

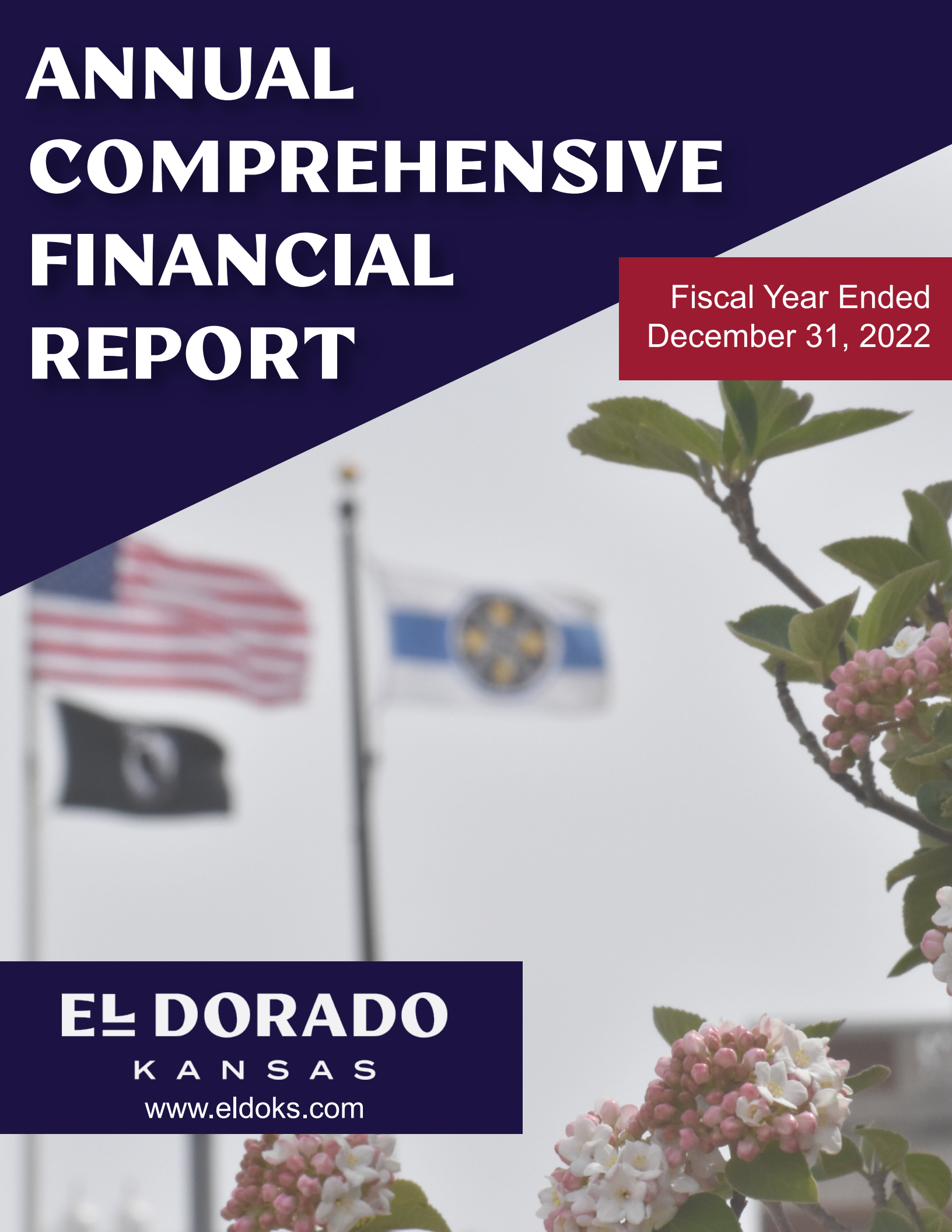
ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Year Ended
December 31, 2022

EL DORADO

K A N S A S

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Annual Comprehensive Financial Report

of the

CITY OF EL DORADO, KANSAS

for the

Year Ended December 31, 2022

Mayor - Bill Young

Commissioner – Kendra Wilkinson
Commissioner – Gregg Lewis
Commissioner – Kelly Tetric
Commissioner – Leon Leachman

City Manager - David Dillner

Prepared By
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Finance Director – Alyssa Warner

CITY OF EL DORADO, KANSAS
 Annual Comprehensive Financial Report
 For the Year Ended December 31, 2022

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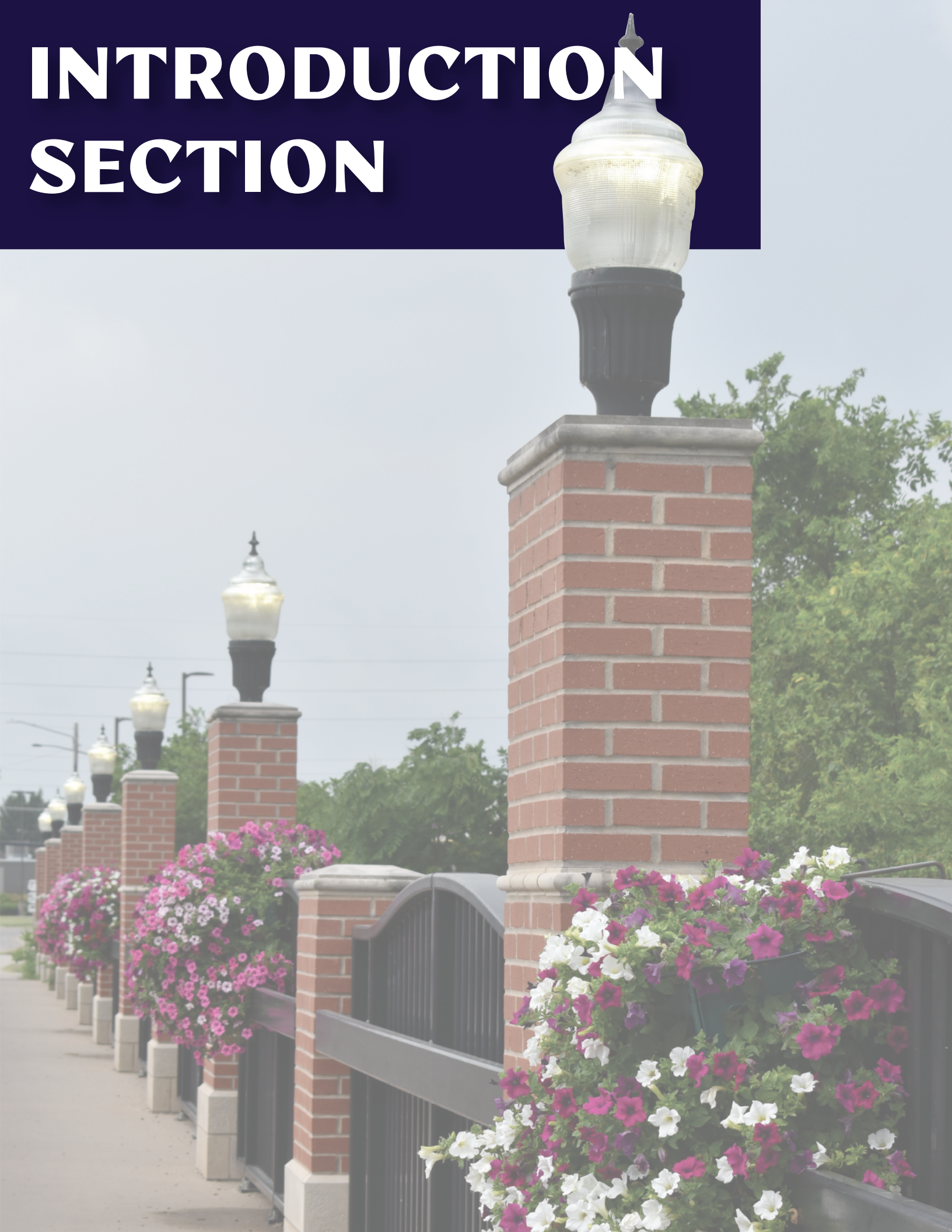
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INTRODUCTION SECTION



July 17, 2023

To the Honorable City Commission and Citizens of El Dorado:

The City of El Dorado was incorporated on September 12, 1871, as a city of the third class with an aldermanic form of government. It became a second-class city in 1885. In 1917, the City changed to its current form of government, Commission-Manager.

The governing body is comprised of a non-partisan mayor and four commissioners. Each member has an equal vote. The mayor serves a two-year term, while commission members serve staggered four-year terms.

Under this form, the governing body is responsible for hiring a professional administrator to implement its policies. The city manager serves at the pleasure of the elected governing body and is responsible for preparing the budget, directing day-to-day operations, hiring and firing personnel, and serves as the governing body's chief policy advisor.

The police and fire departments are staffed at all times to offer uninterrupted service. The City has 27 sworn police officers and 17 certified fire fighters/emergency medical technicians. Butler County provides EMS/ambulance services.

All common residential services and utilities are available in El Dorado. The City provides water, sewer, and trash; private companies provide the electricity, gas and telecommunications utilities.

Additional services offered by the City include administration, streets, parks, recreation, animal control, municipal court, building and zoning, stormwater, cemetery, tourism and airport operations. Library and Senior Center services are provided independently with the financial and administrative support of the City.

The adopted 2022 Budget for the City of El Dorado became the first budget that followed the newly established Revenue Neutral Rate ("RNR") process as defined by K.S.A. 79-2988. The new law works to improve transparency for citizens interested in a local governing body's decision to accept an increase in assessed valuation while maintaining a constant mill levy. A governing body may say that the mill levy did not change, although property owners know all too well that their property taxes still increased.

The law now requires local governments to provide notice to taxpayers of the intent to exceed the Revenue Neutral Rate, or the mill levy at which property taxes will equal the prior year's revenue based on the adjusted assessed valuation. The "Law of Property Taxes" now works like a calculus formula derived by Sir Isaac Newton. When the assessed valuation increases, the mill levy must decrease to generate the same amount of property taxes. Inversely, the mill levy must increase to generate the same amount of property taxes if the assessed valuation decreases.

The focus of this new corollary is on the amount of revenue (i.e., property taxes) generated in comparison to the prior year instead of the mill levy. Such a change requires governing bodies to weigh the need for additional revenue instead of cloaking such a decision in a complicated mathematical formula needed to understand the function of a mill levy. The new process may not be perfect, although it does provide more transparency and requires governing bodies to affirmatively vote on a property tax increase.

The law also requires counties to mail a notice to property owners outlining each local government’s intent to exceed the Revenue Neutral Rate. Property owners may recall receiving the notice from Butler County this past year.

I explain the budget process in more detail later in this letter. I recommend each citizen to take note of this process to better understand how the municipal budget is prepared and approved. Taxation without representation led to a revolution that eventually brought forth our great nation. The local budget process operates so citizens can provide input while also being democratically represented by an elected body, all to hopefully subvert a local tax revolution.

In 1972, the City of El Dorado entered into a contract with the United States of America to acquire water storage capacity from El Dorado Lake for municipal and industrial water supply. This historic agreement ensured El Dorado’s water capacity for generations to come, although it came at quite a cost to El Dorado’s water users.

The United States Army Corps of Engineers (often referred to as “USACE”) divided El Dorado Lake’s storage capacity into two types. First, flood control capacity provided storage space to manage flooding events within the upstream watershed. Secondly, water supply capacity to provide El Dorado with water to meet its current and future municipal and industrial water supply needs. All told, the Corps allocated an aggregate 218,000 acre-feet of water storage capacity for both of these uses.

The agreement with the Corps gave El Dorado rights to 142,800 acre-feet, or 65%, of the total storage capacity of El Dorado Lake. The Corps further divided the water supply capacity into four spaces based on El Dorado’s projected water supply needs as demonstrated in the table below.

Storage Purpose	Usable Storage (acre-feet)	Percent of Storage
Water Supply Storage Space No. 1	39,793	28%
Water Supply Storage Space No. 2	11,666	8%
Water Supply Storage Space No. 3	19,254	13%
Water Supply Future Storage Space	72,087	51%
TOTAL	142,800	100%

Per the terms of the water supply contract, interest accrued on the principal amount of any water storage space not activated by the City at an annual rate of 3.502%. Interest did not accrue during the first ten years following the construction of El Dorado Lake.

The Corps amortizes any activated space over a fifty-year payback period, charging an interest rate of 3.502% on the principal amount and any accrued interest. This arrangement offered the City a tremendous advantage from the significantly high interest rates offered by the private market, which were upwards of 7.5% in 1991, when interest began to accrue on the outstanding principal amount.

Storage Purpose	Usable Storage (acre-feet)	Initial Balance Due	Balance Due (compounded)
Water Supply Storage Space No. 1	39,793	\$11,050,400	-
Water Supply Storage Space No. 2	11,666	\$3,046,527	-
Water Supply Storage Space No. 3	19,254	\$7,405,026	-

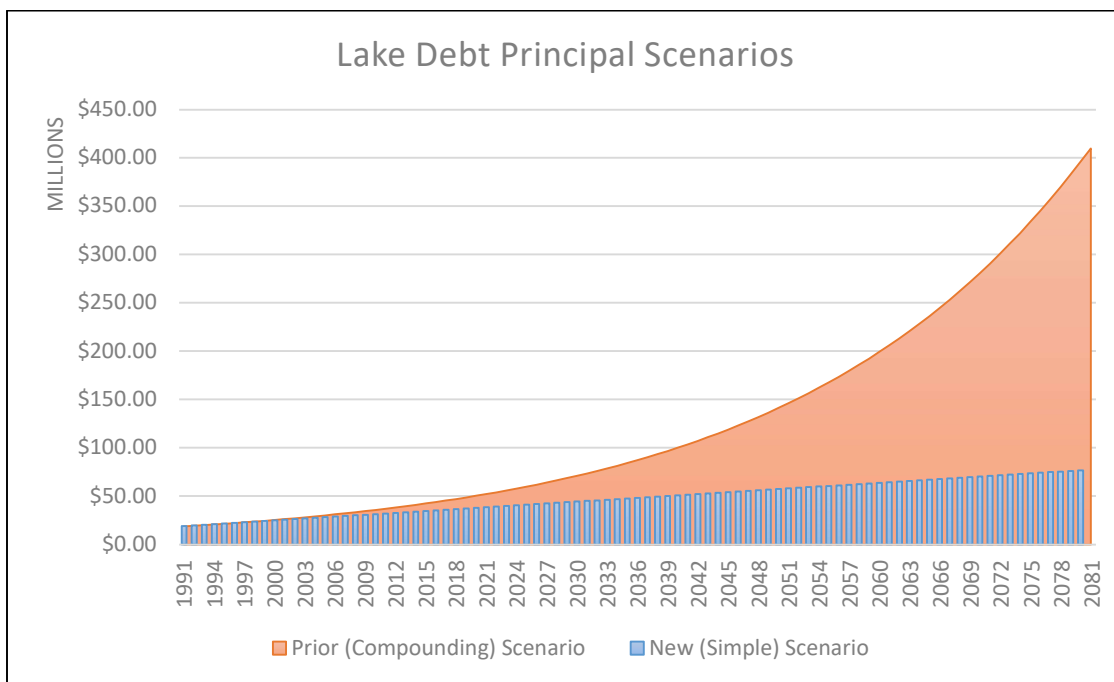
Water Supply Future Storage Space	72,087	\$18,500,024	\$53,775,355
TOTAL	142,800	\$40,001,977	\$53,775,355

In 2019, the City paid \$8.6 million to the Corps to pay off the remaining balance on Water Supply Storage Spaces No. 2 and 3. The City owed nothing to the Corps for Water Storage Space No. 1 due to credit granted in the original agreement for water storage capacity from existing lakes combined to create El Dorado Lake. The outstanding balance of principal and accrued interest on the future storage space was nearly \$53.8 million as of July 1, 2021. This outstanding balance would accrue to nearly \$409.8 million in 1981 if the City did not activate and begin making payments.

The only way to modify the terms of the water storage contract was through congressional action. On July 28, 2022, the United States Senate voted on H.R. 7776, or the Water Resources Development Act of 2022. Section 349 of this bill included language to modify the accrued interest on the principal amount beginning June 30, 1991, from compounding to simple interest.

The bill, however, stalled in conference committee and did not make it to the President’s desk for signature. The National Defense Authorization Act of 2022 passed both chambers of Congress. This seemingly unrelated legislation contained the specific provision addressing the compound interest language included in the Senate’s version of the Water Resources Development Act of 2022. President Biden signed this legislation, thus changing El Dorado’s long-term obligations concerning El Dorado Lake.

The anticipated effect of the legislation reduced the outstanding balance on the future storage space from \$53.8 million to \$39.2 million. Interest now accrues on the initial principal amount of \$18.5 million instead of the principal amount including accrued interest. For illustration, the outstanding balance would accrue to about \$76.8 million instead of \$409.8 million if the obligation matures in 2081 without further activation by the City. The chart below provides an illustration of the considerable benefit offered by the new contractual terms.



Congressional action saved the City of El Dorado considerable debt expense over the remaining life of the water storage contract. El Dorado water customers remain the larger winner from rare, bipartisan action on Capitol Hill.

Presently, the \$39.2 million in outstanding debt for the future storage space amounts to about \$0.21 per 1,000 gallons when spread over the 10 million gallons per day of remaining storage yield in El Dorado Lake based on a fifty-year amortization schedule. The future storage space would cost about \$0.41 per 1,000 gallons today using the same methodology if the obligation matured in 2081. Compare this to nearly \$2.20 per 1,000 gallons if the principal amount continued to compound annually until 2081.

President Biden signed the bill into law as Public Law No. 117-263 on December 27, 2022, and now El Dorado can celebrate a significant change to the aggregate debt position of the City! The final details of this legislation will occur in 2023.

The City graciously accepted several large grants from the State of Kansas that will provide a boost to the City's economic development strategy. Early in 2022, the Kansas Department of Commerce awarded the City a \$3.0 million grant through the "Building a Stronger Economy" (BASE) program. The state awarded \$98.9 million through this competitive program tasked with identifying projects that will help jump start the Kansas economy.

The City plans to use the funds for the construction of an upsized water transmission main along Central Avenue from the water treatment plant to Denver Street. The \$2.5 million project will address a bottleneck at the water treatment plant that currently prevents the plant from reaching its supply capacity through the distribution system.

El Dorado citizens should rejoice in receiving these funds, since these infrastructure projects would not proceed without considerable cost to the citizens of El Dorado. Grant funds offset a significant portion of these projects' expenses and will make these projects affordable. The funds will also allow the City to proceed with minimal debt issuance.

Admittedly, it is hard to predict the type of private investment that may benefit from such public infrastructure investments. The City, however, actively promotes its most important asset to industrial companies that require significant volumes of water for production and processes.

The City owns water storage space in El Dorado Lake with the capacity of 3.65 billion gallons to sell to such an industrial user. The value of this water equates to about \$6.1 million annually if a large water user were to desire the remaining storage capacity. Not only would the industrial user pay for water, and the company (or companies) will eventually pay property taxes and contribute to the local economy. We should be so fortunate and would welcome such a water user to the community with open arms.

Each year, the City Commission appoints a committee to make a recommendation on the allocation of excess sales tax. The year 2021 was a record year for sales tax collections, after removing ordinance items, there was \$624,495 available for allocation. In addition to those funds, there were funds left from prior years in the amount of \$105,976, providing a total of \$730,471 in the excess sales tax fund in 2022. After discussion with the City Commission, staff brought a proposal to the committee requesting \$2,062,000 for a multi-year ballfield project. This project will allow for significant improvements to the fields at East Park and Central Park as well as at McDonald Stadium. Funds for the ballfield project will

be provided from excess sales tax each year, if collections continue increasing as they have in the past few years, there will be approximately \$100,000 each year for other capital projects. The committee approved the proposal and work begins on the project in 2023.

As previously mentioned, the State of Kansas changed the budget process for municipal governments. The RNR process has changed the adoption of the budget from August to September of the year preceding the fiscal year. The City Commission discusses priorities for the upcoming year and decides to allocate public resources to make progress on these priorities as well as continue to provide public services at a quality expected by the public. It is a difficult task, to be sure, but one that the City Commission is capable of resolving.

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

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

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

The chart below shows the adopted budget for 2022 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.

	2022 Budget		2022 Actual	
	Revenues	Expenditures	Revenues	Expenditures
General	\$10,185,832	\$10,112,934	\$10,243,394	\$6,444,577
Airport	\$269,512	\$286,710	\$350,842	\$322,598
Stormwater	\$310,425	\$311,523	\$388,358	\$165,564
Water	\$4,468,600	\$4,239,045	\$4,437,670	\$3,578,796
Sewer	\$2,724,865	\$2,576,910	\$2,733,322	\$1,886,105
Refuse	\$1,587,844	\$1,562,968	\$1,590,900	\$1,686,336
Tourism	\$400,000	\$340,423	\$279,194	\$159,239

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, 2022	As of Dec 31, 2021
General	\$1,468,379	\$7,048,410	\$3,871,706
Airport	\$26,562	\$212,303	\$284,731
Stormwater	\$28,098	\$469,046	\$695,651
Water	\$582,979	\$2,726,309	\$2,514,380
Sewer	\$381,964	\$1,199,527	\$1,273,140
Refuse	\$223,682	\$344,301	\$841,855
Tourism	\$18,630	\$464,441	\$353,873

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

The now-strengthened fund balances will provide more ammunition for the City to respond to various unplanned circumstances, such as a pandemic, that require resources and creativity to resolve. We do not know if another outbreak will occur as happened during the 1918 Spanish Flu. As I write this letter, COVID and other circumstances may be influencing inflation throughout the broad economy. Economists do not know if the decreased purchasing power will be temporary or if it will change pricing levels over a sustained period. The City will approach the next few months conservatively before deciding to allocate a portion of the funds to one-time expenses such as equipment replacement or capital projects.

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

MAJOR FACTORS AFFECTING THE FINANCIAL STATEMENTS

American Rescue Plan. 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 received \$1,976,898.96 from the American Rescue Plan, half of which was distributed in the second quarter of 2021 and half distributed in 2022. The City Commission voted on March 7, 2022 to use the funds for revenue replacement. They were applied as follows: \$1,200,000 to the General Fund and \$42,360.93 to the Tourism Fund.

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

Public services provided by the City are labor intensive – automation has not had the impact on the municipal workforce as it has on the private workforce. Long will come the day, for example, when a

“robocop” actually enforces municipal laws. Many jobs in the municipal workforce cannot convert to an automated solution easily. Nor would we prefer this scenario. Serving people is a noble career choice, and one that allows the City to meet the expectations of the community with commitment and pride. You will not get the same treatment from a robot as you will an employee who is also a neighbor anytime soon.

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

Sales Tax Collections.

The City experienced a record-breaking year for sales tax receipts. The City brought in \$3.18 million from retail sales, which exceeded the current record for annual sales tax receipts set in 2021. The total receipts also include compensating use tax proceeds of \$485,385, which are paid by individuals or businesses purchasing items outside El Dorado but that are delivered to El Dorado.

Next year’s sales tax receipts look to continue on a growth trend. The City is on pace in May 2023 to set another sales tax record. Year-to-date, the City has received \$1.51 million compared to \$1.28 million during the same period a year ago. This represents a 7.8% increase over the prior year-to-date collections! Sales tax receipts continue to perform even as the macro economy has much uncertainty. The City projects receiving \$3 million in sales taxes based on this strong trend.

Grant Funding.

The City of El Dorado was awarded \$3.0 million from the Building a Stronger Economy (BASE) Grant for projects including the replacement of a water line on Central, a related paving project and sanitary sewer project. The City received a portion of the funds in 2022 and will receive the second portion in 2023. The project must be completed within two years.

The City was also awarded a \$1.0 million KDOT Cost-Share Grant to assist with the paving and drainage portions of the BASE Grant project.

The City also received \$5,982 in federal funding for various law enforcement related activities. The U.S. Department of Justice’s Bulletproof Vest Partnership Program contributed \$3,454 to the El Dorado Police Department to purchase bulletproof vests.

Finally, the City received \$189,844 from the U.S. Department of Housing and Urban Development for an Emergency Solutions Grant Program. This grant is a pass-through program used to fund housing for homeless and women’s shelters.

Federal grant awards to the City totaled \$2,588,873 million, or \$202 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.

Creation of Building Reserve Funds. The City Commission authorized the creation of a building fund for the General, Water, Sewer and Refuse funds in June of 2022. Staff recommended transferring the following: General - \$100,000, Water - \$175,000, Sewer - \$100,000, and Refuse - \$50,000, from the fund balance of each fund. These funds will be used to make larger building repairs or replacements to HVAC

systems, plumbing, electrical, doors, windows, etc. While it will cut down on the amounts we are able to move into the Equipment Reserve fund, it will allow us to plan for the repair or upkeep of some of our aging buildings.

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, 2022, the City’s pension liability totaled \$10.6 million compared to \$6.88 million a year ago. Per state statute, the City distributes its pension liability as follows: KPERS at \$4.4 million, Kansas Police & Fire (KP&F) at \$5.9 million, and the Library’s participation in KPERS at \$253,655.

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

The City prepares the Annual Comprehensive Financial Report for the year ended December 31, 2022, for the review of the governing body, citizens, and others interested in its financial condition. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. Staff believes the presented data is accurate in all material respects and that it is presented in a manner designed to fairly represent the financial position and results of operations of the City measured by the financial activity of its various funds. Disclosures necessary to enable the reader to gain the maximum understanding of the City’s financial activity have been included.

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

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

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

INDEPENDENT AUDIT OF FINANCIAL STATEMENTS

State statutes require an annual independent audit of the City’s financial records and transactions. Adams Brown Strategic Allies and CPAs conducted the audit of the City’s financial statements. Their full, unqualified opinion has been included with the financial statements for the public’s review. You may elect to read the opinion, although in summary it states that the City’s financial statements provides a fair representation of the City’s financial position for year-ending December 31, 2022. City staff will continue to care for public resources and assets at a standard that exceeds minimally accepted practices.

The 2021 independent audit received an unqualified opinion from AdamsBrown, LLC, which means that, in the opinion of the auditors, the City’s financial statements presented fairly, in all material respects, the respective financial position of the City’s financial position.

While there were not significant findings

RELEVANT FINANCIAL POLICIES

The City of El Dorado’s “General Financial and Budgetary Policies,” last amended in 2020 with the adoption of Resolution No. 2908, have been included with the Annual Comprehensive 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 the document. These financial policies provide the framework with which the City manages its finances to ensure adequate internal control for the integrity of taxpayer funds. The City Commission did not make any changes to the financial policies this past year.

ECONOMIC CONDITION AND OUTLOOK

Private Sector Investment:

In 2022, the City experienced private development activity that contributed nearly \$21.4 million in valuation. Two building permits were issued for new commercial development with an aggregate valuation of \$1.5 million, compared to six new commercial developments in 2021 with a valuation of \$10.3 million. Also during the year, the City issued twenty-eight building permits for commercial additions, remodels, and repairs with a valuation of \$12.1 million. Comparatively, the City issued twenty-four building permits for similar activity with a valuation of \$4.7 million in 2021.

The City issued thirty-two residential building permits for new construction with a valuation of \$6.1 million. The City issued thirteen building permits for new residential construction in 2021 with a valuation of \$2.4 million. Also during the year, ninety-one building permits were issued for residential additions, remodels, and repairs, with a valuation of \$1.7 million. In 2021, 105 building permits were issued for the same activity with a valuation of \$1.3 million.

	Residential Construction		Commercial Construction	
	Permits	Valuation	Permits	Valuation
2018	114	\$3.1 million	31	\$23.4 million
2019	98	\$2.5 million	39	\$5.4 million
2020	130	\$5.2 million	41	\$12.6 million
2021	118	\$3.7 million	30	\$6.5 million
2022	123	\$7.8 million	30	\$13.6 million

Private Sector Investment:

- **Gordy Heritage, LLC.** The owners of the apartments buildings referred to as Gordy Square and Heritage House applied for an industrial revenue bond to remodel 124 apartment units on the two properties. The project will total approximately 13.3 million dollars. The owner will be making a \$50,000 payment in lieu of taxes each year.
- **District 142.** The owner of the building located at 142 N Main has been the recipient of two Community Development Block Grants. The most recent grant is assisting him with the placement of an elevator, replacement of windows and doors. He stated that there will also be plumbing for a commercial kitchen and bathrooms on the 2nd floor of the building. The anticipated cost of the project is \$320,780. The building has also received a CID to assist with the payment of upgrades to electrical and water services as well as a grease separator.
- **Myers East Addition.** The City Commission approved a re-plat of the Myers East Addition. This re-plat provides sixteen new residential home lots in El Dorado. The infrastructure for this development was completed in late fall and the project costs that are the responsibility of the developer have been assessed to the property.
- **Adlesperger-Smith Addition, Phase III.** The City Commission received a petition in July of 2022 from the owner of the Adlesperger-Smith Addition for sanitary sewer and paving improvements that will serve 19 new residential lots. The infrastructure project was approved in the amount of \$1,492,575 and construction began in early 2023.
- **Banks Speculative Building.** A spec building was placed on property located within the land bank in early 2022. This building is similar in size to others that we have had requests for in the past. The developer requested a sanitary sewer extension to the property, the project was estimated to cost \$156,342.31. Once the building has been sold, the property will be removed from the Land Bank and taxes will be assessed.

Public Sector Investment:

- **9th Avenue.** A project to improve pavement on 9th Avenue was approved in 2021, however, after several attempts at bidding the project, the cost came in significantly higher than what staff had anticipated. The increased cost of asphalt and labor in 2022 simply did not allow for the completion of the project. The City Commission voted in 2023 to terminate the project until an alternative could be discussed.
- **Water Filter Console Replacement.** The replacement of the water filter console at the water treatment plant had been planned for later in 2022, but a failure in January 2022 caused the project to be moved up. One of the five filters was down, reducing the plant capacity by 20% and causing strain on the others. The City Commission authorized \$125,550 for the replacement of two consoles, one that had failed and an additional one as a preventative measure.
- **Downtown Evergy Project.** In 2021, the City Commission approved a project proposed by El Dorado Main Street to relocate electrical lines in the 100 Block of North Main underground. The project was approved for \$380,000. The City Commission voted to discontinue the project later in 2022 after it became apparent that a significant number of easements would have to be purchased in downtown, the cost of which would well exceed the approved project.

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. The City received the results of these studies in 2022 and will begin implementing some of their recommendations using the BASE grant funding. I have provided a brief summary of their recommendations here.

- **Water Treatment and Capacity Study.** In 2020, the City Commission authorized a not-to-exceed contract of \$189,980 with consulting firms Black and Veatch and MKEC to study the City's water treatment and system capacity. The primary purpose of the study was to determine improvements needed to facilitate industrial development in the City's industrial growth areas. Secondly, the study will also identified improvements for the public water system that will enhance service to residential and commercial customers. In 2022, staff began working on recommendations from the study, including replacement of the 10-inch water main along Central between Griffith and Denver with a 16-inch water main. This improvement will provide additional water volume to the Industrial Park, allowing the City to market that area to large customers. Funding for this project will come from the BASE grant.
- **Sanitary Sewer Capacity Study.** In 2020, The City Commission also authorized \$70,793 to study the City's sanitary sewer system to identify capacity issues needing improvement in order for the system to accommodate increasing flow levels associated with development. A key focus of the study will address how the City will provide sanitary sewer service to its growing industrial areas. Garver completed the study and provided the City with a list of potential capital projects to enhance the existing sanitary sewer system. Staff began work on the results of this study in 2022 as well, improvements to the Constant Creek corridor will be made to assist with inflow and infiltration issues. This project will also receive funding through the BASE grant.

SUBSEQUENT EVENTS TO THE FINANCIAL STATEMENTS

The City also makes note of the following events that occurred after the closure of the 2022 fiscal year, but before the issuance of the financial statements for the period:

- **Capital Project Authorizations.** The City Commission authorized several public infrastructure projects that will commence preliminary engineering in 2021-2 with construction planned for 2022-3. The projects will require financing in the form of General Obligation bonds. The City levies special assessments, as allowed by state law, on properties benefiting from the improvements. The assessments provide revenue to offset the principal and interest expenses for these projects.

RECOGNITION

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of El Dorado, Kansas for its Annual Comprehensive Financial Report for the fiscal year ended December 31, 2021. This was the 44th consecutive year that the City has achieved this prestigious award. Receiving the award is as consistent as the chime of a well-maintained cuckoo clock.

In order to receive a Certificate of Achievement, a municipal government must publish an easily readable and efficiently organized annual comprehensive financial report. The report must satisfy both generally

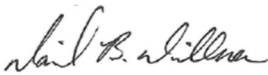
accepted accounting principles for municipal governments and applicable legal requirements. It should also communicate the City's financial condition in a manner that allows the public to understand the financial condition of the municipal government and affirm the City's spending meets prudent standards 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 its annual comprehensive financial report for year-ending December 31, 2022 will continue to meet the Certificate of Achievement Program's requirements and will submit it to the GFOA for consideration for another certificate.

The information contained in these financial statements attempts 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 comes from the dedicated people working every day to serve their community. I cannot thank these dedicated individuals enough for the hard work they do to make El Dorado a great place to live, work, and play.

I continue to find reasons to remain proud of the municipal workforce every year I serve as city manager. El Dorado has a fine staff working tirelessly to make the community great. The citizens of El Dorado would feel the same as I do if they knew even half of what municipal employees do to serve their neighbor. I appreciate their work and am glad to have the opportunity to call them colleagues and friends.

Respectfully Submitted,

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

David B. Dillner
City Manager

EL DORADO

K A N S A S

CITIZENS OF EL DORADO

CITY COMMISSIONERS

Mayor Bill Young,
Kelly Tetrick, Gregg Lewis,
Leon Leachman & Kendra Wilkinson

CITY MANAGER

SALES TAX
ADVISORY COMMITTEE

BOARD OF ZONING
APPEALS

PLANNING
COMMISSION

ADMINISTRATION DIRECTOR

HUMAN RESOURCES

PAYROLL & BENEFITS

CONVENTION AND VISITORS
BUREAU

CONVENTION &
TOURISM COMMITTEE

BOARD OF APPEALS/
CODE REVIEW

LIBRARY BOARD

AIRPORT ADVISORY
BOARD

PARKS AND RECREATION
BOARD

MUNICIPAL COURT
CITY ATTORNEY

ADMINISTRATIVE
ASSISTANT TO THE CITY MGR

PARKS & RECREATION

RECREATION
PROGRAMMING &
MARKETING

PARKS &
GROUNDS

FORESTRY
CEMETERIES

FINANCE

UTILITY BILLING

PURCHASING

BUDGET

AUDIT

POLICE

LAW
ENFORCEMENT

RECORDS

COURT

NUISANCE/CODE
ENFORCEMENT

FIRE

RESPONSE

INSPECTIONS

HAZMAT

EMERGENCY
MANAGEMENT

PUBLIC WORKS

STREET CLEANING
& MAINTENANCE

SIGNS & SIGNALS

REFUSE

STORMWATER
MAINTENANCE

ANIMAL CONTROL

AIRPORT

INFORMATION
TECHNOLOGY

PUBLIC UTILITIES

WATER
TREATMENT

WATER
DISTRIBUTION

SEWER
MAINTENANCE

WETLANDS &
WATER
RECLAMATION

ENGINEERING

GIS & MAPPING

BUILDING
PLAN REVIEW
& INSPECTION

PLANNING &
ZONING

STORMWATER; FLOOD
PLAIN MANAGEMENT



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of El Dorado
Kansas**

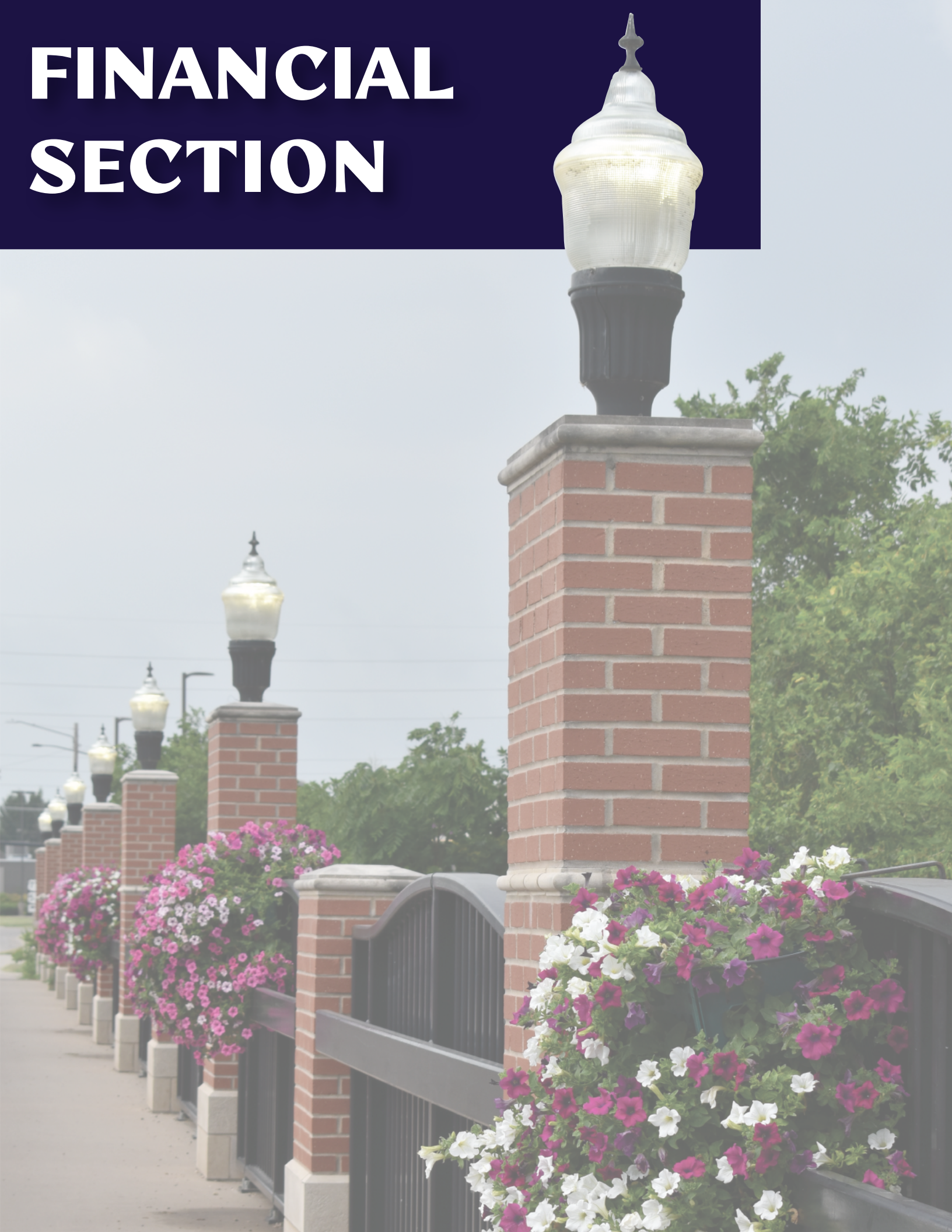
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2021

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 Audit of the Financial Statements

Opinions

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 **City of El Dorado, Kansas**, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of **City of El Dorado, Kansas** as of December 31, 2022, 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.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise **City of El Dorado, Kansas'** basic financial statements. The statements and schedules under the

supplementary information section in the accompanying table of contents and other information including the introductory and statistical sections, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit and the procedures performed as described above, the information as noted above is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.



ADAMSBROWN, LLC
Certified Public Accountants
El Dorado, Kansas

July 17, 2023

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, 2022. The information contained here, as well as the information contained in the letter of transmittal, are intended to provide the reader of the financial statements with an overall picture of the City's financial condition.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

Government-Wide Financial Statements

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

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

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

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

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

Fund Financial Statements

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

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

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

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

FINANCIAL ANALYSIS OF THE CITY

Net Position

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

City of El Dorado, Kansas
Net Position
As of December 31, 2022
(with comparative totals for December 31, 2021)

	Governmental		Business-Type		Total Primary	
	Activities		Activities		Government	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 29,185,894	\$ 24,483,587	\$ 8,018,097	\$ 6,544,969	\$ 37,203,991	\$ 31,028,556
Capital assets	44,273,716	43,276,739	53,501,809	54,228,727	97,775,525	97,505,466
Total assets	73,459,610	67,760,326	61,519,906	60,773,696	134,979,516	128,534,022
Deferred outflows of resources:						
Deferred outflows - pension	2,795,224	1,842,939	549,668	358,454	3,344,892	2,201,393
Deferred outflows - OPEB	411,293	238,755	125,288	84,451	536,581	323,206
	3,206,517	2,081,694	674,956	442,905	3,881,473	2,524,599
Long-term liabilities	24,330,687	21,171,993	60,663,883	59,424,229	84,994,570	80,596,222
Other liabilities	4,293,499	1,427,782	1,377,072	963,121	5,670,571	2,390,903
Total liabilities	28,624,186	22,599,775	62,040,955	60,387,350	90,665,141	82,987,125
Deferred inflows of resources:						
Deferred inflows - pension	127,485	1,837,068	69,267	412,542	196,752	2,249,610
Deferred inflows - OPEB	96,335	83,908	20,731	21,094	117,066	105,002
Deferred inflows - Leases	35,254		1,076,838	-		
Deferred receivable - Property taxes	5,620,011	5,105,977			5,620,011	5,105,977
	5,879,085	7,026,953	1,166,836	433,636	5,933,829	7,460,589
Net position:						
Net investment in capital assets	29,509,930	29,395,449	29,440,596	29,231,102	58,950,526	58,626,551
Restricted	8,755,156	8,520,550	-	-	8,755,156	8,520,550
Unrestricted	3,897,770	2,299,293	(30,453,525)	(28,835,487)	(26,555,755)	(26,536,194)
Total net position	\$ 42,162,856	\$ 40,215,292	\$ (1,012,929)	\$ 395,615	\$ 41,149,927	\$ 40,610,907

The City's overall financial position has seen financial growth, with an increase in net position of \$539,020. The amount is the combination of an increase in both governmental activities and business-type activities. The governmental activities increased by \$1,947,564 in large part due to changes in the deferred inflows of pensions and continued work on the City's capital improvement projects.

The net position of business-type activities decreased by \$1,408,544 due to new lease accounting standards affecting the deferred inflow of resources. Cash balances and the ever-increasing water storage space liability impacted assets significantly.

Governmental Activities

The table below shows the condensed revenues, expenses, and change in net position for 2022 and 2021.

	<u>Governmental Activities</u>	
	<u>2022</u>	<u>2021</u>
Revenues:		
Program Revenues:		
Charges for Services	\$ 2,759,087	\$ 3,849,974
Operating Grants and Contributions	2,887,062	888,564
Capital Grants and Contributions	396,649	780,019
General Revenues:		
Property Taxes	5,616,035	5,233,600
Sales Taxes	3,264,700	3,058,186
Franchise Taxes	1,513,882	1,284,727
Tourism Taxes	233,899	194,906
Investment Earnings	162,369	2,942
Gain on sale of capital assets	83,345	1,315
Miscellaneous	33,680	-
Total Revenues	<u>16,950,708</u>	<u>15,294,233</u>
Expenses:		
General Government	6,405,517	4,090,302
Public Safety	3,098,841	4,440,754
Public Works	3,627,276	3,041,659
Health & Sanitation	644,793	624,311
Culture & Recreation	1,879,839	1,792,486
Economic Development	147,017	142,980
Interest on Long-Term Debt	366,912	421,662
Total Expenses	<u>16,170,195</u>	<u>14,554,154</u>
Excess Before Transfers	780,513	740,079
Transfers In (Out)	<u>1,169,590</u>	<u>491,172</u>
Change In Net Position	<u>1,950,103</u>	<u>1,229,936</u>
Net Position January 1	40,215,292	39,152,001
Prior Period Adjustments	<u>(2,539)</u>	<u>(166,645)</u>
Net Position, Beginning of the Year as Restated	<u>40,212,753</u>	<u>38,985,356</u>
Net Position December 31	<u>\$42,162,856</u>	<u>\$40,215,292</u>

Several revenue sources that increased in 2022 include Operating Grants and Contributions, Property Tax, Sales Tax, Franchise Tax, Tourism Tax, Investment Earnings, Gain on Sale of Capital Assets, and Miscellaneous. Property Tax increased due to a significantly higher assessed valuation. Operating Grants and Contributions increased due to the acquisition of the first tranche of the BASE Grant for \$1,500,000. Sales Tax in 2022 once again reached a record high; this was likely due to inflation. Franchise Taxes increased largely due to franchise taxes on Evergy and Kansas Gas, due to the increase in their revenues. Tourism Taxes continue to increase as COVID-19 travel restrictions decrease, the number of City events increases, and

turnaround at companies like HF Sinclair lead to increased traffic from outside visitors. The increase to Investment Earnings is attributable to high interest rates. Sales of Capital Assets is largely due to the sale of a refuse vehicle and a fire apparatus.

Decreases in revenue were seen in Charges for Services and Capital Grants and Contributions. Decreases in charges for services is due to engineering refunds and admin fees which declined in 2022 due to less project activity; these are expected to recover in 2023. It was also due to the swimming pool being closed for part of the season and decreased entry fees for the remainder of the season.

The net change in expenses increased by \$1,616,041. General Government expenses increased due to annual increases in personnel expenditures. Public Safety decreased due to vacancies throughout the year. Interest on long-term debt decreased significantly due to the refunding of bonds in 2021 that lowered interest payments.

Business-Type Activities

The table below shows the condensed revenues, expenses and changes in net position for 2022 and 2021.

	Business-Type Activities	
	2022	2021
Revenues:		
Program Revenues:		
Charges for Services	\$ 8,787,243	\$ 9,326,972
Operating Grants and Contributions	-	-
Capital Grants and Contributions	-	-
General Revenues:		
Investment Earnings (Loss)	120,936	1,807
Gain on sale of capital assets	6,168	1,315
Total Revenues	<u>8,914,347</u>	<u>9,330,094</u>
Expenses:		
Waterworks System	5,433,947	5,125,658
Sewer System	1,998,155	1,998,553
Refuse	1,688,877	1,599,436
Compressed Natural Gas	53,763	41,675
Total Expenses	<u>9,174,742</u>	<u>8,765,322</u>
Excess Before Transfers	(260,395)	564,772
Transfers In (Out)	(1,169,590)	(491,172)
Changes in Net Position	<u>(1,429,985)</u>	<u>73,600</u>
Net Position January 1	395,615	322,015
Prior Period Adjustments	21,441	-
Net Position, Beginning of the Year as Restated	<u>417,056</u>	<u>322,015</u>
Net Position December 31	<u>\$ (1,012,929)</u>	<u>\$ 395,615</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 Water Fund, Sewer Fund, and Refuse Fund. Revenues for these funds decreased between 2022 and 2021. This is likely due to charges for service decreases across the enterprise funds and the intentional transfer of cash assets to the Building Reserve and Equipment Reserve Funds. Expenses increased due to personnel costs increasing.

FUND ANALYSIS

There was a net change in fund balance of \$4,214,942 in the City's Total Governmental Funds resulting from 2022 operations. In the General Fund, Property Tax increased by \$248,741 over 2021. Sales Tax collections increased by \$206,529 in 2022 and set another record for collections. Expenses decreased in the General Fund by \$1,878,989 largely due to decreased spending on Public Safety attributable to Police vacancies.

The net change in the Debt Service fund is \$89,706. Property Tax increased by \$24,473. This fund was bolstered by a decrease in interest expense due to a refunding of 2011 bonds.

The net change in the Construction Fund was a decrease for \$230,755. The City worked to properly finance projects in this fund throughout 2022. The issuance of G.O. Bond proceeds, increased transfers from other funds, and the use of intergovernmental revenues supported this fund. Negative fund balance at the end of year was due to construction in progress and deferred revenues.

The change in net position in the Business-Type Activities decreased by \$1,429,985. Transfers to the equipment reserve and building reserve funds, and the new lease accounting standards caused this decrease.

GENERAL FUND BUDGETARY HIGHLIGHTS

An amendment to the general fund budget did not occur in 2022. The actual amount of revenues over expenditures was \$3,798,817. Actual revenues came in just 1.9% less than the budgeted amount.

Expenditures were less than budgeted by \$5,107,081. The Police Department held several 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, 2022 was \$97,147,924 net of depreciation. The following chart is a breakdown of the City's Capital Assets, Net of Depreciation.

City of El Dorado's Capital Assets

	2022			2021		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Land	\$ 4,920,772	\$ 740,378	\$ 5,661,150	\$ 4,908,909	\$ 740,378	\$ 5,649,287
Buildings and Improvements	14,816,328	21,163,292	35,979,620	15,452,917	21,971,022	37,423,939
Infrastructure	18,522,802	-	18,522,802	18,074,140	-	18,074,140
Machinery and Equipment	3,196,354	2,241,951	5,438,305	4,780,711	2,525,407	7,306,118
Water Storage Space	-	28,951,577	28,951,577	-	28,951,577	28,951,577
Construction in Progress	2,261,345	333,125	2,594,470	10,062	40,343	50,405
Capital Assets Not in Use	-	-	-	50,000	-	50,000
Total Capital Assets	\$ 43,717,601	\$ 53,430,323	\$ 97,147,924	\$ 43,276,739	\$ 54,228,727	\$ 97,505,466

Major capital asset additions and construction in progress occurring during 2022 included the following:

New Additions

Triple Combination Pumper Truck	\$ 784,700
Sanitary Sewer Garcia Ct- Industrial Park	156,322
Sidewalk/Alley 200 S Main	182,893
Airport Runway Lighting	736,411

Construction in Progress

Paving 9th Avenue (Gordy to Taylor)	\$ 111,706
Paving Hunton Road and Simpson Road	909,103
Paving 5th Avenue and 2nd Avenue	41,382
Myers East Addition Paving	212,317
Myers East Addition Sewer	155,873
Paving Deer Run	394,566
Sanitary Sewer Deer Run	88,860
Resurfacing Central and S. Main	431,350
Garcia Court Sewer	107,279
Adlesperger Paving No. 2947	39,165
Adlesperger Sewer No 2946	8,637
Adlesperger Smith- Water	3,000
Resurfacing Towanda/Kansas/High	282,972
BASE Grant Projects	157,933
Total	\$ 4,804,467

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

Debt Administration

The City issued \$3,320,00 of new Temporary Note General Obligation Debt in 2022 for paving Hunton & Simpson, paving 5th and 2nd, Myers East Addition paving improvements, Myers East addition sanitary sewer improvements, Deer Run paving improvements, Deer Run Sanitary Sewer Improvements, Adlesperger Smith Addition paving improvements, Adlesperger Smith

Addition sanitary sewer improvements, and Adlesperger Smith addition Waterline improvements.

Additional information about the City's long-term debt can be found in Note 7 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 2023. Sales tax will continue to be a significant revenue source for the City. The property tax would be approximately 17 mills higher to fund the City's operations without the local sales tax. The City continues to improve its infrastructure through the street maintenance program, funded by sales tax monies.

OTHER POTENTIALLY SIGNIFICANT MATTERS

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

- The City received the second tranche of ARPA funding in the amount of \$988,449. The ARPA funds were designated as revenue replacement and used in 2022. The funds were used to make up for lost revenue in the Tourism Fund and in the form of compensating for General Government Services in the General Fund.
- City Staff worked diligently to correct the funding of projects in the Construction Fund. While this fund saw significant improvement in 2021, it required ongoing effort to continue working towards stable and consistent funding sources. This includes the City creating a debt management plan, performing regular checks of the projects in the fund, utilizing temporary financing, and more regulatory enforcement of the City's financial policies. In 2022, despite the negative fund balance, all projects were accounted for an realized revenue was captured in the projects as necessary. The negative balance is due to projects that will be reimbursed through bonds and special assessments.
- In 2021, the City began working towards an improved model for financing capital projects as discussed above. With that, the City anticipated completing forecasts for major funds, a debt management plan, a new Capital Improvement Plan process, and more balanced budget in 2022. The City implemented a debt management software (DebtBook), created forecasts for the Water Fund, and issued Temporary Notes to fund major capital projects.
- In 2022, the City contracted with Baker Tilly's investment arm to guide its idle fund investments. Several of these investments were made in 2022 and will mature in 2023 and early 2024. These investments combined with a higher interest rate environment will lead to significant revenues across City operations.

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 Administration Director, City of El Dorado, 220 East First, El Dorado, KS, 67042.

CITY OF EL DORADO, KANSAS
Statement of Net Position
December 31, 2022

	Primary Government			Component Units
	Total Governmental Activities	Total Business-Type Activities	Total Primary Government	
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
Assets				
Cash and Investments	\$ 13,740,153	5,772,246	19,512,399	666,558
Receivables, Net of Allowance for Uncollectibles				
Taxes	11,696,965	-	11,696,965	549,713
Accounts	172,351	934,412	1,106,763	-
Interest	18,676	-	18,676	6
Leases	35,346	1,120,471	1,155,817	-
Due from Other Governments	373,117	482	373,599	-
Internal Balances	87,098	(87,098)	-	-
Inventories	62,188	277,584	339,772	-
Restricted Cash and Investments	-	-	-	245,380
Investment in Joint Venture	3,000,000	-	3,000,000	-
Capital Assets, Nondepreciable				
Land	4,920,772	740,378	5,661,150	-
Water Storage Space	-	28,951,577	28,951,577	-
Construction in Progress	2,261,345	333,125	2,594,470	-
Capital Assets, Depreciable	81,738,367	49,193,097	130,931,464	2,455,784
Leased Assets, Depreciable	571,527	83,882	655,409	-
Less Accumulated Depreciation	(45,218,295)	(25,800,250)	(71,018,545)	(1,524,412)
Total Assets	73,459,610	61,519,906	134,979,516	2,393,029
Deferred Outflows of Resources				
Deferred Outflows - Pension	2,795,224	549,668	3,344,892	91,501
Deferred Outflows - OPEB	411,293	125,288	536,581	25,829
Total Deferred Outflows of Resources	3,206,517	674,956	3,881,473	117,330
Total Assets and Deferred Outflows of Resources	76,666,127	62,194,862	138,860,989	2,510,359
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES				
Liabilities				
Accounts Payable and Other Current Liabilities	706,315	311,733	1,018,048	22,904
Accrued Interest Payable	67,777	27,083	94,860	-
Unearned Revenue - Other	-	50,990	50,990	-
Unearned Revenue - Grant Proceeds Other Than Timing	2,070,249	-	2,070,249	-
Noncurrent Liabilities				
Due Within One Year	1,449,158	987,266	2,436,424	30,000
Due in More Than One Year	24,330,687	60,663,883	84,994,570	366,274
Total Liabilities	28,624,186	62,040,955	90,665,141	419,178
Deferred Inflows of Resources				
Deferred Inflows - Pension	127,485	69,267	196,752	29,346
Deferred Inflows - OPEB	96,335	20,731	117,066	2,899
Deferred Inflows - Leases	35,254	1,076,838	1,112,092	-
Deferred Receivable - Property Taxes	5,620,011	-	5,620,011	549,713
Total Deferred Inflows of Resources	5,879,085	1,166,836	7,045,921	581,958
Total Liabilities and Deferred Inflows of Resources	34,503,271	63,207,791	97,711,062	1,001,136
Net Position				
Net Investment in Capital Assets	29,509,930	29,440,596	58,950,526	811,372
Restricted for				
Debt Service	5,712,258	-	5,712,258	-
Public Safety	3,769	-	3,769	-
Public Works	469,046	-	469,046	-
Economic Development	1,983,984	-	1,983,984	-
Culture and Recreation	85,950	-	85,950	-
Other Purposes	500,149	-	500,149	-
Unrestricted	3,897,770	(30,453,525)	(26,555,755)	697,851
Total Net Position	\$ 42,162,856	(1,012,929)	41,149,927	1,509,223

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, 2022

	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 Governmental Activities	Total Business-Type Activities	Total	
Primary Government								
Governmental Activities								
General Government	\$ 6,405,517	864,464	2,238,260	396,649	(2,906,144)	-	(2,906,144)	-
Public Safety	3,098,841	803,872	17,577	-	(2,277,392)	-	(2,277,392)	-
Public Works	3,627,276	568,875	558,121	-	(2,500,280)	-	(2,500,280)	-
Health and Sanitation	644,793	281,347	36,552	-	(326,894)	-	(326,894)	-
Culture and Recreation	1,879,839	240,529	36,552	-	(1,602,758)	-	(1,602,758)	-
Economic Development	147,017	-	-	-	(147,017)	-	(147,017)	-
Interest on Long-Term Debt	366,912	-	-	-	(366,912)	-	(366,912)	-
Total Governmental Activities	<u>16,170,195</u>	<u>2,759,087</u>	<u>2,887,062</u>	<u>396,649</u>	<u>(10,127,397)</u>	<u>-</u>	<u>(10,127,397)</u>	<u>-</u>
Business-Type Activities								
Waterworks System	5,433,947	4,437,670	-	-	-	(996,277)	(996,277)	-
Sewer System	1,998,155	2,733,322	-	-	-	735,167	735,167	-
Refuse	1,688,877	1,590,900	-	-	-	(97,977)	(97,977)	-
Compressed Natural Gas	53,763	25,351	-	-	-	(28,412)	(28,412)	-
Total Business-Type Activities	<u>9,174,742</u>	<u>8,787,243</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(387,499)</u>	<u>(387,499)</u>	<u>-</u>
Total Primary Government	<u>\$ 25,344,937</u>	<u>11,546,330</u>	<u>2,887,062</u>	<u>396,649</u>	<u>(10,127,397)</u>	<u>(387,499)</u>	<u>(10,514,896)</u>	<u>-</u>
Component Units								
Bradford Memorial Library	\$ 691,934	39,287	42,612	-	-	-	-	(610,035)
El Dorado Senior Center	135,873	87,915	3,500	-	-	-	-	(44,458)
Total Component Units	<u>\$ 827,807</u>	<u>127,202</u>	<u>46,112</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(654,493)</u>
General Revenues and Transfers								
Property Taxes					\$ 5,616,035	-	5,616,035	605,941
Sales Taxes					3,264,700	-	3,264,700	-
Franchise Taxes					1,513,882	-	1,513,882	-
Tourism Taxes					233,899	-	233,899	-
Unrestricted Investment Earnings					162,369	120,936	283,305	(42,277)
Gain on Sale of Capital Assets					83,345	6,168	89,513	-
Miscellaneous					33,680	-	33,680	-
Transfers, Net					1,169,590	(1,169,590)	-	-
Total General Revenues and Transfers					<u>12,077,500</u>	<u>(1,042,486)</u>	<u>11,035,014</u>	<u>563,664</u>
Change in Net Position					<u>1,950,103</u>	<u>(1,429,985)</u>	<u>520,118</u>	<u>(90,829)</u>
Net Position - Beginning of Year					<u>40,215,292</u>	<u>395,615</u>	<u>40,610,907</u>	<u>1,600,052</u>
Prior Period Adjustment					<u>(2,539)</u>	<u>21,441</u>	<u>18,902</u>	<u>-</u>
Net Position - Beginning of Year as Restated					<u>40,212,753</u>	<u>417,056</u>	<u>40,629,809</u>	<u>1,600,052</u>
Net Position - End of Year					<u>\$ 42,162,856</u>	<u>(1,012,929)</u>	<u>41,149,927</u>	<u>1,509,223</u>

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

CITY OF EL DORADO, KANSAS

Balance Sheet

Governmental Funds

December 31, 2022

	<u>General</u>	<u>Debt Service</u>	<u>Construction</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and Investments	\$ 6,265,393	378,772	1,515,937	5,580,051	13,740,153
Receivables (Net of Allowance for Uncollectibles)					
Property Tax	4,235,716	1,166,122	-	218,173	5,620,011
Special Assessment Tax	-	5,078,546	-	323,348	5,401,894
Sales Tax	639,692	-	-	35,368	675,060
Interest	18,676	-	-	-	18,676
Leases	35,346	-	-	-	35,346
Accounts	161,551	-	-	10,800	172,351
Due from Other Governments	171,414	-	-	201,703	373,117
Due from Other Funds	59,123	-	-	-	59,123
Inventories	18,140	-	-	44,048	62,188
Total Assets	\$ 11,605,051	6,623,440	1,515,937	6,413,491	26,157,919
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities					
Accounts Payable	\$ 145,414	630	297,062	102,317	545,423
Salaries and Wages Payable	140,257	-	-	20,635	160,892
Unearned Revenue - Grant Proceeds Other Than Timing	-	-	1,342,067	728,182	2,070,249
Total Liabilities	285,671	630	1,639,129	851,134	2,776,564
Deferred Inflows of Resources					
Unavailable Revenue - Property Taxes	4,235,716	1,166,122	-	218,173	5,620,011
Unavailable Revenue - Special Assessments	-	5,078,546	-	323,348	5,401,894
Leases	35,254	-	-	-	35,254
Total Deferred Inflows of Resources	4,270,970	6,244,668	-	541,521	11,057,159
Fund Balances					
Nonspendable					
Inventories	18,140	-	-	44,048	62,188
Restricted					
Police Operations	-	-	-	3,769	3,769
Tourism	-	-	-	464,441	464,441
Domestic Violence Prevention	-	-	-	37,237	37,237
Debt Service	-	378,142	-	-	378,142
Park Improvements	-	-	-	85,950	85,950
Stormwater Systems	-	-	-	469,046	469,046
Ordinance Street Sales Tax	-	-	-	1,122,824	1,122,824
Excess Sales Tax	-	-	-	741,546	741,546
Economic Development	-	-	-	119,614	119,614
Committed					
Public Safety Equipment	-	-	-	49,108	49,108
Assigned					
Airport Improvements	-	-	-	168,255	168,255
Economic Development Sales Tax	-	-	-	285,742	285,742
Industrial Development	-	-	-	443,448	443,448
Street Improvements	-	-	-	420,623	420,623
Police Equipment	-	-	-	565,185	565,185
Self-Insurance Reserve	633,027	-	-	-	633,027
Unassigned	6,397,243	-	(123,192)	-	6,274,051
Total Fund Balance	7,048,410	378,142	(123,192)	5,020,836	12,324,196
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 11,605,051	6,623,440	1,515,937	6,413,491	26,157,919

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, 2022

Total Governmental Fund Balances		\$ 12,324,196
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.		44,273,716
Other long-term assets are not available to pay for current-period expenditures and, therefore, reported as unavailable revenue in the funds.		5,401,894
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	2,795,224	
Deferred outflows - OPEB	411,293	3,206,517
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.		27,975
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	(14,490,099)	
Premiums on bond sold	(840,715)	
Purchase arrangements payable	(385,132)	
Leases payable	(562,207)	
Accrued interest payable	(67,777)	
Compensated absences	(327,485)	
Net pension liability	(8,528,142)	
Net OPEB liability	(646,065)	(25,847,622)
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	(127,485)	
Deferred inflows - OPEB	(96,335)	(223,820)
Net Position of Governmental Activities		\$ <u>42,162,856</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, 2022

	<u>General</u>	<u>Debt Service</u>	<u>Construction</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues					
Taxes					
Property	\$ 4,150,468	1,149,602	-	214,663	5,514,733
Sales	3,164,715	-	-	100,000	3,264,715
Franchise	1,513,882	-	-	-	1,513,882
Tourism	-	-	-	233,899	233,899
Intergovernmental	61,347	-	200,498	3,001,866	3,263,711
Licenses and Permits	151,128	-	-	9,178	160,306
Charges for Service	849,792	-	-	233,282	1,083,074
Fines and Forfeitures	269,484	-	-	-	269,484
Special Assessments	-	428,325	-	331,275	759,600
Investment Earnings	94,410	21,983	-	45,976	162,369
Miscellaneous	664,437	120,764	-	254,403	1,039,604
Total Revenues	<u>10,919,663</u>	<u>1,720,674</u>	<u>200,498</u>	<u>4,424,542</u>	<u>17,265,377</u>
Expenditures					
Current					
General Government	1,972,624	-	1,672,336	3,129,366	6,774,326
Public Safety	2,466,222	-	-	2,225	2,468,447
Highways and Streets	-	-	-	1,015,781	1,015,781
Health and Sanitation	400,117	-	-	216,603	616,720
Culture and Recreation	1,574,593	-	-	5,557	1,580,150
Economic Development	-	-	-	112,221	112,221
Debt Service					
Principal	119,966	1,255,971	-	39,512	1,415,449
Interest and Other Charges	8,899	358,737	-	5,291	372,927
Bond Issuance Costs	-	16,260	-	-	16,260
Capital Outlay	849,932	-	2,350,148	58,936	3,259,016
Total Expenditures	<u>7,392,353</u>	<u>1,630,968</u>	<u>4,022,484</u>	<u>4,585,492</u>	<u>17,631,297</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>3,527,310</u>	<u>89,706</u>	<u>(3,821,986)</u>	<u>(160,950)</u>	<u>(365,920)</u>
Other Financing Sources (Uses)					
Sale of Real Estate	147,820	-	-	3,400	151,220
General Obligation Bonds Issued	-	-	3,320,000	-	3,320,000
Transfers In	1,620,000	-	271,231	1,698,399	3,589,630
Transfers Out	(2,118,510)	-	-	(361,478)	(2,479,988)
Net Other Financing Sources (Uses)	<u>(350,690)</u>	<u>-</u>	<u>3,591,231</u>	<u>1,340,321</u>	<u>4,580,862</u>
Net Change in Fund Balances	3,176,620	89,706	(230,755)	1,179,371	4,214,942
Fund Balances - Beginning of Year	3,871,706	288,436	107,563	3,841,465	8,109,170
Prior Period Adjustment	84	-	-	-	84
Fund Balances - Beginning of Year, as Restated	<u>3,871,790</u>	<u>288,436</u>	<u>107,563</u>	<u>3,841,465</u>	<u>8,109,254</u>
Fund Balances - End of Year	<u>\$ 7,048,410</u>	<u>378,142</u>	<u>(123,192)</u>	<u>5,020,836</u>	<u>12,324,196</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, 2022

Total Net Change in Fund Balances - Governmental Funds	\$	4,214,942
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	3,212,233	
Depreciation expense	<u>(3,057,050)</u>	155,183
In the Statement of Activities, the gain or loss from the sale of capital assets is reported, whereas in the governmental funds, only cash proceeds from the sale increase financial resources. Thus, the change in fund balance by the cost of capital assets sold.		
		(67,875)
In the Statement of Activities, transfers of capital assets from governmental activities to business-type activities are reported as transfers, whereas in the governmental funds, there is no event to report as there is no outward flow of current financial resources.		
		359,237
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
		(499,299)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of differences in the treatment of long-term debt and related items.		
Principal (advances) payments		
Bond proceeds	(3,320,000)	
Purchase arrangements	119,966	
General obligation bonds	<u>1,295,483</u>	(1,904,551)
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.		
		(6,660)
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	18,259	
Pension contributions	(383,360)	
OPEB contributions	41,952	
Amortization of bond premium	69,895	
Accrued interest	<u>(47,620)</u>	<u>(300,874)</u>
Change in Net Position of Governmental Activities	\$	<u><u>1,950,103</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, 2022

	Actual	Budgeted Amounts		Variance Over (Under)
		Original	Final	
Revenues				
Taxes	\$ 8,747,745	8,520,291	8,520,291	227,454
Intergovernmental	61,347	89,655	89,655	(28,308)
Licenses, Fees, and Permits	151,128	97,939	97,939	53,189
Charges for Services	839,467	831,381	831,381	8,086
Fines and Forfeitures	269,484	365,881	365,881	(96,397)
Interest	64,006	15,000	15,000	49,006
Miscellaneous	110,217	127,225	127,225	(17,008)
Total Revenues	10,243,394	10,047,372	10,047,372	196,022
Expenditures				
General Government				
Administration	695,836	677,102	677,102	18,734
Engineering	851,644	855,681	855,681	(4,037)
Environmental Services	115,046	136,786	136,786	(21,740)
Legal and Judicial	213,972	249,213	249,213	(35,241)
Total General Government	1,876,498	1,918,782	1,918,782	(42,284)
Public Safety				
Police Division	1,501,258	2,731,516	2,731,516	(1,230,258)
Fire Division	1,092,111	1,878,424	1,878,424	(786,313)
Total Public Safety	2,593,369	4,609,940	4,609,940	(2,016,571)
Health and Sanitation				
Animal Control	166,826	167,788	167,788	(962)
Cemetery	233,291	210,158	210,158	23,133
Total Health and Sanitation	400,117	377,946	377,946	22,171
Culture and Recreation				
Park Maintenance	355,678	455,612	455,612	(99,934)
Recreation	1,101,895	994,781	994,781	107,114
Swimming Pool	117,020	144,597	144,597	(27,577)
Total Culture and Recreation	1,574,593	1,594,990	1,594,990	(20,397)
Cash Forward	-	3,050,000	3,050,000	(3,050,000)
Total Expenditures	6,444,577	11,551,658	11,551,658	(5,107,081)
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 3,798,817	(1,504,286)	(1,504,286)	5,303,103

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, 2022

	Actual	Budgeted Amounts		Variance Over (Under)
		Original	Final	
Other Financing Sources (Uses)				
Transfer In	\$ 570,000	-	-	570,000
Transfer Out	(2,118,510)	(2,111,276)	(2,111,276)	(7,234)
Total Other Financing Sources (Uses)	(1,548,510)	(2,111,276)	(2,111,276)	562,766
Net Change in Fund Balance	2,250,307	(3,615,562)	(3,615,562)	5,865,869
Budgetary Basis Fund Balance, Beginning as Previously Stated	2,443,513			
Prior Year Transfers to Funds Below	(325,000)			
Budgetary Basis Fund Balance, Beginning, as Restated	2,118,513			
Budgetary Basis Fund Balance, Ending	4,368,820			
GAAP Adjustments				
Plus Receivables	854,624			
Less Deferred Outflows - Leases	(35,254)			
Fund Balance, Ending - General Fund Only	5,188,190			
Fund Balances for Separately Budgeted Funds Included with the General Fund on GAAP Basis Financials				
Building Demolition	85,280			
Fund Balances for Non-Budgeted Funds Included with the General Fund on GAAP Basis Financials				
External Stores	83,695			
General Building Reserve	425,000			
Equipment Reserve	520,295			
Prairie Trail Restaurant/Golf	112,923			
Self-Insurance Reserve	633,027			
	\$ 7,048,410			

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, 2022

	Business-Type Activities - Enterprise Funds				Total Enterprise Funds	Business-Type Activities
	Major Funds			Nonmajor Fund		Internal Service Fund (Data Processing Fund)
	Waterworks System	Sewer System	Refuse	Compressed Natural Gas		
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES						
Current Assets						
Cash and Investments	\$ 3,212,660	1,439,534	823,210	10,029	5,485,433	286,813
Accounts Receivable (Net of Allowance for Uncollectibles)	422,635	317,376	194,401	-	934,412	-
Intergovernmental Receivable	139	36	307	-	482	-
Lease Receivable	181,793	938,678	-	-	1,120,471	-
Inventories	259,673	17,911	-	-	277,584	-
Total Current Assets	<u>4,076,900</u>	<u>2,713,535</u>	<u>1,017,918</u>	<u>10,029</u>	<u>7,818,382</u>	<u>286,813</u>
Noncurrent Assets						
Capital Assets						
Nondepreciable Capital Assets						
Land	33,733	706,645	-	-	740,378	-
Water Storage Space	28,951,577	-	-	-	28,951,577	-
Construction in Progress	9,401	323,724	-	-	333,125	-
Capital Assets	16,673,749	30,085,804	2,129,001	243,044	49,131,598	61,499
Leased Assets	83,882	-	-	-	83,882	-
Accumulated Depreciation	(8,675,427)	(15,518,889)	(1,493,306)	(71,811)	(25,759,433)	(40,817)
Total Noncurrent Assets	<u>37,076,915</u>	<u>15,597,284</u>	<u>635,695</u>	<u>171,233</u>	<u>53,481,127</u>	<u>20,682</u>
Total Assets	<u>41,153,815</u>	<u>18,310,819</u>	<u>1,653,613</u>	<u>181,262</u>	<u>61,299,509</u>	<u>307,495</u>
Deferred Outflows of Resources						
Deferred Outflows - Pension	277,123	132,273	140,272	-	549,668	-
Deferred Outflows - OPEB	64,035	30,041	31,212	-	125,288	-
Total Deferred Outflows of Resources	<u>341,158</u>	<u>162,314</u>	<u>171,484</u>	<u>-</u>	<u>674,956</u>	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 41,494,973</u>	<u>18,473,133</u>	<u>1,825,097</u>	<u>181,262</u>	<u>61,974,465</u>	<u>307,495</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, 2022

	Business-Type Activities - Enterprise Funds				Total Enterprise Funds	Business-Type Activities
	Major Funds			Nonmajor Fund		Internal Service Fund (Data Processing Fund)
	Waterworks System	Sewer System	Refuse	Compressed Natural Gas		
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES						
Current Liabilities						
Accounts Payable	\$ 141,663	50,759	71,299	3,314	267,035	44,698
Current Portion of Compensated Absences Payable	2,969	-	-	-	2,969	-
Current Portion of General Obligation Bonds Payable	195,929	661,810	-	-	857,739	-
Current Portion of Revolving Loan Note Payable	-	110,492	-	-	110,492	-
Current Portion of Lease Payable	16,066	-	-	-	16,066	-
Accrued Interest Payable	5,075	22,008	-	-	27,083	-
Unearned Revenue - Other	50,000	990	-	-	50,990	-
Due to Other Funds	-	-	59,123	-	59,123	-
Total Current Liabilities	411,702	846,059	130,422	3,314	1,391,497	44,698
Noncurrent Liabilities						
Long-Term Portion of Compensated Absences Payable	51,386	13,885	28,685	-	93,956	50,273
Long-Term Portion of General Obligation Bonds Payable	782,859	2,389,302	-	-	3,172,161	-
Long-Term Portion of Revolving Loan Note Payable	-	1,404,731	-	-	1,404,731	-
Long-Term Portion of Water Storage Space Payable	53,775,355	-	-	-	53,775,355	-
Long-Term Portion of Lease Payable	50,316	-	-	-	50,316	-
Net Pension Liability	941,274	427,288	459,834	-	1,828,396	-
Net OPEB Liability	147,815	71,194	69,686	-	288,695	-
Total Noncurrent Liabilities	55,749,005	4,306,400	558,205	-	60,613,610	50,273
Total Liabilities	56,160,707	5,152,459	688,627	3,314	62,005,107	94,971
Deferred Inflows of Resources						
Deferred Inflows - Pension	31,761	34,729	2,777	-	69,267	-
Deferred Inflows - Leases	176,304	900,534	-	-	1,076,838	-
Deferred Inflows - OPEB	10,755	4,998	4,978	-	20,731	-
Total Deferred Inflows of Resources	218,820	940,261	7,755	-	1,166,836	-
Total Liabilities and Deferred Inflows of Resources	56,379,527	6,092,720	696,382	3,314	63,171,943	94,971
NET POSITION						
Net Investment in Capital Assets	17,582,037	11,030,949	635,695	171,233	29,419,914	20,682
Unrestricted	(32,466,591)	1,349,464	493,020	6,715	(30,617,392)	191,842
Total Net Position	\$ (14,884,554)	12,380,413	1,128,715	177,948	(1,197,478)	212,524
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					184,549	
Net Position of Business-Type Activities					\$ (1,012,929)	

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, 2022

	Business-Type Activities - Enterprise Funds					Business-Type Activities
	Major Funds			Nonmajor Fund	Total Enterprise Funds	Internal Service Fund (Data Processing Fund)
	Waterworks System	Sewer System	Refuse	Compressed Natural Gas		
Operating Revenues						
Charges for Services	\$ 4,359,373	2,694,929	1,556,295	7,857	8,618,454	1,286,821
Special Assessments	-	1,825	-	-	1,825	-
Miscellaneous	62,327	19,988	34,605	17,494	134,414	4,677
Rents and Royalties	15,970	16,580	-	-	32,550	-
Total Operating Revenues	<u>4,437,670</u>	<u>2,733,322</u>	<u>1,590,900</u>	<u>25,351</u>	<u>8,787,243</u>	<u>1,291,498</u>
Operating Expenses						
Cost of Sales and Services	2,119,166	1,025,645	(4,059)	-	3,140,752	373,600
Administration	1,035,700	237,910	1,567,621	42,125	2,883,356	930,661
Depreciation and Amortization	423,930	622,550	122,774	11,638	1,180,892	6,797
Total Operating Expense	<u>3,578,796</u>	<u>1,886,105</u>	<u>1,686,336</u>	<u>53,763</u>	<u>7,205,000</u>	<u>1,311,058</u>
Operating Income (Loss)	<u>858,874</u>	<u>847,217</u>	<u>(95,436)</u>	<u>(28,412)</u>	<u>1,582,243</u>	<u>(19,560)</u>
Nonoperating Revenues (Expense)						
Investment Income	65,164	42,051	13,334	387	120,936	-
Gain on Disposal of Assets	400	4,960	808	-	6,168	-
Interest Expense	(1,847,725)	(109,119)	-	-	(1,956,844)	-
Net Nonoperating Revenues (Expense)	<u>(1,782,161)</u>	<u>(62,108)</u>	<u>14,142</u>	<u>387</u>	<u>(1,829,740)</u>	<u>-</u>
Income (Loss) Before Contributions and Transfers	<u>(923,287)</u>	<u>785,109</u>	<u>(81,294)</u>	<u>(28,025)</u>	<u>(247,497)</u>	<u>(19,560)</u>
Contributions and Transfers						
Capital Contributions	6,509	323,724	-	-	330,233	-
Transfers to Other Funds	(827,244)	(180,549)	(492,030)	-	(1,499,823)	-
Change in Net Position	<u>(1,744,022)</u>	<u>928,284</u>	<u>(573,324)</u>	<u>(28,025)</u>	<u>(1,417,087)</u>	<u>(19,560)</u>
Net Position - Beginning of Year as Previously Stated	<u>(13,143,301)</u>	<u>11,433,457</u>	<u>1,702,039</u>	<u>205,973</u>	<u>198,168</u>	<u>232,084</u>
Prior Period Adjustment	<u>2,769</u>	<u>18,672</u>	<u>-</u>	<u>-</u>	<u>21,441</u>	<u>-</u>
Net Position - Beginning of Year as Restated	<u>(13,140,532)</u>	<u>11,452,129</u>	<u>1,702,039</u>	<u>205,973</u>	<u>219,609</u>	<u>232,084</u>
Net Position - End of Year	<u>\$ (14,884,554)</u>	<u>12,380,413</u>	<u>1,128,715</u>	<u>177,948</u>	<u>(1,197,478)</u>	<u>212,524</u>
Change in net position per fund financials					\$ (1,417,087)	
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>(12,898)</u>	
Change In Net Position of Business-Type Activities					\$ <u>(1,429,985)</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, 2022

	Business-Type Activities - Enterprise Funds					Business-Type Activities
	Major Funds			Nonmajor Fund	Total	Internal Service Fund (Data Processing Fund)
	Waterworks System	Sewer System	Refuse	Compressed Natural Gas	Enterprise Funds	
Cash Flows From Operating Activities						
Cash Received from Customers and Users	\$ 4,498,365	2,731,728	1,586,752	25,351	8,842,196	1,291,498
Cash Received from Federal Aid	49,919	(12)	(307)	-	49,600	-
Payments to Suppliers	(2,136,498)	(708,208)	(988,233)	(41,480)	(3,874,419)	(305,852)
Payments to Employees	(1,063,737)	(534,315)	(541,456)	-	(2,139,508)	(995,803)
Net Cash Provided (Used) for Operating Activities	<u>1,348,049</u>	<u>1,489,193</u>	<u>56,756</u>	<u>(16,129)</u>	<u>2,877,869</u>	<u>(10,157)</u>
Cash Flows From Capital and Related Financing Activities						
Principal Paid on General Obligation Bonds	(192,807)	(651,710)	-	-	(844,517)	-
Principal Paid on Revolving Loan Note Payable	-	(107,960)	-	-	(107,960)	-
Interest Paid on Debt	(26,941)	(112,168)	-	-	(139,109)	-
Principal Paid on Lease Payable	(17,500)	-	-	-	(17,500)	-
Interest Paid on Lease Payable	(1,057)	-	-	-	(1,057)	-
Proceeds from the Sale and Transfer of Assets	400	8,800	2,425	-	11,625	-
Acquisition and Construction of Capital Assets	(88,490)	(322,859)	-	-	(411,349)	-
Net Cash Provided (Used) for Capital and Related Financing Activities	<u>(326,395)</u>	<u>(1,185,897)</u>	<u>2,425</u>	<u>-</u>	<u>(1,509,867)</u>	<u>-</u>
Cash Flows to Noncapital Financing Activities						
Transfers to Other Funds	(827,244)	(180,549)	(132,793)	-	(1,140,586)	-
Cash Flows From Investing Activities						
Investment Income	65,164	42,051	13,334	387	120,936	-
Net Increase (Decrease) in Cash and Investments	259,574	164,798	(60,278)	(15,742)	348,352	(10,157)
Cash and Investments, Beginning of Year	<u>2,953,086</u>	<u>1,274,736</u>	<u>883,488</u>	<u>25,771</u>	<u>5,137,081</u>	<u>296,970</u>
Cash and Investments, End of Year	<u>\$ 3,212,660</u>	<u>1,439,534</u>	<u>823,210</u>	<u>10,029</u>	<u>5,485,433</u>	<u>286,813</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, 2022

	Business-Type Activities - Enterprise Funds					Business-Type Activities
	Major Funds			Nonmajor Fund	Total Enterprise Funds	Internal Service Fund (Data Processing Fund)
	Waterworks System	Sewer System	Refuse	Compressed Natural Gas		
Reconciliation of Operating Income (Loss) to						
Net Cash Provided (Used) by Operating Activities						
Operating Income (Loss)	\$ 858,874	847,217	(95,436)	(28,412)	1,582,243	(19,560)
Adjustments to Reconcile Operating Income (Loss)						
to Net Cash Provided (Used) by Operating Activities						
Depreciation and Amortization	423,930	622,550	122,774	11,638	1,180,892	6,797
Decrease (Increase) in Assets and Deferred Outflows						
Accounts Receivable	63,416	17,850	(4,148)	-	77,118	-
Intergovernmental Receivable	(81)	(12)	(307)	-	(400)	-
Leases Receivable	22,607	8,217	-	-	30,824	-
Inventories	(82,746)	(1,772)	-	-	(84,518)	-
Deferred Outflows - Pension	(97,692)	(38,068)	(55,454)	-	(191,214)	-
Deferred Outflows - OPEB	(20,442)	(8,897)	(11,498)	-	(40,837)	-
Increase (Decrease) in Liabilities and						
Deferred Inflows						
Accounts Payable	1,746	17,939	11,029	645	31,359	1,658
Compensated Absences Payable	3,018	(7,024)	4,240	-	234	948
Unearned Revenue - Other	50,000	29	-	-	50,029	-
Deferred Inflows - Pension	(175,381)	(68,342)	(99,552)	-	(343,275)	-
Deferred Inflows - Leases	(25,328)	(27,690)	-	-	(53,018)	-
Deferred Inflows - OPEB	10	(427)	54	-	(363)	-
Net Pension Liability	312,402	121,736	177,329	-	611,467	-
Net OPEB Liability	13,716	5,887	7,725	-	27,328	-
Net Cash Provided (Used) for Operating Activities	\$ 1,348,049	1,489,193	56,756	(16,129)	2,877,869	(10,157)
Schedule of Noncash Capital and Related Financing						
Activities						
Contribution of Capital Assets	\$ 6,509	323,724	-	-	330,233	-
Interest on Water Storage Space	1,819,494	-	-	-	1,819,494	-
Lease Obligations Incurred for Lease Assets	22,989	38,144	-	-	61,133	-

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, 2022

	Retiree Health Care Benefit Plan Trust Fund
Assets	
Investments	
Mutual Funds	\$ <u><u>549,586</u></u>
Net Position	
Restricted for	
Post Employment Benefits	\$ <u><u>549,586</u></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, 2022

	Retiree Health Care Benefit Plan Trust Fund
Additions	
Contributions	
Employers	\$ 140,869
Investment Earnings	
Net Decrease in Fair Value of Investments	(128,638)
Interest, Dividends, and Other	20,473
	32,704
Total Additions	32,704
Deductions	-
Net Change in Fiduciary Net Position	32,704
Net Position, Beginning of Year	516,882
Net Position, End of Year	\$ 549,586

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, 2022

	Bradford Memorial Library	El Dorado Senior Center, Inc.	Total Component Units
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Assets			
Cash and Investments	\$ 639,160	27,398	666,558
Receivables, Net of Allowance for Uncollectibles			
Taxes	549,713	-	549,713
Interest	-	6	6
Restricted Cash and Investments	245,380	-	245,380
Capital Assets, Depreciable	2,455,784	-	2,455,784
Less Accumulated Depreciation	(1,524,412)	-	(1,524,412)
Total Assets	2,365,625	27,404	2,393,029
Deferred Outflows of Resources			
Deferred Outflows - Pension	91,501	-	91,501
Deferred Outflows - OPEB	25,829	-	25,829
Total Deferred Outflows of Resources	117,330	-	117,330
Total Assets and Deferred Outflows of Resources	2,482,955	27,404	2,510,359
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES			
Liabilities			
Accounts Payable and Other Current Liabilities	16,613	6,291	22,904
Noncurrent Liabilities			
Due Within One Year	30,000	-	30,000
Due in More Than One Year	366,274	-	366,274
Total Liabilities	412,887	6,291	419,178
Deferred Inflows of Resources			
Deferred Inflows - Pension	29,346	-	29,346
Deferred Inflows - OPEB	2,899	-	2,899
Deferred Receivable - Property Taxes	549,713	-	549,713
Total Deferred Inflows of Resources	581,958	-	581,958
Total Liabilities and Deferred Inflows of Resources	994,845	6,291	1,001,136
Net Position			
Net Investment in Capital Assets	811,372	-	811,372
Unrestricted	676,738	21,113	697,851
Total Net Position	\$ 1,488,110	21,113	1,509,223

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, 2022

	Bradford Memorial Library	El Dorado Senior Center, Inc.	Total Component Units
Expenses			
Personal Services	\$ 378,648	71,529	450,177
Contractual Services	87,109	38,753	125,862
Commodities	68,754	25,591	94,345
Interest Expense	154,423	-	154,423
Depreciation	3,000	-	3,000
Total Expenses	691,934	135,873	827,807
Program Revenues			
Charges for Services	39,287	87,915	127,202
Operating Grants and Contributions	42,612	3,500	46,112
Total Program Revenues	81,899	91,415	173,314
Net (Expense) Revenue	(610,035)	(44,458)	(654,493)
General Revenues			
Property Taxes Appropriation	555,761	50,180	605,941
Unrestricted Investment Gain (Loss)	(42,303)	26	(42,277)
Total General Revenues	513,458	50,206	563,664
Change in Net Position	(96,577)	5,748	(90,829)
Net Position - Beginning of Year	1,584,687	15,365	1,600,052
Net Position - End of Year	\$ 1,488,110	21,113	1,509,223

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, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

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

Discretely Presented Component Units

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

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

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

Fiduciary Component Unit

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

Joint Venture

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

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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, 2022 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.

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Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are generally considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. A 60-day availability period is used for revenue recognition for all governmental fund revenues except property taxes. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

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

The City reports the following major governmental funds:

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

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

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

The City reports the following major proprietary funds:

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

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

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

The City also reports the following fund types:

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

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

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

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

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

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

Cash and Investments

The City maintains a cash and investment pool that is available for use by all funds. The pool has the general characteristics of demand deposit accounts, in that each fund may deposit additional cash at any time and also may withdraw cash at any time without prior notice or penalty. The pooled cash is invested to the extent available in authorized investments. These pooled investments consist of operating accounts and nonnegotiable certificates of deposit that are recorded at cost because they are not affected by market rate changes. Earnings from investments are allocated to the funds on the basis of the average monthly balance and in accordance with the adopted budget. 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."

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

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

General fund property taxes receivable	\$ 4,235,716
Debt service fund property taxes receivable	1,166,122
Debt service fund special assessments receivable	5,078,546
Nonmajor funds property taxes receivable	218,173
Nonmajor funds special assessment receivable	<u>323,348</u>
 Total	 <u>\$ 11,021,905</u>

Property Taxes and Receivable

The City's property taxes are levied each year on the assessed value of all real estate listed as of the prior January 1, the lien date. Assessed values are established by Butler County. The assessed value upon which the 2022 levy was based was \$105,939,903.

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 2022 tax levy per \$1,000 of assessed valuation was as follows:

General fund	40.274
Debt service fund	11.088
Component unit	
Library	5.227
Nonmajor funds	
Industrial	1.148
Airport	<u>0.927</u>
	 <u>58.664</u>

Special Assessment Receivable

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

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Beginning in November 2008, the City levied special assessments to property owners within the City for stormwater maintenance and improvements. On December 31, the stormwater special assessment taxes levied are a lien on the property and are recorded as special assessments receivable in the stormwater utility special revenue fund and accrued as revenues in the statement of activities. Since they are not considered available spendable resources for the governmental funds, the stormwater special assessments receivable is reported as unavailable revenue in the fund financial statements.

Inventories

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

Capital Assets

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

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

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

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

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

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

Lease Assets

Lease assets are initially recorded at the initial measurement of the lease liability, plus lease payments made at or before the commencement of the lease term, less any incentives received from the lessor at or before the commencement of the lease, plus initial direct costs that are ancillary to place the asset in

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service. Lease assets are amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position may report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two items that qualify for reporting in this category. One item is deferred outflows for pension and is reported in the government-wide statement of net position. See Note 9 for more information on the deferred outflows for pension. The second is deferred outflows for other postemployment benefits (OPEB). See Note 10 for more information on the deferred outflows for OPEB.

In addition to liabilities, the statement of net position may report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The governmental funds report unavailable revenues from two sources: property taxes and special assessments and deferred inflows of resources related to the City's leasing activities as a lessor. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Governmental-wide activities report deferred receivable from property taxes and leasing activities. As well as deferred inflows for pension and OPEB. See Note 8 for more information on the deferred inflows for the pension and 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.

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Net Position and Fund Balance

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

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

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

- Non-spendable - Assets legally or contractually required to be maintained or are not in spendable form. Such constraint is binding until the legal requirement is repealed or the amounts become spendable.
- Restricted - Assets with externally imposed constraints, such as those mandated by creditors, grantors, and contributors, or laws and regulations. Such constraint is binding unless modified or rescinded by the applicable external body, laws, or regulations.
- Committed - Assets with a purpose formally imposed by a formal action, an ordinance, of the City Commission, binding unless modified or rescinded by the City Commission.
- Assigned - Comprised of amounts intended to be used by the City for specific purposes that are neither restricted nor committed. The City Commission has by resolution authorized the Finance Director of the City to assign fund balance. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of the assignment. Encumbrances are included in assigned fund balances. Additional Information on encumbrance balances is provided in Note 11 – Encumbrances.
- 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.

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Adoption of New Governmental Accounting Standards Board Statements

GASB Statement No. 87, *Leases*, improves accounting and financial reporting for leases by governments. Statement 87 increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. For more information on the effects of this statement, see Notes 4 and 7.

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. For more information on the effects of this statement, see Note 7.

GASB Statement No. 93, *Replacement of Interbank Offered Rates*, provides guidance where some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR) -most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate. The adoption of this statement had no effect on previously reported amounts.

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

GASB issued Statement No. 99, *Omnibus 2022*, provides clarification of provisions in Statement No. 96, *Subscription-Based Information Technology Arrangements*, information on disclosures related to nonmonetary transactions, and updates to terminology related to certain provisions of Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This statement has been partially adopted as only paragraphs 26-32 were effective for the current year. All the applicable changes have been made to the financial statements.

Pending Governmental Accounting Standards Board Statements

At December 31, 2022, the Governmental Accounting Standards Board (GASB) has issued several statements not yet implemented by the City. The effect of these statements has not yet been determined. The statements that might impact the City are as follows:

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GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, improves financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). A PPP is an arrangement in which a government contracts with an operator to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset, for a period of time in an exchange or exchange-like transaction. This statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs), which is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The requirements for this statement are effective for periods beginning after June 15, 2022.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. Part of the requirements of this statement are effective for periods beginning after June 15, 2022 and June 15, 2023.

GASB issued Statement No. 99, *Omnibus 2022*, provides clarification of provisions in Statement No. 96, *Subscription-Based Information Technology Arrangements*, information on disclosures related to nonmonetary transactions, and updates to terminology related to certain provisions of Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. The requirements for this statement are effective for periods beginning after June 15, 2022.

GASB Statement No. 100, *Accounting Changes and Error Corrections – an Amendment of GASB Statement No. 62*, enhances accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements for this statement are effective for periods beginning after June 15, 2023.

GASB Statement No. 101, *Compensated Absences*, aims to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements for this statement are effective for periods beginning after December 15, 2023.

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special revenue funds (unless specifically exempted by statute), and the debt service fund. Family Life Center, Expendable Trust, Customer Deposit, Law Enforcement Trust, Police Department Seized Assets, Community Improvement District and ARPA special revenue funds are exempted from preparing a legally adopted budget. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

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

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

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 Compressed Natural Gas Fund, Economic Development Sales Tax Fund and Special Alcohol Program Fund for the year ended December 31, 2022.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Management has the authority to revise departmental budgets within a fund; however, the City Commission must approve changes to the appropriations at the fund level. Budget comparison statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

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

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

Deficit Net Position and Fund Balance

The waterworks system fund had a deficit net position of \$14,884,554 at December 31, 2022 due to the recording of the water storage space payable. This also attributed to the total business-type activities having a deficit net position of \$1,012,929. The construction fund had a deficit fund balance of \$123,192 at December 31, 2022 due to projects that will be reimbursed with bond proceeds and transfers when the project is complete.

Excess of Expenditures Over Budget Appropriations

Expenditures exceeded budget appropriations in the compressed natural gas fund by \$150, data processing fund by \$22,774 and library fund by \$3,631 for the year ended December 31, 2022, which is in violation of K.S.A. 79-2935.

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, 2022, the City's carrying amount of deposits, including certificates of deposit, was not exposed to custodial credit risk.

CITY OF EL DORADO, KANSAS
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

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, 2022.

Investments

As of December 31, 2022, 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	\$ 370,802	370,802	-	-	-
Domestic Equity Mutual Funds	115,461	115,461	-	-	-
International Equity Mutual Funds	35,265	35,265	-	-	-
Real Estate Mutual Funds	28,058	28,058	-	-	-
	\$ 549,586	549,586	-	-	-

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	\$ 233,488	233,488	-	-	-
Money Market Mutual Funds	11,892	11,892	-	-	-
	\$ 245,380	245,380	-	-	-

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, 2022, 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.

CITY OF EL DORADO, KANSAS
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

At December 31, 2022, the City's fiduciary fund investments were categorized within the fair value hierarchy as follows:

City		Fair Value Measurement at Reporting Date Using		
Investment Type	Fair Value	Level 1	Level 2	Level 3
Mutual Funds	\$ 549,586	549,586	-	-

Library		Fair Value Measurement at Reporting Date Using		
Investment Type	Fair Value	Level 1	Level 2	Level 3
Mutual Funds	\$ 245,380	245,380	-	-

NOTE 4 – LEASES RECEIVABLE

For the year ended December 31, 2022, the financial statements include the adoption of GASB Statement No. 87, *Leases*. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessor is required to recognize a lease receivable and a deferred inflow of resources.

On December 17, 1999, the City entered into a 107 month lease as the lessor for the use of infrastructure. As of January 1, 2022, an initial lease receivable was recorded in the amount of \$204,400. As of December 31, 2022, the value of the lease receivable is \$181,793. The lessee is required to make monthly fixed payments of \$2,011. The lease has an interest rate of .788%. The value of the deferred inflow of resources as of December 31, 2022 was \$176,304, and the City recognized lease revenue of \$25,327 during the fiscal year. The lessee has 1 extension option for 60 months.

On June 28, 2010, the City entered into a 595 month lease as lessor for the use of land. As of January 1, 2022, an initial lease receivable was recorded in the amount of \$784,077. As of December 31, 2022, the value of the lease receivable is \$785,205. The lessee is required to make monthly fixed payments of \$933 at an interest rate of 1.6320%. The value of the deferred inflow of resources as of December 31, 2022 was \$752,085, and the City recognized lease revenue of \$15,806 during the fiscal year. The lessee has 7 extension options, each for 60 months.

On June 7, 2010, the City entered into a 173 month lease as lessor for the use of land. As of January 1, 2022, an initial lease receivable was recorded in the amount of \$162,817. As of December 31, 2022, the value of the lease receivable is \$153,473. The lessee is required to make monthly fixed payments of \$926. The lease has an interest rate of 1.1137%. The value of the deferred inflow of resources as of December 31, 2022 was \$148,449, and the City recognized lease revenue of \$11,884 during the fiscal year. The lessee has 2 extension options, each for 60 months. The lessee had a termination period of 6 months as of the lease commencement.

On January 8, 2019, the City entered into a 36 month lease as lessor for the use of the Butler REC Civic Center building. As of January 1, 2022, an initial lease receivable was recorded in the amount of \$70,591. As of December 31, 2022, the value of the lease receivable is \$35,346. The lessee is required to make monthly fixed payments of \$2,950. The lease has an interest rate of .2833%. The value of the deferred inflow of resources as of December 31, 2022 was \$35,254, and the City recognized lease revenue of \$35,254 during the fiscal year. The lessee has 2 extension options, each for 12 months. The lessee had a termination period of 3 months as of the lease commencement.

CITY OF EL DORADO, KANSAS
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

Future minimum lease payments are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Governmental Activities			
2023	\$ <u>35,346</u>	<u>54</u>	<u>35,400</u>
Business-Type Activities			
2023	\$ 31,443	15,833	47,276
2024	32,078	15,557	47,635
2025	37,203	15,258	52,461
2026	38,756	14,920	53,676
2027	39,500	14,571	54,071
2028-2032	130,067	68,150	198,217
2033-2037	59,615	62,942	122,557
2038-2042	39,617	59,882	99,499
2043-2047	59,466	55,880	115,346
2048-2052	83,627	50,090	133,717
2053-2057	112,885	42,131	155,016
2058-2062	148,157	31,549	179,706
2063-2067	190,515	17,812	208,327
2068-2070	<u>117,542</u>	<u>2,606</u>	<u>120,148</u>
	\$ <u>1,120,471</u>	<u>467,181</u>	<u>1,587,652</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, 2022 for capital projects compared to the amount authorized:

<u>Project</u>	<u>Costs-to-Date</u>	<u>Amount Authorized</u>
Paving 9th Avenue (Gordy to Taylor)	\$ 111,706	1,244,987
Paving Hunton Road and Simpson Road	909,103	1,204,881
Paving 5th Avenue and 2nd Avenue	41,382	435,244
Myers East Addition Paving	212,317	278,667
Myers East Addition Sewer	155,873	229,512
Paving Deer Run	394,566	424,329
Sanitary Sewer Deer Run	88,860	132,756
Resurfacing Central and S. Main	431,350	565,043
Garcia Court Sewer	107,279	156,342
Adlesperger Paving No. 2947	39,165	702,032
Adlesperger Sewer No 2946	8,637	144,509
Adlesperger Smith- Water	3,000	159,180
Resurfacing Towanda/Kansas/High	282,972	337,820
BASE Grant Projects	157,933	9,000,000

CITY OF EL DORADO, KANSAS
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

NOTE 6 – CAPITAL ASSETS

Capital asset activity for the primary government for the year ended December 31, 2022 was as follows:

Primary Government

	Balance January 1, 2022	Increase	Decrease	Transfers	Balance December 31, 2022
Governmental Activities					
Capital Assets Not Being Depreciated:					
Land	\$ 4,908,909	11,863	-	-	4,920,772
Construction in Progress	10,062	2,291,582	(40,299)	-	2,261,345
Total Capital Assets Not Being Depreciated	<u>4,918,971</u>	<u>2,303,445</u>	<u>(40,299)</u>	<u>-</u>	<u>7,182,117</u>
Capital Assets Being Depreciated:					
Capital Asset Not in Use	50,000	-	-	(50,000)	-
Buildings	12,458,576	-	-	-	12,458,576
Improvements Other Than Buildings	12,662,250	6,769	-	50,000	12,719,019
Machinery and Equipment	11,939,703	895,132	(533,340)	(3,104,488)	9,197,007
Infrastructure	43,766,450	33,530	-	3,563,785	47,363,765
Right-to-Use Leased Assets - Equipment	8,157	-	-	-	8,157
Right-to-Use Leased Assets - Land	563,370	-	-	-	563,370
Total Capital Assets Being Depreciated	<u>81,448,506</u>	<u>935,431</u>	<u>(533,340)</u>	<u>459,297</u>	<u>82,309,894</u>
Less Accumulated Depreciated for:					
Buildings	4,986,331	273,764	-	-	5,260,095
Improvements Other Than Buildings	4,681,578	419,594	-	-	5,101,172
Machinery and Equipment	7,158,992	607,325	(465,465)	(1,300,199)	6,000,653
Infrastructure	25,692,310	1,748,394	-	1,400,259	28,840,963
Right-to-Use Leased Assets - Equipment	1,097	1,631	-	-	2,728
Right-to-Use Leased Assets - Land	6,342	6,342	-	-	12,684
Total Accumulated Depreciated	<u>42,526,650</u>	<u>3,057,050</u>	<u>(465,465)</u>	<u>100,060</u>	<u>45,218,295</u>
Total Capital Assets Being Depreciated, Net	<u>38,921,856</u>	<u>(2,121,619)</u>	<u>(67,875)</u>	<u>359,237</u>	<u>37,091,599</u>
Governmental Activities Capital Assets, Net	<u>\$ 43,840,827</u>	<u>181,826</u>	<u>(108,174)</u>	<u>359,237</u>	<u>44,273,716</u>
Business-Type Activities					
Capital Assets Not Being Depreciated:					
Land	\$ 740,378	-	-	-	740,378
Water Storage Space	28,951,577	-	-	-	28,951,577
Construction in Progress	40,343	333,125	-	(40,343)	333,125
Total Capital Assets Not Being Depreciated	<u>29,732,298</u>	<u>333,125</u>	<u>-</u>	<u>(40,343)</u>	<u>30,025,080</u>
Capital Assets Being Depreciated:					
Buildings	17,434,653	35,735	-	-	17,470,388
Improvements Other Than Buildings	24,562,913	-	-	-	24,562,913
Machinery and Equipment	7,210,240	413,068	(80,214)	(383,298)	7,159,796
Right-to-Use Leased Assets - Equipment	-	83,882	-	-	83,882
Total Capital Assets Being Depreciated	<u>49,207,806</u>	<u>532,685</u>	<u>(80,214)</u>	<u>(383,298)</u>	<u>49,276,979</u>
Less Accumulated Depreciated for:					
Buildings	8,747,808	380,735	-	-	9,128,543
Improvements Other Than Buildings	11,278,736	462,730	-	-	11,741,466
Machinery and Equipment	4,684,833	331,828	(74,755)	(24,061)	4,917,845
Right-to-Use Leased Assets - Equipment	-	12,396	-	-	12,396
Total Accumulated Depreciated	<u>24,711,377</u>	<u>1,187,689</u>	<u>(74,755)</u>	<u>(24,061)</u>	<u>25,800,250</u>
Total Capital Assets Being Depreciated, Net	<u>24,496,429</u>	<u>(655,004)</u>	<u>(5,459)</u>	<u>(359,237)</u>	<u>23,476,729</u>
Business-Type Activities Capital Assets, Net	<u>\$ 54,228,727</u>	<u>(321,879)</u>	<u>(5,459)</u>	<u>(399,580)</u>	<u>53,501,809</u>

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

Governmental Activities:	
General Government	\$ 453,558
Public Safety	357,757
Public Works (Including Depreciation of Infrastructure Assets)	1,916,854
Health and Sanitation	19,822
Culture and Recreation	274,263
Economic Development	<u>34,796</u>
Total Depreciation Expense – Governmental Activities	\$ <u>3,057,050</u>
Business-Type Activities:	
Waterworks Utility	\$ 423,930
Sewer Utility	622,550
Refuse	122,774
Compressed Natural Gas	11,638
Capital Assets Held by the City's Internal Service Fund are Charged to the Various Functions Based on Their Usage	<u>6,797</u>
Total Depreciation Expense – Business-Type Activities	\$ <u>1,187,689</u>

Capital asset activity for the Library component unit for the year ended December 31, 2022 was as follows:

Discretely Presented Component Unit

	Balance January 1, 2022	Increase	Decrease	Transfers	Balance December 31, 2022
Library					
Capital Assets Being Depreciated:					
Buildings	\$ 2,183,679	-	-	-	2,183,679
Machinery and Equipment	46,808	-	-	-	46,808
Books	<u>211,634</u>	<u>13,663</u>	<u>-</u>	<u>-</u>	<u>225,297</u>
Total Capital Assets Being Depreciated	<u>2,442,121</u>	<u>13,663</u>	<u>-</u>	<u>-</u>	<u>2,455,784</u>
Less Accumulated Depreciated for:					
Buildings	1,226,551	142,078	-	-	1,368,629
Machinery and Equipment	7,173	5,562	-	-	12,735
Books	<u>136,265</u>	<u>6,783</u>	<u>-</u>	<u>-</u>	<u>143,048</u>
Total Accumulated Depreciated	<u>1,369,989</u>	<u>154,423</u>	<u>-</u>	<u>-</u>	<u>1,524,412</u>
Library Capital Assets, Net	<u>\$ 1,072,132</u>	<u>(140,760)</u>	<u>-</u>	<u>-</u>	<u>931,372</u>

NOTE 7 – LONG-TERM DEBT

General Obligation Bonds

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

CITY OF EL DORADO, KANSAS
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For the Year Ended December 31, 2022

General obligation bonds payable on December 31, 2022 are comprised of the following issues:

	Interest Rates	Original Issue	Final Maturity Date	Principal Payments in 2022	Outstanding December 31, 2022
General Obligation Bonds					
Governmental Activities					
Series 2010	1.60 - 3.35%	\$ 1,648,262	11/1/2025	\$ 76,790	241,888
Series 2013	1.65 - 2.75%	4,644,322	11/1/2028	154,000	1,012,000
Series 2015	2.00 - 4.00%	3,357,000	11/1/2025	429,693	806,211
Series 2016	1.25 - 2.00%	1,690,000	11/1/2027	145,000	605,000
Series 2019	3.00%	2,835,000	11/1/2039	110,000	2,545,000
Series 2021	2.00% - 4.00%	6,340,000	11/1/2041	380,000	5,960,000
Series 2022	2.86%	3,320,000	9/1/2024	-	3,320,000
				<u>1,295,483</u>	<u>14,490,099</u>
Business-Type Activities					
Series 2010	1.60 - 3.35%	546,738	11/1/2025	23,211	73,111
Series 2013	1.65 - 2.75%	2,000,678	11/1/2028	111,000	708,000
Series 2015	2.00 - 4.00%	580,000	11/1/2025	60,307	188,789
Series 2016	1.25 - 2.00%	6,530,000	11/1/2027	650,000	3,060,000
				<u>844,518</u>	<u>4,029,900</u>
Component Unit Activities					
Series 2016	1.25 - 2.00%	295,000	11/1/2027	30,000	120,000
Total General Obligation Bonds				<u>\$ 2,170,001</u>	<u>18,639,999</u>

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

	Principal	Interest	Total
Governmental Activities			
2023	\$ 1,322,261	433,830	1,756,091
2024	4,399,188	395,754	4,794,942
2025	1,100,050	268,203	1,368,253
2026	881,600	234,627	1,116,227
2027	746,600	206,423	953,023
2028-2032	3,240,400	649,111	3,889,511
2033-2037	1,800,000	251,250	2,051,250
2038-2041	1,000,000	48,600	1,048,600
	<u>\$ 14,490,099</u>	<u>2,487,798</u>	<u>16,977,897</u>
Business-Type Activities			
2023	\$ 857,739	86,081	943,820
2024	875,811	67,380	943,191
2025	894,951	49,082	944,033
2026	828,400	30,236	858,636
2027	448,400	13,135	461,535
2028-2028	124,599	3,427	128,026
	<u>\$ 4,029,900</u>	<u>249,341</u>	<u>4,279,241</u>

CITY OF EL DORADO, KANSAS
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For the Year Ended December 31, 2022

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 \$738,918 is shown as a liability in the sewer fund. The future annual debt service requirements as of December 31, 2022 are as follows:

	Principal	Interest and Service Fees	Total
2023	\$ 62,579	17,578	80,157
2024	64,109	16,048	80,157
2025	65,676	14,481	80,157
2026	67,282	12,875	80,157
2027	68,927	11,230	80,157
2028-2032	370,748	30,035	400,783
2033	39,597	481	40,078
	\$ 738,918	102,728	841,646

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 \$776,305 is shown as a liability in the sewer fund. The future annual debt service requirements for the revolving loan payable as of December 31, 2022 are as follows:

	Principal	Interest	Total
2023	\$ 47,913	22,242	70,155
2024	48,973	20,831	69,804
2025	50,056	19,388	69,444
2026	51,163	17,913	69,076
2027	52,295	16,405	68,700
2028-2032	279,348	44,299	323,647
2033-2037	246,557	12,360	258,917
	\$ 776,305	153,438	929,743

Liability for Water Storage Space – Direct Borrowing

In 1972, the City entered into a contract with the United States Army Corps of Engineers (the Corps) whereby the City provided land and waterworks system assets 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 2022 by \$1,819,494 representing accrued interest. At December 31, 2022, the liability included accrued interest is \$53,775,355. 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.

CITY OF EL DORADO, KANSAS
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

Purchase Agreements – Direct Borrowing

The City has entered into lease agreements as lessee for financing the acquisition of equipment. This year, \$59,550 was included in depreciation expense. These lease agreements qualify as purchase agreements and therefore have been recorded at the present value of their future minimum lease payments as of the inception date.

The assets acquired through purchase agreements are as follows:

Aerial Firetruck	\$	1,152,052
Less Accumulated Depreciation		<u>(367,968)</u>
Net Book Value	\$	<u>784,084</u>

The following is a schedule of future minimum lease payments for purchase agreements as of December 31, 2022:

	Principal	Interest	Total
2023	\$ 122,336	6,528	128,864
2024	124,771	4,093	128,864
2025	127,281	1,601	128,882
2026	<u>10,744</u>	<u>57</u>	<u>10,801</u>
	<u>\$ 385,132</u>	<u>12,279</u>	<u>397,411</u>

Right-to-Use Leased Asset Liabilities

For the year ended December 31, 2022, the financial statements include the adoption of GASB Statement No. 87, *Leases*. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the 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.

Lease activity for the year ended December 31, 2022 was as follows:

On November 1, 2009, the City entered into a 1,066 month lease as lessee for the use of American Legion. An initial lease liability was recorded in the amount of \$563,370. As of December 31, 2022, the value of the lease liability is \$556,879. The City is required to make monthly fixed payments of \$2,000 and has an interest rate of 1.632%. The value of the right-to-use asset as of December 31, 2022 of \$563,370 with accumulated amortization of \$12,684 is included with leased land in Note 6.

On April 29, 2021, the City entered into a 60 month lease as lessee for the use of Xerox computer equipment. An initial lease liability was recorded in the amount of \$8,152. As of December 31, 2022, the value of the lease liability is \$5,323. The City is required to make monthly fixed payments of \$138 and has an interest rate of .617%. The value of the right-to-use asset as of December 31, 2022 of \$8,157 with accumulated amortization of \$2,728 is included with leased equipment in Note 6.

On April 5, 2022, the City entered into a 60 month lease as lessee for the use of Bobcat compact excavator. An initial lease liability was recorded in the amount of \$45,533. As of December 31, 2022, the value of the lease liability is \$36,033. The City is required to make annual fixed payments of \$9,500 and has an interest rate of 2.1567%. The value of the right-to-use asset as of December 31, 2022 of \$45,536 with accumulated amortization of \$6,729 is included with leased equipment in Note 6.

CITY OF EL DORADO, KANSAS
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For the Year Ended December 31, 2022

On April 5, 2022, the City entered into a 60 month lease as lessee for the use of Bobcat compact track loader. An initial lease liability was recorded in the amount of \$38,344. As of December 31, 2022, the value of the lease liability is \$30,344. The City is required to make annual fixed payments of \$8,000 and has an interest rate of 2.1567%. The value of the right-to-use asset as of December 31, 2022 of \$38,346 with accumulated amortization of \$5,667 is included with leased equipment in Note 6.

Annual requirements to amortize long-term obligations and related interest are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Governmental Activities			
2023	\$ 4,561	9,094	13,655
2024	4,620	9,036	13,656
2025	4,679	8,977	13,656
2026	3,494	8,920	12,414
2027	3,131	8,869	12,000
2028-2032	16,446	43,554	60,000
2033-2037	17,844	42,156	60,000
2038-2042	19,360	40,640	60,000
2043-2047	21,004	38,996	60,000
2048-2052	22,789	37,211	60,000
2053-2057	24,725	35,275	60,000
2058-2062	26,826	33,174	60,000
2063-2067	29,105	30,895	60,000
2068-2072	31,578	28,422	60,000
2073-2077	34,261	25,739	60,000
2078-2082	37,172	22,828	60,000
2083-2087	40,330	19,670	60,000
2088-2092	43,756	16,244	60,000
2093-2097	47,474	12,526	60,000
2098-2102	51,507	8,493	60,000
2103-2107	55,884	4,116	60,000
2108	21,661	340	22,001
	<u>\$ 562,207</u>	<u>485,175</u>	<u>1,047,382</u>
Business-Type Activities			
2023	\$ 16,066	1,432	17,498
2024	16,415	1,085	17,500
2025	16,769	731	17,500
2026	17,132	370	17,502
	<u>\$ 66,382</u>	<u>3,618</u>	<u>70,000</u>

Conduit Debt Obligations

To further economic development, 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 from the private-sector entities on the underlying mortgage or promissory notes. In addition, no commitments beyond the collateral, the payments from the private-sector entities and

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maintenance of the tax-exempt status of conduit debt obligations were extended by the City for any of these bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of December 31, 2022, Industrial Revenue Bonds outstanding had an aggregated principal amount payable of approximately \$4,883,380.

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.

Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2022 was as follows:

	Balance January 1, 2022	Additions	Reductions	Outstanding December 31, 2022	Due Within One Year
Governmental Activities					
General Obligation Bonds	\$ 12,465,582	3,320,000	(1,295,483)	14,490,099	1,322,261
Issuance Premiums	910,610	-	(69,895)	840,715	-
Purchase Agreements - Direct Borrowing	505,098	-	(119,966)	385,132	122,336
Compensated Absences	345,744	269,521	(287,780)	327,485	-
Right-to-Use Asset Leases	566,706	-	(4,499)	562,207	4,561
Net Other Post-Employment Benefits Liability	527,906	-	118,159	646,065	-
Net Pension Liability	5,482,914	-	3,045,228	8,528,142	-
Total Long-Term Liabilities - Governmental Activities	<u>20,804,560</u>	<u>3,589,521</u>	<u>1,385,764</u>	<u>25,779,845</u>	<u>1,449,158</u>
Business-Type Activities					
General Obligation Bonds	\$ 4,874,418	-	(844,518)	4,029,900	857,739
Revolving Loan Payable - Direct Borrowing	1,623,184	-	(107,961)	1,515,223	110,492
Water Storage Space Payable - Direct Borrowing	51,955,861	1,819,494	-	53,775,355	-
Compensated Absences	146,016	126,282	(125,096)	147,202	2,969
Right-to-Use Asset Leases	-	83,882	(17,500)	66,382	16,066
Net Other Post-Employment Benefits Liability	261,364	-	27,327	288,691	-
Net Pension Liability	1,216,930	-	611,466	1,828,396	-
Total Long-Term Liabilities - Business-Type Activities	<u>60,077,773</u>	<u>2,029,658</u>	<u>(456,282)</u>	<u>61,651,149</u>	<u>987,266</u>
Component Unit Activities					
General Obligation Bonds	\$ 150,000	-	(30,000)	120,000	30,000
Compensated Absences	20,257	15,203	(15,792)	19,668	-
Net Other Post-Employment Benefits Liability	8,779	-	(5,828)	2,951	-
Net Pension Liability	183,944	-	69,711	253,655	-
Total Long-Term Liabilities - Business-Type Activities	<u>\$ 362,980</u>	<u>15,203</u>	<u>18,091</u>	<u>396,274</u>	<u>30,000</u>

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

NOTE 8 – 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, 2022 were as follows:

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	<u>Transfers Out</u>	<u>Transfers In</u>
Major Governmental Funds		
General	\$ 2,118,510	1,620,000
Construction	-	271,231
Nonmajor Governmental Funds	361,478	1,698,399
Major Proprietary Funds		
Waterworks System	796,300	-
Sewer System	180,549	-
Refuse	132,793	-
Total Transfers	\$ <u>3,589,630</u>	<u>3,589,630</u>

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

NOTE 9 – 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 annual comprehensive financial report, which is available on the KPERs website at www.kpers.org.

Benefits

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

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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, 2022.

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 8.90%. The actuarially determined employer contribution rate (not including the 1% contribution rate for the Death and Disability Program) and the statutory employer capped contribution rate for police and firemen employees are both 22.99%. The member contribution rates as a percentage of eligible compensation for the fiscal year ended June 30, 2022 was 6.00% for local government employees and 7.15% for police and firemen.

Contributions to the pension plan from the City were \$389,920 for KPERS and \$567,898 for KP&F, and from the Library were \$25,067 for KPERS for the year ended December 31, 2022.

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:

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- 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, 2022 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, 2022.

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, 2022 was as follows:

	Local Government	Police and Firemen	Library
Net Pension Liability	\$4,443,517	\$5,913,021	\$253,655
Measurement Date	June 30, 2022	June 30, 2022	June 30, 2022
Valuation Date	December 31, 2021	December 31, 2021	December 31, 2021
City's Proportion	0.224%	0.410%	0.013%
Change in Proportion	-0.004%	-0.006%	-0.003%

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

Actuarial Assumptions

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

Actuarial Cost Method	Entry age normal
Price inflation	2.75%
Salary increase	3.50 to 12.00%, including price inflation
Investment rate of return net of investment expense, including price inflation	7.00% compounded annually

Mortality rates were based on the RP 2014 Mortality Tables, with age setbacks and age set forwards as well as other adjustments based on different membership groups. Future mortality improvements are anticipated using Scale MP-2016.

The actuarial assumptions used in the December 31, 2021 valuation were based on the results of an actuarial experience study conducted for the three year period January 1, 2016 through December 31, 2018. The experience study is dated January 7, 2020.

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

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

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate was based on member and employer contributions. The local groups and Kansas Police and Firemen are contributing at the full actuarial contribution rate. Based on legislation first 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 7.00%, 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 (6.00%) or 1 percentage point higher (8.00%) than the current rate:

	<u>1% Decrease (6.00%)</u>	<u>Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
Local Employees	\$ 6,383,257	\$ 4,443,517	\$ 2,827,433
Police and Firemen	8,110,574	5,913,021	4,084,530
Library	364,383	253,655	161,402

Pension Expense

For the year ended December 31, 2022, the City recognized pension expense of \$1,413,150 and \$29,898 for the Library, which includes the changes in the collective net pension liability, projected earnings on pension plan investments, and the amortization of deferred outflows of resources and deferred inflows of resources for the current period.

At December 31, 2022, the City and the Library reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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City		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	\$ 418,998	7,965
Net differences between projected and actual earnings on investments	781,961	-
Change of assumptions	1,470,131	-
Changes in proportionate share	187,826	188,787
City contributions subsequent to measurement date	485,976	-
Total	\$ 3,344,892	196,752

Library		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	\$ 9,594	455
Net differences between projected and actual earnings on investments	21,472	-
Change of assumptions	40,545	-
Changes in proportionate share	7,282	28,891
Library contributions subsequent to measurement date	12,608	-
Total	\$ 91,501	29,346

The \$485,976 and \$12,608 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, 2023. 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
2023	\$ 730,009	15,263
2024	698,750	14,494
2025	377,394	3,559
2026	827,345	16,369
2027	28,666	(138)
Total	\$ 2,662,164	49,547

NOTE 10 – OTHER POSTEMPLOYMENT HEALTHCARE BENEFITS

Health Insurance

Plan Administration

The City's other postemployment benefits (OPEB) are accounted for through the Retiree Health Care Benefit Plan Trust (the Plan). The Plan is a single-employer defined benefit health care plan administered by the City to provide medical, prescription drug, dental, and vision benefits to retired employees and their dependents under certain conditions. The Plan is governed by the City Commission and managed by the finance department of the City.

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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, 2022, Plan membership consisted of the following:

Inactive plan members currently receiving benefit payments	3
Inactive plan members entitled to but not yet receiving benefit payments	-
Active plan members	129
Total	132

Benefits Provided

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

Contributions

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

Net OPEB Liability

At December 31, 2022, the City's net OPEB liability was \$705,868. The net OPEB liability was measured as of December 31, 2022 and was determined by an actuarial valuation performed as of January 1, 2021.

Actuarial Assumptions and Other Inputs

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

Measurement Date	December 31, 2022
Valuation Date	January 1, 2021
Reporting Date for Employer	December 31, 2022
Measurement Period	January 1, 2022 to December 31, 2022
Discount Rate	6.00%
Inflation Rate	2.50%
Salary Increases	5.00%
Mortality Table	RP-2014 Total Employee and Healthy Annuitant tables adjusted to 2006 and projected with MP-2021 future mortality improvement scale
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Value
Investment Rate of Return	6.00%

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Health Care Cost Trend Rates		
Year	Claims Rate %	Expenses Rate %
2022	6.25	4.00
2023	6.00	4.00
2024	5.75	4.00
2025	5.50	4.00
2026	5.25	4.00
2027+	5.00	4.00

The actuarial assumptions used in the January 1, 2021 valuation were based on actual claims experience for the period January 1, 2012 to June 30, 2020 and blended with anticipated claims based on the Plan provisions.

Discount Rate

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

Changes in the Net OPEB Liability

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) – (b)
Balance at December 31, 2021	\$ 1,193,484	516,882	676,602
Changes for the year:			
Service Cost	27,558	-	27,558
Interest	72,131	-	72,131
Changes in Benefit Terms	-	-	-
Difference between Expected and Actual Experience	-	-	-
Changes of Assumptions/Methodology	-	-	-
Employer Contributions	-	140,869	(140,869)
Net Investment Income	-	(108,165)	108,165
Benefit Payments	(37,719)	-	(37,719)
Net Changes	61,970	32,704	29,266
Balance at December 31, 2022	\$ 1,255,454	549,586	705,868

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

	1% Decrease (5.00%)	Discount Rate (6.00%)	1% Increase (7.00%)
Net OPEB Liability	\$ 626,909	705,868	796,540

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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 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	\$ 832,629	705,868	594,345

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

For the year ended December 31, 2022, the City recognized OPEB expense of \$134,327. At December 31, 2022, 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	\$ 211,495	-
Change of assumptions	53,820	9,445
Net difference between projected and actual earnings on OPEB plan investments	98,594	-
Total	\$ 363,909	9,445

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>	
2023	\$ 64,574
2024	61,108
2025	66,496
2026	65,456
2027	36,774
Thereafter	<u>60,056</u>
Total	\$ 354,464

Disability Benefits and Life Insurance

Plan Description

The City contributes to the KPERS Long-Term Disability plan, a single-employer defined benefit other post-employment benefit (OPEB) plan which is administered by a board of trustees appointed by KPERS. The Plan provides long-term disability benefits and life insurance benefit for disabled members to KPERS members, as provided by K.S.A. 74-4925. The plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. However, because the trust's assets are used to pay employee benefits other than OPEB, no assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75. There is no stand-alone financial report for the plan.

Benefits Provided

Benefits are established by statute and may be amended by the KPERS Board of Trustees. The Plan provides long-term disability and life insurance benefits to eligible disabled members. Benefits provided are self-funded, and the full cost of the benefits is covered by the OPEB Plan. The monthly benefit is 60% of the member's monthly rate of compensation, with a minimum of \$100 and a maximum of \$5,000. The monthly benefit is subject to reduction by deductible sources of income, which include Social Security primary

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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, 2022 totaled \$22,160 and \$1,417 for the City and Library, respectively.

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

	City	Library
Inactive plan members or beneficiaries currently receiving benefit payments	1	-
Active plan members	85	8
	86	8

Total OPEB Liability

The total OPEB liability for the City and Library of \$228,889 and \$2,951, respectively, was measured as of June 30, 2021 and was determined by an actuarial valuation performed as of December 31, 2020.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the December 31, 2021 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	3.54%
Implicit Inflation Rate	2.75%
Mortality Rates	Local Males: 90% of RP-2014 M Total Dataset +2 Local Females: 90% of RP-2014 F Total Dataset +1 Generational mortality improvements were projected for future years using MP-2021 Post-disability mortality rates are included in long-term disability claim termination rates.
Salary Increases	3.50% to 10.00% based on years of service
Payroll Growth	3.00%
Actuarial Cost Method	Entry Age Normal

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

The actuarial assumptions used in the December 31, 2021 valuation were based on the results of an actuarial experience study conducted for the period January 1, 2016 through December 31, 2018.

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

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Changes in the Total OPEB Liability

	<u>City</u>	<u>Library</u>
Balance at December 31, 2021	\$ 112,668	8,779
Changes for the year:		
Service Cost	17,715	847
Interest on Total OPEB Liability	2,686	(131)
Effect of Economic/Demographic Gains or Losses	157,833	26,153
Effect of Assumptions Changes or Inputs	(49,772)	(1,143)
Benefit Payments	(12,241)	(31,554)
Net Changes	116,221	(5,828)
Balance at December 31, 2022	\$ 228,889	2,951

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 (2.54%) or 1-percentage-point higher (4.54%) than the current discount rate:

	<u>1% Decrease (2.54%)</u>	<u>Discount Rate (3.54%)</u>	<u>1% Increase (4.54%)</u>
City's Total OPEB Liability	\$ 243,991	228,889	214,893
Library's Total OPEB Liability	3,053	2,951	2,832

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

	<u>1% Decrease</u>	<u>Health Cost Trend Rates</u>	<u>1% Increase</u>
City's Total OPEB Liability	\$ 228,889	228,889	228,889
Library's Total OPEB Liability	2,951	2,951	2,951

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

For the year ended December 31, 2022, the City and the Library recognized OPEB expense of \$22,837 and \$3,072, respectively. At December 31, 2022, the City and the Library reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<u>City</u>		<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between actual and expected experience	\$	142,144	60,570
Changes in assumptions		8,369	47,051
Benefit payments subsequent to measurement date		22,159	-
Total	\$	172,672	107,621

CITY OF EL DORADO, KANSAS
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

Library	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	\$ 23,906	1,667
Changes in assumptions	506	1,232
Benefit payments subsequent to measurement date	1,417	-
Total	\$ 25,829	2,899

The \$22,159 and \$1,417 for the City and the Library, respectively, reported as deferred outflows of resources related to OPEB 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, 2023. 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
2023	\$ 2,436	2,356
2024	2,436	2,356
2025	2,436	2,356
2026	2,564	2,369
2027	3,185	2,396
Thereafter	29,834	9,680
Total	\$ 42,891	21,513

Aggregate Other Postemployment Healthcare Benefit Information

	Health Insurance	KPERS	Total
City			
Net OPEB Liability	\$ 705,868	228,889	934,757
Total Deferred Outflows of Resources	363,909	172,672	536,581
Total Deferred Inflows of Resources	9,445	107,621	117,066

The aggregate amount of OPEB expenses for the two OPEB plans for the year ended December 31, 2022 was \$157,164 for the City.

NOTE 11 – ENCUMBRANCES

Encumbrances included in fund balances as of December 31, 2022 are reported in the accompanying table:

Fund	Encumbrances
Major Funds	
Construction Fund	\$ 1,900,900
Sewer Fund	164,348
Water Fund	318,487
Nonmajor Governmental Funds	320,780
Total Reporting Entity	\$ 2,704,515

CITY OF EL DORADO, KANSAS
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

NOTE 12 – 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 13 - RISK MANAGEMENT

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

Health Reimbursement Arrangement

The City entered into a Health Reimbursement Arrangement (HRA) during 2021. The full-time employee benefit is an HRA as defined by Section 105 of the Internal Revenue Code. The HRA plan is funded solely by the employer. The HRA plan allows for reimbursement of certain out-of-pocket medical and prescription drug costs incurred by the employee, their spouse or their dependents. The maximum allowance per year through BCBS is \$6,350 for employee only, \$12,700 for employee and spouse, employee and children and employee and family. Of this amount the employee is responsible for \$2,500 for employee only and \$5,000 for employee and spouse, employee and children and employee and family. The City is responsible for the difference. The amount the City paid in HRA reimbursements was \$237,940 for the year ended December 31, 2022.

NOTE 14 – TAX ABATEMENTS

The Neighborhood Revitalization Rebate Program provides property tax abatements to promote revitalization and development of the **City of El Dorado, Kansas** by stimulating new construction and the rehabilitation, conservation or redevelopment of the area in order to protect the public health, safety or welfare of the residents. Abatements are obtained through application by the property owner, including proof that the improvements or construction have been made, and equal 95 percent in the first year of the additional property tax resulting from the increase in assessed value as a result of the improvements or construction. The abatement is for 95% of the tax payment of the renovated value over 10-years. The amount of the abatement is deducted from the recipient's County property tax bill. For the fiscal year ended December 31, 2022, abated sales taxes that impacted the City totaled \$157,920.

NOTE 15 – PRIOR PERIOD ADJUSTMENT

For 2022, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. GASB Statement No. 87 enhances the relevance and consistency of information of the government's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right-to-use an underlying asset. A lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. These changes were incorporated in the City's 2022 financial statements and had an effect on the beginning net position and fund balances.

The General Fund and Building Demo Fund budgetary basis statements include a prior period restatement for transfers made among funds included within the General fund on the Governmental Funds and Governmental Activities.

The implementation of GASB Statement No. 87 had the following effect on net position and fund balance as reported December 31, 2022:

CITY OF EL DORADO, KANSAS
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

<u>Financial Statements/Fund</u>	<u>As Previously Stated</u>	<u>Prior Period Adjustment</u>	<u>Restated</u>
Government-wide Financial Statements			
Governmental Activities	\$ 40,215,292	(2,539)	40,212,753
Business-Type Activities	395,615	21,441	417,056
Individual Fund Financial Statements			
Governmental Funds			
General Fund	\$ 3,871,706	84	3,871,790
Proprietary Funds			
Waterworks System Fund	(13,143,301)	2,769	(13,140,532)
Sewer System Fund	11,433,457	18,672	11,452,129

NOTE 16 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through July 17, 2023, which is the date the financial statements were available to be issued.

The National Defense Authorization Act of 2022 passed Congress and the bill was signed by the President as Public Law No. 117-263 on December 27, 2022. Within the Act, there is a special provision to modify the accrued interest on the principal amount beginning June 30, 1991 from compounding to simple interest on the Water Storage Space loan with the United States Army Corps of Engineers (the Corps). The anticipated effect of the new legislation will reduce the outstanding balance on the future storage space from \$53.8 million to \$39.2 million. The amendment to the existing water storage supply agreement is expected to be received from the Corps in 2023 and will reflect and formalize the process of utilizing simple interest.

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 Nine Fiscal Years*

	2022	2021	2020	2019	2018	2017	2016	2015	2014
City's Proportion of the Collective Net Pension Liability									
KPERS	0.223512%	0.227740%	0.221358%	0.226778%	0.236020%	0.249159%	0.253304%	0.243809%	0.238711%
KP&F	0.409991%	0.415729%	0.394022%	0.398968%	0.402679%	0.418974%	0.414763%	0.409768%	0.402789%
City's Proportionate Share of the Collective Net Pension Liability	\$ 10,356,538	6,699,844	8,696,413	7,206,966	7,164,204	7,538,051	7,770,855	6,176,718	5,579,746
City's Covered Payroll	6,943,878	6,734,185	6,326,395	6,557,637	6,295,994	6,310,319	6,321,921	5,952,445	5,741,758
City's Proportionate Share of the Collective Net Pension Liability as a Percentage of its Covered Payroll	149.15%	99.49%	137.46%	109.90%	113.79%	119.46%	122.92%	103.77%	97.18%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	69.75%	76.40%	66.30%	69.88%	68.88%	67.12%	65.10%	64.95%	66.60%

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

See Independent Auditor's Report.

CITY OF EL DORADO, KANSAS
BRADFORD MEMORIAL LIBRARY
Schedule of the Library's Proportionate Share of the Collective Net Pension Liability
Kansas Public Employees Retirement System
Last Nine Fiscal Years*

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Library's Proportion of the Collective Net Pension Liability	0.012759%	0.015329%	0.014999%	0.014269%	0.014568%	0.014072%	0.013568%	0.013548%	0.014177%
Library's Proportionate Share of the Collective Net Pension Liability	\$ 253,655	183,944	260,031	199,391	203,047	203,827	209,901	177,891	174,492
Library's Covered Payroll	256,388	295,640	282,970	276,992	254,607	255,897	232,764	226,266	223,714
Library's Proportionate Share of the Collective Net Pension Liability as a Percentage of its Covered Payroll	98.93%	62.22%	91.89%	71.98%	79.75%	79.65%	90.18%	78.62%	78.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	69.75%	76.40%	66.30%	69.88%	68.88%	67.12%	65.10%	64.95%	66.60%

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

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
KPERS Contractually Required Contribution	\$ 399,140	394,916	371,408	385,748	350,451	366,093	400,701	401,217	352,578	310,747
KP&F Contractually Required Contribution	557,481	541,921	477,976	497,533	418,470	396,241	418,425	407,629	363,076	322,865
Contribution in Relation to the Contractually Required Contribution	<u>(956,621)</u>	<u>(936,837)</u>	<u>(849,384)</u>	<u>(883,281)</u>	<u>(768,921)</u>	<u>(762,334)</u>	<u>(819,126)</u>	<u>(808,846)</u>	<u>(715,654)</u>	<u>(633,612)</u>
Contribution Deficiency (Excess) \$	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
City's Covered Payroll	\$ 6,860,892	6,829,115	6,387,476	6,587,356	6,259,987	6,336,505	6,414,029	6,369,673	6,038,625	6,014,997
Contributions as a Percentage of Covered Payroll	13.94%	13.72%	13.30%	13.41%	12.28%	12.03%	12.77%	12.70%	11.85%	10.53%

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>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 22,784	23,058	24,582	25,398	21,740	22,177	22,353	23,375	22,235	20,924
Contribution in Relation to the Contractually Required Contribution	<u>(22,784)</u>	<u>(23,058)</u>	<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>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Library's Covered Payroll	\$ 281,650	259,958	285,501	285,687	259,120	262,144	243,498	247,351	249,435	254,058
Contributions as a Percentage of Covered Payroll	8.09%	8.87%	8.61%	8.89%	8.39%	8.46%	9.18%	9.45%	8.91%	8.24%

See Independent Auditor's Report.

CITY OF EL DORADO, KANSAS
Notes to Required Supplementary Information
Kansas Public Employee Retirement System
December 31, 2022

Changes in assumptions.

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

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

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

KPERS

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

KP&F

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

As a result of the experience study completed in January 2020, there were several changes made to the actuarial assumptions and methods since the prior valuation.

- The investment return assumption was lowered from 7.75% to 7.00%.
- The general wage growth assumption was lowered from 3.50% to 3.25%.
- The payroll growth assumption was lowered from 3.00% to 2.75%.

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

KPERS

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

CITY OF EL DORADO, KANSAS
Notes to Required Supplementary Information
Kansas Public Employee Retirement System
December 31, 2022

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

KP&F

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

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

	2022	2021	2020	2019	2018	2017
Total OPEB Liability						
Service Cost	\$ 27,558	26,245	18,226	17,610	8,434	8,109
Interest	72,131	67,968	62,873	60,992	40,116	40,203
Changes of Benefits Terms	-	(2,293)	-	(11,382)	-	-
Differences Between Expected and Actual Experience	-	45,662	-	282,843	-	-
Changes of Assumptions/Methodology	-	(12,541)	-	66,882	-	-
Benefit Payments	(37,719)	(14,578)	(55,466)	(40,303)	(55,932)	(44,251)
Net Change in Total OPEB Liability	<u>61,970</u>	<u>110,463</u>	<u>25,633</u>	<u>376,642</u>	<u>(7,382)</u>	<u>4,061</u>
Total OPEB Liability, Beginning	<u>1,193,484</u>	<u>1,083,021</u>	<u>1,057,388</u>	<u>680,746</u>	<u>688,128</u>	<u>684,067</u>
Total OPEB Liability, Ending (a)	<u>\$ 1,255,454</u>	<u>1,193,484</u>	<u>1,083,021</u>	<u>1,057,388</u>	<u>680,746</u>	<u>688,128</u>
Plan Fiduciary Net Position						
Contributions - Employer	\$ 140,869	-	71,442	71,442	123,880	68,451
Net Investment Income (Loss)	(108,165)	25,762	63,398	42,203	(11,952)	15,928
Benefit Payments	-	(50,000)	-	-	-	-
Net Change in Plan Fiduciary Net Position	<u>32,704</u>	<u>(24,238)</u>	<u>134,840</u>	<u>113,645</u>	<u>111,928</u>	<u>84,379</u>
Plan Fiduciary Net Position, Beginning	<u>516,882</u>	<u>541,120</u>	<u>406,280</u>	<u>292,635</u>	<u>180,707</u>	<u>96,328</u>
Plan Fiduciary Net Position, Ending (b)	<u>\$ 549,586</u>	<u>516,882</u>	<u>541,120</u>	<u>406,280</u>	<u>292,635</u>	<u>180,707</u>
City's Net OPEB Liability, Ending (a) - (b)	<u>\$ 705,868</u>	<u>676,602</u>	<u>541,901</u>	<u>651,108</u>	<u>388,111</u>	<u>507,421</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	43.78%	43.31%	49.96%	38.42%	42.99%	26.26%
Covered-Employee Payroll	\$ 6,352,304	6,049,813	6,220,435	6,010,082	6,212,889	5,973,932
City's Net OPEB Liability as a Percentage of Covered Payroll	11.11%	11.18%	8.71%	10.83%	6.25%	8.49%

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

See Independent Auditor's Report.

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

	2022	2021	2020	2019	2018	2017
Actuarially Determined Contribution	\$ 69,427	69,427	71,442	71,442	61,940	61,940
Contribution in Relation to the Actuarially Determined Contribution	(140,869)	-	(71,442)	(71,442)	(123,880)	(68,451)
Contribution Deficiency (Excess)	\$ (71,442)	69,427	-	-	(61,940)	(6,511)
City's Covered-Employee Payroll	\$ 6,352,304	6,049,813	6,220,435	6,010,082	6,212,889	5,973,932
Contributions as a Percentage of Covered-Employee Payroll	2.22%	0.00%	1.15%	1.19%	1.99%	1.15%

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

Notes to Schedule

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

Valuation Date	January 1, 2021
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Value
Amortization Method	Level Dollar, Open
Amortization Period	30 Years
Salary Increases	5.00%
Investment Rate of Return	6.00%
Mortality Table	RP 2014 Total Employee and Healthy Annuitant tables adjusted to 2006 and projected with MP 2021 future mortality improvement scale.

Schedule of Investment Returns
Other Postemployment Benefits - Health Insurance
Last Six Fiscal Years*

	2022	2021	2020	2019	2018	2017
Annual Money-Weighted Rate of Return, Net of Investment Expenses	6.00%	6.00%	6.00%	10.39%	-4.08%	8.81%

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

See Independent Auditor's Report.

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

	2022	2021	2020	2019	2018	2017
Total OPEB Liability						
Service Cost	\$ 17,715	18,553	15,255	15,403	15,319	16,484
Interest	2,686	3,217	4,554	5,379	4,786	3,478
Effect of Economic/Demographic Gains or Losses	157,833	(35,753)	(15,440)	(27,955)	(9,720)	-
Effect of Assumptions Changes or Inputs	(49,772)	229	10,119	1,932	(1,659)	(3,752)
Benefit Payments	(12,241)	(1,165)	(3,495)	(3,495)	(3,495)	(3,315)
Net Change in Total OPEB Liability	<u>116,221</u>	<u>(14,919)</u>	<u>10,993</u>	<u>(8,736)</u>	<u>5,231</u>	<u>12,895</u>
Total OPEB Liability, Beginning	<u>112,668</u>	<u>127,587</u>	<u>116,594</u>	<u>125,330</u>	<u>120,099</u>	<u>107,204</u>
Total OPEB Liability, Ending	<u>\$ 228,889</u>	<u>112,668</u>	<u>127,587</u>	<u>116,594</u>	<u>125,330</u>	<u>120,099</u>
Covered Payroll	\$ 4,252,095	4,055,411	4,194,581	4,038,834	4,183,182	4,028,513
City's Total OPEB Liability as a Percentage of Covered Payroll	5.38%	2.78%	3.04%	2.89%	3.00%	2.98%

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

Notes to Schedule

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

- The Discount Rate increased from 3.58% on June 30, 2017 to 3.87% on June 30, 2018.
- The Discount Rate increased from 3.87% on June 30, 2018 to 3.50% on June 30, 2019.
- The Discount Rate increased from 3.50% on June 30, 2019 to 2.21% on June 30, 2020.
- The Discount Rate increased from 2.21% on June 30, 2020 to 2.16% on June 30, 2021.
- The Discount Rate increased from 2.16% on June 30, 2021 to 3.54% on June 30, 2022.

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 Six Fiscal Years*

	2022	2021	2020	2019	2018	2017
Total OPEB Liability						
Service Cost	\$ 847	843	667	533	529	644
Interest	(131)	251	430	493	508	454
Effect of Economic/Demographic Gains or Losses	26,153	(1,643)	(467)	597	(49)	-
Effect of Assumptions Changes or Inputs	(1,143)	15	574	157	(129)	(367)
Benefit Payments	(31,554)	(2,341)	(2,341)	(2,341)	(2,341)	(2,341)
Net Change in Total OPEB Liability	(5,828)	(2,875)	(1,137)	(561)	(1,482)	(1,610)
Total OPEB Liability, Beginning	8,779	11,654	12,791	13,352	14,834	16,444
Total OPEB Liability, Ending	\$ 2,951	8,779	11,654	12,791	13,352	14,834
Covered-Employee Payroll	\$ 231,095	288,134	285,319	260,302	223,121	243,500
Library's Total OPEB Liability as a Percentage of Covered-Employee Payroll	1.28%	3.05%	4.08%	4.91%	5.98%	6.09%

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

Notes to Schedule

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

- The Discount Rate increased from 3.58% on June 30, 2017 to 3.87% on June 30, 2018.
- The Discount Rate increased from 3.87% on June 30, 2018 to 3.50% on June 30, 2019.
- The Discount Rate increased from 3.50% on June 30, 2019 to 2.21% on June 30, 2020.
- The Discount Rate increased from 2.21% on June 30, 2020 to 2.16% on June 30, 2021.
- The Discount Rate increased from 2.16% on June 30, 2021 to 3.54% on June 30, 2022.

CITY OF EL DORADO, KANSAS

Other Supplementary Information

Combining Financial Statements and Individual Fund Schedules

NONMAJOR GOVERNMENTAL FUNDS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

CITY OF EL DORADO, KANSAS
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2022

	Airport	Major Street Improvement	Industrial Development	Special Parks and Recreation	Tourism Tax	Economic Development Sales Tax	Stormwater Utility	Family Life Center	Expendable Trust
ASSETS									
Cash and Investments	\$ 173,349	321,716	441,728	85,950	400,656	285,742	473,158	10,435	1,271,337
Inventories	44,048	-	-	-	-	-	-	-	-
Receivables (Net of Allowance for Uncollectibles)									
Property Tax	97,462	-	120,711	-	-	-	-	-	-
Special Assessment Tax	-	-	-	-	-	-	323,348	-	-
Sales Tax	-	-	-	-	-	-	-	-	-
Accounts	10,800	-	-	-	-	-	-	-	-
Due from Other Governments	-	128,398	6,720	-	66,147	-	15	-	-
Total Assets	\$ 325,659	450,114	569,159	85,950	466,803	285,742	796,521	10,435	1,271,337
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES									
Liabilities									
Accounts Payable	\$ 14,492	15,101	5,000	-	926	-	720	10,435	-
Accrued Wages	1,402	14,390	-	-	1,436	-	3,407	-	-
Unearned Revenue - Grant Proceeds Other Than Timing	-	-	-	-	-	-	-	-	728,182
Total Liabilities	15,894	29,491	5,000	-	2,362	-	4,127	10,435	728,182
Deferred Inflows of Resources									
Unavailable Revenue - Property Taxes	97,462	-	120,711	-	-	-	-	-	-
Unavailable Revenue - Special Assessment	-	-	-	-	-	-	323,348	-	-
Total Deferred Inflows of Resources	97,462	-	120,711	-	-	-	323,348	-	-
Fund Balance									
Nonspendable									
Inventories	44,048	-	-	-	-	-	-	-	-
Restricted									
Police Operations	-	-	-	-	-	-	-	-	-
Tourism	-	-	-	-	464,441	-	-	-	-
Domestic Violence Prevention	-	-	-	-	-	-	-	-	-
Park Improvements	-	-	-	85,950	-	-	-	-	-
Stormwater Systems	-	-	-	-	-	-	469,046	-	-
Ordinance Street Sales Tax	-	-	-	-	-	-	-	-	-
Excess Sales Tax	-	-	-	-	-	-	-	-	-
Economic Development	-	-	-	-	-	-	-	-	-
Committed									
Public Safety Equipment	-	-	-	-	-	-	-	-	-
Assigned									
Airport Improvements	168,255	-	-	-	-	-	-	-	-
Economic Development Sales Tax	-	-	-	-	-	285,742	-	-	-
Industrial Development	-	-	443,448	-	-	-	-	-	-
Street Improvements	-	420,623	-	-	-	-	-	-	-
Police Equipment	-	-	-	-	-	-	-	-	543,155
Total Fund Balance	212,303	420,623	443,448	85,950	464,441	285,742	469,046	-	543,155
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 325,659	450,114	569,159	85,950	466,803	285,742	796,521	10,435	1,271,337

See Independent Auditor's Report.

CITY OF EL DORADO, KANSAS
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
December 31, 2022

	Customer Deposit	Law Enforcement Trust	Police Department Seized Assets	Ordinance Street Sales Tax	Excess Sales Tax	Special Alcohol Program	Community Improvement District	ARPA	Totals
ASSETS									
Cash and Investments	\$ 49,108	3,346	22,030	1,122,824	741,546	37,237	139,889	-	5,580,051
Inventories	-	-	-	-	-	-	-	-	44,048
Receivables (Net of Allowance for Uncollectibles)									
Property Tax	-	-	-	-	-	-	-	-	218,173
Special Assessment Tax	-	-	-	-	-	-	-	-	323,348
Sales Tax	-	-	-	-	-	-	35,368	-	35,368
Accounts	-	-	-	-	-	-	-	-	10,800
Due from Other Governments	-	423	-	-	-	-	-	-	201,703
Total Assets	\$ 49,108	3,769	22,030	1,122,824	741,546	37,237	175,257	-	6,413,491
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES									
Liabilities									
Accounts Payable	\$ -	-	-	-	-	-	55,643	-	102,317
Accrued Wages	-	-	-	-	-	-	-	-	20,635
Unearned Revenue - Grant Proceeds Other Than Timing	-	-	-	-	-	-	-	-	728,182
Total Liabilities	-	-	-	-	-	-	55,643	-	851,134
Deferred Inflows of Resources									
Unavailable Revenue - Property Taxes	-	-	-	-	-	-	-	-	218,173
Unavailable Revenue - Special Assessment	-	-	-	-	-	-	-	-	323,348
Total Deferred Inflows of Resources	-	-	-	-	-	-	-	-	541,521
Fund Balance									
Nonspendable									
Inventories	-	-	-	-	-	-	-	-	44,048
Restricted									
Police Operations	-	3,769	-	-	-	-	-	-	3,769
Tourism	-	-	-	-	-	-	-	-	464,441
Domestic Violence Prevention	-	-	-	-	-	37,237	-	-	37,237
Park Improvements	-	-	-	-	-	-	-	-	85,950
Stormwater Systems	-	-	-	-	-	-	-	-	469,046
Ordinance Street Sales Tax	-	-	-	1,122,824	-	-	-	-	1,122,824
Excess Sales Tax	-	-	-	-	741,546	-	-	-	741,546
Economic Development	-	-	-	-	-	-	119,614	-	119,614
Committed									
Public Safety Equipment	49,108	-	-	-	-	-	-	-	49,108
Assigned									
Airport Improvements	-	-	-	-	-	-	-	-	168,255
Economic Development Sales Tax	-	-	-	-	-	-	-	-	285,742
Industrial Development	-	-	-	-	-	-	-	-	443,448
Street Improvements	-	-	-	-	-	-	-	-	420,623
Police Equipment	-	-	22,030	-	-	-	-	-	565,185
Total Fund Balance	49,108	3,769	22,030	1,122,824	741,546	37,237	119,614	-	5,020,836
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 49,108	3,769	22,030	1,122,824	741,546	37,237	175,257	-	6,413,491

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, 2022

	Airport	Major Street Improvement	Industrial Development	Special Parks and Recreation	Tourism Tax	Economic Development Sales Tax	Stormwater Utility	Family Life Center	Expendable Trust
Revenues									
Taxes									
Property	\$ 96,625	-	118,038	-	-	-	-	-	-
Sales	-	-	-	-	-	100,000	-	-	-
Tourism	-	-	-	-	233,899	-	-	-	-
Intergovernmental	13,000	558,082	-	36,552	-	-	47,929	183,150	3,159
Licenses and Permits	-	4,318	-	4,860	-	-	-	-	-
Charges for Services	233,157	125	-	-	-	-	-	-	-
Special Assessments	-	-	-	-	-	-	331,275	-	-
Investment Earnings	2,271	-	9,001	1,263	6,565	4,145	9,154	-	-
Miscellaneous	5,789	-	-	-	38,730	2,500	-	-	53,601
Total Revenues	<u>350,842</u>	<u>562,525</u>	<u>127,039</u>	<u>42,675</u>	<u>279,194</u>	<u>106,645</u>	<u>388,358</u>	<u>183,150</u>	<u>56,760</u>
Expenditures									
Current									
General Government	277,795	-	-	-	159,239	123,781	165,564	-	54,921
Highways and Streets	-	1,015,781	-	-	-	-	-	-	-
Health and Sanitation	-	-	-	-	-	-	-	183,150	-
Culture and Recreation	-	-	-	5,557	-	-	-	-	-
Economic Development	-	-	112,221	-	-	-	-	-	-
Debt Service									
Principal	39,512	-	-	-	-	-	-	-	-
Interest and Other Charges	5,291	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	58,936
Total Expenditures	<u>322,598</u>	<u>1,015,781</u>	<u>112,221</u>	<u>5,557</u>	<u>159,239</u>	<u>123,781</u>	<u>165,564</u>	<u>183,150</u>	<u>116,082</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>28,244</u>	<u>(453,256)</u>	<u>14,818</u>	<u>37,118</u>	<u>119,955</u>	<u>(17,136)</u>	<u>222,794</u>	<u>-</u>	<u>(59,322)</u>
Other Financing Sources (Uses)									
Sale of Real Estate and Equipment	-	-	-	-	-	1,000	-	-	-
Transfers In	-	612,302	-	-	-	-	-	-	211,060
Transfers Out	-	-	-	-	-	-	(119,105)	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>612,302</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,000</u>	<u>(119,105)</u>	<u>-</u>	<u>211,060</u>
Net Change in Fund Balance	<u>28,244</u>	<u>159,046</u>	<u>14,818</u>	<u>37,118</u>	<u>119,955</u>	<u>(16,136)</u>	<u>103,689</u>	<u>-</u>	<u>151,738</u>
Fund Balance, Beginning of the Year	<u>184,059</u>	<u>261,577</u>	<u>428,630</u>	<u>48,832</u>	<u>344,486</u>	<u>301,878</u>	<u>365,357</u>	<u>-</u>	<u>391,417</u>
Fund Balance, End of Year	<u>\$ 212,303</u>	<u>420,623</u>	<u>443,448</u>	<u>85,950</u>	<u>464,441</u>	<u>285,742</u>	<u>469,046</u>	<u>-</u>	<u>543,155</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	ARPA	Totals
Revenues									
Taxes									
Property	\$ -	-	-	-	-	-	-	-	214,663
Sales	-	-	-	-	-	-	-	-	100,000
Tourism	-	-	-	-	-	-	-	-	233,899
Intergovernmental	-	1,577	-	-	-	36,552	144,966	1,976,899	3,001,866
Licenses and Permits	-	-	-	-	-	-	-	-	9,178
Charges for Services	-	-	-	-	-	-	-	-	233,282
Special Assessments	-	-	-	-	-	-	-	-	331,275
Investment Earnings	-	-	-	12,962	-	615	-	-	45,976
Miscellaneous	116,227	-	37,556	-	-	-	-	-	254,403
Total Revenues	<u>116,227</u>	<u>1,577</u>	<u>37,556</u>	<u>12,962</u>	<u>-</u>	<u>37,167</u>	<u>144,966</u>	<u>1,976,899</u>	<u>4,424,542</u>
Expenditures									
Current									
General Government	71,503	2,777	34,778	159,050	-	-	103,059	1,976,899	3,129,366
Highways and Streets	-	-	-	-	-	-	-	-	1,015,781
Health and Sanitation	-	-	-	-	-	33,453	-	-	216,603
Culture and Recreation	-	-	-	-	-	-	-	-	5,557
Economic Development	-	-	-	-	-	-	-	-	112,221
Debt Service									
Principal	-	-	-	-	-	-	-	-	39,512
Interest and Other Charges	-	-	-	-	-	-	-	-	5,291
Capital Outlay	-	-	-	-	-	-	-	-	58,936
Total Expenditures	<u>71,503</u>	<u>2,777</u>	<u>34,778</u>	<u>159,050</u>	<u>-</u>	<u>33,453</u>	<u>103,059</u>	<u>1,976,899</u>	<u>4,585,492</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>44,724</u>	<u>(1,200)</u>	<u>2,778</u>	<u>(146,088)</u>	<u>-</u>	<u>3,714</u>	<u>41,907</u>	<u>-</u>	<u>(160,950)</u>
Other Financing Sources (Uses)									
Sale of Real Estate and Equipment	-	-	2,400	-	-	-	-	-	3,400
Transfers In	-	-	-	600,000	275,037	-	-	-	1,698,399
Transfers Out	-	-	-	-	(242,373)	-	-	-	(361,478)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>2,400</u>	<u>600,000</u>	<u>32,664</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,340,321</u>
Net Change in Fund Balance	<u>44,724</u>	<u>(1,200)</u>	<u>5,178</u>	<u>453,912</u>	<u>32,664</u>	<u>3,714</u>	<u>41,907</u>	<u>-</u>	<u>1,179,371</u>
Fund Balance, Beginning of the Year	<u>4,384</u>	<u>4,969</u>	<u>16,852</u>	<u>668,912</u>	<u>708,882</u>	<u>33,523</u>	<u>77,707</u>	<u>-</u>	<u>3,841,465</u>
Fund Balance, End of Year	<u>\$ 49,108</u>	<u>3,769</u>	<u>22,030</u>	<u>1,122,824</u>	<u>741,546</u>	<u>37,237</u>	<u>119,614</u>	<u>-</u>	<u>5,020,836</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, 2022

	Actual	Budgeted Amounts		Variance Over (Under)
		Original	Final	
Revenues				
Charges for Services	\$ 10,325	-	-	10,325
Miscellaneous	50	-	-	50
Sale of Real Estate	16,500	-	-	16,500
Total Revenues	26,875	-	-	26,875
Expenditures				
Contractual Services	3,667	25,000	25,000	(21,333)
Capital Outlay	11,884	-	-	11,884
Total Expenditures	15,551	25,000	25,000	(9,449)
Excess (Deficiency) of Revenues Over (Under) Expenditures	11,324	(25,000)	(25,000)	36,324
Other Financing Sources (Uses)				
Transfers In	25,000	25,000	25,000	-
Net Change in Fund Balance	36,324	-	-	36,324
Fund Balance, Beginning	23,956			
Plus Prior Year Transfer From General	25,000			
Fund Balance, Ending	\$ 85,280			

See Independent Auditor's Report.

CITY OF EL DORADO, KANSAS
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Actual and Budget
Budgetary Basis
Airport Fund
For the Year Ended December 31, 2022

	Actual	Budgeted Amounts		Variance Over (Under)
		Original	Final	
Revenues				
Taxes	\$ 96,625	95,642	95,642	983
Charges for Services	237,168	173,870	173,870	63,298
Investment Earnings	2,271	-	-	2,271
Miscellaneous	5,789	-	-	5,789
Total Revenues	354,853	269,512	269,512	85,341
Expenditures				
Current				
Personal Services	69,107	70,771	70,771	(1,664)
Contractual Services	61,937	40,200	40,200	21,737
Commodities	160,877	89,750	89,750	71,127
Debt Service				
Principal	39,512	45,989	45,989	(6,477)
Interest Expense	5,291	-	-	5,291
Cash Forward	-	171,482	171,482	(171,482)
Total Expenditures	336,724	418,192	418,192	(81,468)
Excess (Deficiency) of Revenues Over (Under) Expenditures	18,129	(148,680)	(148,680)	166,809
Other Financing Sources (Uses)				
Transfers Out	-	(40,000)	(40,000)	40,000
Net Change in Fund Balance	18,129	<u>(188,680)</u>	<u>(188,680)</u>	<u>206,809</u>
Budgetary Basis Fund Balance, Beginning	139,326			
Budgetary Basis Fund Balance, Ending	157,455			
GAAP Adjustments				
Plus Receivables at December 31, 2022	10,800			
Plus Inventory at December 31, 2022	44,048			
Fund Balance, Ending	\$ 212,303			

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, 2022

	Actual	Budgeted Amounts		Variance Over (Under)
		Original	Final	
Revenues				
Intergovernmental	\$ 556,598	493,580	493,580	63,018
Licenses and Permits	7,376	7,500	7,500	(124)
Charges for Services	125	-	-	125
Total Revenues	564,099	501,080	501,080	63,019
Expenditures				
Personal Services	562,932	781,586	781,586	(218,654)
Contractual Services	157,482	143,000	143,000	14,482
Commodities	293,025	267,000	267,000	26,025
Capital Outlay	2,342	-	-	2,342
Total Expenditures	1,015,781	1,191,586	1,191,586	(175,805)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(451,682)	(690,506)	(690,506)	238,824
Other Financing Sources (Uses)				
Transfers In	612,302	690,506	690,506	(78,204)
Net Change in Fund Balance	160,620	-	-	160,620
Budgetary Basis Fund Balance, Beginning	131,605			
Budgetary Basis Fund Balance, Ending	292,225			
GAAP Adjustments				
Plus Receivables at December 31, 2022	128,398			
Fund Balance, Ending	\$ 420,623			

See Independent Auditor's Report.

CITY OF EL DORADO, KANSAS
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Actual and Budget
Budgetary Basis
Industrial Development Fund
For the Year Ended December 31, 2022

	<u>Actual</u>	<u>Budgeted Amounts</u>		Variance Over (Under)
		<u>Original</u>	<u>Final</u>	
Revenues				
Taxes	\$ 118,038	117,576	117,576	462
Investment Earnings	9,001	-	-	9,001
Miscellaneous	3,360	2,860	2,860	500
Total Revenues	130,399	120,436	120,436	9,963
Expenditures				
Contractual Services	112,221	133,223	133,223	(21,002)
Cash Forward	-	256,620	256,620	(256,620)
Total Expenditures	112,221	389,843	389,843	(277,622)
Excess (Deficiency) of Revenues Over (Under) Expenditures	18,178	(269,407)	(269,407)	287,585
Budgetary Basis Fund Balance, Beginning	418,550			
Budgetary Basis Fund Balance, Ending	436,728			
GAAP Adjustments				
Plus Receivables at December 31, 2022	6,720			
Fund Balance, Ending	\$ 443,448			

See Independent Auditor's Report.

CITY OF EL DORADO, KANSAS
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Actual and Budget
Budgetary Basis
Special Parks and Recreation Fund
For the Year Ended December 31, 2022

	<u>Actual</u>	<u>Budgeted Amounts</u>		<u>Variance Over (Under)</u>
		<u>Original</u>	<u>Final</u>	
Revenues				
Taxes	\$ 36,552	29,896	29,896	6,656
Fees	4,860	1,750	1,750	3,110
Investment Earnings	1,263	-	-	1,263
Total Revenues	<u>42,675</u>	<u>31,646</u>	<u>31,646</u>	<u>11,029</u>
Expenditures				
Contractual Services	-	2,500	2,500	(2,500)
Commodities	5,557	8,500	8,500	(2,943)
Total Expenditures	<u>5,557</u>	<u>11,000</u>	<u>11,000</u>	<u>(5,443)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>37,118</u>	<u>20,646</u>	<u>20,646</u>	<u>16,472</u>
Budgetary Basis Fund Balance, Beginning	<u>48,832</u>			
Budgetary Basis Fund Balance, Ending	\$ <u>85,950</u>			

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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, 2022

	<u>Actual</u>	<u>Budgeted Amounts</u>		<u>Variance Over (Under)</u>
		<u>Original</u>	<u>Final</u>	
Revenues				
Taxes	\$ 222,538	200,000	200,000	22,538
Rentals and Royalties	38,730	200,000	200,000	(161,270)
Investment Earnings	6,565	-	-	6,565
Total Revenues	267,833	400,000	400,000	(132,167)
Expenditures				
Personal Services	22,622	65,423	65,423	(42,801)
Contractual Services	129,474	274,000	274,000	(144,526)
Commodities	7,143	1,000	1,000	6,143
Total Expenditures	159,239	340,423	340,423	(181,184)
Excess (Deficiency) of Revenues Over (Under) Expenditures	108,594	59,577	59,577	49,017
Budgetary Basis Fund Balance, Beginning	289,700			
Budgetary Basis Fund Balance, Ending	398,294			
GAAP Adjustments				
Plus Receivables at December 31, 2022	66,147			
Fund Balance, Ending	\$ 464,441			

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, 2022

	<u>Actual</u>	<u>Budgeted Amounts</u>		Variance Over (Under)
		<u>Original</u>	<u>Final</u>	
Revenues				
Taxes	\$ 100,000	100,000	100,000	-
Miscellaneous	2,500	-	2,500	-
Investment Earnings	4,145	-	-	4,145
Sale of Real Estate	1,000	-	1,000	-
Total Revenues	107,645	100,000	103,500	4,145
Expenditures				
Contractual Services	123,781	100,000	125,000	(1,219)
Net Change in Fund Balance	(16,136)	<u>-</u>	<u>(21,500)</u>	<u>5,364</u>
Fund Balance, Beginning	301,878			
Fund Balance, Ending	\$ 285,742			

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, 2022

	Actual	Budgeted Amounts		Variance Over (Under)
		Original	Final	
Revenues				
Intergovernmental	\$ 47,933	300	300	47,633
Special Assessment Taxes	331,275	310,125	310,125	21,150
Investment Earnings	9,154	-	-	9,154
Total Revenues	388,362	310,425	310,425	77,937
Expenditures				
Personal Services	149,156	262,623	262,623	(113,467)
Contractual Services	14,853	33,650	33,650	(18,797)
Commodities	1,555	15,250	15,250	(13,695)
Total Expenditures	165,564	311,523	311,523	(145,959)
Excess (Deficiency) of Revenues Over (Under) Expenditures	222,798	(1,098)	(1,098)	223,896
Other Financing Sources (Uses)				
Transfers Out	(119,105)	-	-	(119,105)
Net Change in Fund Balance	103,693	(1,098)	(1,098)	104,791
Budgetary Basis Fund Balance, Beginning	365,338			
Budgetary Basis Fund Balance, Ending	469,031			
GAAP Adjustments				
Plus Receivables at December 31, 2022	15			
Fund Balance, Ending	\$ 469,046			

See Independent Auditor's Report.

CITY OF EL DORADO, KANSAS
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Actual and Budget
Budgetary Basis
Ordinance Street Sales Tax Fund
For the Year Ended December 31, 2022

	<u>Actual</u>	<u>Budgeted Amounts</u>		<u>Variance Over (Under)</u>
		<u>Original</u>	<u>Final</u>	
Revenues				
Investment Earnings	\$ <u>12,962</u>	<u>-</u>	<u>-</u>	<u>12,962</u>
Expenditures				
Contractual Services	<u>19,236</u>	<u>-</u>	<u>-</u>	<u>19,236</u>
Commodities	<u>139,814</u>	<u>100,000</u>	<u>100,000</u>	<u>39,814</u>
Total Expenditures	<u>159,050</u>	<u>100,000</u>	<u>100,000</u>	<u>59,050</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(146,088)</u>	<u>(100,000)</u>	<u>(100,000)</u>	<u>(46,088)</u>
Other Financing Sources (Uses)				
Transfers In	<u>600,000</u>	<u>600,000</u>	<u>600,000</u>	<u>-</u>
Transfers Out	<u>-</u>	<u>(500,000)</u>	<u>(500,000)</u>	<u>500,000</u>
Total Other Financing Sources (Uses)	<u>600,000</u>	<u>100,000</u>	<u>100,000</u>	<u>500,000</u>
Net Change in Fund Balance	<u>453,912</u>	<u>-</u>	<u>-</u>	<u>453,912</u>
Fund Balance, Beginning	<u>668,912</u>			
Fund Balance, Ending	\$ <u><u>1,122,824</u></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
Excess Sales Tax Fund
For the Year Ended December 31, 2022

	<u>Actual</u>	<u>Budgeted Amounts</u>		<u>Variance Over (Under)</u>
		<u>Original</u>	<u>Final</u>	
Revenues	\$ -	-	-	-
Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
Other Financing Sources (Uses)				
Transfers In	275,037	280,000	280,000	(4,963)
Transfers Out	(242,373)	(280,000)	(280,000)	37,627
Total Other Financing Sources (Uses)	<u>32,664</u>	-	-	32,664
Net Change in Fund Balance	<u>32,664</u>	<u>-</u>	<u>-</u>	<u>32,664</u>
Fund Balance, Beginning	<u>708,882</u>			
Fund Balance, Ending	\$ <u><u>741,546</u></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, 2022

	<u>Actual</u>	<u>Budgeted Amounts</u>		Variance Over (Under)
		<u>Original</u>	<u>Final</u>	
Revenues				
Intergovernmental	\$ 36,552	29,896	29,896	6,656
Investment Earnings	615	-	-	615
Total Revenues	37,167	29,896	29,896	7,271
Expenditures				
Contractual Services	33,453	29,896	33,453	-
Net Change in Fund Balance	3,714	<u>-</u>	<u>(3,557)</u>	<u>7,271</u>
Fund Balance, Beginning	<u>33,523</u>			
Fund Balance, Ending	\$ <u>37,237</u>			

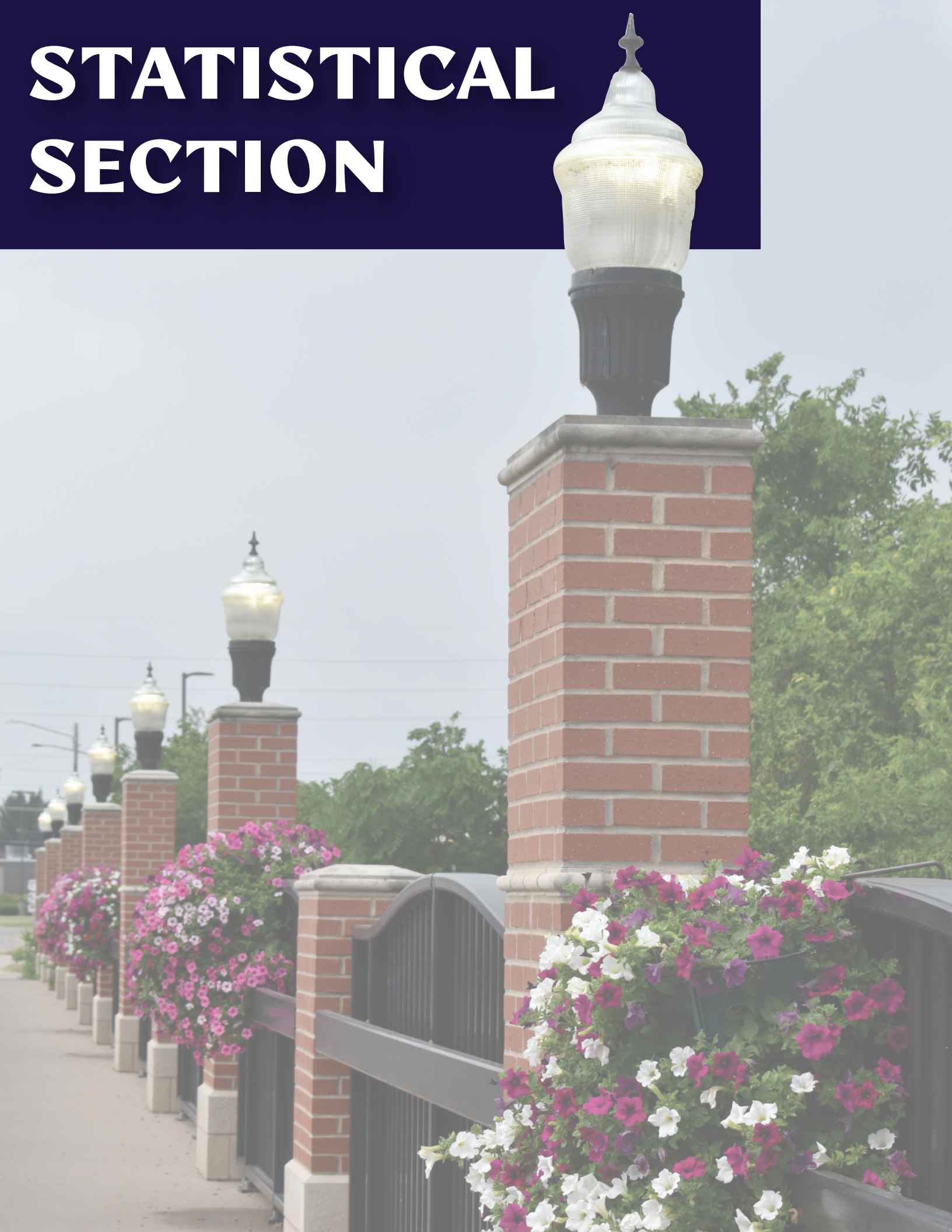
See Independent Auditor's Report.

CITY OF EL DORADO, KANSAS
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Actual and Budget
Budgetary Basis
Debt Service Fund
For the Year Ended December 31, 2022

	<u>Actual</u>	<u>Budgeted Amounts</u>		<u>Variance Over (Under)</u>
		<u>Original</u>	<u>Final</u>	
Revenues				
Taxes	\$ 1,149,602	1,141,130	1,141,130	8,472
Special Assessments	428,325	453,669	453,669	(25,344)
Investment Earnings	21,983	-	-	21,983
Miscellaneous	120,764	120,763	120,763	1
Total Revenues	<u>1,720,674</u>	<u>1,715,562</u>	<u>1,715,562</u>	<u>5,112</u>
Expenditures				
Current				
Contractual Services	-	1,000	1,000	(1,000)
Debt Service				
Principal	1,255,971	1,357,526	1,357,526	(101,555)
Interest	358,737	357,036	357,036	1,701
Cost of Issuance	16,260	-	-	16,260
Cash Basis Reserve	-	123,447	123,447	(123,447)
Total Expenditures	<u>1,630,968</u>	<u>1,839,009</u>	<u>1,839,009</u>	<u>(208,041)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>89,706</u>	<u>(123,447)</u>	<u>(123,447)</u>	<u>213,153</u>
Fund Balance, Beginning	<u>288,436</u>			
Fund Balance, Ending	\$ <u>378,142</u>			

See Independent Auditor's Report.

STATISTICAL SECTION



CITY OF EL DORADO, KANSAS
Statistical Section (Unaudited)
December 31, 2022

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>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Governmental Activities										
Net investment in capital assets	\$ 30,188,763	\$ 34,296,398	\$ 29,539,248	\$ 31,001,068	\$ 32,504,209	\$ 30,064,673	\$ 31,480,981	\$ 32,680,162	\$ 29,395,449	\$ 29,509,930
Restricted	4,215,381	3,629,818	5,570,106	5,776,169	5,618,006	6,056,718	7,408,468	8,020,862	8,412,987	8,755,156
Unrestricted	6,918,169	3,341,366	1,886,158	(1,651,934)	(2,954,862)	(376,780)	(1,158,124)	(1,549,023)	2,406,856	3,897,770
Total Governmental Activities Net Position	<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>	<u>\$ 40,215,292</u>	<u>\$ 42,162,856</u>
Business-Type Activities										
Net investment in capital assets	\$ 21,303,503	\$ 21,429,958	\$ 20,861,680	\$ 21,137,164	\$ 21,632,458	\$ 22,255,189	\$ 28,230,293	\$ 28,545,051	\$ 29,231,103	\$ 29,440,596
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	(13,777,603)	(13,745,532)	(16,192,653)	(18,086,405)	(18,400,401)	(19,879,265)	(28,471,510)	(28,223,036)	(28,835,487)	(30,453,525)
Total Business-Type Activities Net Position	<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>	<u>\$ 395,616</u>	<u>\$ (1,012,929)</u>
Primary Government										
Net investment in capital assets	\$ 51,492,266	\$ 55,726,356	\$ 50,400,928	\$ 52,138,232	\$ 54,136,667	\$ 52,319,862	\$ 59,711,274	\$ 61,225,213	\$ 58,626,552	\$ 58,950,526
Restricted	4,215,381	3,629,818	5,570,106	5,776,169	5,618,006	6,056,718	7,408,468	8,020,862	8,412,987	8,755,156
Unrestricted	(6,859,434)	(10,404,166)	(14,306,495)	(19,738,339)	(21,355,263)	(20,256,045)	(29,629,634)	(29,772,059)	(26,428,631)	(26,555,755)
Total Primary Government Net Position	<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>	<u>\$ 40,610,908</u>	<u>\$ 41,149,927</u>

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental activities:										
General government	\$ 2,021,994	\$ 2,755,952	\$ 3,345,911	\$ 2,399,221	\$ 2,308,622	\$ 3,517,087	\$ 3,358,088	\$ 3,929,330	\$ 4,057,020	\$ 6,405,517
Public safety	3,767,376	3,906,171	4,055,854	4,246,184	4,123,977	4,039,731	4,112,299	4,476,448	4,440,754	3,098,841
Public works	3,278,271	3,476,247	3,748,977	5,407,872	3,708,612	3,763,699	3,873,979	3,066,632	3,041,659	3,627,276
Health and sanitation	392,681	478,020	457,600	416,036	410,278	297,237	287,627	487,337	624,311	644,793
Culture and recreation	1,297,591	1,476,436	1,362,045	1,513,728	1,602,837	1,508,086	1,320,667	1,574,069	1,792,486	1,879,839
Economic development	214,899	199,198	261,256	271,252	451,731	573,137	368,897	247,871	142,980	147,017
Interest on long-term debt	527,442	486,109	549,125	499,604	388,106	381,227	400,284	360,940	421,662	366,912
Total Governmental Activities Expenses	\$ 11,500,254	\$ 12,778,133	\$ 13,780,768	\$ 14,753,897	\$ 12,994,163	\$ 14,080,204	\$ 13,721,841	\$ 14,142,627	\$ 14,520,872	\$ 16,170,195
Business-type activities:										
Waterworks system	\$ 4,822,852	\$ 4,845,259	\$ 4,838,768	\$ 5,378,480	\$ 4,800,942	\$ 4,793,381	\$ 5,303,479	\$ 4,622,699	\$ 5,125,658	\$ 5,433,947
Sewer system	2,109,889	2,109,698	2,441,626	2,635,077	2,256,590	2,420,586	4,614,230	2,069,293	1,998,553	1,998,155
Refuse	1,273,960	1,522,051	1,386,909	1,325,981	1,350,666	1,430,807	1,626,618	1,472,413	1,599,436	1,688,877
Compressed Natural Gas	-	-	16,839	12,694	25,622	28,863	33,091	32,330	41,675	53,763
Total business-type activities expenses	8,206,701	8,477,008	8,684,142	9,352,232	8,433,820	8,673,637	11,577,418	8,196,735	8,765,322	9,174,742
Total Primary Government Expenses	\$ 19,706,955	\$ 21,255,141	\$ 22,464,910	\$ 24,106,129	\$ 21,427,983	\$ 22,753,841	\$ 25,299,259	\$ 22,339,362	\$ 23,286,194	\$ 25,344,937
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 1,307,835	\$ 633,957	\$ 1,639,486	\$ 646,945	\$ 877,175	\$ 559,316	\$ 2,084,115	\$ 2,047,573	\$ 2,013,901	\$ 864,464
Public safety	701,270	613,069	587,195	616,403	639,331	675,801	672,666	834,971	837,734	803,872
Public works	199,621	227,672	243,059	201,443	171,250	188,309	195,613	494,457	536,950	568,875
Health and sanitation	112,466	118,383	100,789	225,290	225,679	221,935	217,036	253,305	223,527	281,347
Culture and recreation	659,220	616,928	714,811	552,456	511,527	1,106,643	205,051	346,943	237,862	240,529
Economic development	-	-	-	-	-	-	-	30,940	-	-
Operating grants and contributions	592,341	603,208	-	725,531	586,979	643,313	771,634	1,494,715	888,564	2,887,062
Capital grants and contributions ²	1,103,343	2,422,225	-	1,801,273	1,522,589	1,217,665	1,729,430	790,995	780,019	396,649
Total Governmental Activities Program Revenues	\$ 4,676,096	\$ 5,235,442	\$ 3,285,340	\$ 4,769,341	\$ 4,534,530	\$ 4,612,982	\$ 5,875,545	\$ 6,293,899	\$ 5,518,557	\$ 6,042,798

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Business-type activities:										
Charges for services:										
Waterworks system	\$ 3,863,280	\$ 4,253,360	\$ 3,947,993	\$ 4,399,825	\$ 4,162,309	\$ 4,422,139	\$ 4,505,642	\$ 4,656,027	\$ 4,777,405	\$ 4,437,670
Sewer system	1,960,274	2,096,994	2,175,079	2,058,033	2,460,313	2,776,032	2,954,487	2,704,454	2,889,696	2,733,322
Refuse	1,359,800	1,404,573	1,538,748	1,508,945	1,615,743	1,694,720	1,855,511	1,626,797	1,635,106	1,590,900
Compressed Natural Gas	-	57	16,373	17,757	28,501	26,884	29,230	21,868	24,766	25,351
Operating grants and contributions	-	-	-	-	-	-	-	11,360	-	-
Capital grants & contributions	100	61,330	-	58,151	518,832	512,129	292,605	68	-	-
Total business-type activities program revenues	7,183,454	7,816,314	7,678,193	8,042,711	8,785,698	9,431,904	9,637,475	9,020,574	9,326,973	8,787,243
Total Primary Government Program Revenues	\$ 11,859,550	\$ 13,051,756	\$ 10,963,533	\$ 12,812,052	\$ 13,320,228	\$ 14,044,886	\$ 15,513,020	\$ 15,314,473	\$ 14,845,530	\$ 14,830,041
Net (Expense)/ Revenue										
Governmental activities	\$ (6,824,158)	\$ (7,542,691)	\$ (10,495,428)	\$ (9,984,556)	\$ (8,459,633)	\$ (9,467,222)	\$ (7,846,296)	\$ (7,848,728)	\$ (9,002,315)	\$ (10,127,397)
Business-type activities	(1,023,247)	(660,694)	(1,005,949)	(1,309,521)	351,878	758,267	(1,939,943)	823,839	561,651	(387,499)
Total Primary Government Net Expense	\$ (7,847,405)	\$ (8,203,385)	\$ (11,501,377)	\$ (11,294,077)	\$ (8,107,755)	\$ (8,708,955)	\$ (9,786,239)	\$ (7,024,889)	\$ (8,440,664)	\$ (10,514,896)
General Revenues:										
Governmental activities:										
Taxes										
Property taxes	\$ 3,806,320	\$ 3,830,127	\$ 3,806,019	\$ 3,879,130	\$ 4,066,071	\$ 4,548,270	\$ 4,792,036	\$ 4,762,918	\$ 5,233,600	\$ 5,616,035
Sales taxes	2,370,532	2,508,095	2,610,716	2,512,159	2,408,098	2,692,452	2,669,192	2,696,442	3,058,186	3,264,700
Franchise taxes	1,174,104	1,225,660	1,171,972	1,288,810	1,287,895	1,343,763	1,323,200	1,239,115	1,284,727	1,513,882
Tourism taxes	173,221	172,343	206,669	168,713	163,069	195,007	176,473	102,438	194,906	233,899
Investment earnings	5,050	2,774	63,304	43,871	11,425	17,459	54,279	35,730	2,942	162,369
Miscellaneous	-	-	-	-	80,135	12,117	18,950	4,474	(33,282)	117,025
Transfers in (out)	248,027	(251,039)	999,723	766,229	522,269	1,572,601	798,880	602,872	491,172	1,169,590
Total Governmental Activities	\$ 7,777,254	\$ 7,487,960	\$ 8,858,403	\$ 8,658,912	\$ 8,538,962	\$ 10,381,669	\$ 9,833,010	\$ 9,443,989	\$ 10,232,251	\$ 12,077,500
Business-type activities:										
Investment earnings ¹	\$ (120,332)	\$ 568,181	\$ 132,906	\$ 258,680	\$ 314,410	\$ 188,142	\$ 114,842	\$ 16,968	\$ 1,807	\$ 120,936
Miscellaneous	-	-	-	198,802	-	-	6,840	-	1,315	6,168
Transfer in (out)	(248,027)	251,039	(999,723)	(766,229)	(522,269)	(1,572,601)	(798,880)	(602,872)	(491,172)	(1,169,590)
Total business-type activities	(368,359)	819,220	(866,817)	(308,747)	(207,859)	(1,384,459)	(677,198)	(585,904)	(488,050)	(1,042,486)
Total Primary Government	\$ 7,408,895	\$ 8,307,180	\$ 7,991,586	\$ 8,350,165	\$ 8,331,103	\$ 8,997,210	\$ 9,155,812	\$ 8,858,085	\$ 9,744,201	\$ 11,035,014
Change In Net Position										
Governmental activities	\$ 953,096	\$ (54,731)	\$ 1,088,676	\$ (1,325,644)	\$ 79,329	\$ 914,447	\$ 1,986,714	\$ 1,595,261	\$ 1,229,936	\$ 1,950,103
Business-type activities	(1,391,606)	158,526	(1,664,808)	(1,618,268)	144,019	(626,192)	(2,617,141)	237,935	73,601	(1,429,985)
Total Primary Government	\$ (438,510)	\$ 103,795	\$ (576,132)	\$ (2,943,912)	\$ 223,348	\$ 288,255	\$ (630,427)	\$ 1,833,196	\$ 1,303,537	\$ 520,118

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

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

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
General Fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-	-	-	-	-	-
Nonspendable ¹	141,556	85,643	33,820	19,374	37,376	35,956	30,621	12,662	18,140	18,140
Restricted ¹	-	-	-	-	-	-	-	-	-	-
Committed ¹	-	-	-	-	-	-	-	-	-	-
Assigned ¹	452,540	571,895	625,355	375,021	454,116	337,074	183,677	309,860	475,161	633,027
Unassigned ¹	3,236,214	3,300,921	3,223,156	2,634,603	2,513,312	3,014,975	3,516,181	4,315,144	3,378,405	6,397,243
Total General Fund	<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>	<u>\$ 3,871,706</u>	<u>\$ 7,048,410</u>
All Other Governmental Funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	-	-	-	-	-	-	-	-	-	-
Construction fund	-	-	-	-	-	-	-	-	-	-
Debt service fund	-	-	-	-	-	-	-	-	-	-
Nonspendable ¹	-	-	20,881	26,781	19,918	19,645	12,814	18,069	29,922	44,048
Restricted ¹	1,242,310	526,863	2,278,825	2,573,122	2,010,964	2,449,902	3,130,158	2,865,933	2,252,668	3,422,569
Committed ¹	3,409	179,440	191,413	3,409	3,409	3,409	13,384	26,438	4,384	49,108
Assigned ¹	387,152	302,679	272,958	678,429	605,518	431,023	859,914	1,054,538	1,554,491	1,883,253
Unassigned ¹	1,428,533	(3,876,124)	(159,804)	(404,761)	(1,421,732)	(1,198,761)	(2,926,955)	(4,111,348)	-	(123,192)
Total All Other Governmental Funds	<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>	<u>\$ 3,841,465</u>	<u>\$ 5,275,786</u>

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues										
Taxes	\$ 7,524,177	\$ 7,736,225	\$ 7,795,376	\$ 7,848,812	\$ 7,925,133	\$ 8,779,492	\$ 8,960,901	\$ 8,800,913	\$ 9,771,419	\$ 10,527,229
Intergovernmental	862,696	713,441	1,060,212	1,446,873	1,366,280	1,065,425	1,298,989	2,224,377	1,666,566	3,263,711
Licenses and permits	106,354	126,432	299,218	196,046	191,846	188,367	130,039	155,154	124,998	160,306
Charges for services	1,383,555	1,570,319	1,497,588	1,221,397	1,382,813	1,376,351	1,115,034	1,308,068	1,221,509	1,083,074
Fines and forfeitures	312,345	331,806	355,959	419,796	373,381	395,775	411,273	336,737	356,546	269,484
Special assessment taxes	829,432	1,837,078	607,448	600,415	600,571	609,214	1,098,016	693,130	809,402	759,600
Use of money and property	5,050	2,774	63,304	43,271	11,425	17,459	54,279	35,730	2,942	162,369
Employee/Employer contributions	-	-	-	-	-	-	-	-	-	-
Miscellaneous	511,320	915,815	1,936,458	856,880	539,974	1,128,712	833,328	720,810	648,083	1,039,604
Total revenues	<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>	<u>\$ 14,601,465</u>	<u>\$ 17,265,377</u>
Expenditures										
General government	\$ 1,795,145	\$ 2,145,740	\$ 2,153,525	\$ 1,925,518	\$ 1,643,600	\$ 2,994,601	\$ 2,647,842	\$ 3,768,056	\$ 4,284,381	\$ 6,774,326
Public Safety	3,528,601	3,557,487	3,734,445	3,856,591	3,804,030	3,739,648	3,812,017	3,880,915	4,124,938	2,468,447
Highways and streets	1,664,529	1,702,826	1,664,652	1,661,177	1,573,624	1,366,833	1,476,623	1,059,459	1,155,552	1,015,781
Health and sanitation	375,751	462,797	443,129	398,141	393,656	280,697	260,460	469,324	610,040	616,720
Culture and recreation	1,190,358	1,359,086	1,215,149	1,300,726	1,430,253	1,336,039	1,146,342	1,326,784	1,480,581	1,580,150
Environmental protection	-	-	-	-	-	-	-	-	-	-
Economic development	191,459	176,134	224,736	234,523	415,211	536,620	332,377	213,074	110,535	112,221
Capital improvements	2,988,055	5,707,803	4,240,256	3,544,902	2,873,244	2,059,618	3,717,796	2,737,077	2,057,442	3,259,016
Debt service										
Principal	1,228,512	3,709,972	1,278,744	3,125,118	1,513,545	1,507,086	3,986,927	1,559,044	4,973,715	1,415,449
Interest	463,490	530,757	483,297	586,203	479,761	454,029	363,557	412,769	340,493	372,927
Debt Issuance Costs	40,016	-	-	-	-	-	84,177	-	135,154	16,260
Total expenditures	<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>	<u>\$ 19,272,831</u>	<u>\$ 17,631,297</u>
Excess of revenues over (under) expenditures	\$ (1,930,987)	\$ (6,118,712)	\$ (1,822,370)	\$ (3,999,409)	\$ (1,735,501)	\$ (714,376)	\$ (3,926,259)	\$ (1,151,583)	\$ (4,671,366)	\$ (365,920)

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Other financing sources (uses)										
General obligation bonds issued	\$ 4,644,322	\$ -	\$ 248,245	\$ 60,067	\$ -	\$ -	\$ 2,835,000	\$ -	\$ 7,121,278	\$ 3,320,000
Sale of real estate	-	-	-	-	80,135	12,117	18,950	159,440	131,436	151,220
Proceeds from capital lease obligations	-	569,354	64,689	1,152,052	-	-	-	-	-	-
Temporary Notes Issued	-	-	2,548,000	-	-	-	-	-	-	-
Refunding bonds issued	-	-	3,357,000	1,985,000	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	-	-	-
Transfers in	2,892,525	4,543,673	6,693,841	7,890,036	4,079,567	4,445,926	4,539,415	3,531,015	5,479,022	3,589,630
Transfers out	(2,644,498)	(4,794,712)	(5,694,118)	(7,123,807)	(3,557,298)	(2,873,325)	(3,740,535)	(2,928,143)	(4,275,851)	(2,479,988)
Total other financing sources (uses)	<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>	<u>\$ 8,455,885</u>	<u>\$ 4,580,862</u>
Net change in Fund Balances	\$ 2,961,362	\$ (5,800,397)	\$ 5,395,287	\$ (36,061)	\$ (1,133,097)	\$ 870,342	\$ (273,429)	\$ (389,271)	\$ 3,784,519	\$ 4,214,942
Fund balances, beginning of year, as originally stated	\$ 3,930,352	\$ 6,891,714	\$ 1,091,317	\$ 6,486,604	\$ 5,905,978	\$ 4,222,881	\$ 5,093,223	\$ 4,819,794	\$ 4,491,296	\$ 8,109,170
Prior period adjustment	-	-	-	(544,565)	(550,000)	-	-	60,773	(166,645)	84
Fund balances, beginning of year, as restated	<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>	<u>\$ 4,324,651</u>	<u>\$ 8,109,254</u>
Fund balances, end of year	<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>	<u>\$ 8,109,170</u>	<u>\$ 12,324,196</u>
Debt service as a percentage of noncapital expenditures	16.2%	30.3%	14.1%	28.0%	17.6%	15.9%	30.4%	15.8%	32.6%	12.2%

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

Fiscal Year	Property Tax	Motor Vehicle Tax	Sales Tax	Franchise Tax	Transient Guest Tax	Total
2013	3,350,856	455,464	2,370,532	1,174,104	173,221	7,524,177
2014	3,348,253	481,874	2,508,095	1,225,660	172,343	7,736,225
2015	3,294,163	511,856	2,610,716	1,171,972	206,669	7,795,376
2016	3,382,302	496,828	2,512,159	1,288,810	168,713	7,848,812
2017	3,553,157	512,914	2,408,098	1,287,895	163,069	7,925,134
2018	4,042,377	505,893	2,692,452	1,343,763	195,007	8,779,492
2019	4,232,976	559,060	2,669,192	1,323,200	176,473	8,960,901
2020	4,211,944	550,974	2,696,442	1,239,115	102,438	8,800,913
2021	4,639,402	594,198	3,058,186	1,284,727	194,906	9,771,419
2022	5,009,052	505,681	3,264,715	1,513,882	233,899	10,527,229

City of El Dorado

Property Tax Levies and Collections

Last Ten Fiscal Years

Fiscal Year ²	Total Tax Levy ¹	Collected within the Current Year		Delinquent Tax Collections	Total Collected	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2013	3,880,933	3,362,613	86.6%	180,643	3,543,256	91.3%
2014	3,858,827	3,541,256	91.8%	197,988	3,739,244	96.9%
2015	3,744,463	3,468,283	92.6%	201,523	3,669,806	98.0%
2016	4,055,406	3,812,166	94.0%	182,657	3,994,823	98.5%
2017	4,592,141	3,801,217	82.8%	154,752	3,955,969	86.1%
2018	4,876,094	4,381,620	89.9%	166,651	4,548,270	93.3%
2019	4,926,767	4,619,532	93.8%	172,504	4,792,036	97.3%
2020	5,258,327	4,645,252	88.3%	117,666	4,762,918	90.6%
2021	5,649,423	4,995,676	88.43%	237,923	5,233,600	92.64%
2022	5,605,366	5,009,052	89.36%	201,480	5,210,532	92.96%

Notes:

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

² The year in which the tax was collected.

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

Levy Year	Real Property	Personal Property ¹	Utilities	Oil & Gas	Total Assessed Value	Total Direct Tax Rate	Estimated Actual Value	Assessed Value as a Percentage of Actual Value
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	691,977,393	14.34%
2021	88,518,539	2,269,943	6,275,416	15,239	97,079,137	58.194	625,585,430	15.30%
2022	96,654,375	2,440,921	6,912,334	12,280	106,019,910	58.664	682,298,300	15.32%

Source: Butler County Clerk

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

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

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

Year ¹	City of El Dorado						Other Overlapping Governments ²					
	General	Library	Industrial Mill Levy	Debt Service	Airport	Total City	Butler County	Butler Community College	State of Kansas	Unified School District No. 490	Unified School District No. 375	Unified School District No. 205
2013	32.905	4.951	0.973	8.202	0.206	47.237	35.164	18.021	1.500	61.194	64.055	56.578
2014	30.306	4.992	1.018	10.734	0.000	47.050	35.133	18.003	1.500	59.828	66.358	47.071
2015	30.722	4.894	0.979	9.603	0.848	47.046	35.012	18.063	1.500	60.835	65.621	55.444
2016	30.320	4.887	0.979	11.007	0.847	48.040	34.747	20.074	1.500	63.518	62.639	48.036
2017	31.475	4.867	1.000	14.877	0.776	52.995	34.749	20.075	1.500	65.412	64.040	49.518
2018	35.266	4.868	1.000	10.618	1.261	53.013	34.274	20.068	1.500	65.397	62.947	43.447
2019	35.065	5.004	1.001	10.976	0.999	53.045	34.280	19.336	1.500	65.724	63.401	45.537
2020	37.924	5.275	1.055	10.732	0.923	55.909	34.013	18.007	1.500	65.014	63.806	44.126
2021	39.952	5.185	1.139	10.999	0.919	58.194	32.766	15.262	1.500	64.129	62.625	43.875
2022	40.274	5.227	1.148	11.088	0.927	58.664	32.093	13.855	1.500	64.047	59.932	45.987

Source: Butler County Clerk

Notes:

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

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

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

Taxpayer	2022			2013		
	Assessed Value	Rank	Percentage of Total Assessed Value	Assessed Value	Rank	Percentage of Total Assessed Value
Evergy Kansas South, Inc	\$ 2,840,364	1	2.68%	---		---
Wal-Mart Real Estate	\$ 2,622,520	2	2.47%	\$ 2,579,198	1	3.16%
Kansas Gas Service ¹	\$ 1,754,918	3	1.66%	\$ 1,252,692	3	1.53%
Barton Solvents Inc	\$ 1,356,560	4	1.28%	\$ 1,226,840	4	1.50%
Vlami Enterprises LLC ⁵	\$ 1,077,180	5	1.02%	\$ 982,845	5	1.20%
Valmont Newmark Inc	\$ 974,593	6	0.92%	---		---
BNSF	\$ 892,291	7	---	---		---
OEKS LLC	\$ 849,708	8	0.80%	---		---
BG Real Estate Inc	\$ 733,018	9	---	---		---
HE of El Dorado LLC	\$ 675,350	10	---	---		---
Butler Rural Electric Coop Assn	---		---	\$ 523,414	8	0.64%
T Town LLC ⁴	---		---	\$ 544,417	7	0.67%
Southwestern Bell Telephone	---		---	\$ 404,079	10	0.49%
Pioneer Balloon Co	---		---	\$ 558,125	6	0.68%
Kansas Gas & Electric	---		---	\$ 1,517,515	2	1.86%
El Dorado Group II LLC	---		---	\$ 473,826	9	0.58%
Total	<u>\$13,776,502</u>		<u>10.82%</u>	<u>\$10,062,951</u>		<u>12.32%</u>
Total Assessed Value ²	\$106,019,910			\$81,690,778		

Source: Butler County 2022 tax roll.

Notes:

¹ Formerly Western Resources - Gas Division

² Does not include motor vehicle valuation

⁴ Formerly Villas at BCC LLC

⁵ 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 ¹	Debt Per Capita ¹
	General Obligation Bonds	Issuance Premiums	Temporary Notes	Capital Leases	General Obligation Bonds	Temporary Notes	US Corps of Engineering Contract	KS Dept of Health & Environment Loans	Capital Leases			
2013	16,482,426	-	-	-	2,882,574	-	48,329,613	9,432,748	-	77,127,361	27.84%	6,001
2014	12,826,910	-	-	514,898	2,258,090	-	49,580,764	8,871,227	168,661	74,220,550	26.49%	5,756
2015	15,134,523	248,245	2,548,000	350,230	2,647,477	-	50,875,729	8,294,684	152,693	80,251,581	27.14%	6,223
2016	14,144,023	283,487	2,548,000	1,264,922	8,935,977	-	52,216,045	2,040,170	130,151	81,562,775	26.42%	6,308
2017	12,285,050	252,656	2,548,000	1,063,271	8,329,950	-	53,603,299	2,030,867	-	80,113,093	26.36%	6,173
2018	10,947,313	221,825	2,548,000	856,988	7,482,688	-	55,039,134	1,932,460	149,220	79,177,628	24.72%	6,071
2019	12,435,735	190,994	-	727,704	6,624,266	-	48,499,478	1,831,746	151,505	70,461,428	22.00%	5,447
2020	10,981,706	160,163	-	622,689	5,758,295	-	50,197,930	1,728,673	-	69,449,456	21.50%	5,369
2021	12,465,584	910,610	-	505,098	4,874,417	-	51,955,861	1,623,183	-	72,334,753	23.29%	5,628
2022	11,290,099	840,715	3,200,000	562,207	4,029,900	-	53,775,355	1,515,223	66,382	75,279,881	22.61%	5,867

Notes:

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

² In 2016, KDHE loan 1639 was refinanced with the 2016 bond.

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

Fiscal Year	General Obligation Bonds ¹	Less Debt Service Funds	Net Bonded Debt	Net Bonded Debt Per Capita	Net Bonded Debt to Estimated Actual Value
2013	19,365,000	586,235	18,778,765	1,461.16	3.46%
2014	15,085,000	88,835	14,996,165	1,162.94	2.86%
2015	17,782,000	1,880,474	15,901,526	1,234.69	2.89%
2016	23,080,000	-	23,080,000	1,784.86	4.20%
2017	20,615,000	151,448	20,463,552	1,576.67	3.63%
2018	18,430,001	312,329	18,117,672	1,389.29	3.03%
2019	19,060,001	262,980	18,797,021	1,453.19	3.10%
2020	16,920,001	235,344	16,684,657	1,290.28	2.63%
2021	17,340,001	288,436	17,051,565	1,326.76	2.73%
2022	15,319,999	378,142	14,941,857	1,164.42	2.19%

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

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

**City of El Dorado
Direct and Overlapping Debt
December 31, 2022**

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ¹</u>	<u>Estimated Share of Overlapping Debt</u>
Overlapping Debt:			
Butler County	\$ 426,393	12.49%	\$ 53,247
Unified School District No. 490	74,150,000	46.68%	34,610,753
Unified School District No. 375	81,375,000	14.22%	11,568,277
Butler Community College	<u>12,750,537</u>	12.49%	<u>1,592,254</u>
	<u>\$ 168,701,930</u>		<u>\$ 47,824,531</u>
Direct Debt:			
City of El Dorado Direct Debt	<u>14,490,099</u>		<u>14,490,099</u>
Total direct and overlapping debt	<u><u>\$ 183,192,029</u></u>		<u><u>\$ 62,314,630</u></u>

Source: The debt outstanding was provided by each entity.

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

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

City of El Dorado Legal Debt Margin Last Ten Fiscal Years

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Assessed Valuation	\$ 81,690,778	\$ 79,584,768	\$ 81,547,189	\$ 84,417,270	\$ 86,645,015	\$ 91,979,212	\$ 92,877,403	\$ 94,051,537	\$ 97,079,137	\$ 105,171,925
Assessed Valuation on Motor Vehicles	12,132,153	11,927,805	12,502,945	12,446,756	12,739,283	12,419,253	12,756,596	12,831,345	13,184,448	12,404,958
Total Assessed Valuation ¹	\$ 93,822,931	\$ 91,512,573	\$ 94,050,134	\$ 96,864,026	\$ 99,384,298	\$ 104,398,465	\$ 105,633,999	\$ 106,882,882	\$ 110,263,585	\$ 117,576,883
Legal Debt Limit ²	\$ 28,146,879	\$ 27,453,772	\$ 28,215,040	\$ 29,059,208	\$ 29,815,289	\$ 31,319,540	\$ 31,690,200	\$ 32,064,865	\$ 33,079,076	\$ 35,273,065
Bonded Indebtedness	\$ 19,365,000	\$ 15,085,000	\$ 17,782,000	\$ 22,790,000	\$ 20,615,000	\$ 18,430,001	\$ 19,060,001	\$ 16,740,001	\$ 17,340,000	\$ 17,134,805
Temporary Notes	-	-	2,548,000	2,548,000	2,548,000	2,548,000	-	-	-	3,200,000
Total Debt	19,365,000	15,085,000	20,330,000	25,338,000	23,163,000	20,978,001	19,060,001	16,740,001	17,340,000	20,334,805
Less:										
Assets in Debt Service Fund	\$ 586,235	\$ 88,835	\$ 1,880,474	\$ -	\$ 151,448	\$ 312,329	\$ 262,980	\$ 235,344	\$ 288,436	\$ 378,142
Exempted Debt (KSA 10-309)-G.O. Bonds	7,256,969	6,612,762	8,315,990	15,499,604	13,724,756	12,191,752	10,888,755	9,307,272	9,499,511	9,900,807
Exempted Debt (KSA 10-309)-Temporary Notes	-	-	-	1,462,042	1,462,042	1,462,042	-	-	-	1,836,160
Waterworks Revenue Bonds	-	-	-	-	-	-	-	-	-	-
Sewer System Revenue Bonds	-	-	-	-	-	-	-	-	-	-
Total Deductions	7,843,204	6,701,597	10,196,464	16,961,646	15,338,246	13,966,123	11,151,735	9,542,616	9,787,947	12,115,109
Total Amount Applicable to Debt Limit	11,521,796	8,383,403	10,133,536	8,376,354	7,824,754	7,011,878	7,908,266	7,197,385	7,552,053	8,219,696
Legal Debt Margin	\$ 16,625,083	\$ 19,070,369	\$ 18,081,504	\$ 20,682,854	\$ 21,990,535	\$ 24,307,662	\$ 23,781,933	\$ 24,867,480	\$ 25,527,023	\$ 27,053,369
Legal Debt Margin as a percentage of the Debt Limit	59.07%	69.46%	64.08%	71.17%	73.76%	77.61%	75.05%	77.55%	77.17%	76.70%

Notes:

¹ Computed in accordance with KSA 10-310.

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

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

<u>Fiscal Year</u>	<u>Gross Revenue</u>	<u>Less: Operating Expenses¹</u>	<u>Net Available Revenue</u>	<u>Principal Requirements²</u>	<u>Interest Requirements²</u>	<u>Total</u>	<u>Coverage</u>
2013	3,583,458	2,692,350	891,108	-	-	-	N/A
2014	4,723,423	2,666,306	2,057,117	-	-	-	N/A
2015	4,058,266	2,725,037	1,333,229	-	-	-	N/A
2016	4,581,166	2,993,801	1,587,365	-	-	-	N/A
2017	4,395,833	2,492,503	1,903,330	-	-	-	N/A
2018	4,544,519	2,542,106	2,002,413	-	-	-	N/A
2019	4,510,139	2,992,937	1,517,202	-	-	-	N/A
2020	4,588,432	2,577,267	2,011,165	-	-	-	N/A
2021	4,701,531	2,990,503	1,711,028	-	-	-	N/A
2022	4,437,670	3,578,796	858,874	-	-	-	N/A

Notes:

¹ Excludes capital depreciation.

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

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

<u>Fiscal Year</u>	<u>Population¹</u>	<u>Personal Income</u>	<u>Per Capita Personal Income²</u>	<u>Unemployment Rate³</u>
2013	12,852	\$ 277,012,008	\$ 21,554	6.7%
2014	12,895	\$ 280,178,986	\$ 22,677	5.4%
2015	12,879	\$ 295,672,571	\$ 22,903	4.3%
2016	12,931	\$ 299,117,807	\$ 23,132	4.4%
2017 ⁴	12,979	\$ 307,008,819	\$ 23,654	3.2%
2018 ⁵	13,041	\$ 320,286,960	\$ 24,560	4.0%
2019	12,935	\$ 320,286,960	\$ 24,560	3.2%
2020	12,931	\$ 321,207,160	\$ 24,985	15.5%
2021	12,832	\$ 310,594,284	\$ 24,167	3.5%
2022	12,832	\$ 332,911,399	\$ 25,943	2.7%

Sources:

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

² Estimate obtained by Census Bureau QuickFacts.

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

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

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

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

<u>Employer</u>	<u>2022</u>			<u>2013</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
El Dorado Correctional Facility	598	1	9.82%	416	4	6.83%
Holly Frontier ²	425	2	6.98%	445	2	7.30%
Butler Community College	422	3	6.93%	417	3	6.85%
Butler County Government	381	4	6.25%	370	5	6.07%
City of El Dorado	199	5	3.27%	138	10	2.27%
Susan B. Allen Hospital	175	5	2.87%	308	6	5.06%
USD #490 ¹	173	6	2.84%	1088	1	17.86%
Pioneer Balloon	150	7	2.46%	175	9	2.87%
BG Products	146	8	2.40%			0.00%
C-Tech ³	133	9	2.18%	186	8	3.05%
Wal-Mart	128	10	2.10%	256	7	4.20%
Total	2,930		48.10%	3,799		62.36%
Total Employment ⁴	6,092			6,092		

Source: City of El Dorado Survey of Employers

Notes:

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

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

³ Formerly Blackburn Construction.

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

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

Function	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government										
Administration	1	1	1	1	1	1	1	1	1	1
CVB	1	1	2	2	2	1	1	1	1	1
Airport	1	1	1	1	1	1	1	1	1	1
Engineering	4	4	4	4	4	4	4	4	4	4
Legal/Judicial	3	3	2	2	2	2	1	1	2	2
Public Safety										
Police	29	27	28	26	25	25	25	19	25	23
Fire	17	17	17	17	17	16	17	17	16	17
Building/Zoning	3	3	2	2	2	2	2	2	2	2
Public Works										
Public Works	7	8	10	6	6	8	8	-	5	5
Major Street Improvements	12	6	6	12	12	8	8	10	8	6
Culture/Recreation										
Park Maintenance	2	2	2	2	2	4	4	5	3	2
Recreation	7	8	10	10	10	9	5	5	9	8
Health & Sanitation										
Health & Sanitation	2	2	2	2	2	2	2	3	4	3
Cemetery	2	2	2	2	2	2	2	2	2	2
Water	18	17	16	17	16	18	17	15	17	18
Sewer	6	6	6	5	5	4	5	6	5	4
Refuse	10	10	11	8	8	8	8	8	6	7
Stormwater	2	2	2	1	1	1	0	4	3	2
Data Processing	11	12	13	11	10	10	13	12	12	11
Total	138	132	137	131	128	126	124	116	126	119

Source: City Budget Office

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	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Municipal Court										
Citations Issued	3,841	3,575	3,201	4,004	3,218	3,311	3,476	2,379	2,697	2,227
Warrants Issued	341	376	281	354	379	358	419	161	239	307
Warrants Served	409	362	334	408	395	288	295	173	190	124
Airport										
Fuel Sales (gallons)	30,880	31,001	31,192	29,154	25,068	26,894	25,254	26,716	35,002	29,530
Fire										
Total Number of Incidents	1,299	1,302	1,298	1,110	1,382	1,666	1,666	1,494	1,912	1,821
Fire Calls	109	180	153	153	157	172	114	172	199	255
Rescue & Emergency Medical Calls	781	743	749	677	759	878	897	777	1,046	925
Hazardous Materials Calls	89	54	81	69	52	55	64	53	68	77
Inspections	1,026	925	725	539	758	718	767	295	272	303
Hydrants Tested	720	735	1,390	1,546	678	740	737	701	694	629
Police										
Criminal Violations Reported	1,442	1,523	826	2,610	1,132	2,153	976	876	1,141	974
Traffic Accidents	117	311	342	344	318	287	248	202	213	261
Building & Zoning										
New Residential Construction Permits	4	10	12	9	20	20	9	41	13	32
New Commercial Construction Permits	5	1	6	5	6	6	4	5	6	2
Street Operations										
Streets Swept (Curb Miles)	3,798	3,941	4,215	4,351	4,425	4,006	2,380	4,126	3,998	3,265
Animal Control										
Animal Licenses	1,606	1,654	1,751	1,263	1,344	1,229	1,210	1,040	1,108	1,041
Animal Control Calls	1,883	1,904	1,883	1,722	2,132	1,534	1,382	1,306	1,234	1,179
Animal Citations	207	247	332	234	294	224	202	184	159	177
Cemetery										
Burials	130	127	135	104	114	102	108	106	114	131
Parks and Recreation										
Youth Soccer Participants	345	366	387	436	416	384	359	300	266	294
Swimming Pool Attendance	19,284	16,590	14,560	12,892	12,255	11,966	11,071	2,701	7,677	6,967
Youth Baseball/Softball Participants	827	703	680	745	502	540	512	356	452	502
Youth Basketball Participants	287	260	271	211	189	188	151	150	61	117
Youth Volleyball Participants	407	350	331	281	243	196	192	86	138	139
Adult Softball Teams	17	16	17	17	8	5	12	0	6	5
Adult Flag Football Teams	4	4	10	0	0	0	0	0	0	0
Adult Basketball Teams	9	8	6	8	5	5	6	0	0	4
Adult Volleyball Teams	21	22	22	23	20	13	14	0	14	20
Youth Flag Football	0	0	0	0	91	91	112	56	83	117
Water										
New Meters	17	5	17	30	6	27	13	9	43	13
Treated Water Pumped (millions of gallons)	1,223	1,254	1,189	1,166	1,191	1,202	1,169	1,264	1,256	1,235
Water Distribution Service Calls	251	236	242	243	199	285	270	149	389	250
Water Leaks Repaired	58	40	52	26	30	39	33	38	22	61
Sewer										
Sewer Maintenance Service Calls	244	208	222	215	187	178	179	129	126	183
Refuse										
Refuse Collected (tons)	8,946	8,125	8,875	8,763	9,653	11,467	9,114	9,627	11,304	10,889
Recycling Material (tons)	1,956	1,845	1,265	1,304	1,083	987	599	406	0	0
Yardwaste Collected (tons)	3,800	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000

Source: Various City Departments

Note: Refuse collected now includes residential, commercial and roll off containers. Prior to 2013 it only included residential and commercial. Airport sales went up because of crop dusting businesses using our airport to fuel. 2021 numbers for Recreation, Police and Fire decreased due to restrictions resulting from COVID-19.

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

Function	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Square Miles of the City	9.1	9.1	9.1	9.1	9.1	9.1	9.1	9.16	9.5	9.6
Street Operations										
Miles of Paved City Streets	83.77	84.65	85.06	85.06	85.06	85.06	85.06	85.06	85.47	86.52
Miles of Unpaved City Streets	2.89	2.89	2.89	2.89	2.89	2.89	2.89	2.89	2.89	2.07
Traffic Operations										
Traffic Signals	13	14	14	14	14	14	14	14	14	14
Parks and Recreation										
Swimming Pools	2	2	2	2	² 1	1	1	1	1	1
Activity Center	1	1	1	1	1	1	1	1	1	1
Ball Diamonds	12	12	12	12	12	12	12	12	12	12
Soccer Fields	6	6	6	6	6	6	6	6	6	6
Water										
Water Mains (miles)	¹ 122.7	123.20	124.10	124.10	124.10	129.40	129.4	131.1	131.4	130.88
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	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00
Sewer										
Sanitary Sewers (miles)	¹ 90.8	91.30	92.00	92.00	92.00	93.40	93.4	93.9	94.2	94.97

Source: Various City Departments

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

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