	6717	6,896	6,852
Recycling Material (tons)	1358	1275	1295	1288	1,303	1,553
Yardwaste Collected (tons)	3700	4500	4000	4000	4,200	4,500

Source: Various City Departments

Note: The City began to report information when it implemented GASB Statement 34 in fiscal year 2003.

**City of El Dorado**  
**Capital Asset Statistics by Function/Program**  
**Last Six Years**

<b>Function/Program</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
Square Miles of the City	7.70	7.70	7.70	7.70	8.00	8.10
Fire						
Stations	1	1	1	1	1	1
Paid Firefighters	13	13	17	17	17	17
Police						
Stations	1	1	1	1	1	1
Police Officers	28	28	28	28	28	28
Street Operations						
Miles of Paved City Streets	77.86	77.91	79.80	79.80	79.86	79.98
Miles of Unpaved City Streets	2.44	2.39	2.89	2.89	2.89	2.89
Traffic Operations						
Traffic Signals	12	13	13	13	13	13
Parks and Recreation						
Swimming Pools	1	1	1	1	1	1
Activity Center	1	1	1	1	1	1
Ball Diamonds	9	9	9	9	9	9
Soccer Fields	6	6	6	6	6	6
Water						
Water Mains (miles)	101.084	101.689	103.643	103.643	103.993	104.340
Elevated Storage Capacity (millions of gallons)	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
Water Storage Space -El Dorado Reservoir (MGD)	22.20	22.20	22.20	22.20	22.20	22.20
Sewer						
Sanitary Sewers (miles)	51.821	52.428	52.880	52.930	53.100	53.360

Source: Various City Departments

Notes: The City began to report information when it implemented GASB Statement 34 in fiscal year 2003.

Indicators are not available for the general government & administration functions.