

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended  
December 31, 2020



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

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Comprehensive Annual Financial Report

of the

**CITY OF EL DORADO, KANSAS**

for the

Year Ended December 31, 2020

Mayor - Bill Young

Commissioner - Kendra Wilkinson

Commissioner - Gregg Lewis

Commissioner - Nick Badwey

Commissioner - Matt Guthrie

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# **INTRODUCTION SECTION**



July 28, 2021



**To the Honorable City Commission and Citizens of El Dorado:**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## MAJOR FACTORS AFFECTING THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### **Independent Audit**

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

### **Relevant Financial Policies**

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

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

### **ECONOMIC CONDITION AND OUTLOOK**

#### **Private Sector Investment:**

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

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

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

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

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

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

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

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

Public Sector Investment:

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

## SUBSEQUENT EVENTS TO THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

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

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

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

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

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

\*\*\*\*\*

## RECOGNITION

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

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

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

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

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of El Dorado, Kansas for its comprehensive annual financial report for the fiscal year ended December 31, 2019. This was the forty-second consecutive year that the municipal government has achieved this prestigious award. Finally, something certain we can count on during these uncertain times!

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

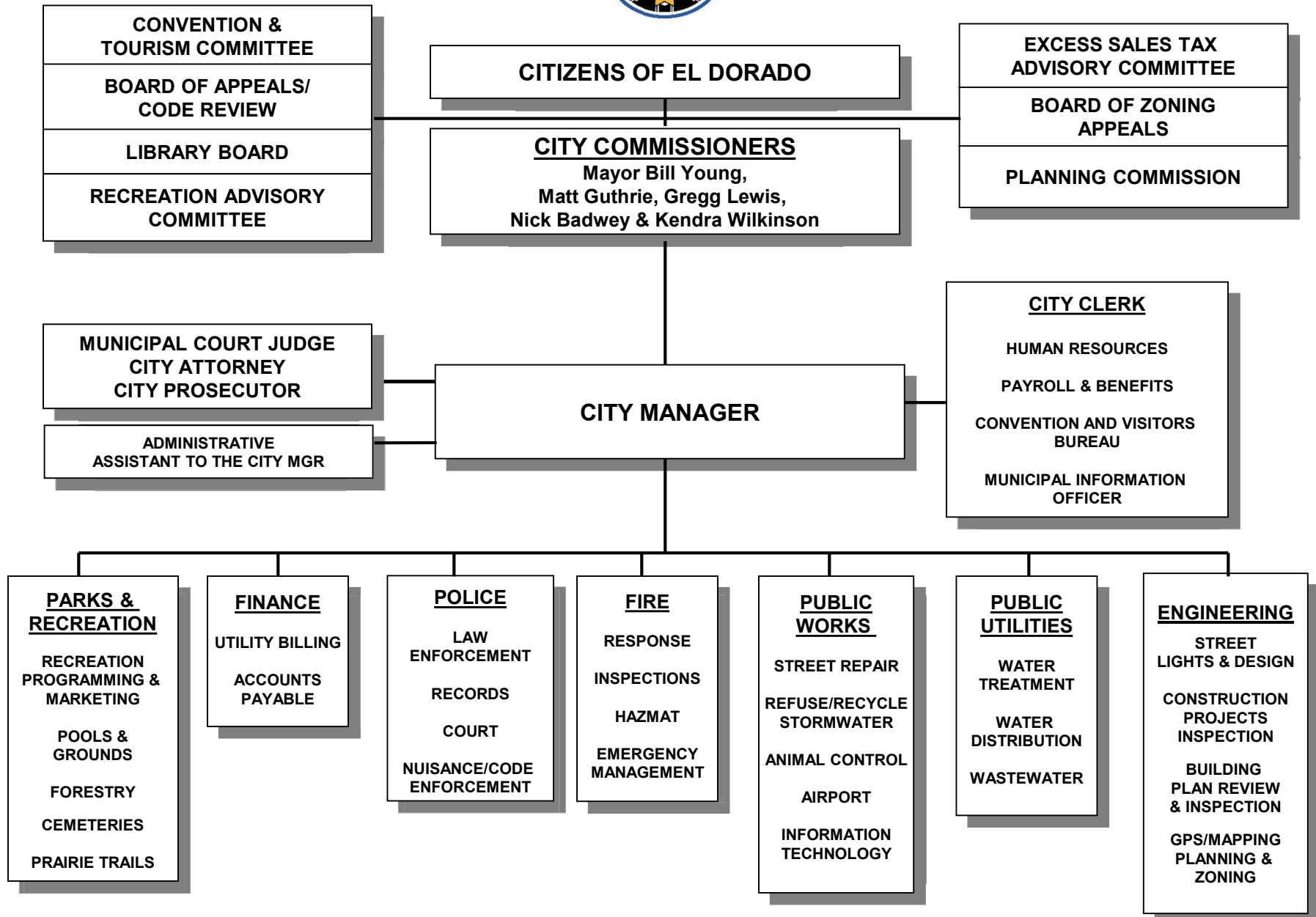
The Certificate of Achievement is valid for one year following its issuance. The City believes that the comprehensive annual financial report for year-ending December 31, 2020 will continue to meet the Certificate of Achievement Program's requirements and will submit it to the GFOA for consideration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

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

Respectfully Submitted,

A handwritten signature in cursive script, appearing to read "David B. Dillner".

David B. Dillner  
City Manager



Updated 12/01/2020



Government Finance Officers Association

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

Presented to

**City of El Dorado  
Kansas**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

December 31, 2019

*Christopher P. Morill*

Executive Director/CEO

# **FINANCIAL SECTION**



## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the **City of El Dorado, Kansas**, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

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

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of **City of El Dorado, Kansas** as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

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

### *Supplementary and Other Information*

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

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

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated July 28, 2021, on our consideration of the **City of El Dorado, Kansas**' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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

**ADAMSBROWN, LLC**  
Certified Public Accountants  
El Dorado, Kansas

July 28, 2021

## **MANAGEMENT’S DISCUSSION AND ANALYSIS**

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

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

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

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

#### ***Government-Wide Financial Statements***

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

The Statement of Net Position reports all the City’s assets, deferred outflows, liabilities, and deferred inflows. Net Position, the difference between assets, deferred outflows, liabilities, and deferred inflows are an important measure of the City’s overall financial health. Over time, the increases and decreases in net position can be monitored to determine whether the City’s financial position is improving or deteriorating.

The Statement of Activities presents information showing how the government’s net position changed during the most recent fiscal year. All changes in net position (current year’s revenues and expenses) are taken into account regardless of when cash is received or paid. Thus, revenues and expenses are reported in the Statement of Activities for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and accrued vacation leave).

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

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

## Fund Financial Statements

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

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

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

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

## FINANCIAL ANALYSIS OF THE CITY

### *Net Position*

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

City of El Dorado, Kansas

Net Position

As of December 31, 2020

(with comparative totals for December 31, 2019)

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

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

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

## Governmental Activities

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

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

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

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

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

### Business-Type Activities

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

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

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

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

## **FUND ANALYSIS**

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

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

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

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

### **GENERAL FUND BUDGETARY HIGHLIGHTS**

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

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

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

#### Capital Assets

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

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

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

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

**New Additions**

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

**Construction in Progress**

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

**Total** \$ 4,312,336

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

Debt Administration

The City did not issue debt in 2020.

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

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

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

## **OTHER POTENTIALLY SIGNIFICANT MATTERS**

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

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

## **REQUESTS FOR INFORMATION**

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

CITY OF EL DORADO, KANSAS

Statement of Net Position

December 31, 2020

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

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

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

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

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

**CITY OF EL DORADO, KANSAS**

Balance Sheet

Governmental Funds

December 31, 2020

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

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

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

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

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

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

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

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

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

Total Net Change in Fund Balances - Governmental Funds	\$	(389,271)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay	2,974,824	
Depreciation expense	<u>(2,975,195)</u>	(371)
The net effect of various miscellaneous transactions involving capital assets is to decrease net position.		(154,964)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		855,623
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of differences in the treatment of long-term debt and related items.		
Principal payments		
Capital leases	105,015	
General obligation bonds	<u>1,454,029</u>	1,559,044
Internal service funds are used by management to charge the cost of information technology to individual funds. The net revenue (expense) of certain activities of the internal service fund is reported with governmental activities.		26,815
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Compensated absences	(13,970)	
Pension contributions	(345,639)	
OPEB contributions	6,166	
Amortization of bond premium	30,831	
Accrued interest	<u>20,997</u>	<u>(301,615)</u>
Change in Net Position of Governmental Activities	\$	<u><u>1,595,261</u></u>

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

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

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

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

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

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

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

CITY OF EL DORADO, KANSAS

Statement of Net Position

Proprietary Funds

December 31, 2020

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

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

CITY OF EL DORADO, KANSAS

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

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

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

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

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

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

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

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

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

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

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

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

**CITY OF EL DORADO, KANSAS**

Statement of Net Position

Fiduciary Fund

December 31, 2020

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

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

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

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

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

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

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

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

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

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

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

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

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Entity**

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

**Discretely Presented Component Units**

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

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

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

**Fiduciary Component Unit**

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

**Joint Venture**

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

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

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

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

Separate audited financial statements are not prepared by the Authority.

**Use of Estimates**

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

**Government-Wide and Fund Financial Statements**

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

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

**Fund Financial Statements**

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

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

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

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

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

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

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

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

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

The City reports the following major governmental funds:

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

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

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

The City reports the following major proprietary funds:

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

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

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

The City also reports the following fund types:

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

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

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

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

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

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

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

**Cash and Investments**

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

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

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

**Statement of Cash Flows**

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

**Receivables and Payables**

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

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

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

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

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

**Property Taxes and Receivable**

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

Property taxes are legally restricted for use in financing operations of the ensuing year. Accordingly, the City defers revenue recognition until the year for which they are to be used. Property taxes are levied on November 1. Property owners have the option of paying one-half or the full amount of the taxes levied on or before December 20 during the year levied with the balance to be paid on or before May 10 of the ensuing year. Property taxes become delinquent on December 20 of each fiscal year if the taxpayer has not remitted at least one-half of the amount due. The 2020 tax levy per \$1,000 of assessed valuation was as follows:

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

**Special Assessment Receivable**

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

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

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

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

**Inventories**

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

**Capital Assets**

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

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

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

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

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

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

**Deferred Outflows and Inflows of Resources**

In addition to assets, the statement of net position may report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two items that qualify for reporting in this category. One item is deferred outflows for pension and is reported in the government-wide statement of net position. See Note 8 for more information on the deferred outflows for pension. The second is deferred outflows for other postemployment benefits (OPEB). See Note 9 for more information on the deferred outflows for OPEB.

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

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In addition to liabilities, the statement of net position may report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has three items that qualify for reporting in this category. One item, unavailable revenue/deferred receivable is reported in the governmental funds balance sheet and the governmental activities in the government-wide statement of net position. The governmental funds report unavailable revenues from two sources: property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Governmental activities report deferred receivable only from property taxes. The second item is deferred inflows for pension. See Note 8 for more information on the deferred inflows for the pension. The third item is deferred inflow for OPEB. See Note 9 for more information on the deferred inflows for OPEB.

**Compensated Absences**

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

**Long-Term Obligations**

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

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

**Pensions**

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

**Net Position and Fund Balance**

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

- Net investment in capital assets - consisting of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, leases, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted net position - consisting of net position with constraints placed on its use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other

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

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

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

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

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

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

**Concentrations of Credit Risk**

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

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

**Pending Governmental Accounting Standards Board Statements**

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

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

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

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

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

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

## **NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

### **Budgetary Information**

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

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

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

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

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

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

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

**Deficit Net Position and Fund Balance**

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

**Excess of Expenditures Over Appropriations**

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

**Bond Compliance**

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

**NOTE 3 – DEPOSITS AND INVESTMENTS**

**Deposits**

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

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

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

**Investments**

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

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

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

Discretely Presented Component Unit - Library

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

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

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

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

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

*Fair value measurement.* The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles (GAAP). The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

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

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

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

**NOTE 4 – CAPITAL ASSETS**

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

**Primary Government**

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

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

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

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

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

**Discretely Presented Component Unit**

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

**NOTE 5 – CAPITAL PROJECTS**

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

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

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

**NOTE 6 – LONG-TERM DEBT**

**General Obligation Bonds**

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities.

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

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

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

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

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

**Revolving Loans Payable – Direct Borrowing**

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

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

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

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

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**Liability for Water Storage Space – Direct Borrowing**

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

**Capital Leases – Direct Borrowing**

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

The assets acquired through capital leases are as follows:

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

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

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

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**Changes in Long-Term Liabilities**

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

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

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

**Conduit Debt Obligations**

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

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

**Community Improvement Districts (CID) Program**

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

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**NOTE 7 – INTERFUND TRANSFERS**

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

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

Transfers are used to (1) move revenues from the fund that statutes or the budget requires to collect to the fund that statutes or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authority, and (4) eliminate negative cash balances in the payable funds due to project payment timing.

**NOTE 8 – DEFINED BENEFIT PENSION PLAN**

**Plan Description**

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

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

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

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

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

**CITY OF EL DORADO, KANSAS**  
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**Benefits**

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

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

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

The 2012 Legislature made changes affecting new hires, current members, and employers. A new KPERS 3 cash balance retirement plan for new hires starting after January 1, 2015, was created. Normal retirement age for KPERS 3 is 65 with 5 years of service or 60 with 30 years of service. Early retirement is available at age 55 with 10 years of service with a reduced benefit. Monthly benefit options are an annuity benefit based on the account balance at retirement.

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

**Contributions**

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

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

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

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**Employer Allocations**

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

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

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

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

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

**Net Pension Liability**

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

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

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

**Actuarial Assumptions**

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

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

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

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

The long-term expected rate of return of pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class of the most recent experience study, dated January 7, 2020, as provided by KPERS' investment consultant, are summarized in the following table:

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

**Discount Rate**

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

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.50%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.50%) or 1 percentage point higher (8.50%) than the current rate:

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

**Pension Expense**

For the year ended December 31, 2020, the City recognized pension expense of \$1,269,276 and \$36,965 for the Library, which includes the changes in the collective net pension liability, projected earnings on pension plan investments, and the amortization of deferred outflows of resources and deferred inflows of resources for the current period.

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

<b>City</b>		
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between actual and expected experience	\$ 206,097	49,339
Net differences between projected and actual earnings on investments	919,902	-
Change of assumptions	25,663	337,520
Changes in proportionate share	567,492	-
City contributions subsequent to measurement date	461,680	-
<b>Total</b>	<b>\$ 2,180,834</b>	<b>386,859</b>
<b>Library</b>		
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between actual and expected experience	\$ 4,342	3,343
Net differences between projected and actual earnings on investments	30,339	-
Change of assumptions	12,760	2,438
Changes in proportionate share	15,662	-
Library contributions subsequent to measurement date	13,095	-
<b>Total</b>	<b>\$ 76,198</b>	<b>5,781</b>

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

Year Ended June 30,	City	Library
2021	\$ 301,061	13,381
2022	341,861	15,718
2023	353,390	14,248
2024	324,341	13,272
2025	11,677	703
<b>Total</b>	<b>\$ 1,332,295</b>	<b>57,322</b>

**NOTE 9 – OTHER POSTEMPLOYMENT HEALTHCARE BENEFITS**

**Health Insurance**

**Plan Administration**

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

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

**Funding Policy**

The City provides health insurance benefits to retirees and their dependents in accordance with Kansas law (K.S.A. 12-5040). Kansas statutes, which may be amended by the state legislature, establish that participating retirees may be required to contribute to the employee group health benefits plan, including administrative costs at an amount not to exceed 125 percent of the premium cost for other similarly situated employees.

**Plan Membership**

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

Inactive plan members currently receiving benefit payments	3
Inactive plan members entitled to but not yet receiving benefit payments	-
Active plan members	132
<b>Total</b>	<b>135</b>

**Benefits Provided**

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

**Contributions**

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

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

**Net OPEB Liability**

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

**Actuarial Assumptions and Other Inputs**

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

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

**Health Care Cost Trend Rates**

Year	Claims Rate	%	Expenses Rate	%
2019	7.00	%	4.00	%
2020	6.75		4.00	
2021	6.50		4.00	
2022	6.25		4.00	
2023	6.00		4.00	
2024	5.75		4.00	
2025	5.50		4.00	
2026	5.25		4.00	
2027+	5.00		4.00	

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

**Discount Rate**

The discount rate used to measure the total OPEB liability was 6%. The projection of cash flows used to determine the discount rate assumed the City contributions will be made at rates equal to the actuarially determined contribution rates. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current Plan members. Therefore, the long-term expected rate of return on OPEB Plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

**Changes in the Net OPEB Liability**

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

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

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

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

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

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

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

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

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

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

**Disability Benefits and Life Insurance**

**Plan Description**

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

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

**Benefits Provided**

Benefits are established by statute and may be amended by the KPERS Board of Trustees. The Plan provides long-term disability and life insurance benefits to eligible disabled members. Benefits provided are self-funded, and the full cost of the benefits is covered by the OPEB Plan. The monthly benefit is 60% of the member's monthly rate of compensation, with a minimum of \$100 and a maximum of \$5,000. The monthly benefit is subject to reduction by deductible sources of income, which include Social Security primary disability or retirement benefits, worker's compensation benefits, other disability benefits from any other source by reason of employment, and earnings from any form of employment. If the disability begins before age 60, benefits are payable while disability continues until the member's 65th birthday or retirement date, whichever first occurs. If the disability occurs at or after age 60, benefits are payable while disability continues, for a period of five years or until the date of the member's retirement, whichever first occurs. Upon the death of a member who is receiving monthly disability benefits, the plan will pay a lump sum benefit to eligible beneficiaries. The benefit amount will be 150% of the greater of (a) the member's annual rate of compensation at the time of disability, or (b) the member's previous 12 months of compensation at the time of the last date on payroll. If the member had been disabled for five or more years, the annual compensation or salary rate at the time of death will be indexed before the life insurance benefit is computed. The indexing is based on the consumer price index, less one percentage point. If a member is diagnosed as terminally ill with a life expectancy of 12 months or less, he or she may be eligible to receive up to 100% of the death benefit rather than having the benefit paid to the beneficiary.

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

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

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

**Total OPEB Liability**

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

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

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

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

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

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

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

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

**Changes in the Total OPEB Liability**

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

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

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

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

	1% Decrease	Health Cost Trend Rates	1% Increase
City's Total OPEB Liability	\$ 127,587	127,587	127,587
Library's Total OPEB Liability	11,654	11,654	11,654

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

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

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

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

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

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

**Aggregate Other Postemployment Healthcare Benefit Information**

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

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

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

**NOTE 10 - RISK MANAGEMENT**

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

**Group Hospitalization**

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

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

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

**NOTE 11 – COMMITMENTS AND CONTINGENCIES**

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

**NOTE 12 – TAX ABATEMENTS**

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

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

**NOTE 13 – PRIOR PERIOD ADJUSTMENT**

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

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

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

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

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

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

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

**NOTE 14 – RISKS AND UNCERTAINTIES**

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

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

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

**NOTE 15 – CRF AND CARES ACT FUNDING**

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

**CITY OF EL DORADO, KANSAS**

Required Supplementary Information

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

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

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

See Independent Auditor's Report.

**CITY OF EL DORADO, KANSAS**  
**BRADFORD MEMORIAL LIBRARY**

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

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

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

See Independent Auditor's Report.

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

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

See Independent Auditor's Report.

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

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

See Independent Auditor's Report.

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

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

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

See Independent Auditor's Report.

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

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

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

Notes to Schedule

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

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

See Independent Auditor's Report.

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

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

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

See Independent Auditor's Report.

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

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

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

Notes to Schedule

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

See Independent Auditor's Report.

**CITY OF EL DORADO, KANSAS**  
**BRADFORD MEMORIAL LIBRARY**

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

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

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

Notes to Schedule

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

See Independent Auditor's Report.

**CITY OF EL DORADO, KANSAS**

Other Supplementary Information

Combining Financial Statements and Individual Fund Schedules

## NONMAJOR GOVERNMENTAL FUNDS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

See Independent Auditor's Report.

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

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

See Independent Auditor's Report.

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

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

See Independent Auditor's Report.

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

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

See Independent Auditor's Report.

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

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

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

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

See Independent Auditor's Report.

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

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

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

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

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

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

See Independent Auditor's Report.

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

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

See Independent Auditor's Report.

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

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

See Independent Auditor's Report.

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

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

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

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

See Independent Auditor's Report.

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

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

See Independent Auditor's Report.

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

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

See Independent Auditor's Report.

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

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

See Independent Auditor's Report.

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

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

See Independent Auditor's Report.

# **STATISTICAL SECTION**



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

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This part of **City of El Dorado, Kansas**' financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

**Financial Trends**

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

**Revenue Capacity**

These schedules contain information to help the reader assess the factors affecting the City's ability to generate its most significant local revenue source, water and wastewater revenues, as well as its property tax.

**Debt Capacity**

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

**Demographic and Economical Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time with other governments.

**Operating Information**

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

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

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<b>Governmental Activities</b>										
Net investment in capital assets	\$ 30,150,968	\$ 30,967,195	\$ 30,188,763	\$ 34,296,398	\$ 29,539,248	\$ 31,001,068	\$ 32,504,209	\$ 30,064,673	\$ 31,480,981	\$ 32,680,162
Restricted	4,889,410	3,792,344	4,215,381	3,629,818	5,570,106	5,776,169	5,618,006	6,056,718	7,408,468	8,020,862
Unrestricted	8,719,784	5,609,678	6,918,169	3,341,366	1,886,158	(1,651,934)	(2,954,862)	(376,780)	(1,158,124)	(1,549,023)
Total Governmental Activities Net Position	<u>\$ 43,760,162</u>	<u>\$ 40,369,217</u>	<u>\$ 41,322,313</u>	<u>\$ 41,267,582</u>	<u>\$ 36,995,512</u>	<u>\$ 35,125,303</u>	<u>\$ 35,167,353</u>	<u>\$ 35,744,611</u>	<u>\$ 37,731,325</u>	<u>\$ 39,152,001</u>
<b>Business-Type Activities</b>										
Net investment in capital assets	\$ 18,777,765	\$ 20,367,761	\$ 21,303,503	\$ 21,429,958	\$ 20,861,680	\$ 21,137,164	\$ 21,632,458	\$ 22,255,189	\$ 28,230,293	\$ 28,545,051
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	(7,359,679)	(11,450,255)	(13,777,603)	(13,745,532)	(16,192,653)	(18,086,405)	(18,400,401)	(19,879,265)	(28,471,510)	(28,223,036)
Total Business-Type Activities Net Position	<u>\$ 11,418,086</u>	<u>\$ 8,917,506</u>	<u>\$ 7,525,900</u>	<u>\$ 7,684,426</u>	<u>\$ 4,669,027</u>	<u>\$ 3,050,759</u>	<u>\$ 3,232,057</u>	<u>\$ 2,375,924</u>	<u>\$ (241,217)</u>	<u>\$ 322,015</u>
<b>Primary Government</b>										
Net investment in capital assets	\$ 48,928,733	\$ 51,334,956	\$ 51,492,266	\$ 55,726,356	\$ 50,400,928	\$ 52,138,232	\$ 54,136,667	\$ 52,319,862	\$ 59,711,274	\$ 61,225,213
Restricted	4,889,410	3,792,344	4,215,381	3,629,818	5,570,106	5,776,169	5,618,006	6,056,718	7,408,468	8,020,862
Unrestricted	1,360,105	(5,840,577)	(6,859,434)	(10,404,166)	(14,306,495)	(19,738,339)	(21,355,263)	(20,256,045)	(29,629,634)	(29,772,059)
Total Primary Government Net Position	<u>\$ 55,178,248</u>	<u>\$ 49,286,723</u>	<u>\$ 48,848,213</u>	<u>\$ 48,952,008</u>	<u>\$ 41,664,539</u>	<u>\$ 38,176,062</u>	<u>\$ 38,399,410</u>	<u>\$ 38,120,535</u>	<u>\$ 37,490,108</u>	<u>\$ 39,474,016</u>

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

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

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

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

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

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<b>General Fund</b>										
Nonspendable	\$ 104,577	\$ 115,518	\$ 141,556	\$ 85,643	\$ 33,820	\$ 19,374	\$ 37,376	\$ 35,956	\$ 30,621	\$ 12,662
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	787,183	399,687	452,540	571,895	625,355	375,021	454,116	337,074	183,677	309,860
Unassigned	3,524,885	3,154,540	3,236,214	3,300,921	3,223,156	2,634,603	2,513,312	3,014,975	3,516,181	4,315,144
Total General Fund	<u>\$ 4,416,645</u>	<u>\$ 3,669,745</u>	<u>\$ 3,830,310</u>	<u>\$ 3,958,459</u>	<u>\$ 3,882,331</u>	<u>\$ 3,028,998</u>	<u>\$ 3,004,804</u>	<u>\$ 3,388,005</u>	<u>\$3,730,479</u>	<u>\$4,637,666</u>
<b>All Other Governmental Funds</b>										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ 20,881	\$ 26,781	\$ 19,918	\$ 19,645	\$ 12,814	\$ 18,069
Restricted	1,441,774	1,350,142	1,242,310	526,863	2,278,825	2,573,122	2,010,964	2,449,902	3,130,158	2,865,933
Committed	290,226	12,254	3,409	179,440	191,413	3,409	3,409	3,409	13,384	26,438
Assigned	4,536,209	280,604	387,152	302,679	272,958	678,429	605,518	431,023	859,914	1,054,538
Unassigned	-	(1,382,393)	1,428,533	(3,876,124)	(159,804)	(404,761)	(1,421,732)	(1,198,761)	(2,926,955)	(4,111,348)
Total All Other Governmental Funds	<u>\$ 6,268,209</u>	<u>\$ 260,607</u>	<u>\$ 3,061,404</u>	<u>\$ (2,867,142)</u>	<u>\$ 2,604,273</u>	<u>\$ 2,876,980</u>	<u>\$ 1,218,077</u>	<u>\$ 1,705,218</u>	<u>\$1,089,315</u>	<u>\$ (146,370)</u>

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

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

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

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

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

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

## City of El Dorado

### Property Tax Levies and Collections

#### Last Ten Fiscal Years

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

Notes:

<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.

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

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

Source: Butler County Clerk

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

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

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

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

Source: Butler County Clerk

Notes:

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

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

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

Source: Butler County 2020 tax roll

Notes:

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

<sup>2</sup> Does not include motor vehicle valuation

<sup>4</sup> Formerly Villas at BCC LLC

<sup>5</sup> Formerly Vlami, Ted & Elizabeth-Vlami Enterprises

## City of El Dorado Ratios of Outstanding Debt by Type Last Ten Fiscal Years

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

**Notes:**

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

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

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

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

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

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

<sup>1</sup> This is the general bonded debt of both governmental and business-type activities, net of original issuance discounts and premiums.

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

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

Source: The debt outstanding was provided by each entity.

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

<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.

## City of El Dorado Legal Debt Margin Last Ten Fiscal Years

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

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 Fiscal Years**

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

Notes:

<sup>1</sup> Excludes capital 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 Fiscal Years**

<u>Fiscal Year</u>	<u>Population<sup>1</sup></u>	<u>Personal Income</u>	<u>Per Capita Personal Income<sup>2</sup></u>	<u>Unemployment Rate<sup>3</sup></u>
2011	13,008	\$ 284,937,902	\$ 20,306	7.7%
2012	12,900	\$ 265,866,458	\$ 20,509	6.6%
2013	12,852	\$ 277,012,008	\$ 21,554	6.7%
2014	12,895	\$ 280,178,986	\$ 22,677	5.4%
2015	12,879	\$ 295,672,571	\$ 22,903	4.3%
2016	12,931	\$ 299,117,807	\$ 23,132	4.4%
2017 <sup>4</sup>	12,979	\$ 307,008,819	\$ 23,654	3.2%
2018 <sup>5</sup>	13,041	\$ 320,286,960	\$ 24,560	4.0%
2019	12,935	\$ 318,084,585	\$ 24,591	3.2%
2020	12,931	\$ 323,081,035	\$ 24,985	15.5%

Sources:

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

<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 income distributions.

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

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

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

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

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

Total Employment <sup>4</sup> 5,324 5,836

Source: City of El Dorado Survey of Employers

Notes:

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

<sup>2</sup> Formerly Texaco Refining & Marketing, Equilon Enterprises, and El Dorado Frontier Refinery.

<sup>3</sup> Formerly Blackburn Construction.

<sup>4</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.

## City of El Dorado Full-Time Equivalent City Government Employees by Function Last Ten Fiscal Years

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

Source: City Budget Office

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

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

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

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

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

# City of El Dorado

## Operating Indicators by Function

### Last Ten Fiscal Years

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

Source: Various City Departments

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

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

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

Source: Various City Departments

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

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

**CITY OF EL DORADO, KANSAS**

Single Audit Information

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the *Kansas Municipal Audit and Accounting Guide* and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of **City of El Dorado, Kansas**, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise **City of El Dorado, Kansas'** basic financial statements, and have issued our report thereon dated July 28, 2021.

**Internal Control Over Financial Reporting**

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

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

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

**Compliance and Other Matters**

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

**City of El Dorado, Kansas' Response to Findings**

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

**Purpose of This Report**

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



**ADAMSBROWN, LLC**  
Certified Public Accountants  
El Dorado, Kansas

July 28, 2021

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

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

**Report on Compliance for Each Major Federal Program**

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

**Management's Responsibility**

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

**Auditor's Responsibility**

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

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

**Opinion on Each Major Federal Program**

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

## Report on Internal Control over Compliance

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

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

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

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

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



**ADAMSBROWN, LLC**  
Certified Public Accountants  
El Dorado, Kansas

July 28, 2021

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

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

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

See accompanying notes to schedule of expenditures of federal awards.

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

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**NOTE 1 – BASIS OF PRESENTATION**

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

**NOTE 2 – INDIRECT COST RATE**

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

**NOTE 3 – OTHER EXPENDITURES**

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

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

**SECTION I - SUMMARY OF AUDITORS' RESULTS**

**FINANCIAL STATEMENTS**

Type of auditors' report issued: Unmodified

Internal control over financial reporting

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

**FEDERAL AWARDS**

Internal control over major programs:

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

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)? \_\_\_\_\_ Yes   X   No

Identification of major programs:

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

Dollar threshold used to distinguish between Type A and Type B programs: \$ 750,000

Auditee qualified as low-risk auditee? \_\_\_\_\_ Yes   X   No

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

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**SECTION II – FINANCIAL STATEMENT FINDINGS**

**SIGNIFICANT DEFICIENCY**

**2020-001**

Criteria or specific requirement

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

Condition

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

Cause

Inappropriate application of regulatory basis accounting principles.

Effect

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

Recommendation

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

Views of responsible officials

See Corrective Action Plan.

**2020-002**

Criteria or specific requirement

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

Condition

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

Cause

Inappropriate application of generally accepted accounting principles.

Effect

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

Recommendation

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

Views of responsible officials

See Corrective Action Plan.

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

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**2020-003**

Criteria or specific requirement

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

Condition

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

Cause

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

Effect

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

Recommendation

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

Views of responsible officials

See Corrective Action Plan.

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

**SIGNIFICANT DEFICIENCY**

**2020-004**

**Assistance Listing Number – 20.106 (Airport Improvement Program)**

Criteria or specific requirement

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

Condition

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

Cause

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

Effect

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

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

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Recommendation

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

Views of responsible officials

See Corrective Action Plan.



## EL DORADO

THE FINE ART OF LIVING WELL

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

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#### **SECTION II – FINANCIAL STATEMENT FINDINGS**

##### **SIGNIFICANT DEFICIENCY**

###### **2019-001**

###### Condition

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

###### Corrective Actions

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

###### Status

Repeat Finding. See 2020-002.

#### **SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

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