

CITY OF EMPORIA, KANSAS

104 E. 5th Avenue
Emporia, Kansas 66801

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended December 31, 2013

**Prepared by the Finance Department
Of the City of Emporia, Kansas**

CITY OF EMPORIA, KANSAS

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INTRODUCTORY SECTION



Honorable Mayor and
City Commissioners
City of Emporia
Emporia, Kansas

Honorable Mayor and City Commissioners:

The Comprehensive Annual Financial Report of the City of Emporia, Kansas for the year ended December 31, 2013 is submitted herewith.

This report was prepared by the City's Finance Department. The report is published to provide to the Commission, representatives of financial institutions, and to our citizens and other interested persons detailed information concerning the financial condition of the City government. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. We believe the information, as presented, is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of operation of the City as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included. Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

GENERAL INFORMATION – CITY OF EMPORIA

The City of Emporia lies 110 miles southwest of Kansas City and 85 miles northeast of Wichita on the eastern edge of the Flint Hills area of Kansas. Emporia has a population of 24,868 based on the 2010 census. There are 11.82 square miles of land in the City's corporate boundary, while the "planning and protected" area covers approximately 63 square miles.

The City of Emporia was incorporated in 1857. The City has Commission – City Manager form of government. The commission is comprised of five members elected at large for terms of two and four years, with three Commissioners being elected each odd-numbered year. The Mayor is elected by the Commission.

The City Manager is appointed by the Governing Body and acts as its primary agent in accordance with state statute. Other City officers and employees are appointed by the City Manager. The Governing Body is responsible for policy determination and the City Manager is responsible for the administration of the municipal government.

This report includes all of the funds of the City. The City is financially accountable for the Emporia Public Library, and the Library is included in the City's financial statements. The City Commission appoints all members of the seven members Library Board. Because the Library is not a separate taxing entity by applicable state statutes, the City levies taxes for the Library's operations, which represent approximately 91 percent of total revenues. The operations of the Emporia Public Library are reported as a discretely presented component unit in the City's financial statements.

The City provides a full range of municipal services. The Public Safety program includes police and fire protection; an aquatic center, golf course, tennis courts, neighborhood parks and a community center provide a well-rounded, active recreation program; the Engineering Department provides essential street and highway construction and maintenance, surveying services and other technical assistance to the City; the Public Utilities provide water, sewer and refuse collection services. Additional services provided include building inspection, planning and zoning, as well as general administrative services.

In developing and altering the City's accounting system, consideration is given to the adequacy of the internal controls. The internal controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and the evaluation of costs and benefits requires estimates and judgments by management.

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

State law requires an annual audit of the books of account, financial record and transactions of all administrative departments of the City by independent Certified Public Accountants or Licensed Municipal Public Accounts selected by the City Commission. This requirement has been complied with and the auditor's opinion has been included in this report.

LOCAL ECONOMY

Emporia is very fortunate to have a diversified economy. This diversity provides a cushion when particular market areas suffer from an economic downturn. Our major source of employment is in the field of food processing. This is an important link to our state's agricultural base, yet it is somewhat insulated from the periodic downturns. Strong employment in this sector is being maintained at Tyson's Fresh Meats which has approximately 1,000 employees. Simmons Pet Food and Hill's Pet Food companies continue to be strong in their employment. Simmons recently added a fourth production line and 30 new employees. Camoplast Rockland Ltd, a manufacturer of rubber belts for farm machinery, snowmobiles and similar equipment also continue to be very strong in employment numbers. Interstate Brands opened in June 2013 and will still be the largest baking facility in the company's system and will be adding 50-75 jobs this year with additional expansion plans in the works. Expansion at various local firms in the first half of 2104 has resulted in over 100 new jobs being created with more in the pipeline

Emporia State University is dependent on State funding and the poor fiscal condition of the State is affecting its operations yet enrollment has continued to grow at a steady rate and the 5 year goals is to add another 400 students to the on campus enrollment. Attracting new students will be competitive but the momentum has been established as evidenced by the significant increases in student enrollment for the past 3 semesters. Flint Hills Technical College has had record enrollment for the past 8 semesters. Transportation, particularly trucking, continues to be an important part of our economy. Our access to highway systems and our central geographical location within our state and nation continue to make this a promising area.

LONG-TERM FINANCIAL PLANNING AND MAJOR INITIATIVES

Unrestricted fund balance in the general fund at year end was 27.33 percent of total general fund revenues. This amount was above the 15 percent policy guidelines set by the Commission for budgetary and planning purposes. The water fund unrestricted fund balance was 55.5 percent, the sewer fund unrestricted fund balance was 74.2 percent and the Solid Waste fund unrestricted fund balance was 65.1 percent. These amounts are above the 20 percent reserve policy set by the City Commission.

The City of Emporia collects approximately 2.4 million dollars a year from a 1 cent county wide sales tax. The City Commission has stated these dollars are to be spent on city infrastructure. During 2013 \$49,000 was spent on storm water repairs, \$2.1 million on street maintenance, \$101,000 park & zoo improvements and \$565,000 on building repairs. This sales tax was set to expire in 2014 and the citizens of Lyon County voted on the 2013 ballot to extend until 2024.

A five year capital improvement plan is maintained which serves as its planning document to ensure that facilities, equipment and infrastructure are well maintained and operating in good condition. Property owners can participate in the Neighborhood Revitalization Program for property in the center part of Emporia. The downtown district received Historical district certification in 2013 to provide additional grant opportunities to maintain the buildings.

RELEVANT FINANCIAL POLICIES

The adopted budgets are an integral part of the accounting system providing management control over expenditures in the general fund, special revenue funds, debt service fund and enterprise funds. Kansas statutes require that cash be on hand before expenditure can be authorized, that all expenditures be budgeted, and that the budget not exceed anticipated revenues including carry-forward balances. The adopted budget for any fund may be amended, using the same procedures as for adoption, if the increased expenditures are financed with non-tax revenues.

Formal budgetary integration is not used for the capital projects funds because budgetary control is achieved through the resolution of authorization and funding. Encumbrance accounting is used for outstanding purchase orders, contracts and other commitments. Encumbrances outstanding at year end are reported as assigned fund balance since they are not expenditures or liabilities.

Cash temporarily idle during the year was invested in time deposits in banks ranging from 30 to 150 days in maturity and in U.S. Government obligations with variable maturities and in the Kansas Municipal Investment Pool. At December 31, 2013, the City's cash resources were divided between demand deposits and investments as follows: in demand deposits and cash on hand, 24 percent; and in interest bearing investments, 76 percent.

The City's investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. Accordingly, deposits were either insured by federal depository insurance or collateralized.

The City performs limited risk management operations intended to maintain coverage at appropriate levels; manage claims; and monitor carrier performance. The City was self insured for its workers' compensation insurance for the year ended December 31, 2013.

CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Emporia for its comprehensive annual financial report for the year ended December 31, 2012. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

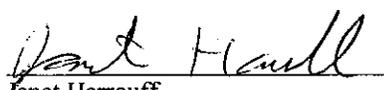
In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such comprehensive annual financial reports must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City of Emporia, Kansas, has received a Certificate of Achievement for the last twenty-eight consecutive years (fiscal years 1985-2012). We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to GFOA.

ACKNOWLEDGMENTS

The preparation of this report could not be accomplished without the efficient and dedicated services of the entire staff of the Finance Department. I should like to express my appreciation to all members of the department who assisted and contributed to its preparation. I should also like to thank the Mayor and City Commissioners for their interest and support in planning and conducting the financial operations of the City in a reasonable and progressive manner.

Respectfully submitted,



Janet Harrouff
City Treasurer
June 21, 2014



Mark McAnarney
City Manager
June 21, 2014



Government Finance Officers Association

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

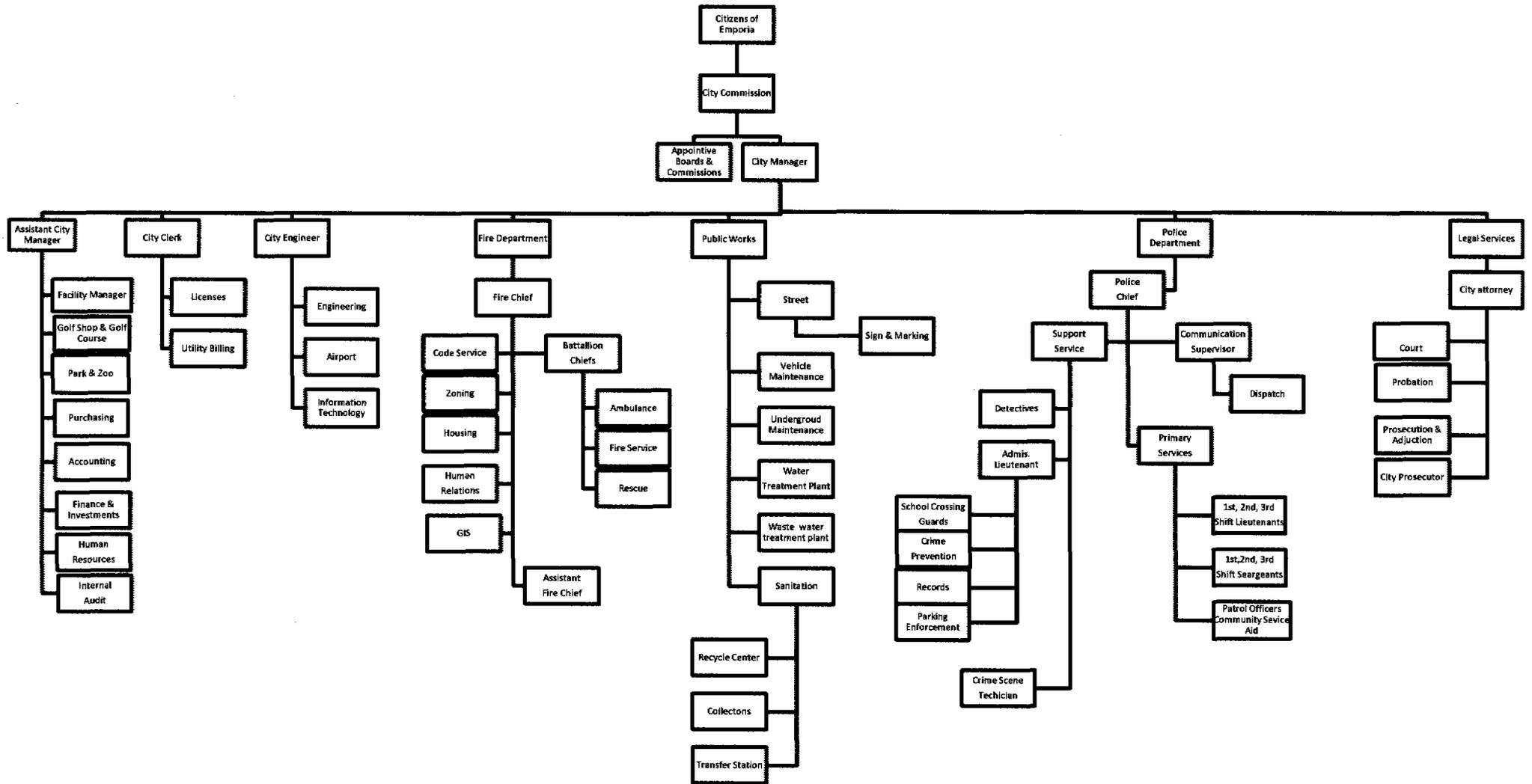
Presented to

**City of Emporia
Kansas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2012

Executive Director/CEO



CITY OF EMPORIA, KANSAS
PRINCIPAL OFFICIALS
December 31, 2013

GOVERNING BODY

Mayor
Vice-Mayor
Commissioner
Commissioner
Commissioner

Rob Gilligan
Jon Geitz
Bobbi Mlynar
Danny Giefer
Steve Harmon

ADMINISTRATIVE OFFICIALS

Interim City Manager
Assistant City Manager
City Clerk
City Treasurer
City Attorney

Mark McAnarney
Mark McAnarney
Kerry Sull
Janet Harrouff
Blaise Plummer

DEPARTMENT HEADS

Public Works Director
City Engineer
Fire Chief
Interim Police Chief

Ron Childers
Gerald Menefee
Jack Taylor
Scott Cronk

INDEPENDENT AUDITOR'S REPORT

June 21, 2014



Mayor and City Commissioners
City of Emporia, Kansas

INDEPENDENT AUDITOR'S REPORT

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Emporia, Kansas (the City), as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibilities

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Emporia Public Library, which represent .73 % of the assets and 2.14% of the revenues of the City. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Emporia Public Library, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the applicable provisions of the *Kansas Municipal Audit and Accounting Guide*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the report of other auditors, 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 discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof, and the respective budget comparisons for the General Fund and Multi-Year Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Members • American Institute of Certified Public Accountants • Kansas Society of Certified Public Accountants

MANHATTAN 120 N. Juliette Avenue • Manhattan, KS 66502-6092 • 785-537-2202 • fax 785-537-1877

email: admin@varney.com • www.varney.com

June 21, 2014
Mayor and City Commissioners
City of Emporia, Kansas
(Continued)

OTHER MATTERS

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual non-major fund financial statements, budgetary comparison schedules for the debt service fund and budgeted non-major governmental funds, and schedule of expenditures of federal awards as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and the other information, such as introductory and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements, budget comparison schedules for the debt service fund and budgeted nonmajor funds and the schedule of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated June 21, 2014, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance.

Varny & Associates CPAs, LLC

Certified Public Accountants
Manhattan, Kansas

MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF EMPORIA, KANSAS
MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended December 31, 2013

Unaudited

Our discussion and analysis of the City of Emporia, Kansas financial performance provides an overview of the City's financial activities for the fiscal year ended December 31, 2013. The Emporia Public Library issues a complete financial statement that includes a discussion and analysis. The address for retrieval of this report is in Note 1. This narrative should be read in conjunction with the City's letter of transmittal, which begins on page i.

Financial Highlights

- The Government-wide net assets totaled \$80,752,265 at the end of the current fiscal year, a decrease of \$2,635,244 from the prior year.
- The Government-wide unrestricted current assets exceed the current liabilities by \$15,799,570, representing the City's ability to meet its current obligations when due.
- Total capital assets, net of accumulated depreciation at December 31, 2013, totaled \$90,343,426.
- During the year ended December 31, 2013, the City's total expenses exceeded total revenues (which include charges for services, local taxes and state and federal aid) by \$2,635,244.
- The City's total indebtedness showed a net decrease of \$2,850,000, primarily due to the payment of general obligation bonds. The City did issue additional general obligation bonds in the amount of \$4,280,000. Total debt payments amounted to \$7,130,000 for the year.

- The City's net capital assets decreased \$7,871,350 in the current fiscal year.

Using this Financial Report

This annual report consists of two distinct series of financial statements: government-wide and fund financial statements. In addition, the annual report includes budgetary-basis financial statement comparisons, in accordance with the State of Kansas cash basis and budget laws.

The government-wide statements are designed to provide information about the City's activities as a whole and provide a longer-term view of the City's finances. The fund financial statements tell how the City's services for both governmental and business-type activities were financed in the short term as well as what remains for future spending. Fund financial statements report the City's operations in greater detail than the government-wide statements by providing information about the City's most significant funds. In addition, combining statements included in the supplemental information show detail of all other governmental funds. The City also holds fiduciary funds on behalf of various parties. These funds are reported in a separate statement.

Reporting on the City as a Whole (Government Wide)

Statement of Net Position and the Statement of Activities

The view of the City as a whole looks at all financial transactions and asks the question, "Are we in a better financial position as a result of the current year's financial activities?" The Statement of Net Position and the Statement of Activities provide the basis for answering this question. The statements include all assets and all liabilities using the accrual basis of accounting, which is similar to the accounting method used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses, regardless of when cash is received or paid.

These two statements report the City's net position and current year change in the net position. The change in net position is important because it tells the reader whether the City, as a whole, has improved or diminished its financial position. Over time, increases or decreases in the City's net position are one indicator of whether its financial health is improving or deteriorating. Causes of these changes may be the result of many factors, some financial, some not. Non-financial factors include the City's property tax base, state mandates, and the financial condition of the State of Kansas general fund.

CITY OF EMPORIA, KANSAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

For the Year Ended December 31, 2013

Unaudited

Reporting on the City as a whole (Government Wide) (Continued)

In the Statement of Net Position and the Statement of Activities, the City is divided into two distinct kinds of activities:

Governmental Activities — Most of the City's programs and services are reported here, including general government, public safety, highways and streets, culture and recreation, health and environment, building and maintenance, planning and development and airport operation.

Business-Type Activities — These services are provided on a charge for goods and services basis to recover all of the expenses of the goods or services provided. The city's solid waste disposal, sewer utility, and water utility are reported as business-type activities. In addition, the City's workers' compensation fund and the insurance fund are treated as internal service funds.

Reporting the City's Most Significant Funds (Fund Financial Statements)

Fund financial statements provide detailed information about the City's major funds. The City uses many funds to account for a multitude of financial transactions. The major fund financial statements focus on the City's most significant funds. Combining fund balance sheets and statements of revenues, expenditures and changes in fund balances provide detailed information about all of the City's non-major governmental funds.

Governmental Funds — Most of the City's activities are reported in the governmental funds, which focus on how money flows into and out of the funds and balances left over at fiscal year end available to be spent in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general operations and the basic services it provides. Governmental fund information helps the reader to decide where there are more or fewer financial resources that can be spent in the near term to finance the City's programs. Major differences between the City's governmental activities as reported in the Statement of Net Position and the Statement of Activities and its governmental funds are reconciled in the Governmental Funds financial statements.

Proprietary Funds — Proprietary funds (Solid Waste Disposal, Sewer Utility and Water Utility) are enterprise funds that use the same basis of accounting as business-type activities; therefore, these statements replicate the information provided in the government-wide financial statements.

The City as a Whole

Government-Wide Net Position

Net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Emporia, Kansas, assets exceeded liabilities by \$80,752,265 at the end of the current fiscal year.

By far the largest portion of the City of Emporia's net position (74.71 percent) reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The City of Emporia uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Emporia's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

CITY OF EMPORIA, KANSAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
For the Year Ended December 31, 2013
Unaudited

The City as a Whole (Continued)

The Statement of Net Assets provides the financial position of the City as a whole. The following is a summary of the City's Statement of Net Assets as of December 31, 2013 and 2012:

CITY OF EMPORIA, KANSAS
CONDENSED STATEMENT OF NET POSITION

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
ASSETS						
Current	\$ 18,322,620	\$ 17,954,485	\$ 10,038,984	\$ 8,433,265	\$ 28,361,604	\$ 26,387,750
Net Capital Assets	59,691,768	66,199,682	30,651,658	32,015,094	90,343,426	98,214,776
TOTAL ASSETS	\$ 78,014,388	\$ 84,154,167	\$ 40,690,642	\$ 40,448,359	\$ 118,705,030	\$ 124,602,526
LIABILITIES AND NET POSITION						
Liabilities						
Current	\$ 10,192,220	\$ 10,381,419	\$ 2,369,814	\$ 2,468,667	\$ 12,562,034	\$ 12,850,086
Non-Current	13,198,245	16,802,933	12,192,487	11,561,997	25,390,732	28,364,930
Total Liabilities	\$ 23,390,465	\$ 27,184,352	\$ 14,562,301	\$ 14,030,664	\$ 37,952,766	\$ 41,215,016
Net Position						
Net investment in capital assets	\$ 43,616,768	\$ 46,489,682	\$ 16,712,412	\$ 18,844,645	\$ 60,329,180	\$ 65,334,327
Restricted	5,799,120	8,649,753	-	-	5,799,120	8,649,753
Unrestricted	5,208,036	1,830,380	9,415,929	7,573,049	14,623,965	9,403,429
Total Net Position	\$ 54,623,924	\$ 56,969,815	\$ 26,128,341	\$ 26,417,694	\$ 80,752,265	\$ 83,387,509
TOTAL LIABILITIES AND NET POSITION	\$ 78,014,389	\$ 84,154,167	\$ 40,690,642	\$ 40,448,358	\$ 118,705,031	\$ 124,602,525

An additional portion of the City of Emporia's net position (7.18 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (18.11 percent) may be used to meet the City's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City of Emporia is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

The City's net position was decreased by \$2,635,244 during the current fiscal year. Governmental activities decreased \$2,345,891, while business-type activities net position decreased \$289,353. The current year governmental activities decrease was primarily due to depreciation of capital assets of \$7,647,262.

Governmental Activities

The following is a condensed statement of the City's change in net position for the year ended December 31, 2013 and 2012:

CITY OF EMPORIA, KANSAS
CONDENSED STATEMENT OF ACTIVITIES

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenue						
Functions/Program:						
Charges for services	\$ 5,024,873	\$ 3,408,590	\$ 12,343,478	\$ 12,959,639	\$ 17,368,351	\$ 16,368,229
Operating grants	1,551,979	476,479	-	-	1,551,979	476,479
Capital grants	-	-	-	-	-	-
General revenues	-	-	-	-	-	-
Property tax	6,874,056	7,030,952	-	-	6,874,056	7,030,952
Other	11,260,107	10,665,435	475,900	254,396	11,736,007	10,919,831
Total Revenues	\$ 24,711,015	\$ 21,581,456	\$ 12,819,378	\$ 13,214,035	\$ 37,530,393	\$ 34,795,491

(Continued)

CITY OF EMPORIA, KANSAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
For the Year Ended December 31, 2013
Unaudited

Governmental Activities (Continued)

CITY OF EMPORIA, KANSAS
CONDENSED STATEMENT OF ACTIVITIES (CONTINUED)

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Expenditures						
General government	\$ 5,237,185	\$ 4,387,457	\$ -	\$ -	\$ 5,237,185	\$ 4,387,457
Public safety	10,102,881	9,208,224	-	-	10,102,881	9,208,224
Highway and streets	6,417,951	7,443,498	-	-	6,417,951	7,443,498
Culture and recreation	3,666,390	2,909,189	-	-	3,666,390	2,909,189
Health and environment	106,788	197,099	-	-	106,788	197,099
Building maintenance	1,503,430	1,320,425	-	-	1,503,430	1,320,425
Planning and development	649,666	608,747	-	-	649,666	608,747
Airport operations	1,618,281	617,829	-	-	1,618,281	617,829
Appropriation	123,121	81,010	-	-	123,121	81,010
Capital outlay	209,145	17,853	-	-	209,145	17,853
Bond issuance costs	673,671	830,402	-	-	673,671	830,402
Solid waste disposal	-	-	3,098,193	3,020,758	3,098,193	3,020,758
Sewer utility	-	-	3,115,167	3,511,678	3,115,167	3,511,678
Water utility	-	-	3,643,768	4,495,878	3,643,768	4,495,878
Interest on debt	-	-	-	-	-	-
Total Expenses	\$ 30,308,509	\$ 27,621,733	\$ 9,857,128	\$ 11,028,314	\$ 40,165,637	\$ 38,650,047
INCREASE (DECREASE) IN NET POSITION BEFORE TRANSFERS	\$ (5,597,494)	\$ (2,910,718)	\$ 2,962,250	\$ 2,185,721	\$ (2,635,244)	\$ (3,854,556)
Transfers	3,251,603	2,220,400	(3,251,603)	(2,220,400)	-	-
INCREASE (DECREASE) IN NET POSITION	\$ (2,345,891)	\$ (690,318)	\$ (289,353)	\$ (34,679)	\$ (2,635,244)	\$ (3,854,556)

CITY OF EMPORIA, KANSAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

For the Year Ended December 31, 2013

Unaudited

Business-Type Activities

Business-type activities decreased the City of Emporia's net position by \$289,353 in 2013, compared to an decrease of \$34,679 in 2012. This change from 2012 to 2013 is attributed to the additional improvements in the enterprise funds.

Financial Analysis of the City's Funds

The City uses fund accounting to ensure and demonstrate compliance with state and federal finance related legal requirements. These funds are accounted for on the modified accrual basis of accounting.

The governmental funds of the City provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. Unreserved fund balances, in particular, measure the City's net resources available for spending at the end of the City's fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$10,270,133, an increase of \$511,682 in comparison with the prior year. A large portion of this total fund balance amount (\$2,700,340) constitutes capital project fund balances, which are available for spending on large capital projects. The remainders of fund balance amounts were as follows: \$3,098,780 restricted for various city functions and services; \$3,172,762 assigned for purchases on order and subsequent year's budget appropriations; and \$1,298,251 General Fund available for spending at the City's discretion.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund was \$1,298,251. The fund balance of the City's general fund was increased by \$360,930 during the current fiscal year, mainly due to strict limits on expenditures.

The Multi-Year Improvement Fund was established to receive funding for the purpose of making improvements to the City over an extended period of time. The fund balance decreased \$367,255 due to completed projects.

The Debt Service Fund has a total fund balance of \$600,676, all of which is reserved for the payment of debt service. The net decrease in fund balance during the current year in the fund was \$95,562. The decrease is due to payment of debt related to taxes levied for future debt payments. The City issued general obligation bonds with proceeds totaling \$4,280,000, refunding debt and funding additional projects.

The City's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the enterprise funds is as follows: Water Fund net position increased \$310,731, ending at \$2,781,474; Sewer Fund net position increased \$1,798,232, ending at \$3,876,301; and the Solid Waste Fund net position decreased \$266,083, ending at \$2,758,154. The factors concerning the finances of these funds have already been addressed in the discussion of the City's business type activities.

CITY OF EMPORIA, KANSAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

For the Year Ended December 31, 2013

Unaudited

General Fund Budgeting Highlights

The City's budgets are prepared in accordance with Kansas law and are based primarily on the basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

The City's final General Fund budget was \$20,887,913. The revenues were higher than budgetary estimates by \$364,574 and the expenditures were less than budgetary estimates by \$2,351,752.

The actual expenditures (before transfers) for the General Fund as of December 31, 2013 were \$14,999,670 compared to the final budget of \$17,379,188. The variance of actual expenditures to budget was \$2,379,518 under budget for the year ended December 31, 2013. This was due in part to management restriction of expenditures of department heads because of the current economic conditions.

Capital Assets and Debt Administration

The City's investment in capital assets for its governmental and business-type activities totaled \$90,343,426 (net of accumulated depreciation) as of December 31, 2013. This investment in capital assets includes land, buildings and systems, improvements, machinery and equipment, park facilities, roads, highways and bridges. The decrease in the City's investment in capital assets for the current fiscal year for governmental activities was 9.83% and a 4.26% decrease for business-type activities.

Major capital asset events during the current fiscal year included the following:

Repaired various streets, curbs, gutters, driveways, and sidewalks throughout Emporia at a cost of \$526,299.

Resurfaced US 50 from Commercial Street to Peyton Street at a cost of \$476,942.

Installed sharrows on 12th Avenue from Industrial Merchant at a cost of \$68,102.

Resurfaced Overlander and Trusler Road and Trusler Parking Lot at a cost of \$324,865.

Replaced water main and paving on Mechanic Street from 2nd to 4th Avenues at a cost of \$303,149.

Various storm water projects at a cost of \$39,619.

Replace water main at Coronado Avenue at a cost of \$247,995.

Engineering and design of new water and sewer mains to Industrial Park IV at a cost of \$247,662.

Installed new traffic signals at US Highway 50 and Industrial at a cost of \$168,811.

Continued the hazardous sidewalk replacement program, replacing 12,674 linear feet of 4" sidewalk and 4,394 linear feet of 6" sidewalk for a cost of \$103,032.

CITY OF EMPORIA, KANSAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

For the Year Ended December 31, 2013

Unaudited

Capital Assets and Debt Administration (Continued)

Additional information on the City's capital assets can be found in Note 3 of the financial statements.

Long-term Debt Activity

At December 31, 2013, the City had total general obligation bond debt outstanding of \$29,755,000, backed by the full faith and credit of the City. Total general obligation long-term debt decreased for payments in the amount of \$4,930,000 for the fiscal year ended December 31, 2013, not including refunding of the 2005 general obligation bond. The City is rated by one of the three rating agencies (Standards & Poor's) and has a rating of A+. The ratio of bonded debt to assessed valuation for the City is 40.21%. In 2013, the City issued \$4,280,000 of general obligation bonds. \$1,195,000 was refunding debt, with the remaining \$3,085,000 for new projects.

Additional information on the City's general long term debt can be found in Note 3 to the financial statements.

Economic Factors and Next Year's Budgets and Rates

The unemployment rate for the City is 4.7% as of April, 2014, according to the Kansas Department of Labor. The rate is expected to show a slight decrease in the next 12 months based on current economic conditions and planned expansions of local businesses and industries. We project the rate could decrease to 4.5% by April 2015. Revenue for the City is projected to see a slight increase in the General Fund due to a 2% valuation growth and a 1.5% increase in sales tax revenues. The City unfortunately has experienced a slight decrease in our Multi-Year Sales Tax Fund derived from countywide sales tax based on the formula utilized by the State of Kansas. Revenue and expenses are reviewed monthly by the Mayor and Commission and weekly by the management staff. The City also reviews an unencumbered cash report on a weekly basis.

The occupancy rate in the downtown district is 92% and is expected to remain in that area for the next year. The Community Initiated Development Plan (CID) for the area was approved in March of 2014 and is a collaboration of the Kansas Department of Transportation Department of Commerce, City of Emporia, Emporia Main Street, The Emporia Area Chamber of Commerce and Convention and Visitors Bureau, and the Regional Development Agency of East-Central Kansas (RDA). CID is a master plan for the downtown area that focuses on uses that are compatible with the downtown area. The first two phases of CID led to the creation of distinct districts within the downtown, including the Black and Gold District (focus is university uses); Arts District (arts and entertainment); Retail (retail); and Office (office uses surrounding the Lyon County Courthouse). These districts were then incorporated into the City's Comprehensive Plan. Phase Three will identify specific types of uses and retailers as well as the level of infrastructure that will be necessary to support these uses. Already two new mixed uses, with retail on the ground floor and housing on the second and third floors, have been built in the downtown area since Phases One and Two were completed. The mixture will encourage people to live downtown and increase the population base for the retailers. Further development is being evaluated which will center on a public private partnership between the City/County, ESU and the private sector. Fall 2014 should see the unveiling of the final phase.

Vacancy rates across Emporia held steady in 2013. Several vacant retail spaces were filled with new regional retailers that widened the shopping opportunities for residents. A long vacant building in Industrial Park III is scheduled to open in June with up to 100 manufacturing jobs. Two manufacturers have had a significant increase in hiring as new product lines have been moved to Emporia from other company facilities. In addition, several major local employers are in the preliminary stages of expanding their facilities in Emporia, Kansas.

CITY OF EMPORIA, KANSAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

For the Year Ended December 31, 2013

Unaudited

Economic Factors and Next Year's Budgets and Rates (Continued)

The City and RDA continue aggressively to promote industrial and retail economic development to fill these vacancies, improve the quality of life in Emporia and to further diversify the Emporia economy. Emporia State University continues to increase its student population (both in total numbers and Emporia numbers) and is actively recruiting additional students. It appears that Emporia will continue to see an increase in local employment numbers due to local expansions in the near future. The City and RDA are still currently in negotiations with the two local businesses to construct new facilities, one a manufacturing plant and the other a hotel and convention center. If these projects come to fruition, Emporia will be well-positioned to attract additional events and conferences.

The City's five operating funds each maintained unencumbered cash reserves at or above the reserve level set forth by City policy. The City Commission and management will continue to monitor revenues and expenses, as well as unencumbered cash reserves, to ensure the reserves do not fall below target. The City management will take aggressive action, if necessary, to maintain the reserve levels. Some of these steps may include not filling positions left by retiring employees, eliminating capital purchases and monitoring projects to ensure they come in under budget. The City Commission is implementing a five-year budget in 2014 in order to better anticipate and manage long-term finances of the City.

The General Fund had a increase in unencumbered cash in the amount of \$129,320 for the 2013 fiscal year. The General Fund ended the 2013 fiscal year with reserves over 20%, with the target goal being 15%.

The Multi-Year Improvement Fund had a decrease in unencumbered cash of \$492,129 for the 2013 fiscal year. The increase was due to several projects being completed and funded. The City has no reserve target for this fund.

The Debt Service Fund had a decrease in unencumbered cash of \$95,562 for the 2013 fiscal year. The decrease was due to debt service payments.

The Water Fund had a increase in unencumbered cash in the amount of \$87,718 for the 2013 fiscal year. The increase was due to completion of capital projects. The Water Fund ended the 2013 fiscal year with reserves above the 20% target reserve level.

The Sewer Fund had an increase in unencumbered cash in the amount of \$1,792,739 for the 2013 fiscal year. The Sewer Fund ended the 2013 fiscal year with reserves above the 20% target reserve

The Solid Waste Fund had a decrease in unencumbered cash in the amount of \$329,803 for the 2013 fiscal year. The Solid Waste Fund ended the 2013 fiscal year with reserves well above the 20% target level.

Total unencumbered cash reserves in all funds increased \$1,756,570. This includes operational and restricted funds.

Contacting the City

This financial report is designed to provide a general overview of the City's finances. If you have questions about this report or need additional financial information, contact the City's Finance Department at 104 E 5th Avenue, Emporia, Kansas 66801.

BASIC FINANCIAL STATEMENTS

**CITY OF EMPORIA, KANSAS
STATEMENT OF NET POSITION**

December 31, 2013

	Primary Government			Component Unit
	Governmental	Business-Type	Total	Emporia Public Library
	Activities	Activities		
ASSETS				
Cash and investments	\$ 11,316,526	\$ 8,250,840	\$ 19,567,366	\$ 480,632
Accounts receivable - net of allowance	7,006,094	1,239,679	8,245,773	-
Inventory	-	450,961	450,961	-
Deferred charges	-	97,504	97,504	-
Total current assets	<u>\$ 18,322,620</u>	<u>\$ 10,038,984</u>	<u>\$ 28,361,604</u>	<u>\$ 480,632</u>
Capital assets not being depreciated:				
Land	\$ 1,683,849	\$ 210,525	\$ 1,894,374	\$ -
Capital assets, being depreciated:				
Capital assets	230,141,017	71,990,315	302,131,332	912,143
Accumulated depreciation	(172,133,098)	(41,549,182)	(213,682,280)	(523,872)
Total capital assets	<u>\$ 59,691,768</u>	<u>\$ 30,651,658</u>	<u>\$ 90,343,426</u>	<u>\$ 388,271</u>
Total Assets	<u>\$ 78,014,388</u>	<u>\$ 40,690,642</u>	<u>\$ 118,705,030</u>	<u>\$ 868,903</u>
LIABILITIES				
Accounts payable	\$ 256,614	\$ 141,270	\$ 397,884	\$ 65,659
Accrued liabilities	398,666	278,516	677,182	-
Interest payable	172,336	115,908	288,244	-
Unearned revenue	5,859,841	-	5,859,841	-
Net OPEB obligation	42,248	-	42,248	-
Unpaid claims	100,892	-	100,892	-
Current portion of				
Compensation absences payable	161,623	29,120	190,743	19,846
Notes payable	-	-	-	-
General obligation bonds	3,200,000	1,805,000	5,005,000	-
Total current liabilities	<u>\$ 10,192,220</u>	<u>\$ 2,369,814</u>	<u>\$ 12,562,034</u>	<u>\$ 85,505</u>
Noncurrent liabilities:				
Compensated absences payable	\$ 323,245	\$ 58,241	\$ 381,486	\$ -
General obligation bonds and temporary notes	12,875,000	11,875,000	24,750,000	-
Unamortized premium	-	259,246	259,246	-
Total noncurrent liabilities	<u>\$ 13,198,245</u>	<u>\$ 12,192,487</u>	<u>\$ 25,390,732</u>	<u>\$ -</u>
Total Liabilities	<u>\$ 23,390,465</u>	<u>\$ 14,562,301</u>	<u>\$ 37,952,766</u>	<u>\$ 85,505</u>
NET POSITION				
Net investment in capital assets	\$ 43,616,768	\$ 16,712,412	\$ 60,329,180	\$ 388,271
Restricted for				
Urban development	1,612,632	-	1,612,632	-
Public safety	327,694	-	327,694	-
Culture and recreation				
Expendable	323,127	-	323,127	202,230
Nonexpendable	-	-	-	82,589
Public works	233,531	-	233,531	-
Debt service	601,796	-	601,796	-
Capital projects	2,700,340	-	2,700,340	-
Unrestricted	5,208,036	9,415,929	14,623,965	110,308
Total Net Position	<u>\$ 54,623,924</u>	<u>\$ 26,128,341</u>	<u>\$ 80,752,265</u>	<u>\$ 783,398</u>

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

CITY OF EMPORIA, KANSAS
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2013

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Governmental activities:				
General government	\$ 5,237,185	\$ 1,328,031	\$ 266,737	\$ -
Public safety	10,102,881	2,698,754	134,595	-
Highway and streets	6,417,951	97,237	58,050	-
Culture and recreation	3,666,390	442,056	36,720	-
Health and environment	106,788	-	46,210	-
Building maintenance	1,503,430	136,854	-	-
Planning and development	649,666	-	-	-
Airport operations	1,618,281	321,941	1,009,667	-
Appropriations	123,121	-	-	-
Bond issuance costs	209,145	-	-	-
Interest on long-term debt	673,671	-	-	-
Total Governmental Activities	\$ 30,308,509	\$ 5,024,873	\$ 1,551,979	\$ -
Business-type activities:				
Solid waste disposal	\$ 3,098,193	\$ 3,951,538	\$ -	\$ -
Sewer utility	3,115,167	3,526,764	-	-
Water utility	3,643,768	4,865,176	-	-
Total Business-type Activities	\$ 9,857,128	\$ 12,343,478	\$ -	\$ -
Total Primary Government	\$ 40,165,637	\$ 17,368,351	\$ 1,551,979	\$ -
Component Unit:				
Emporia Public Library				
Culture and recreation	\$ 853,922	\$ 24,385	\$ 854,711	\$ -
Capital outlay	16,832	-	-	-
Total Component Unit	\$ 870,754	\$ 24,385	\$ 854,711	\$ -

General Revenues

Property taxes levied for
 General purpose
 Debt service
Franchise taxes
Sales taxes
Gasoline taxes
Investment earnings
Miscellaneous
Transfers - net

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning

Net Position - Ending

(continued)

Net (Expenses) Revenue and Changes in Net Position			Component
Primary Government			Unit
Governmental Activities	Business- Type Activities	Total	Emporia Public Library
\$ (3,642,417)	\$ -	\$ (3,642,417)	\$ -
(7,269,532)	-	(7,269,532)	-
(6,262,664)	-	(6,262,664)	-
(3,187,614)	-	(3,187,614)	-
(60,578)	-	(60,578)	-
(1,366,576)	-	(1,366,576)	-
(649,666)	-	(649,666)	-
(286,673)	-	(286,673)	-
(123,121)	-	(123,121)	-
(209,145)	-	(209,145)	-
(673,671)	-	(673,671)	-
<u>\$ (23,731,657)</u>	<u>\$ -</u>	<u>\$ (23,731,657)</u>	<u>\$ -</u>
\$ -	\$ 853,345	\$ 853,345	\$ -
-	411,597	411,597	-
-	1,221,408	1,221,408	-
<u>\$ -</u>	<u>\$ 2,486,350</u>	<u>\$ 2,486,350</u>	<u>\$ -</u>
<u>\$ (23,731,657)</u>	<u>\$ 2,486,350</u>	<u>\$ (21,245,307)</u>	<u>\$ -</u>
			\$ 25,174
			(16,832)
			<u>\$ 8,342</u>
\$ 3,946,914	\$ -	\$ 3,946,914	\$ -
2,927,142	-	2,927,142	-
2,332,231	-	2,332,231	-
6,665,421	-	6,665,421	-
702,059	-	702,059	-
162,932	5,357	168,289	2,174
1,397,464	470,543	1,868,007	5,076
3,251,603	(3,251,603)	-	-
<u>\$ 21,385,766</u>	<u>\$ (2,775,703)</u>	<u>\$ 18,610,063</u>	<u>\$ 7,250</u>
(2,345,891)	(289,353)	(2,635,244)	15,592
<u>\$ 56,969,815</u>	<u>\$ 26,417,694</u>	<u>\$ 83,387,509</u>	<u>\$ 767,806</u>
<u>\$ 54,623,924</u>	<u>\$ 26,128,341</u>	<u>\$ 80,752,265</u>	<u>\$ 783,398</u>

CITY OF EMPORIA, KANSAS
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2013

	<u>General Fund</u>	<u>Multi-Year Improvement</u>	<u>Debt Service</u>
ASSETS			
Cash and investments	\$ 3,879,116	\$ 955,898	\$ 600,676
Receivables			
Accounts	1,131,694	1,100	-
Taxes	3,148,832	-	2,095,348
Due from other funds	4,523	-	-
Total Assets	<u>\$ 8,164,165</u>	<u>\$ 956,998</u>	<u>\$ 2,696,024</u>
LIABILITIES			
Accounts payable	\$ 158,356	\$ 73,066	\$ -
Accrued liabilities	385,964	-	-
Due to other funds	-	-	-
Unearned revenue	3,148,832	-	2,095,348
Total Liabilities	<u>\$ 3,693,152</u>	<u>\$ 73,066</u>	<u>\$ 2,095,348</u>
FUND BALANCE			
Restricted			
Urban development	\$ -	\$ 883,932	\$ -
Public safety	-	-	-
Culture and recreation	-	-	-
Public works	-	-	-
Debt service	-	-	600,676
Committed:			
Capital projects	-	-	-
Assigned			
Purchases on order	9,040	-	-
Subsequent year's budget: appropriation of fund balances	3,163,722	-	-
Unassigned	1,298,251	-	-
Total Fund Balance	<u>\$ 4,471,013</u>	<u>\$ 883,932</u>	<u>\$ 600,676</u>
Total Liabilities and Fund Balance	<u>\$ 8,164,165</u>	<u>\$ 956,998</u>	<u>\$ 2,696,024</u>

(continued)

Other Nonmajor Funds	Total Governmental Funds
\$ 4,343,150	\$ 9,778,840
	-
13,459	1,146,253
615,661	5,859,841
-	4,523
\$ 4,972,270	\$ 16,789,457
\$ 25,192	\$ 256,614
12,382	398,346
4,523	4,523
615,661	5,859,841
\$ 657,758	\$ 6,519,324
\$ 728,700	\$ 1,612,632
327,694	327,694
323,127	323,127
233,531	233,531
1,120	601,796
2,700,340	2,700,340
-	9,040
-	3,163,722
-	1,298,251
\$ 4,314,512	\$ 10,270,133
\$ 4,972,270	\$ 16,789,457

CITY OF EMPORIA, KANSAS
RECONCILIATION OF THE BALANCE SHEET TO THE
STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
December 31, 2013

Total Governmental Fund Balances		\$ 10,270,133
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Amounts reported for governmental activities in the statement of net position are different because:

Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The assets and liabilities of certain internal service funds are included in governmental activities in the statement of net position.

1,436,475

Bond issuance costs are amortized over the life of the bonds for generally accepted accounting principles but expensed for fund purposes. The amount of unamortized bond issuance costs as of December 31, 2012.

-

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

The cost of capital assets is
Accumulated depreciation is

	\$ 231,824,866	
	<u>(172,133,098)</u>	59,691,768

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:

General obligation
Interest payable
Net OPEB obligation payable
Compensated absences payable

	\$ 16,075,000	
	172,336	
	42,248	
	<u>484,868</u>	<u>16,774,452</u>

Net Position of Governmental Activities

\$ 54,623,924

CITY OF EMPORIA, KANSAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

For the Year Ended December 31, 2013

	General Fund	Multi-Year Improvement	Debt Service
REVENUES			
Taxes	\$ 12,215,651	\$ -	\$ 2,927,142
Charges for services	2,149,867	-	-
Special assessments	-	-	48,141
Intergovernmental	745,845	-	-
Licenses and permits	121,720	-	-
Fines and fees	725,420	-	-
Use of money & property	153,717	1,233	1,197
Contributions	-	-	-
Miscellaneous	212,333	-	68,008
Total Revenues	\$ 16,324,553	\$ 1,233	\$ 3,044,488
EXPENDITURES			
General governmental	\$ 1,315,045	\$ 2,772,266	\$ -
Public safety	9,693,934	-	-
Highways and streets	284,757	-	-
Culture and recreation	1,798,885	-	-
Health and environment	-	-	-
Building maintenance	1,345,428	-	-
Planning and development	28,271	-	-
Airport operations	480,604	-	-
Appropriations	123,121	-	-
Capital outlay	-	-	-
Bond issuance costs	-	-	-
Debt service			
Principal	-	-	3,270,000
Interest and other charges	-	-	750,291
Total Expenditures	\$ 15,070,045	2,772,266	\$ 4,020,291
Excess (Deficiency) of Revenues over Expenditures	\$ 1,254,508	\$ (2,771,033)	\$ (975,803)
OTHER FINANCING SOURCES (USES)			
Transfers in	\$ 2,642,913	\$ 2,428,145	\$ 880,241
Transfers out	(3,536,491)	(24,367)	-
Payment to refunded bonds escrow agent	-	-	-
Proceeds from issuance of refunding bonds	-	-	-
Proceeds from premiums on bonds	-	-	-
Proceeds from sale of bonds	-	-	-
Total Other Financing Sources and Uses	\$ (893,578)	2,403,778	\$ 880,241
Net Change in Fund Balance	\$ 360,930	\$ (367,255)	\$ (95,562)
Fund Balance - Beginning	4,110,083	1,251,187	696,238
Fund Balance - Ending	\$ 4,471,013	\$ 883,932	\$ 600,676

(continued)

Other Nonmajor Funds	Total Governmental Funds
\$ 1,382,833	\$ 16,525,626
-	2,149,867
-	48,141
2,422,451	3,168,296
-	121,720
-	725,420
3,568	159,715
71,257	71,257
799,831	1,080,172
<u>\$ 4,679,940</u>	<u>\$ 24,050,214</u>

\$ 459,825	\$ 4,547,136
198,861	9,892,795
632,191	916,948
679,683	2,478,568
106,788	106,788
-	1,345,428
608,470	636,741
-	480,604
-	123,121
2,122,112	2,122,112
32,100	32,100
1,115,410	4,385,410
-	750,291
<u>\$ 5,955,440</u>	<u>\$ 27,818,042</u>

<u>\$ (1,275,500)</u>	<u>\$ (3,767,828)</u>
-----------------------	-----------------------

\$ 3,118,175	\$ 9,069,474
(2,002,089)	(5,562,947)
(1,288,607)	(1,288,607)
1,288,607	1,288,607
226,590	226,590
546,393	546,393
<u>\$ 1,889,069</u>	<u>\$ 4,279,510</u>

\$ 613,569	\$ 511,682
3,700,943	9,758,451
<u>\$ 4,314,512</u>	<u>\$ 10,270,133</u>

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

For the Year Ended December 31, 2013

Total Net Change in Fund Balances - Governmental Funds \$ 511,682

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

Capital outlays to purchase or build assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities. This is the amount by which capital outlays exceed depreciation in the period.

Capital outlays	\$ 1,849,734	
Depreciation expense	<u>(7,647,262)</u>	(5,797,528)

Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The revenues and expenses of certain internal service funds are included in governmental activities in the statement of activities. 76,376

Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. This is the amount by which interest accrual changed. 76,620

Some expenses reported in the statement of activities, such as compensated absences and postemployment benefits do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. 59,504

Proceeds of bonds is a revenue in the governmental funds, but it increases long-term liabilities in the statement of net position and does not affect the statement of activities. (1,835,000)

Bond issuance costs previously being amortized were written off due to GASB requirements. 177,045

Repayment of bond principal and transfers to escrow agent are expenditures in the governmental funds, but it reduces long-term liabilities in the statement of net position and does not affect the statement of activities. 4,385,410

Changes in Net Assets of Governmental Activities \$ (2,345,891)

CITY OF EMPORIA, KANSAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
GENERAL FUND

For the Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget Positive (Negative)
REVENUES				
Taxes	\$ 12,072,702	\$ 12,072,702	\$ 12,215,651	\$ 142,949
Intergovernmental	610,395	610,395	745,845	135,450
Licenses and permits	196,535	196,535	121,720	(74,815)
Charges for services	2,076,792	2,076,792	2,149,867	73,075
Fines and fees	475,600	475,600	725,420	249,820
Use of money and property	129,846	129,846	153,717	23,871
Reimbursements	124,782	124,782	23,656	(101,126)
Miscellaneous	273,327	273,327	188,677	(84,650)
Total Revenues	<u>\$ 15,959,979</u>	<u>\$ 15,959,979</u>	<u>\$ 16,324,553</u>	<u>\$ 364,574</u>
EXPENDITURES				
Current:				
General Government	\$ 2,993,933	\$ 2,993,933	\$ 1,320,556	\$ 1,673,377
Public Safety				
Law enforcement	\$ 4,425,873	\$ 4,425,873	\$ 4,156,960	\$ 268,913
Animal control	140,102	140,102	110,996	29,106
Court services	525,577	525,577	397,426	128,151
Ambulance	2,435,696	2,435,696	2,373,818	61,878
Fire	2,633,268	2,633,268	2,580,362	52,906
Total Public Safety	<u>\$ 10,160,516</u>	<u>\$ 10,160,516</u>	<u>\$ 9,619,562</u>	<u>\$ 540,954</u>
Highways and Streets				
Maintenance				
Maintenance	\$ 22,820	\$ 22,820	\$ 5,104	\$ 17,716
Snow removal	33,500	33,500	35,932	(2,432)
Street lighting	257,000	257,000	243,721	13,279
Total Highways and Streets	<u>\$ 313,320</u>	<u>\$ 313,320</u>	<u>\$ 284,757</u>	<u>\$ 28,563</u>
Culture and Recreation				
Park	\$ 641,878	\$ 641,878	\$ 667,631	\$ (25,753)
Swimming pool/Peter Pan Park	127,990	127,990	110,438	17,552
Golf course	389,163	389,163	382,358	6,805
Golf shop	269,712	269,712	219,007	50,705
Zoo	442,819	442,819	419,451	23,368
Total Culture and Recreation	<u>\$ 1,871,562</u>	<u>\$ 1,871,562</u>	<u>\$ 1,798,885</u>	<u>\$ 72,677</u>
Building and Maintenance				
Engineering	\$ 358,129	\$ 358,129	\$ 397,134	\$ (39,005)
Grounds maintenance	110,097	110,097	118,233	(8,136)
Civic building	709,226	709,226	680,148	29,078
Library maintenance	57,738	57,738	69,675	(11,937)
Concessions	64,162	64,162	78,724	(14,562)
Total Building and Maintenance	<u>\$ 1,299,352</u>	<u>\$ 1,299,352</u>	<u>\$ 1,343,914</u>	<u>\$ (44,562)</u>
Planning and Development	<u>\$ 36,300</u>	<u>\$ 36,300</u>	<u>\$ 28,271</u>	<u>\$ 8,029</u>
Airport Operations	<u>\$ 595,705</u>	<u>\$ 595,705</u>	<u>\$ 480,604</u>	<u>\$ 115,101</u>
Appropriations	<u>\$ 108,500</u>	<u>\$ 108,500</u>	<u>\$ 123,121</u>	<u>\$ (14,621)</u>
Total Expenditures	<u>\$ 17,379,188</u>	<u>\$ 17,379,188</u>	<u>\$ 14,999,670</u>	<u>\$ 2,379,518</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ (1,419,209)</u>	<u>\$ (1,419,209)</u>	<u>\$ 1,324,883</u>	<u>\$ 2,744,092</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 2,951,878	\$ 2,951,878	\$ 2,642,913	\$ (308,965)
Transfers out	(3,508,725)	(3,508,725)	(3,536,491)	(27,766)
Total Other Financing Sources (Uses)	<u>(\$ 556,847)</u>	<u>(\$ 556,847)</u>	<u>(\$ 893,578)</u>	<u>(\$ 336,731)</u>
Net Change in Fund Balance	<u>\$ (1,976,056)</u>	<u>\$ (1,976,056)</u>	<u>\$ 431,305</u>	<u>\$ 2,407,361</u>
Fund Balance - Beginning			4,030,668	
Fund Balance - Ending			\$ 4,461,973	
Adjustments to GAAP				
Encumbrances			9,040	
Fund Balance - GAAP Basis			<u>\$ 4,471,013</u>	

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

CITY OF EMPORIA, KANSAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
MULTI-YEAR IMPROVEMENT FUND
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Use of money and property	\$ 600	\$ 600	\$ 1,233	\$ 633
Miscellaneous	-	-	-	-
Total Revenues	<u>\$ 600</u>	<u>\$ 600</u>	<u>\$ 1,233</u>	<u>\$ 633</u>
EXPENDITURES				
Planning and development	-	-	-	-
Contractual services	3,041,290	3,041,290	2,831,248	210,042
Total Expenditures	<u>\$ 3,041,290</u>	<u>\$ 3,041,290</u>	<u>\$ 2,831,248</u>	<u>\$ 210,042</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ (3,040,690)</u>	<u>\$ (3,040,690)</u>	<u>\$ (2,830,015)</u>	<u>\$ (209,409)</u>
OTHER FINANCING SOURCES				
Transfers in	\$ 2,512,256	\$ 2,512,256	\$ 2,428,145	\$ (84,111)
Transfers out	(25,000)	(25,000)	(24,367)	633
Total Other Financing Sources	<u>\$ 2,487,256</u>	<u>\$ 2,487,256</u>	<u>\$ 2,403,778</u>	<u>\$ (83,478)</u>
Net Change in Fund Balance	<u>\$ (553,434)</u>	<u>\$ (553,434)</u>	<u>\$ (426,237)</u>	<u>\$ (292,887)</u>
Fund Balance - Beginning			1,090,190	
Fund Balance - Ending			\$ 663,953	
Adjustments to GAAP				
Encumbrances			219,979	
Fund Balance - GAAP Basis			<u>\$ 883,932</u>	

CITY OF EMPORIA, KANSAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS

December 31, 2013

	Business-Type Activities - Enterprise Funds				Governmental Activities- Internal Service Funds
	Solid Waste Disposal	Sewer Utility	Water Utility	Total	
ASSETS					
Current Assets					
Cash and investments	\$ 2,600,073	\$ 3,615,280	\$ 2,035,487	\$ 8,250,840	\$ 1,537,687
Receivables - Net of allowance for uncollectibles	409,466	387,679	442,534	1,239,679	-
Inventory	-	-	450,961	450,961	-
Deferred charges	-	-	97,504	97,504	-
Total Current Assets	\$ 3,009,539	\$ 4,002,959	\$ 3,026,486	\$ 10,038,984	\$ 1,537,687
Capital Assets					
Land	\$ 102,625	\$ 7,702	\$ 100,198	\$ 210,525	\$ -
Capital assets	4,869,910	35,078,735	32,041,670	71,990,315	-
Less: Accumulated depreciation	(2,878,521)	(21,286,368)	(17,384,293)	(41,549,182)	-
Total Capital Assets	\$ 2,094,014	\$ 13,800,069	\$ 14,757,575	\$ 30,651,658	\$ -
TOTAL ASSETS	\$ 5,103,553	\$ 17,803,028	\$ 17,784,061	\$ 40,690,642	\$ 1,537,687
LIABILITIES					
Current Liabilities					
Accounts payable	\$ 96,282	\$ 18,177	\$ 26,811	\$ 141,270	\$ -
Accrued liabilities	151,834	18,219	108,463	278,516	320
Interest payable	-	60,260	55,648	115,908	-
Unpaid claims	-	-	-	-	100,892
Current portion of Compensated absences payable	1,089	10,001	18,030	29,120	-
Notes payable	-	-	-	-	-
General obligation bonds payable	-	690,000	1,115,000	1,805,000	-
Total Current Liabilities	\$ 249,205	\$ 796,657	\$ 1,323,952	\$ 2,369,814	\$ 101,212
Non-Current Liabilities					
Compensated absences payable	\$ 2,180	\$ 20,001	\$ 36,060	\$ 58,241	\$ -
General obligation bonds payable	-	6,810,000	5,065,000	11,875,000	-
Unamortized premium	-	221,129	38,117	259,246	-
Total Non-Current Liabilities	\$ 2,180	\$ 7,051,130	\$ 5,139,177	\$ 12,192,487	\$ -
Total Liabilities	\$ 251,385	\$ 7,847,787	\$ 6,463,129	\$ 14,562,301	\$ 101,212
NET POSITION					
Net investment in capital assets	\$ 2,094,014	\$ 6,078,940	\$ 8,539,458	\$ 16,712,412	\$ -
Unrestricted	2,758,154	3,876,301	2,781,474	9,415,929	1,436,475
Total Net Position	\$ 4,852,168	\$ 9,955,241	\$ 11,320,932	\$ 26,128,341	\$ 1,436,475

CITY OF EMPORIA, KANSAS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS

For the Year Ended December 31, 2013

	<u>Business-Type Activities - Enterprise Funds</u>				Governmental
	<u>Solid Waste Disposal</u>	<u>Sewer Utility</u>	<u>Water Utility</u>	<u>Total</u>	Activities- Internal Service Funds
OPERATING REVENUES					
Charges for services	\$ 3,951,538	\$ 3,526,764	\$ 4,865,176	\$ 12,343,478	\$ 294,082
Miscellaneous	37,330	84,968	128,849	251,147	317,292
Total Operating Revenues	<u>\$ 3,988,868</u>	<u>\$ 3,611,732</u>	<u>\$ 4,994,025</u>	<u>\$ 12,594,625</u>	<u>\$ 611,374</u>
OPERATING EXPENSES					
Personal services	\$ 1,276,600	\$ 655,986	\$ 586,505	\$ 2,519,091	\$ -
Contractual services	980,755	76,868	317,577	1,375,200	327,043
Commodities	514,695	653,914	1,115,799	2,284,408	-
Capital outlay	571,285	604,152	436,682	1,612,119	-
Depreciation	371,424	1,024,322	928,727	2,324,473	-
Debt issuance costs amortization	-	-	33,636	33,636	-
Other	(616,566)	(90,223)	38,898	(667,891)	2,458
Total Operating Expenses	<u>\$ 3,098,193</u>	<u>\$ 2,925,019</u>	<u>\$ 3,457,824</u>	<u>\$ 9,481,036</u>	<u>\$ 329,501</u>
Operating income (loss)	<u>\$ 890,675</u>	<u>\$ 686,713</u>	<u>\$ 1,536,201</u>	<u>\$ 3,113,589</u>	<u>\$ 281,873</u>
NON-OPERATING REVENUES (EXPENSES)					
Interest income	\$ 2,387	\$ 1,516	\$ 1,454	\$ 5,357	\$ 3,217
Interest expense	-	(190,148)	(185,944)	(376,092)	-
Contributed capital	-	-	-	-	-
Sale of salvage	219,230	-	166	219,396	-
Total Non-Operating Revenues (Expenses)	<u>\$ 221,617</u>	<u>\$ (188,632)</u>	<u>\$ (184,324)</u>	<u>\$ (151,339)</u>	<u>\$ 3,217</u>
Income (loss) before operating transfers	<u>\$ 1,112,292</u>	<u>\$ 498,081</u>	<u>\$ 1,351,877</u>	<u>\$ 2,962,250</u>	<u>\$ 285,090</u>
Transfers from (to) other funds					
Transfers in	\$ 27,801	\$ 1,610,103	\$ 11,272	\$ 1,649,176	\$ -
Transfers out	(1,112,432)	(2,020,351)	(1,767,996)	(4,900,779)	(208,714)
Total Transfers	<u>\$ (1,084,631)</u>	<u>\$ (410,248)</u>	<u>\$ (1,756,724)</u>	<u>\$ (3,251,603)</u>	<u>\$ (208,714)</u>
Changes in Net Position	<u>\$ 27,661</u>	<u>\$ 87,833</u>	<u>\$ (404,847)</u>	<u>\$ (289,353)</u>	<u>\$ 76,376</u>
Net Position - Beginning	<u>4,824,507</u>	<u>9,867,408</u>	<u>11,725,779</u>	<u>26,417,694</u>	<u>1,360,099</u>
Net Position - Ending	<u>\$ 4,852,168</u>	<u>\$ 9,955,241</u>	<u>\$ 11,320,932</u>	<u>\$ 26,128,341</u>	<u>\$ 1,436,475</u>

CITY OF EMPORIA, KANSAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2013

	Business-Type Activities - Enterprise Funds				Internal Service Funds
	Solid Waste Disposal	Sewer Utility	Water Utility	Total Enterprise Funds	
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers and users	\$ 3,962,342	\$ 3,624,799	\$ 4,985,058	\$ 12,572,199	\$ 294,082
Cash received from reimbursements					317,292
Cash payments to employees	(1,264,802)	(655,986)	(580,371)	(2,501,159)	-
Cash payments to suppliers	(1,499,242)	(1,265,078)	(2,168,212)	(4,932,532)	(106,185)
Cash paid for services	-	-	-	-	(159,846)
Net Cash Provided by (Used in) Operating Activities	\$ 1,198,298	\$ 1,703,735	\$ 2,236,475	\$ 5,138,508	\$ 345,343
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES					
Transfers from other funds	\$ 27,801	\$ 1,610,103	\$ 11,272	\$ 1,649,176	\$ -
Transfers (to) other funds	(1,112,432)	(2,020,351)	(1,767,996)	(4,900,779)	(208,714)
Net Cash Provided by (Used in) Noncapital Financing Activities	\$ (1,084,631)	\$ (410,248)	\$ (1,756,724)	\$ (3,251,603)	\$ (208,714)
CASH FLOWS FORM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchase and construction of capital assets	\$ (665,087)	\$ (182,116)	\$ (122,709)	\$ (969,912)	\$ -
Proceeds from sale of capital assets	219,230	-	166	219,396	-
Proceeds from sale of bonds	-	1,455,000	990,000	2,445,000	-
Principal paid on bonds and notes	-	(585,000)	(1,075,000)	(1,660,000)	-
Interest paid	-	(190,148)	(185,944)	(376,092)	-
Net Cash Provided by (Used in) Capital and Related Financing Activities	\$ (445,857)	\$ 497,736	\$ (393,487)	\$ (341,608)	\$ -
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest on investments	\$ 2,387	\$ 1,516	\$ 1,454	\$ 5,357	\$ 3,217
Proceeds from sale of investments	-	-	-	-	-
Net Cash Provided by (Used in) Investing Activities	\$ 2,387	\$ 1,516	\$ 1,454	\$ 5,357	\$ 3,217
Net Increase (Decrease) in Cash & Cash Equivalents	\$ (329,803)	\$ 1,792,739	\$ 87,718	\$ 1,550,654	\$ 139,846
Cash & Cash Equivalents - Beginning of Year	2,929,876	1,822,541	1,947,769	6,700,186	1,397,841
Cash & Cash Equivalents - End of Year	\$ 2,600,073	\$ 3,615,280	\$ 2,035,487	\$ 8,250,840	\$ 1,537,687
Reconciliation of operating (loss) income to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ 890,675	\$ 686,713	\$ 1,536,201	\$ 3,113,589	\$ 281,873
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	371,424	1,024,322	928,727	2,324,473	-
Amortization	-	-	33,636	33,636	-
Change in assets and liabilities:					
(Increase) decrease receivables	(26,526)	13,067	(8,967)	(22,426)	-
(Increase) decrease inventory	-	-	(66,270)	(66,270)	-
Increase (decrease) accounts payable	(37,503)	(20,210)	(185,015)	(242,728)	-
Increase (decrease) in claims payable	-	-	-	-	63,470
Increase (decrease) accrued liabilities	228	(157)	(1,837)	(1,766)	-
Increase (decrease) unamortized bond premium	-	-	-	-	-
Net Cash Provided by (Used in) Operating Activities	\$ 1,198,298	\$ 1,703,735	\$ 2,236,475	\$ 5,138,508	\$ 345,343
Noncash investing, capital, and financing activities:					
Capital assets acquired/donated through contributions from governmental funds	\$ -	\$ -	\$ -	\$ -	\$ -

CITY OF EMPORIA, KANSAS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
December 31, 2013

	Private Purpose Trust	Agency Funds
ASSETS		
Current Assets		
Cash and investments	\$ 1,114,633	\$ 21,762
Accrued interest receivable	19	-
Notes receivable	10,819	-
Total Current Assets	\$ 1,125,471	\$ 21,762
LIABILITIES		
Current Liabilities		
Accounts payable	\$ -	\$ 21,762
Total Current Liabilities	\$ -	\$ 21,762
NET POSITION		
Net assets held in trust	\$ 1,125,471	\$ -

CITY OF EMPORIA, KANSAS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
For the Year Ended December 31, 2013

	<u>Private Agency Funds</u>
Addition	
Interest income	<u>\$ 1,756</u>
Deductions	<u>\$ -</u>
Change in Net Assets	\$ 1,756
Net Position - Beginning	<u>1,123,715</u>
Net Position - Ending	<u><u>\$ 1,125,471</u></u>

NOTES TO FINANCIAL STATEMENTS

CITY OF EMPORIA, KANSAS
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

Note 1: Summary of Significant Accounting Policies

Reporting Entity

The City of Emporia is a municipal corporation governed by five elected commissioners. As required by accounting principles generally accepted in the United States of America, these financial statements present the City and its component units, entities for which the government is considered to be financially accountable. The discretely presented component unit is reported in a separate column in the combined financial statements to emphasize it is legally separated from the government. The discretely presented component unit has a December 31 year-end.

Discretely Presented Component Unit

Emporia Public Library – The Emporia Public Library (the Library) serves the citizens within the City's jurisdiction. The City appoints the entire governing body of the Library. Because the Library is not a separate taxing entity, the City levies tax for the Library's operations. The City appropriated \$623,012 to the Library in 2013. Complete financial statements may be obtained at the Emporia Public Library, 110 E. 6th Avenue, Emporia, Kansas.

Jointly Governed Organization

Regional Development Association of East Central Kansas, Inc. – The Regional Development Association of East Central Kansas, Inc., (the RDA) is a not-for-profit corporation whose purpose is to benefit the public interest through the activity of business and economic development in the City and Lyon County, Kansas. The RDA's governing board consists of seven voting members, two of whom are appointed by the City. The City has entered into a contract under which the City appropriates funds to the RDA which are used for business and economic development. The City has no ongoing financial interest or responsibilities with respect to the RDA.

Emporia Recreation Commission – The Emporia Recreation Commission was established as a joint venture between the City of Emporia, Kansas and Unified School District Number 253, Emporia, Kansas. The governing board consists of one member from the Emporia City Commission, one member from the Unified School District Number 253 Board of Education, and one at large Board member appointed by the other four appointed members of the Recreation Commission Board.

Government-Wide and Fund Financial Statements

The statement of net position and the statement of activities report information on all of the non-fiduciary activities of the primary government and its component unit. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are charges between the City's governmental and business-type activities. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. 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 certain 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 are offset by program revenues. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational requirements of a particular program. Taxes and other items which are not classified as program revenues are presented as general revenues of the City.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual funds are reported as separate columns in the fund financial statements. Non-major funds are aggregated and presented in a single column in the fund financial statements.

CITY OF EMPORIA, KANSAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2013

Note 1: Summary of Significant Accounting Policies (Continued)

Measurement Focus - Basis of Accounting and Basis of Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied and collected within 60 days of the end of the current fiscal period. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net position. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing goods and services in connection with a proprietary fund's ongoing operations. The principal operating revenues of the City's proprietary funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as non-operating revenues and expenses.

The internal service funds account for contributions made by the City to be used for paying claims for job related injuries as well as contributions made by the City, City employees and former City employees to be used for payment of medical claims of covered employee health care participants and additional health insurance premiums. The City is self insured for its workers' compensation insurance.

The private purpose trust funds are used to account for resources legally held in trust. Agency funds are custodial in nature and do not measure results of operations or have a measurement focus. Agency funds do, however, use the accrual basis of accounting. The following activities are accounted for in each fiduciary fund:

Tree Private Purpose Trust Fund – To account for monies provided by private donors to finance planting of trees.

Fremont Park Private Purpose Trust Fund – To account for the money donated to the City for the purpose of building a display shelter for the railroad engine and caboose at Fremont Park.

Las Casitas Park Private Purpose Trust Fund - To account for monies provided by private donors to finance improvements to the Las Casitas Park.

Economic Development Private Purpose Trust Fund - To provide a financial resource which enhances the City's ability to attract new economic development projects by lending money to businesses that is repaid with interest.

CITY OF EMPORIA, KANSAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2013

Note 1: Summary of Significant Accounting Policies (Continued)

Reporting Entity (Continued)

Measurement Focus - Basis of Accounting and Basis of Presentation (Continued)

Fire Insurance Proceeds Agency Fund – To account for a portion of insurance proceeds from fire and casualty losses to structures within the City. Proceeds are returned to property owners upon substantial completion of repairs or demolition of structure.

The City reports the following major governmental funds:

The General Fund is used to account for resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund.

The Multi-year Improvement Fund is used to account for the 1% county sales tax which is used to make improvements to the City of Emporia.

The Debt Service Fund is used to account for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources.

The City reports the following major proprietary funds:

Solid Waste Disposal Fund accounts for funds derived from customer service charges for solid waste disposal. All activities necessary to provide such services are accounted for in this fund.

Sewer Utility Fund is used to account for all sewer operations including administration, maintenance, and financing and related debt service and billing collection. All operations are financed by means of customer user fees which are established by the governing body.

Water Utility Fund is used to account for the provision of water service to the residents of the City and some customers outside the City. All activities necessary to provide water service are accounted for in this fund, including administration, operations, maintenance, financing and related debt service and billing collection.

Pooled Cash and Investments

The City maintains a cash and investment pool that is available for use by all funds managed by the City (except for investments of the employees' health insurance trust and workers' compensation fund). The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are stated at fair value. Cash balances from all funds are invested to the extent available in certificates of deposit and other authorized investments. Investments with maturity dates greater than three months are stated separately. Earnings from these investments, unless specifically designated, are allocated monthly to the investing fund based on the percentage of funds invested to total investments.

CITY OF EMPORIA, KANSAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2013

Note 1: Summary of Significant Accounting Policies (Continued)

Receivables and Payables

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

All trade receivables are shown net of an allowance for uncollectibles, if applicable.

Property taxes receivable – The determination of assessed valuations and the collections of property taxes for all political subdivisions in the State of Kansas is the responsibility of the various counties. The office of the County Appraiser annually determines assessed valuations on January 1 and the County Clerk spreads the annual assessment on the tax rolls. The County Treasurer is the tax collection agent for all taxing entities within the county. In accordance with state statutes, property taxes levied during the current year are a revenue source to be used to finance the budget of the ensuing year. Property taxes are levied and liens against property are placed on November 1 of the year prior to the fiscal year for which they are budgeted. Payments are due December 20, becoming delinquent, with penalty, December 21. Payments of 50% are accepted through December 20, with the second 50% then being due on or before May 10 of the following year. The City Treasurer draws down all available funds from the County Treasurer's office in two-month intervals. Taxes remaining due and unpaid at February 15 and July 1 are subject to collection procedures prescribed in state statutes.

Collection of current year property tax by the County Treasurer is not completed, apportioned nor distributed to the various subdivisions until the succeeding year, such procedure being in conformity with governing state statutes. Consequently, current year property taxes receivable are not available as a resource that can be used to finance the current year operations of the City. Accruals of uncollected current year property taxes are offset by deferred revenue and are identical to the adopted budget for 2012 in the governmental fund financial statements. It is not practicable to apportion delinquent taxes held by the County Treasurer and, further, the amounts thereof are not material in relationship to the financial statements taken as a whole.

Inventories

Inventories are valued at cost using the first-in / first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when purchased rather than when consumed.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

Restricted Assets

Cash in the Debt Service Fund held with the fiscal agent are restricted for payment of principal and interest on general obligation bonds.

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Capital assets used in governmental funds types of the City are recorded at cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their estimated fair value at the date of donation.

CITY OF EMPORIA, KANSAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2013

Note 1: Summary of Significant Accounting Policies (Continued)

Capital Assets (Continued)

The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type is included in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

Property, plant and equipment of the primary government are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	20-75
Land improvements	20-75
Building improvements	20-75
Machinery and equipment	5-10
Office equipment	5-10
Infrastructure	20-75

Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation, compensatory and sick pay benefits. No liability is reported for unpaid accumulated sick leave, as sick leave is not payable upon termination. Vacation pay is accrued when incurred in the government-wide and proprietary funds and reported as a fund liability. Vacation pay that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Compensated absences are reported in governmental funds only if they have matured (i.e. unused reimbursable leave still outstanding following an employee's termination). The General Fund has been used to liquidate the governmental funds compensated absences in prior years.

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 proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, 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. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as 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.

CITY OF EMPORIA, KANSAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2013

Note 1: Summary of Significant Accounting Policies (Continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source: property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Net position Flow Assumption

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted – net position to have been depleted before restricted – net position is applied.

Fund Balance Flow Assumptions

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The City itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City's highest level of decision-making authority. The governing commission is the highest level of decision-making authority for the City that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

CITY OF EMPORIA, KANSAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2013

Note 1: Summary of Significant Accounting Policies (Continued)

Fund Balance Policies (Continued)

Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria as committed. The commission may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Landfill Post-Closure Care Liability

State and federal laws and regulations required the City to place a final cover on its landfill site, which was closed during 1994, and to perform certain maintenance and monitoring activities at the site for thirty years after closure. The amount reported as landfill post-closure care liability at December 31, 2013 represents what it would cost to perform all post-closure care in 2013. The actual costs may be higher due to inflation, changes in technology or changes in regulations. The City intends to fund these costs internally.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported 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.

Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those asset. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City of through external restrictions imposed by creditors, grantors or law or regulations of other governments.

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 from statute), debt service funds and enterprise funds. The statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget.

- a. Preparation of the budget for the succeeding calendar year on or before August 15th of each year.
- b. Publication in a local newspaper of the proposed budget and the notice of public hearing on the budget on or before August 5th.
- c. Public hearing on or before August 15th of each year, but at least ten days after publication of the notice of hearing.
- d. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. For 2013, there was one budget amendment affecting the following funds: Convention & Tourism; Industrial Development Sales Tax; Drug Forfeiture Fund; and Sewer Fund.

CITY OF EMPORIA, KANSAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2013

Note 2: Stewardship, Compliance and Accountability (Continued)
Budgetary Information (Continued)

The statutes permit management to transfer budgeted amounts between line items and departments within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented for each governmental fund with a legal budget, showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the statutory basis of accounting, in which revenues are recognized when cash is received, and expenditures include disbursements, accounts payable, and encumbrances. Encumbrances are commitments by the City for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

A legal operating budget is not required for capital projects funds, trust funds, and the following special revenue funds: Wireless 911 Tax, Telephone Tax 911, Housing Study RDA, Emergency Shelter, Law Enforcement Block Grants, DARE Crime Prevention, 2009 NSP, 2009 Home Buyer and Repair, 2011 Home Rehabilitation, 911 Land Wire, Lake Kahola, TDD and CID. Spending in funds which are not subject to the legal annual operating budget requirements are controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

By statute, the City prepares its annual budget on a non-GAAP basis of accounting as described above. A reconciliation of these budgetary statements to the GAAP statements for the major governmental funds is as follows:

	Major Governmental Funds		
	General Fund	Multi- Year Improvement	Debt Service Fund
Revenues - Budgetary basis	\$ 16,324,553	\$ 1,233	\$ 3,044,488
Canceled encumbrances	-	-	-
Revenues - GAAP Basis	\$ 16,324,553	\$ 1,233	\$ 3,044,488
Expenditures - budgetary basis	\$ 18,536,161	\$ 2,855,615	\$ 4,020,291
Encumbrances, beginning of year	(79,415)	(160,997)	-
Encumbrances, end of year	9,040	219,979	-
Expenditures - GAAP Basis	\$ 18,465,786	\$ 2,914,597	\$ 4,020,291
Fund balances - budgetary basis	\$ 4,461,973	\$ 663,953	\$ 600,676
Encumbrances, end of year	9,040	219,979	-
Fund Balance - GAAP Basis	\$ 4,471,013	\$ 883,932	\$ 600,676

CITY OF EMPORIA, KANSAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2013

Note 2: Stewardship, Compliance and Accountability (Continued)

Compliance with Kansas Statutes

The following funds had deficit fund equities as of December 31, 2013: Law Enforcement Block Grant \$14,948, 2009 Home Buyer and Repair \$3,751, and 2009 NSP Fund \$524.

These deficits will be recovered from the receipt of grant monies.

Note 3: Detailed Notes on All Funds

Deposits and Investments

The City's cash is considered to be active funds by management and is invested according to KSA 9-1401. The statute requires that banks eligible to hold active funds have a main or branch bank in the county in which the City is located and the banks provide an acceptable rate for active funds.

Various City investments are considered to be idle funds by management and are invested according to KSA 12-1675. The statute requires that the City invest its idle funds in only temporary notes of the City, bank certificates of deposit, repurchase agreements, and if eligible banks do not offer an acceptable rate for the funds: U.S. Treasury bills or notes, or the Kansas Municipal Investment Pool (KMIP). Maturities of the above investments may not exceed two years by statute.

Some of the City's investments are of bond proceeds invested pursuant to KSA 10-131. This statute allows additional investment authority beyond that of KSA 12-1675. Investments of bond proceeds may follow KSA 12-1675 or include other investments such as the KMIP, direct obligations of the US government or any agency thereof, investment agreements with a financial institution the obligations of which at the time of investment are rated in either of the three highest rating categories by Moody's investors service or Standard and Poor's corporation, and various other investments as specified in KSA 10-131.

At December 31, 2013, the City has the following Investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Rating</u>	<u>Weighted Rate</u>
Kansas Municipal Investment Pool	\$ 13,388,146	S&P AAAs/S1+	0.010%

The municipal investment pool is under the oversight of the Pooled Money Investment Board. The board is comprised of the State Treasurer and four additional members appointed by the State Governor. The board reports annually to the Kansas legislature. State pooled monies may be invested in direct obligations of, or obligations that are insured as to principal and interest by the US government or any agency thereof, with maturities up to four years. No more than 10 percent of those funds may be invested in mortgage-backed securities. In addition, the State pool may invest in repurchase agreements with Kansas banks or with primary government securities dealers. The fair value of the City's position in the municipal investment pool is substantially the same as the value of the pool shares.

The City does not have any formal investment policies that would further limit concentration of credit risk, interest rate risk or custodial credit risks beyond state statutes.

CITY OF EMPORIA, KANSAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2013

Note 3: Detailed Notes on All Funds

Deposits and Investments (Continued)

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's deposit policy for custodial credit risk require that the depository banks will maintain 100% security in the form of FDIC coverage and pledged collateral according to KSA 9-1402. At year-end, the carrying amount of the cash, including certificates of deposit and cash on hand, was \$20,268,452 and the bank balance was \$20,776,158. The difference between the carrying amount and the bank balance was outstanding checks, deposits in transit and cash on hand. Of the bank balance, \$250,000 was covered by federal depository insurance and the remaining \$20,526,158 was collateralized by pledged securities held under joint custody receipts issued by a third-party bank in the city's name. The third-party bank holding the pledged securities is independent of the pledging bank. The pledged securities are held under a tri-party custodial agreement signed by all three parties: the City, the pledging bank, and the independent third-party bank holding the pledged securities.

Component Unit - At year-end, the carrying amount of the Library's cash, including certificates of deposit and cash on hand, was \$480,632 and the bank balance was \$577,302. The difference between the carrying amount and the bank balance was outstanding checks, deposits in transit and cash on hand. Of the bank balance, \$485,951 was covered by federal depository insurance and the remaining \$92,351 was collateralized by pledged securities held under joint custody receipts issued by a third-party bank in the Library's name. The third-party bank holding the pledged securities is independent of the pledging bank. The pledged securities are held under a tri-party custodial agreement signed by all three parties: the Library, the pledging bank, and the independent third-party bank holding the pledged securities.

CITY OF EMPORIA, KANSAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2013

Note 3: Detailed Notes on All Funds (Continued)
Receivables

Receivables as of year end, including the applicable allowances for uncollectible accounts, are as follows:

	General	Debt Service	Multi-Year Improvement	Solid Waste Disposal	Sewer Utility	Water Utility	Other Governmental	Total
Receivables								
Accounts	\$ 1,220,006	\$ -	\$ 1,100	\$ 423,788	\$ 408,371	\$ 459,613	\$ 13,459	\$ 2,526,337
Taxes	3,148,832	2,095,348	-	-	-	-	615,661	5,859,841
Gross Receivables	\$ 4,368,838	\$ 2,095,348	\$ 1,100	\$ 423,788	\$ 408,371	\$ 459,613	\$ 629,120	\$ 8,386,178
Less: Allowance for uncollectible	88,312	-	-	14,322	20,692	17,079	-	140,405
Total Receivables	\$ 4,280,526	\$ 2,095,348	\$ 1,100	\$ 409,466	\$ 387,679	\$ 442,534	\$ 629,120	\$ 8,245,773

Interfund Receivables and Payables

The composition of interfund balances as of December 31, 2013, is as follows:

<u>Fund Types</u>	<u>Due From</u>	<u>Due To</u>
General fund	\$ 4,523	\$ -
Special revenue		
Law Enforcement Block Grants	-	396
2009 NSP Fund	-	376
2009 Home Buyer and Repair	-	3,751
	<u>\$ 4,523</u>	<u>\$ 4,523</u>

The City uses interfund receivables and payables as needed when pooled cash is negative within a fund until investments mature or grant proceeds are received. All payables are cleared in less than one year.

CITY OF EMPORIA, KANSAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2013

Note 3: Detailed Notes on All Funds (Continued)

Capital Assets

Capital asset activity for the year ended December 31, 2013, was as follows:

	<u>Balance December 31, 2012</u>	<u>Additions/ Restatements</u>	<u>Retirements</u>	<u>Balance December 31, 2013</u>
City Governmental Activities				
Capital assets - Not being depreciated				
Land	\$ 1,683,849	\$ -	\$ -	\$ 1,683,849
Capital assets - Being depreciated				
Land improvements	205,477,968	754,164	-	206,232,132
Buildings and improvements	14,659,827	57,426	-	14,717,253
Vehicles	3,242,983	103,650	130,070	3,216,563
Equipment, furniture and fixtures	5,777,968	224,108	27,007	5,975,069
Total capital assets being depreciated	<u>\$ 229,158,746</u>	<u>\$ 1,139,348</u>	<u>\$ 157,077</u>	<u>\$ 230,141,017</u>
Total Capital Assets	<u>\$ 230,842,595</u>	<u>\$ 1,139,348</u>	<u>\$ 157,077</u>	<u>\$ 231,824,866</u>
Less: Accumulated Depreciation for				
Land improvements	\$ 147,209,002	\$ 6,846,121	\$ -	\$ 154,055,123
Buildings and improvements	9,570,054	479,913	-	10,049,967
Vehicles	2,746,426	159,080	130,070	2,775,436
Equipment, furniture and fixtures	5,117,431	162,148	27,007	5,252,572
Total Accumulated Depreciation	<u>\$ 164,642,913</u>	<u>\$ 7,647,262</u>	<u>\$ 157,077</u>	<u>\$ 172,133,098</u>
Governmental Activities				
Capital Assets - Net	<u>\$ 66,199,682</u>	<u>\$ (6,507,914)</u>	<u>\$ -</u>	<u>\$ 59,691,768</u>
Business-Type Activities				
Capital assets - Not being depreciated				
Land	\$ 210,525	\$ -	\$ -	\$ 210,525
Capital assets - Being depreciated				
Land improvements	40,317,151	-	-	40,317,151
Buildings and improvements	19,443,022	-	-	19,443,022
Vehicles	2,148,054	465,971	248,384	2,365,641
Equipment, furniture and fixtures	9,373,586	495,070	4,156	9,864,500
Total capital assets being depreciated	<u>\$ 71,281,813</u>	<u>\$ 961,041</u>	<u>\$ 252,540</u>	<u>\$ 71,990,314</u>
Total Capital Assets	<u>\$ 71,492,338</u>	<u>\$ 961,041</u>	<u>\$ 252,540</u>	<u>\$ 72,200,839</u>
Less: Accumulated Depreciation for				
Land improvements	\$ 20,084,471	\$ 1,175,607	\$ -	\$ 21,260,078
Buildings and improvements	9,991,096	514,038	-	10,505,134
Vehicles	1,524,667	237,377	248,384	1,513,660
Equipment, furniture and fixtures	7,877,014	397,451	4,156	8,270,309
Total Accumulated Depreciation	<u>\$ 39,477,248</u>	<u>\$ 2,324,473</u>	<u>\$ 252,540</u>	<u>\$ 41,549,181</u>
Business-Type Activities				
Capital Assets - Net	<u>\$ 32,015,090</u>	<u>\$ (1,363,432)</u>	<u>\$ -</u>	<u>\$ 30,651,658</u>

CITY OF EMPORIA, KANSAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2013

Note 3: Detailed Notes on All Funds (Continued)
Capital Assets (Continued)

The City's depreciation expense was charged as follows:

Governmental Activities		
General government	\$	152,653
Public safety		247,182
Highways and streets		6,615,557
Culture and recreation		393,406
Building and maintenance		163,429
Airport operations		62,111
Planning and development		12,924
Total Depreciation	\$	7,647,262
Business-Type Activities		
Solid waste disposal	\$	371,424
Sewer utility		1,024,322
Water utility		928,727
Total Depreciation	\$	2,324,473

Long-Term Debt

During the year ended December 31, 2013, the following changes, including the reallocation of the general obligation bonds outstanding between governmental and business-type activities, occurred in long term liabilities:

	Balance January 1, 2013	Additions/ Adjustments	Reductions	Balance December 31, 2013	Amounts Due Within One Year
Governmental Activities					
General obligation	\$ 19,710,000	\$ 1,835,000	\$ 5,470,000	\$ 16,075,000	\$ 3,200,000
Compensated absences	544,373	49,565	109,070	484,868	-
	<u>\$ 20,254,373</u>	<u>\$ 1,884,565</u>	<u>\$ 5,579,070</u>	<u>\$ 16,559,868</u>	<u>\$ 3,200,000</u>
Business-Type Activities					
General obligation	\$ 12,895,000	\$ 2,445,000	\$ 1,660,000	\$ 13,680,000	\$ 1,805,000
Compensated absences	77,302	16,118	6,059	87,361	-
	<u>\$ 12,972,302</u>	<u>\$ 2,461,118</u>	<u>\$ 1,666,059</u>	<u>\$ 13,767,361</u>	<u>\$ 1,805,000</u>

Advance Refunding

During the year ended December 31, 2013, the City issued Series 2013 General Obligation Bonds. A portion of these bonds were used to advanced refund the Series 2005 General Obligation Bonds. The Series 2013 GO Bond issue has a 3.0% stated rate of interest, with a maturity date of September 1, 2023. The aggregate difference in debt service between the refunding debt and the refunded debt was: debt service for Series 2005 GO Bonds - \$2,716,500; debt service for the 2013 GO Bonds - \$2,570,060. The present value (PV) of the cash flows between the refunding debt and the refunded debt was: PV of cash flows for 2005 GO Bond - \$2,359,257; PV of cash flows for the 2013 GO Bond - \$2,356,545. The economic gain on the refunding transaction was \$2,712.

CITY OF EMPORIA, KANSAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2013

Note 3: Detailed Notes on All Funds (Continued)
Long-Term Debt (Continued)

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 general government and proprietary activities. These bonds are reported in the proprietary funds if they are expected to be repaid from proprietary fund revenues. In addition, general obligation bonds have been issued to refund both general obligation and revenue bonds.

General obligation bonds are direct obligations and pledge the full faith and credit of the City. These bonds generally are issued with equal amounts of principal maturing each year. General obligation bonds and notes currently outstanding are as follows:

Issue	Interest Rates	Date of Issue	Original Issue	Date of Final Maturity	Bonds Outstanding
Governmental Activities					
2005 Internal Improvements	3.70% - 5.00%	10/27/2005	3,022,000	9/1/2019	\$ 150,000
2007A Internal Improvements	5.00% - 5.60%	10/10/2007	3,610,000	9/1/2018	1,465,000
2007B Internal Improvements	3.50% - 5.25%	12/27/2007	5,120,000	9/1/2019	1,985,000
2008 Internal Improvements	3.05% - 4.60%	9/1/2008	5,500,000	9/1/2028	3,575,000
2009A Internal Improvements	2.6% - 4.5%	9/1/2009	770,000	9/1/2029	610,000
2010A Internal Improvements	3.00% - 4.00%	9/1/2009	8,450,000	9/1/2022	3,800,000
2011 Internal Improvements	3.00% - 4.00%	6/3/2011	2,490,000	9/1/2021	2,280,000
2011B Internal Improvements	1.50% - 2.125%	12/22/2011	690,000	9/1/2021	375,000
2013 Internal Improvements	3.00%	12/30/2013	1,835,000	9/1/2023	1,835,000
Total Governmental Activities					\$ 16,075,000
Business-Type Activities					
2010A Internal Improvements	3.00% - 4.00%	9/1/2009	4,270,000	9/1/2022	\$ 1,570,000
2011 Internal Improvements	3.00% - 4.00%	6/3/2011	5,400,000	9/1/2021	4,150,000
2012A Refunding Issue	2.00% - 3.50%	1/4/2012	6,420,000	9/1/2029	5,515,000
2013 Internal Improvements	3.00%	12/30/2013	2,445,000	9/1/2023	2,445,000
Total Business-Type Activities					\$ 13,680,000
					\$ 29,755,000

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

Year	Business-Type Activities		Governmental Activities		Total
	Principal	Interest	Principal	Interest	
2014	\$ 1,805,000	\$ 373,946	\$ 3,200,000	\$ 598,549	\$ 5,977,495
2015	1,300,000	338,525	3,145,000	395,304	5,178,829
2016	1,340,000	301,475	3,000,000	276,136	4,917,611
2017	1,380,000	263,375	2,195,000	181,389	4,019,764
2018	1,415,000	225,125	1,315,000	133,189	3,088,314
2019 - 2023	5,805,000	531,444	3,025,000	242,110	9,603,554
2024 - 2028	525,000	72,350	175,000	25,158	797,508
2029 - 2033	110,000	3,850	20,000	900	134,750
	\$ 13,680,000	\$ 2,110,090	\$ 16,075,000	\$ 1,852,735	\$ 33,717,825

CITY OF EMPORIA, KANSAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2013

Note 3: Detailed Notes on All Funds (Continued)
Long-Term Debt (Continued)

Special assessments - As provided by Kansas statutes, projects financed in part by special assessments are financed through general obligation bonds of the City and are retired from the Debt Service Fund. Special assessments paid prior to the issuance of bonds are recorded as revenue in the appropriate project. Special assessments received after the issuance of bonds are recorded as revenue in the Debt Service Fund. The special assessments receivable are not recorded as revenue when levied against the respective property owners as such amounts are not available to finance current year operations. The special assessment debt is a contingent liability of the City to the extent of property owner defaults, which have historically been immaterial.

Conduit Debt - The City has entered into several conduit debt arrangements wherein the City issues industrial revenue bonds to finance a portion of the construction of facilities by private enterprises. In return, the private enterprises have executed mortgage notes or leases with the City. The City is not responsible for payment of the original bonds, but rather the debt is secured only by the cash payments agreed to be paid by the private enterprises under the terms of the mortgage or lease agreements. Generally, the conduit debt is arranged so that payments required by the private enterprises are equal to the mortgage payment schedule related to the original debt. As of December 31, 2013, total outstanding conduit debt was \$1,690,000.

CITY OF EMPORIA, KANSAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2013

Note 3: Detailed Notes on All Funds (Continued)

Reconciliation of Transfers

A reconciliation of interfund transfers follows:

	<u>To</u>	<u>From</u>
Major Funds		
General	\$ 647,769	\$ 3,536,626
Industrial development sales tax	638,944	-
Multi-year improvement	-	24,367
Debt service	596,996	-
Solid waste disposal	27,801	495,739
Water utility		990,000
Sewer utility		1,455,000
Sewer utility	1,610,103	-
Special street		71,400
Water utility	11,272	-
Other governmental funds	4,907,375	1,658,414
Internal service funds	-	208,714
	<u>\$ 8,440,260</u>	<u>\$ 8,440,260</u>

The City uses interfund transfers to share administrative costs between funds.

Capital Projects

At December 31, 2013, the City had contractual commitments for the construction of the following projects:

	<u>Expenditures to Date</u>	<u>Amount Authorized</u>
New HVAC at Emporia Public Library building	\$ 248,243	\$ 353,684
Replace Water Main - Coronado Ave from Prairie to La Guna Court	-	247,995
Water Plant Clarifier Repairs	-	199,950
Sewer Line Relining	-	398,370

CITY OF EMPORIA, KANSAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2013

Note 3: Detailed Notes on All Funds (Continued)

Net Assets

The amounts reported on the statement of net position identified as net investment in capital assets are comprised of the following:

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Primary</u> <u>Government</u> <u>Total</u>
Total net capital assets	\$ 59,691,768	\$ 30,651,658	\$ 90,343,426
Less:			
Current portion of notes payable	-	-	-
Current portion of general obligation bonds and temporary notes payable	3,200,000	1,805,000	5,005,000
Non-current portion of general obligation bonds and temporary notes payable	12,875,000	11,875,000	24,750,000
Unamortized premium on bonds	-	259,246	259,246
Net Investment in Capital Assets	<u>\$ 43,616,768</u>	<u>\$ 16,712,412</u>	<u>\$ 60,329,180</u>

Note 4: Other Information

Defined Benefit Pension Plan

Plan description - The City participates in the Kansas Public Employees Retirement System (KPERs) and the Kansas Police and Firemen's Retirement System (KP&F). Both are cost-sharing multiple-employer defined benefit pension plans as provided by Kansas Statutes (KSA 74-4901 et seq). KPERs and KP&F provide retirement benefits, life insurance, disability income benefits and death benefits. Kansas law established and amends benefit provisions. KPERs and KP&F issue a publicly available financial report that includes financial statements and required supplementary information. Those reports may be obtained by writing to 611 South Kansas, Suite 100; Topeka, Kansas 66603 or by calling 1-888-275-5737.

Funding policy – KSA 74-4919 established the KPERs member-employee contribution rate at 4% of covered salary. KSA 74-4975 establishes the KP&F member-employee contribution rate at 7% of covered salary. The employer collects and remits member-employee contributions according to the provision of section 414(h) of the Internal Revenue Code. State law provides that the employer contribution rates be determined annually based on the results of an annual actuarial valuation. KPERs and KP&F are funded on an actuarial reserve basis. State law set a limitation on annual increases in the employer contribution rates. The KPERs employer rate was 8.34% from January 1 to December 31, 2013. The City employer contributions to KPERs for the years ending December 31, 2013, 2012, and 2011 were \$457,848, \$438,996, and \$406,590, respectively, equal to the required contributions for each year. The KP&F employer rate established for fiscal years beginning in 2012 was 17.26%. Employers participating in KP&F also make contributions to amortize the liability for past service costs, if any, which are determined separately for each participating employer. The City's contributions to KP&F for the years ended December 31, 2013, 2012, and 2011 were \$775,969, \$768,743, and \$677,590, respectively, equal to the required contributions for each year.

CITY OF EMPORIA, KANSAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2013

Note 4: Other Information (Continued)

Deferred Compensation Plan

The City offers its employees a deferred compensation plan (the Plan) created in accordance with Internal Revenue code Section 457. The Plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. All amounts of compensation deferred under the Plan are transferred to a third-party custodial trust. The amount in the custodial trust at December 31, 2013 for IMCA was \$1,368,751 and for Nationwide (PEBSCO) was \$2,185,255.

Flexible Benefit Plan (IRC Section 125)

The City Commission has adopted by resolution a salary-reduction flexible benefit plan ("Plan") under Section 125 of the Internal Revenue Code. All City full-time employees are eligible to participate in the Plan beginning after two full months of employment. Each participant may elect to reduce his or her salary to purchase benefits offered through the Plan. Benefits offered through the Plan include insurance benefits.

Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the City carries commercial insurance. Settlements of claims have not exceeded available coverage for the years ended December 31, 2013, 2012, and 2011.

Workers' compensation - The City established a limited risk management program for workers' compensation. The program covers all City employees. Premiums are paid into the workers' compensation reserve fund by all other funds and are available to pay claims, claim reserves and administrative costs of the program.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. An excess coverage insurance policy covers individual claims over a certain amount. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). Claims liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts and other economic and social factors. The liability for claims and judgments is reported in the Workers' Compensation Fund because it is expected to be liquidated with expendable available financial resources. Changes in the balances of claims liabilities during the past year are as follows:

	2013	2012
Unpaid claims - January 1	\$ 37,422	\$ 46,326
Incurred claims (including IBNRs)	36,328	16,174
Claim payments	(17,731)	(25,078)
Unpaid claims - December 31	\$ 56,019	\$ 37,422

CITY OF EMPORIA, KANSAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2013

Note 4: Other Information (Continued)

Contingent Liabilities

The City receives significant financial assistance from numerous federal and state governmental agencies in the form of grants and state pass-through aid. The disbursement of funds received under these programs generally requires compliance with the terms and conditions specified in the grant agreements and is subject to audit. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims would not have a material effect on any of the financial statements of the City at December 31, 2013.

The City is a party in various pending claims. Although the outcome of these pending claims is not presently determinable, it is the opinion of the City's legal counsel that resolution of these matters will not have a material adverse effect on the financial condition of the City.

New Governmental Accounting Standards

The Governmental Accounting Standards Board (GASB) has issued the following statements which will or may affect the City:

GASB Statement No. 68, "Accounting and Financial Reporting for Pensions", was issued in June 2012. This statement replaces the requirements of Statements No. 27 and No. 50 related to pension plans that are administered through trusts or equivalent arrangements. The requirements of this statement are effective for financial statements for fiscal years beginning after June 15, 2014.

GASB Statement No. 69, "Government Combinations and Disposals of Government Operations", was issued in January 2013. This statement provides new accounting and financial reporting standards for government mergers and acquisitions and for government operations that have been transferred or sold. The provisions of this statement are effective for periods beginning after December 15, 2013, although earlier application is encouraged.

GASB Statement No. 70, "Accounting and Financial Reporting for Nonexchange Financial Guarantees", was issued in April 2013. This statement requires a state or local government guarantor that offers a nonexchange financial guarantee to another organization or government to recognize a liability on its financial statements when it is more likely than not that the guarantor will be required to make a payment to the obligation holders under the agreement. The provisions of this statement are effective for periods beginning after June 15, 2013, although earlier application is encouraged.

GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date", was issued in November 2013. This statement amends GASB Statement No. 68. The statement is effective concurrent with Statement 68 for fiscal years beginning after June 15, 2014. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*.

CITY OF EMPORIA, KANSAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2013

Note 4: Other Information (Continued)

Postemployment Benefits other Than Pensions

Plan Description

As required by Kansas statutes, the City provides postemployment healthcare benefits to electing retired employees who have met age and/or service eligibility requirements until the individuals become eligible for Medicare coverage at age 65. The health insurance benefit provides the same coverage for retirees and their dependents as for active employees and their dependents. The plan is a single-employer plan.

Funding Policy

The City provides medical, prescription drug, and dental benefits (healthcare benefits) to retirees and their dependents in accordance with Kansas law (K.S.A. 12-5040). This statute, which may be amended by the state legislature, establishes 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% of the premium cost for other similarly situated employees. The City requires participating retirees to contribute 120% of the premium cost of active employee.

The City provides funding for the expenditures on a pay-as-you-go basis through the Health Care Fund. In 2013, active and retired plan members contributed \$400,402 to the plan and the City contributed \$746,043 to the plan.

Annual OPEB Cost and Net OPEB Obligation

The City's annual OPEB (other postemployment benefit) cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period of not to exceed 30 years. The following table presents the components of the City's annual OPEB cost for the year, the amount contributed to the plan, and changes in the City net OPEB obligation:

Annual required contribution (ARC)	\$	41,690
Interest on net OPEB obligation		-
Adjustment to ARC		-
Annual OPEB Cost (Expense)	\$	<u>41,690</u>
Contributions made		<u>21,576</u>
Increase in Net OPEB Obligation	\$	<u>20,114</u>
Net OPEB Obligation - January 1, 2012		<u>22,134</u>
Net OPEB Obligation - December 31, 2013 *	\$	<u><u>42,248</u></u>

* Based on valuation dated January 1, 20113

CITY OF EMPORIA, KANSAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2013

Note 4: Other Information (Continued)

Postemployment Benefits other Than Pensions (Continued)

Annual OPEB Cost and Net OPEB Obligation

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation are as follows in the table below:

<u>Fiscal Year Ended</u>	<u>OPEB Cost</u>	<u>% of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
December 31, 2009	\$ 101,665	29.9%	\$ 109,946
December 31, 2010	60,353	35.9%	31,773
December 31, 2011	60,353	47.4%	34,610
December 31, 2012	57,522	61.5%	22,134
December 31, 2013	41,690	51.7%	42,248

Funded Status and Funding Progress

As of January 1, 2013, the most recent actuarial valuation date, the plan was 0% funded. The actuarial accrued liability for benefits was \$413,955. The City's policy is to fund the benefits on a pay-as-you-go basis, resulting in an unfunded actuarial accrued liability (UAAL) of \$413,955. As of January 1, 2009, the first actuarial valuation date, the plan was 0% funded. The UAAL as of January 1, 2009 was \$585,945. The covered payroll (annual payroll of active employees of active employees covered by the plan) in 2013 was \$8,807,954 and the ratio of the UAAL to covered payroll was 4.7%.

Actuarial Methods and Assumptions

The cost of the plan is derived by making certain specific assumptions as to rates of interest, mortality, turnover, etc., which are assumed to hold for many years into the future. Since actual experience may differ somewhat from the long-term assumptions, the cost determined by the valuation must be regarded as estimates of the true costs of the plan. Actuarially determined amounts reflect a long-term view and are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. Actuarial liabilities and comparative costs were computed using the Projected Unit Credit Actuarial Cost Method and the following assumptions:

Amortization method	Level dollar amount on open basis over 30 years
Discount rate	5%
Mortality rate	RP-2000 mortality tables for healthy annuitants and employees for males and females with generational projection, ages set forward on year
Withdrawal rates	Past history of City used to established rates
Retirement rates	Past history of City used to established rates
Marriage and family assumptions	Wives are assumed to be three years younger than husbands and 20% of members are assumed to have spouses who will elect coverage
Price inflation	3% per year
Payroll growth	3% per year
Healthcare cost trend rate	8% grading down to 5%
Participant rate	30% of members are assumed to elect coverage upon retirement

REQUIRED SUPPLEMENTARY INFORMATION (RSI)

CITY OF EMPORIA, KANSAS
TREND DATA ON POSTEMPLOYMENT BENEFITS
December 31, 2013

(a) Actuarial Valuation Date	(b) Actuarial Value of Assets	(c) Actuarial Accrued Liability	(d) Unfunded Actuarial Liability (b) - (c)
12/31/2007	\$ -	\$ 950,929	\$ 950,929
12/31/2009	-	585,945	585,945
12/31/2011	-	593,820	593,820
12/31/2012	-	413,955	413,955

(e) Funded Ratio (b)/(c)	(f) Annual Covered Payroll	(g) Unfunded Actuarial Liability as % of Covered Payroll
-	\$ 9,154,091	10.40%
-	9,608,556	6.10%
-	9,357,230	6.30%
-	8,807,954	4.70%

OTHER FINANCIAL INFORMATION

CITY OF EMPORIA, KANSAS
COMBINING STATEMENTS - NON-MAJOR FUNDS

December 31, 2013

Non-Major Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Budgeted Funds

Library Fund - To account for the collection of tax levy money, which is appropriated to the Emporia Public Library for its operations.

Library Employee Benefits Fund - To account for the collection of tax levy money, which is appropriated to the Emporia Public Library specifically for employee benefits.

Convention and Tourism Promotion Fund - To account for the promotion of convention and tourism. Financing is provided by a 6% tax on gross rental receipts collected from hotels and motels within the City limits.

Industrial Fund - To account for the promotion of industrial development. The majority of this fund is used to assist in the acquisition of land for the industrial parks. Financing is provided by a property tax levy not to exceed 1 mill. This is the maximum amount that can be levied per Kansas statutes.

Special Alcohol Program Fund - To account for costs for the establishment, maintenance and/or expansion of services or programs related to substance abuse prevention and education, or treatment of persons who are substance abusers or are in danger of becoming substance abusers. Financing is provided by tax on the sale of alcoholic liquor by private clubs. State law requires 1/3 of this liquor tax to be used for a special alcohol program.

Special Park and Recreation Fund - To account for the costs of enhancing the area of recreation or parks. Financing is provided by tax on the sale of alcoholic liquor by private clubs. State law requires 1/3 of this liquor tax to be used for a special park and recreation fund.

Special Street Fund - To account for a portion of costs of maintaining the street system. Financing is provided by a proportionate share of the Special City and County Highway Fund distributed by the State Treasurer.

Drug Money Forfeiture Fund - To account for the receipt and expenditure of funds seized by the police in connection with the arrest and conviction of individuals for illegal drug activities.

Industrial Development Sales Tax Fund - To account for the sales tax receipts, other revenues and expenditures related to industrial development. Receipts of retail sales taxes are deposited in the General Fund, and the portion related to this activity is transferred to this fund.

Non-Budgeted Funds

Wireless 911 Tax - To account for the cost of implementing a "911" emergency response for the wireless telephone system.

Telephone Tax - 911 Fund - To account for the cost of implementing a "911" emergency response telephone system.

Housing Study RDA Fund - To account for a county-wide study to identify the current and future needs and solutions to housing problems within the county.

Emergency Shelter Fund - To account for grant funds appropriated to a local women's shelter.

CITY OF EMPORIA, KANSAS
COMBINING STATEMENTS - NON-MAJOR FUNDS

December 31, 2013

Non-Major Special Revenue Fund (Continued)

Non-Budgeted Funds

Law Enforcement Block Grants Fund - to account for receipts and expenditures of police department related grant funds.

DARE Crime Prevention Fund - To account for funds expended in connection with the DARE program.

NSP Fund - (Neighborhood Stabilization Program) to account for the funds used to purchase homes to rehabilitate and then resell.

2009 Home Buyer and Repair Fund - To account for the funds used to rehabilitate homes of first- time home owners.

2011 Home Rehabilitation Funds - To account for the funds used in the owner-occupied rehabilitation grant program.

911 Land Wire Fund - To account for fees collected and expenditures made.

Lake Kahola Fund - To account for the funds received in the sale of Lake Kahola to the Lake Kahola cabin owners.

TDD Fund - To account for funds associated with the Transportation Development District.

CID Fund - To account for funds associated with the Community Improvement District.

Non-Major Capital Project Funds

Capital project funds are used to account for acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

Internal Improvements - To account for various City infrastructure improvement projects. Financing is provided through temporary notes and special assessments.

Biodiesel Plant Project - To account for the costs of putting in the water and sewer mains and paving to the plant.

Recreation Center Improvements - To account for the costs of improvements to the recreation center.

Construction Projects - To account for the funds appropriated for various construction projects of the City of Emporia.

Civic Auditorium Improvement - To account for the improvements to the Civic Auditorium, which will be funded through the issuance of general obligation bonds.

Park Improvements - To account for the costs of improving existing parks.

Bridge Projects - To account for the costs of bridge improvements.

Traffic Signals - To account for the cost of new traffic control devices.

Paving Projects - To account for the costs of new paving projects.

Airport Improvements - To account for the costs of new airport improvements.

CITY OF EMPORIA, KANSAS
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
December 31, 2013

	Total Non-Major Special Revenue Funds	Total Non-Major Capital Project Funds	Total Non-Major Governmental Funds
ASSETS			
Current Assets			
Cash and investments	\$ 1,644,227	\$ 2,698,923	\$ 4,343,150
Receivables			
Accounts	13,459	-	13,459
Taxes	615,661	-	615,661
	<u>615,661</u>	<u>-</u>	<u>615,661</u>
Total Assets	<u>\$ 2,273,347</u>	<u>\$ 2,698,923</u>	<u>\$ 4,972,270</u>
 LIABILITIES AND FUND BALANCE			
Liabilities			
Due to other funds	\$ 4,523	\$ -	\$ 4,523
Accounts payable	24,105	1,087	25,192
Accrued liabilities	12,382	-	12,382
Unearned revenue	615,661	-	615,661
	<u>615,661</u>	<u>-</u>	<u>615,661</u>
Total Liabilities	<u>\$ 656,671</u>	<u>\$ 1,087</u>	<u>\$ 657,758</u>
 Fund Balance			
Restricted:			
Urban development and housing	\$ 728,700	\$ -	\$ 728,700
General government	-	-	-
Capital projects	-	-	-
Public safety	327,694	-	327,694
Culture and recreation	323,127	-	323,127
Public works	233,531	-	233,531
Debt service	1,120	-	1,120
Committed:			
Capital projects	2,504	2,697,836	2,700,340
	<u>2,504</u>	<u>2,697,836</u>	<u>2,700,340</u>
Total Fund Balance	<u>\$ 1,616,676</u>	<u>\$ 2,697,836</u>	<u>\$ 4,314,512</u>
 Total Liabilities and Fund Balance	<u>\$ 2,273,347</u>	<u>\$ 2,698,923</u>	<u>\$ 4,972,270</u>

CITY OF EMPORIA, KANSAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2013

	Total Non-Major Special Revenue Funds	Total Non-Major Capital Project Funds	Total Non-Major Governmental Funds
REVENUES			
Taxes	\$ 1,382,833	\$ -	\$ 1,382,833
Intergovernmental	1,184,913	1,237,538	2,422,451
Use of money and property	1,146	2,422	3,568
Contributions	1,834	69,423	71,257
Miscellaneous	158,895	640,936	799,831
Total Revenues	\$ 2,729,621	\$ 1,950,319	\$ 4,679,940
EXPENDITURES			
Current			
General government	\$ 459,825	\$ -	\$ 459,825
Law enforcement	198,861	-	198,861
Highways and streets	632,191	-	632,191
Culture and recreation	679,683	-	679,683
Health and environment	106,788	-	106,788
Planning and development	608,470	-	608,470
Capital outlay	-	2,122,112	2,122,112
Bond issuance costs	-	32,100	32,100
Debt service	-	1,115,410	1,115,410
Total Expenditures	\$ 2,685,818	\$ 3,269,622	\$ 5,955,440
Excess (deficiency) of revenues over (under) expenditures	\$ 43,803	\$ (1,319,303)	\$ (1,275,500)
OTHER FINANCING SOURCES (USES)			
Transfers in	\$ 643,588	\$ 2,474,587	\$ 3,118,175
Transfers out	(343,675)	(1,658,414)	(2,002,089)
Proceeds from issuance of refunding bonds		1,288,607	1,288,607
Payment to refunded bonds escrow agent		(1,288,607)	(1,288,607)
Proceeds from bond premium	-	226,590	226,590
Proceeds from issuance of bonds	-	546,393	546,393
Total Other Financing Sources (Uses)	\$ 299,913	\$ 1,589,156	\$ 1,889,069
Net Change in Fund Balance	\$ 343,716	\$ 269,853	\$ 613,569
Fund Balance - Beginning	1,272,960	2,427,983	3,700,943
Fund Balance - Ending	\$ 1,616,676	\$ 2,697,836	\$ 4,314,512

CITY OF EMPORIA, KANSAS
COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS
December 31, 2013

	<u>Library</u>	<u>Library Employee Benefits</u>	<u>Convention and Tourism Promotion</u>	<u>Industrial</u>	<u>Special Alcohol Program</u>
ASSETS					
Current Assets					
Cash and investments	\$ -	\$ -	\$ 144,451	\$ 33,669	\$ 13,470
Receivables					
Accounts	-	-	-	-	-
Taxes	563,279	51,382	-	1,000	-
Total Assets	<u>\$ 563,279</u>	<u>\$ 51,382</u>	<u>\$ 144,451</u>	<u>\$ 34,669</u>	<u>\$ 13,470</u>
LIABILITIES AND FUND BALANCE					
Liabilities					
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-
Accrued liabilities	-	-	-	-	-
Unearned revenue	563,279	51,382	-	1,000	-
Total Liabilities	<u>\$ 563,279</u>	<u>\$ 51,382</u>	<u>\$ -</u>	<u>\$ 1,000</u>	<u>\$ -</u>
Fund Balance					
Restricted:					
Urban development and housing	\$ -	\$ -	\$ 144,451	\$ 33,669	\$ -
General government	-	-	-	-	-
Capital projects	-	-	-	-	-
Public safety	-	-	-	-	13,470
Culture and recreation	-	-	-	-	-
Public works	-	-	-	-	-
Debt service	-	-	-	-	-
Committed:					
Urban development and housing	-	-	-	-	-
Total Fund Balance (Deficit)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 144,451</u>	<u>\$ 33,669</u>	<u>\$ 13,470</u>
Total Liabilities and Fund Balance	<u>\$ 563,279</u>	<u>\$ 51,382</u>	<u>\$ 144,451</u>	<u>\$ 34,669</u>	<u>\$ 13,470</u>

Special Park and Recreation	Special Street	Drug Money Forfeiture	Industrial Development Sales Tax	Wireless 911 Tax	Telephone Tax-911	Housing Study RDA
\$ 323,107	\$ 239,372	\$ 10,910	\$ 549,019	\$ 88,137	\$ 112,769	\$ 1,694
-	13,459	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 323,107</u>	<u>\$ 252,831</u>	<u>\$ 10,910</u>	<u>\$ 549,019</u>	<u>\$ 88,137</u>	<u>\$ 112,769</u>	<u>\$ 1,694</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	6,918	758	-	-	-	-
-	12,382	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 19,300</u>	<u>\$ 758</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ 549,019	\$ -	\$ -	\$ 1,694
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	10,152	-	88,137	112,769	-
323,107	-	-	-	-	-	-
-	233,531	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 323,107</u>	<u>\$ 233,531</u>	<u>\$ 10,152</u>	<u>\$ 549,019</u>	<u>\$ 88,137</u>	<u>\$ 112,769</u>	<u>\$ 1,694</u>
<u>\$ 323,107</u>	<u>\$ 252,831</u>	<u>\$ 10,910</u>	<u>\$ 549,019</u>	<u>\$ 88,137</u>	<u>\$ 112,769</u>	<u>\$ 1,694</u>

CITY OF EMPORIA, KANSAS
COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS
December 31, 2013

	Emergency Shelter	Law Enforcement Block Grants	DARE Crime Prevention	2009 NSP Fund	2009 Home Buyer and Repair
ASSETS					
Current Assets					
Cash and investments	\$ -	\$ -	\$ 1,687	\$ -	\$ -
Receivables					
Accounts	-	-	-	-	-
Taxes	-	-	-	-	-
Total Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,687</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE					
Liabilities					
Due to other funds	\$ -	\$ 396	\$ -	\$ 376.00	\$ 3,751
Accounts payable	-	14,552	-	148	-
Accrued liabilities	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Total Liabilities	<u>\$ -</u>	<u>\$ 14,948</u>	<u>\$ -</u>	<u>\$ 524</u>	<u>\$ 3,751</u>
Fund Balance					
Restricted					
Urban development and housing	\$ -	\$ -	\$ -	\$ (524)	\$ (3,751)
General government	-	-	-	-	-
Capital projects	-	-	-	-	-
Public safety	-	(14,948)	1,687	-	-
Culture and recreation	-	-	-	-	-
Public works	-	-	-	-	-
Debt service	-	-	-	-	-
Committed:					
Urban development and housing	-	-	-	-	-
Total Fund Balance (deficit)	<u>\$ -</u>	<u>\$ (14,948)</u>	<u>\$ 1,687</u>	<u>\$ (524)</u>	<u>\$ (3,751)</u>
Total Liabilities and Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,687</u>	<u>\$ -</u>	<u>\$ -</u>

2011 Home Rehab	911 Land Wire Fees	Lake Kahola	TDD Fund	CID Fund	Totals
\$ 4,142	\$ 118,156	\$ 20	\$ 1,120	2,504	\$ 1,644,227
-	-	-	-	-	13,459
-	-	-	-	-	615,661
<u>\$ 4,142</u>	<u>\$ 118,156</u>	<u>\$ 20</u>	<u>\$ 1,120</u>	<u>\$ 2,504</u>	<u>\$ 2,273,347</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,523
-	1,729	-	-	-	24,105
-	-	-	-	-	12,382
-	-	-	-	-	615,661
<u>\$ -</u>	<u>\$ 1,729</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 656,671</u>
\$ 4,142	\$ -	\$ -	\$ -	\$ -	\$ 728,700
-	-	-	-	-	-
-	-	-	-	-	-
-	116,427	-	-	-	327,694
-	-	20	-	-	323,127
-	-	-	-	-	233,531
-	-	-	1,120	-	1,120
-	-	-	-	2,504	2,504
<u>\$ 4,142</u>	<u>\$ 116,427</u>	<u>\$ 20</u>	<u>\$ 1,120</u>	<u>\$ 2,504</u>	<u>\$ 1,616,676</u>
<u>\$ 4,142</u>	<u>\$ 118,156</u>	<u>\$ 20</u>	<u>\$ 1,120</u>	<u>\$ 2,504</u>	<u>\$ 2,273,347</u>

CITY OF EMPORIA, KANSAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR SPECIAL REVENUE FUNDS
For the Year Ended December 31, 2013

	<u>Library</u>	<u>Library Employee Benefits</u>	<u>Convention and Tourism Promotion</u>	<u>Industrial</u>	<u>Special Alcohol Program</u>
REVENUES					
Taxes	\$ 623,012	\$ 56,671	\$ -	\$ 1,091	\$ -
Intergovernmental	-	-	503,824	-	68,028
Use of money and property	-	-	68	27	11
Donations	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Revenues	<u>\$ 623,012</u>	<u>\$ 56,671</u>	<u>\$ 503,892</u>	<u>\$ 1,118</u>	<u>\$ 68,039</u>
EXPENDITURES					
General government	\$ -	\$ -	\$ 401,939	\$ -	\$ -
Law enforcement	-	-	-	-	-
Highways and streets	-	-	-	-	-
Culture and recreation	623,012	56,671	-	-	-
Health and environment	-	-	-	-	85,400
Planning and development	-	-	-	3,696	-
Total Expenditures	<u>\$ 623,012</u>	<u>\$ 56,671</u>	<u>\$ 401,939</u>	<u>\$ 3,696</u>	<u>\$ 85,400</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 101,953</u>	<u>\$ (2,578)</u>	<u>\$ (17,361)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers out	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 101,953</u>	<u>\$ (2,578)</u>	<u>\$ (17,361)</u>
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>42,498</u>	<u>36,247</u>	<u>30,831</u>
Fund Balance - End	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 144,451</u>	<u>\$ 33,669</u>	<u>\$ 13,470</u>

Special Park and Recreation	Special Street	Drug Money Forfeiture	Industrial Development Sales Tax	Wireless 911 Tax	Telephone Tax-911	Housing Study RDA
\$ -	\$ 702,059	\$ -	\$ -	\$ -	\$ -	\$ -
68,028	-	8,080	-	-	-	-
220	205	7	382	68	88	-
1,500	-	-	-	-	-	-
-	4,778	-	143,667	-	-	-
<u>\$ 69,748</u>	<u>\$ 707,042</u>	<u>\$ 8,087</u>	<u>\$ 144,049</u>	<u>\$ 68</u>	<u>\$ 88</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ (724)	\$ 4,980	\$ -
-	-	6,909	-	-	-	-
-	632,191	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	374,000	-	-	-
<u>\$ -</u>	<u>\$ 632,191</u>	<u>\$ 6,909</u>	<u>\$ 374,000</u>	<u>\$ (724)</u>	<u>\$ 4,980</u>	<u>\$ -</u>
<u>\$ 69,748</u>	<u>\$ 74,851</u>	<u>\$ 1,178</u>	<u>\$ (229,951)</u>	<u>\$ 792</u>	<u>\$ (4,892)</u>	<u>\$ -</u>
\$ -	\$ 4,509	\$ -	\$ 638,944	\$ -	\$ -	\$ -
-	(71,400)	-	(272,275)	-	-	-
<u>\$ -</u>	<u>\$ (66,891)</u>	<u>\$ -</u>	<u>\$ 366,669</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 69,748	\$ 7,960	\$ 1,178	\$ 136,718	\$ 792	\$ (4,892)	\$ -
253,359	225,571	8,974	412,301	87,345	117,661	1,694
<u>\$ 323,107</u>	<u>\$ 233,531</u>	<u>\$ 10,152</u>	<u>\$ 549,019</u>	<u>\$ 88,137</u>	<u>\$ 112,769</u>	<u>\$ 1,694</u>

CITY OF EMPORIA, KANSAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR SPECIAL REVENUE FUNDS
For the Year Ended December 31, 2013

	Emergency Shelter	Law Enforcement Block Grants	DARE Crime Prevention	2009 NSP Fund	2009 Home Buyer and Repair
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	53,630	20,159	-	254,894	26,103
Use of money and property	-	-	-	-	-
Donations	-	334	-	-	-
Miscellaneous	-	-	-	-	-
Total Revenues	\$ 53,630	\$ 20,493	\$ -	\$ 254,894	\$ 26,103
EXPENDITURES					
General government	\$ 53,630	\$ -	\$ -	\$ -	\$ -
Law enforcement	-	21,420	-	-	-
Highways and streets	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Health and environment	-	-	-	-	-
Planning and development	-	-	-	196,738	23,586
Total Liabilities	\$ 53,630	\$ 21,420	\$ -	\$ 196,738	\$ 23,586
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ (927)	\$ -	\$ 58,156	\$ 2,517
OTHER FINANCING SOURCES (USES)					
Transfers in	\$ -	135	\$ -	\$ -	\$ -
Transfers out	-	-	-	-	-
Total Other Financing Sources (Uses)	\$ -	\$ 135	\$ -	\$ -	\$ -
Net Change in Fund Balance	\$ -	\$ (792)	\$ -	\$ 58,156	\$ 2,517
Fund Balance - Beginning	-	(14,156)	1,687	(58,680)	(6,268)
Fund Balance - Ending	\$ -	\$ (14,948)	\$ 1,687	\$ (524)	\$ (3,751)

2011 Home Rehab	911 Land Wire Fees	Lake Kahola	TDD Fund	CID Fund	Totals
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,382,833
-	179,667	-	-	2,500	1,184,913
3	62	-	1	4	1,146
-	-	-	-	-	1,834
-	-	-	-	10,450	158,895
<u>\$ 3</u>	<u>\$ 179,729</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 12,954</u>	<u>\$ 2,729,621</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 459,825
-	170,532	-	-	-	198,861
-	-	-	-	-	632,191
-	-	-	-	-	679,683
21,388	-	-	-	-	106,788
-	-	-	-	10,450	608,470
<u>\$ 21,388</u>	<u>\$ 170,532</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,450</u>	<u>\$ 2,685,818</u>
\$ (21,385)	\$ 9,197	\$ -	\$ 1	\$ 2,504	\$ 43,803
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 643,588
-	-	-	-	-	(343,675)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 299,913</u>
\$ (21,385)	\$ 9,197	\$ -	\$ 1	\$ 2,504	\$ 343,716
25,527	107,230	20	1,119	-	1,272,960
<u>\$ 4,142</u>	<u>\$ 116,427</u>	<u>\$ 20</u>	<u>\$ 1,120</u>	<u>\$ 2,504</u>	<u>\$ 1,616,676</u>

CITY OF EMPORIA, KANSAS
COMBINING BALANCE SHEET
NON-MAJOR CAPITAL PROJECTS FUNDS
December 31, 2013

	<u>Internal Improvements</u>	<u>Biodiesel Plant Project</u>	<u>Recreation Center Improvements</u>	<u>Construction Projects</u>
ASSETS				
Current Assets				
Cash and investments	\$ 625,468	\$ -	\$ (313,377)	\$ 2,103,078
Accounts receivables	-	-	-	-
Total Assets	<u>\$ 625,468</u>	<u>\$ -</u>	<u>\$ (313,377)</u>	<u>\$ 2,103,078</u>
LIABILITIES AND FUND BALANCE				
Liabilities				
Due to other funds	\$ -	\$ -	\$ -	\$ -
Accounts payable	377	-	-	-
Total Liabilities	<u>\$ 377</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balance				
Committed				
Capital projects	\$ 625,091	\$ -	\$ (313,377)	\$ 2,103,078
Total Fund Balance (Deficit)	<u>\$ 625,091</u>	<u>\$ -</u>	<u>\$ (313,377)</u>	<u>\$ 2,103,078</u>
Total Liabilities and Fund Balance	<u>\$ 625,468</u>	<u>\$ -</u>	<u>\$ (313,377)</u>	<u>\$ 2,103,078</u>

Civic Auditorium Improvement	Park Improvements	Bridge Projects	Traffic Signals	Paving Projects	Airport Improvements	Totals
\$ 16,474	\$ 34,931	\$ 150,012	\$ 83,506	\$ -	\$ (1,169)	\$ 2,698,923
-	-	-	-	-	-	-
<u>\$ 16,474</u>	<u>\$ 34,931</u>	<u>\$ 150,012</u>	<u>\$ 83,506</u>	<u>\$ -</u>	<u>\$ (1,169)</u>	<u>\$ 2,698,923</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	710	1,087
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>710</u>	<u>\$ 1,087</u>
\$ 16,474	\$ 34,931	\$ 150,012	\$ 83,506	\$ -	\$ (1,879)	\$ 2,697,836
\$ 16,474	\$ 34,931	\$ 150,012	\$ 83,506	\$ -	\$ (1,879)	\$ 2,697,836
<u>\$ 16,474</u>	<u>\$ 34,931</u>	<u>\$ 150,012</u>	<u>\$ 83,506</u>	<u>\$ -</u>	<u>\$ (1,169)</u>	<u>\$ 2,698,923</u>

CITY OF EMPORIA, KANSAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR CAPITAL PROJECTS FUNDS
For the Year Ended December 31, 2013

	Internal Improvements	Biodiesel Plant Project	Recreation Center Improvements	Construction Projects
REVENUES				
Intergovernmental	\$ -	\$ 203,776	\$ -	\$ -
Use of money and property	179	-	-	1,213
Miscellaneous	211,500	-	-	-
Contributions	34,203	-	-	-
Total Revenues	\$ 245,882	\$ 203,776	\$ -	\$ 1,213
EXPENDITURES				
Capital outlay				
Contract costs	\$ 30,055	\$ 9,700	\$ 732,377	\$ 213,582
Bond issuance costs	-	-	32,100	-
Debt service				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Total Expenditures	\$ 30,055	\$ 9,700	\$ 764,477	\$ 213,582
Excess (deficiency) of revenues over (under) expenditures	\$ 215,827	\$ 194,076	\$ (764,477)	\$ (212,369)
OTHER FINANCING RESOURCES (USES)				
Transfers in	\$ -	\$ -	\$ -	\$ 2,469,367
Transfers out	-	(51,809)	-	(1,597,000)
Proceeds from issuance of refunding bonds	-	-	-	1,288,607
Payment to refunded bonds escrow agent	-	-	-	(1,288,607)
Bond premium	-	-	226,590	-
Sale of bonds	240,000	-	224,510	81,883
Total Other Financing Resources (Uses)	\$ 240,000	\$ (51,809)	\$ 451,100	\$ 954,250
Net Change in Fund Balance	\$ 455,827	\$ 142,267	\$ (313,377)	\$ 741,881
Fund Balance - Beginning	169,264	(142,267)	-	1,361,197
Fund Balance - Ending	\$ 625,091	\$ -	\$ (313,377)	\$ 2,103,078

Civic Auditorium Improvement	Park Improvements	Bridge Projects	Traffic Signals	Paving Projects	Airport Improvements	Totals
\$ -	\$ 1,030	\$ 18,680	\$ -	\$ 4,385	\$ 1,009,667	\$ 1,237,538
13	43	857	66	-	51	2,422
-	25	302,330	-	-	127,081	640,936
-	35,220	-	-	-	-	69,423
<u>\$ 13</u>	<u>\$ 36,318</u>	<u>\$ 321,867</u>	<u>\$ 66</u>	<u>\$ 4,385</u>	<u>\$ 1,136,799</u>	<u>\$ 1,950,319</u>
\$ -	\$ 61,646	\$ -	\$ -	\$ -	\$ 1,074,752	\$ 2,122,112
-	-	-	-	-	-	32,100
-	-	1,115,410	-	-	-	1,115,410
-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 61,646</u>	<u>\$ 1,115,410</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,074,752</u>	<u>\$ 3,269,622</u>
<u>\$ 13</u>	<u>\$ (25,328)</u>	<u>\$ (793,543)</u>	<u>\$ 66</u>	<u>\$ 4,385</u>	<u>\$ 62,047</u>	<u>\$ (1,319,303)</u>
\$ -	\$ 5,220	\$ -	\$ -	\$ -	-	\$ 2,474,587
-	(5,220)	-	-	(4,385)	-	(1,658,414)
-	-	-	-	-	-	1,288,607
-	-	-	-	-	-	(1,288,607)
-	-	-	-	-	-	226,590
-	-	-	-	-	-	546,393
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,385)</u>	<u>\$ -</u>	<u>\$ 1,589,156</u>
\$ 13	\$ (25,328)	\$ (793,543)	\$ 66	\$ -	\$ 62,047	\$ 269,853
16,461	60,259	943,555	83,440	-	(63,926)	2,427,983
<u>\$ 16,474</u>	<u>\$ 34,931</u>	<u>\$ 150,012</u>	<u>\$ 83,506</u>	<u>\$ -</u>	<u>\$ (1,879)</u>	<u>\$ 2,697,836</u>

CITY OF EMPORIA, KANSAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - ACTUAL AND BUDGET
INDUSTRIAL DEVELOPMENT SALES TAX FUND
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Use of money & property	\$ 300	\$ 600	\$ 383	\$ (217)
Miscellaneous	140,603	140,603	143,667	3,064.00
Total Revenues	\$ 140,903	\$ 141,203	\$ 144,050	\$ 2,847
EXPENDITURES				
Planning and development				
Contractual services	\$ 337,275	\$ 351,275	\$ 374,001	\$ (22,726)
Excess (Deficiency) of Revenues over Expenditures	\$ (336,975)	\$ (350,675)	\$ (229,951)	\$ (22,943)
OTHER FINANCING RESOURCES (USES)				
Transfers in	\$ 596,209	\$ 596,209	\$ 638,944	\$ (42,735)
Transfers out	(305,000)	(305,000)	(272,275)	(32,725)
Total Other Financing Sources	\$ 291,209	\$ 291,209	\$ 366,669	\$ (75,460)
Net Change in Fund Balance	\$ (45,766)	\$ (59,466)	\$ 136,718	\$ (98,403)
Fund Balance - Beginning			412,301	
Fund Balance - Ending			\$ 549,019	
Adjustments to GAAP				
Encumbrances			-	
Fund Balance - GAAP			\$ 549,019	

CITY OF EMPORIA, KANSAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - ACTUAL AND BUDGET
LIBRARY FUND

For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 637,239	\$ 637,239	\$ 623,012	\$ (14,227)
Miscellaneous	-	-	-	-
Total Revenues	<u>\$ 637,239</u>	<u>\$ 637,239</u>	<u>\$ 623,012</u>	<u>\$ (14,227)</u>
EXPENDITURES				
Culture and recreation	\$ 641,171	\$ 641,171	\$ 623,012	\$ 18,159
Excess (Deficiency) of Revenues over Expenditures	<u>\$ (3,932)</u>	<u>\$ (3,932)</u>	<u>\$ -</u>	<u>\$ 3,932</u>
OTHER FINANCING RESOURCES (USES)				
Transfers in	\$ -	\$ -	\$ -	\$ -
Transfers out	-	-	-	-
Total Other Financing Sources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net Change in Fund Balance			\$ -	
Fund Balance - Beginning			-	
Fund Balance - Ending			\$ -	
Adjustments to GAAP			-	
Fund Balance - GAAP			<u>\$ -</u>	

CITY OF EMPORIA, KANSAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - ACTUAL AND BUDGET
LIBRARY EMPLOYEE BENEFITS FUND
For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 57,546	\$ 57,546	\$ 56,671	\$ (875)
EXPENDITURES				
Culture and recreation	\$ 58,290	\$ 58,290	\$ 56,671	\$ 1,619
Excess (Deficiency) of Revenues over Expenditures	<u>\$ (744)</u>	<u>\$ (744)</u>	<u>\$ -</u>	<u>\$ (131)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ -	\$ -	\$ -
Transfers out	-	-	-	-
Total Other Financing Sources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net Change in Fund Balance	<u>\$ (744)</u>	<u>\$ (744)</u>	<u>\$ -</u>	<u>\$ (131)</u>
Fund Balance - Beginning			-	
Fund Balance - Ending			\$ -	
Adjustments to GAAP				
Encumbrances			-	
Fund Balances - GAAP			<u>\$ -</u>	

CITY OF EMPORIA, KANSAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - ACTUAL AND BUDGET
CONVENTION AND TOURISM PROMOTION FUND
For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 400,000	\$ 400,000	\$ 503,824	\$ 103,824
Use of money and property	100	100	68	(32)
Miscellaneous	-	-	-	-
Total Revenues	<u>\$ 400,100</u>	<u>\$ 400,100</u>	<u>\$ 503,892</u>	<u>\$ 103,792</u>
EXPENDITURES				
General government				
Appropriations	<u>\$ 395,500</u>	<u>\$ 426,939</u>	<u>\$ 401,939</u>	<u>\$ 25,000</u>
Net Change in Fund Balances	<u>\$ 4,600</u>	<u>\$ (26,839)</u>	<u>\$ 101,953</u>	<u>\$ 78,792</u>
Fund Balance - Beginning			<u>42,498</u>	
Fund Balance - Ending			\$ 144,451	
Adjustments to GAAP				
Encumbrances			<u>-</u>	
Fund Balance - GAAP			<u>\$ 144,451</u>	

CITY OF EMPORIA, KANSAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - ACTUAL AND BUDGET
INDUSTRIAL FUND

For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 1,150	\$ 1,150	\$ 1,091	\$ (59)
Use of money and property	100	100	27	(73)
Total Revenues	<u>\$ 1,250</u>	<u>\$ 1,250</u>	<u>\$ 1,118</u>	<u>\$ (132)</u>
EXPENDITURES				
Planning and development				
Contractual services	\$ 33,000	\$ 33,000	\$ 3,696	\$ 29,304
Net Change in Fund Balance	<u>\$ (31,750)</u>	<u>\$ (31,750)</u>	<u>\$ (2,578)</u>	<u>\$ 29,172</u>
Fund Balance - Beginning			<u>36,247</u>	
Fund Balance - Ending			\$ 33,669	
Adjustments to GAAP				
Encumbrances			<u>-</u>	
Fund Balance - GAAP			<u>\$ 33,669</u>	

CITY OF EMPORIA, KANSAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - ACTUAL AND BUDGET
SPECIAL ALCOHOL PROGRAM FUND
For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 72,504	\$ 72,504	\$ 68,028	\$ (4,476)
Use of money and property	100	100	11	(89)
Total Revenues	<u>\$ 72,604</u>	<u>\$ 72,604</u>	<u>\$ 68,039</u>	<u>\$ (4,565)</u>
EXPENDITURES				
Health and environment Appropriations	\$ 85,400	\$ 85,400	\$ 85,400	\$ -
Net Change in Fund Balance	<u>\$ (12,796)</u>	<u>\$ (12,796)</u>	<u>\$ (17,361)</u>	<u>\$ (4,565)</u>
Fund Balance - Beginning			<u>30,831</u>	
Fund Balance - ending			\$ 13,470	
Adjustments to GAAP				
Encumbrances			<u>-</u>	
Fund Balance - GAAP			<u>\$ 13,470</u>	

CITY OF EMPORIA, KANSAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - ACTUAL AND BUDGET
SPECIAL PARK AND RECREATION FUND
For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 72,504	\$ 72,504	\$ 68,028	\$ (4,476)
Miscellaneous	-	-	4,857	4,857
Use of money and property	150	150	221	71
Donations	-	-	1,500	1,500
Total Revenues	<u>\$ 72,654</u>	<u>\$ 72,654</u>	<u>\$ 74,606</u>	<u>\$ 1,952</u>
EXPENDITURES				
General government				
Contractual	\$ 190,000	\$ 190,000	\$ -	\$ 190,000
Capital outlay	140,000	140,000	-	140,000
Total Expenditures	<u>\$ 330,000</u>	<u>\$ 330,000</u>	<u>\$ -</u>	<u>\$ 140,000</u>
Net Change in Fund Balance	<u>\$ (67,346)</u>	<u>\$ (67,346)</u>	<u>\$ 74,606</u>	<u>\$ (138,048)</u>
Fund Balance - Beginning			<u>\$ 248,501</u>	
Fund Balance - Ending			\$ 323,107	
Adjustments to GAAP				
Encumbrances			<u>-</u>	
Fund Balance - GAAP			<u>\$ 323,107</u>	

CITY OF EMPORIA, KANSAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - ACTUAL AND BUDGET
SPECIAL STREET FUND

For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 720,190	\$ 720,190	\$ 702,059	\$ (18,131)
Use of money and property	200	200	203	3
Miscellaneous	-	-	6,642	6,642
Total Revenues	<u>\$ 720,390</u>	<u>\$ 720,390</u>	<u>\$ 708,904</u>	<u>\$ (11,486)</u>
EXPENDITURES				
Highway and streets				
Personal services	\$ 400,846	\$ 400,846	\$ 383,626	\$ 17,220
Contractual	54,410	54,410	46,550	7,860
Commodities	209,225	209,225	172,794	36,431
Other charges	34,230	34,230	31,085	3,145
Capital outlay	17,500	17,500	-	17,500
Debt Service				
Interest expense	71,400	71,400	-	71,400
Total Expenditures	<u>\$ 787,611</u>	<u>\$ 787,611</u>	<u>\$ 634,055</u>	<u>\$ 153,556</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ (67,221)</u>	<u>\$ (67,221)</u>	<u>\$ 74,849</u>	<u>\$ 142,070</u>
OTHER FINANCING RESOURCES (USES)				
Transfers in	\$ 2,564	\$ 2,564	\$ 4,509	\$ 1,945
Transfers out	-	-	(71,400)	11,510
Total Other Financing Resources (Uses)	<u>\$ 2,564</u>	<u>\$ 2,564</u>	<u>\$ (66,891)</u>	<u>\$ 13,455</u>
Net Change in Fund Balance	<u>\$ (64,657)</u>	<u>\$ (64,657)</u>	<u>\$ 7,958</u>	<u>\$ 155,525</u>
Fund Balance - Beginning			<u>225,571</u>	
Fund Balances - Ending			\$ 233,529	
Adjustments to GAAP				
Encumbrances			<u>14,730</u>	
Fund Balance - GAAP			<u>\$ 248,259</u>	

CITY OF EMPORIA, KANSAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - ACTUAL AND BUDGET
DRUG MONEY FORFEITURE FUND
For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 5,000	\$ 5,000	\$ 8,080	\$ 3,080
Use of money and property	10	10	7	(3)
Total Revenues	<u>\$ 5,010</u>	<u>\$ 5,010</u>	<u>\$ 8,087</u>	<u>\$ 3,077</u>
EXPENDITURES				
Law enforcement				
Contractual	\$ -	\$ -	\$ 513	\$ (513)
Commodities	5,000	8,000	6,396	1,604
Total Expenditures	<u>\$ 5,000</u>	<u>\$ 8,000</u>	<u>\$ 6,909</u>	<u>\$ 1,091</u>
Net Change in Fund Balance	<u>\$ 10</u>	<u>\$ (2,990)</u>	<u>\$ 1,178</u>	<u>\$ 4,168</u>
Fund Balance - Beginning			<u>8,974</u>	
Fund Balance - Ending			\$ 10,152	
Adjustments to GAAP				
Encumbrances			<u>-</u>	
Fund Balance - GAAP			<u>\$ 10,152</u>	

CITY OF EMPORIA, KANSAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - ACTUAL AND BUDGET
DEBT SERVICE FUND

For the Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 2,955,587	\$ 2,955,587	\$ 2,927,142	\$ (28,445)
Special assessments	46,142	46,142	48,141	1,999
Use of money and property	2,000	2,000	1,197	(803)
Miscellaneous	-	-	68,008	68,008
Total Revenues	<u>\$ 3,003,729</u>	<u>\$ 3,003,729</u>	<u>\$ 3,044,488</u>	<u>\$ 40,759</u>
EXPENDITURES				
Debt service				
Principal	\$ 3,270,000	\$ 3,270,000	\$ 3,270,000	\$ -
Interest and other charges	750,291	750,291	750,291	-
Total Expenditures	<u>\$ 4,020,291</u>	<u>\$ 4,020,291</u>	<u>4,020,291</u>	<u>\$ -</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ (1,016,562)</u>	<u>\$ (1,016,562)</u>	<u>\$ (975,803)</u>	<u>\$ 40,759</u>
OTHER FINANCING RESOURCES (USES)				
Transfers in	\$ 824,047	\$ 824,047	\$ 880,241	\$ 56,194
Transfers out	-	-	-	-
Total Other Financing Sources	<u>\$ 824,047</u>	<u>\$ 824,047</u>	<u>\$ 880,241</u>	<u>\$ 56,194</u>
Net Change in Fund Balance	<u>\$ (192,515)</u>	<u>\$ (192,515)</u>	<u>\$ (95,562)</u>	<u>\$ 96,953</u>
Fund Balance - Beginning			<u>696,238</u>	
Fund Balance - Ending			\$ 600,676	
Adjustments to GAAP				
Encumbrances			<u>-</u>	
Fund Balance - GAAP			<u>\$ 600,676</u>	

CITY OF EMPORIA, KANSAS
INTERNAL SERVICE FUNDS

December 31, 2013

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City and to other government units on a cost reimbursement basis.

Workers' Compensation Fund - To account for contributions made by the City to be used for paying claims for job-related injuries.

Employee Health Care Fund - To account for contributions made by the City, city employees and former city employees to be used for payment of medical claims of covered patients.

CITY OF EMPORIA, KANSAS
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
December 31, 2013

	Workers'	Employee	Total
	Compensation	Health Care	
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 1,346,105	\$ 191,582	\$ 1,537,687
TOTAL ASSETS	\$ 1,346,105	\$ 191,582	\$ 1,537,687
LIABILITIES			
Liabilities			
Unpaid claims	\$ 100,892	\$ 320	\$ 101,212
TOTAL LIABILITIES	\$ 100,892	\$ 320	\$ 101,212
NET POSITION			
Unrestricted	\$ 1,245,213	\$ 191,262	\$ 1,436,475
Total Net Position	\$ 1,245,213	\$ 191,262	\$ 1,436,475
TOTAL NET POSITION	\$ 1,346,105	\$ 191,582	\$ 1,537,687

CITY OF EMPORIA, KANSAS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2013

	<u>Workers'</u> <u>Compensation</u>	<u>Employee</u> <u>Health Care</u>	<u>Total</u>
OPERATING REVENUES			
Charges for services	\$ 294,082	\$ -	\$ 294,082
Miscellaneous	3,137	314,155	317,292
Total Operating Revenues	<u>\$ 297,219</u>	<u>\$ 314,155</u>	<u>\$ 611,374</u>
OPERATING EXPENSES			
Cost of services	\$ 223,316	\$ 103,727	\$ 327,043
Other	-	2,458	2,458
Total Operating Expenses	<u>\$ 223,316</u>	<u>\$ 106,185</u>	<u>\$ 329,501</u>
Operating income (loss)	<u>\$ 73,903</u>	<u>\$ 207,970</u>	<u>\$ 281,873</u>
NON-OPERATING REVENUES (EXPENSES)			
Interest income	<u>\$ 2,608</u>	<u>\$ 609</u>	<u>\$ 3,217</u>
Transfers from (to) other funds			
Transfers out	<u>\$ -</u>	<u>\$ (208,714)</u>	<u>\$ (208,714)</u>
Change in Net Position	<u>\$ 76,511</u>	<u>\$ (135)</u>	<u>\$ 76,376</u>
Net Position - Beginning	<u>1,168,702</u>	<u>191,397</u>	<u>1,360,099</u>
Net Position - Ending	<u><u>\$ 1,245,213</u></u>	<u><u>\$ 191,262</u></u>	<u><u>\$ 1,436,475</u></u>

CITY OF EMPORIA, KANSAS
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2013

	Workers'	Employee	Total
	Compensation	Health Care	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from participants	\$ 294,082	\$ -	\$ 294,082
Cash received from reimbursements	3,137	314,155	317,292
Cash paid for services	(159,846)	-	(159,846)
Cash payments to suppliers	-	(106,185)	(106,185)
Net Cash Provided by (Used in) Operating Activities	\$ 137,373	\$ 207,970	\$ 345,343
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers (to) other funds	\$ -	\$ (208,714)	\$ (208,714)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	\$ 2,608	\$ 609	\$ 3,217
Net Cash Provided by (Used in) Investing Activities	\$ 2,608	\$ 609	\$ 3,217
Net Increase (Decrease) in Cash and Cash Equivalents	\$ 139,981	\$ (135)	\$ 139,846
Cash and cash equivalents, beginning of year	1,206,124	191,717	1,397,841
Cash and cash equivalents, end of year	\$ 1,346,105	\$ 191,582	\$ 1,537,687

RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES

Operating income (loss)	\$ 73,903	\$ 207,970	\$ 281,873
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities			
Changes in assets and liabilities			
Increase (decrease) in unpaid claims	63,470	-	63,470
Net Cash Provided by (Used in) Operating Activities	\$ 137,373	\$ 207,970	\$ 345,343

**CITY OF EMPORIA, KANSAS
TRUST AND AGENCY FUNDS**

December 31, 2013

Trust funds are used to account for assets held by the City in a trustee capacity. Agency funds are used to account for assets held by the City as an agent for individuals, private organizations, other governments and/or other funds.

Tree Private Purpose Trust Fund - To account for monies provided by private donors to finance planting of trees.

Fremont Park Private Purpose Trust Fund - To account for the money donated to the City for the purpose of building a display shelter for the railroad engine and caboose at Fremont Park.

Las Casitas Park Private Purpose Trust Fund - To account for monies provided by private donors to finance improvements to the Las Casitas Park.

Economic Development Private Purpose Trust Fund - To provide a financial resource which enhances the City's ability to attract new economic development projects by lending money to businesses that is repaid with interest.

Fire Insurance Proceeds Agency Fund - To account for a portion of insurance proceeds from fire and casualty losses to structures within the City. Proceeds are returned to property owners upon substantial completion of repairs or demolition of structure.

CITY OF EMPORIA, KANSAS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS - PRIVATE PURPOSE TRUST
December 31, 2013

	Private Purpose Trust				Total
	Tree	Fremont Park	Las Casitas Park	Economic Development	
ASSETS					
Cash and investments	\$ 1,669	\$ 89	\$ 413	\$ 1,112,462	\$ 1,114,633
Accrued interest receivable	-	-	-	19	19
Notes receivable	-	-	-	10,819	10,819
TOTAL ASSETS	<u>\$ 1,669</u>	<u>\$ 89</u>	<u>\$ 413</u>	<u>\$ 1,123,300</u>	<u>\$ 1,125,471</u>
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
NET POSITION					
Held in trust for various purposes	<u>\$ 1,669</u>	<u>\$ 89</u>	<u>\$ 413</u>	<u>\$ 1,123,300</u>	<u>\$ 1,125,471</u>

CITY OF EMPORIA, KANSAS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS - AGENCY FUND
December 31, 2013

	<u>Fire Insurance Proceeds</u>
ASSETS	
Cash and cash equivalents	<u>\$ 21,762</u>
TOTAL ASSETS	<u><u>\$ 21,762</u></u>
LIABILITIES	
Accounts payable	<u>\$ 21,762</u>
TOTAL LIABILITIES	<u><u>\$ 21,762</u></u>

CITY OF EMPORIA, KANSAS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS - PRIVATE PURPOSE TRUST
For the Year Ended December 31, 2013

	Private Purpose Trust				Total
	Tree	Fremont Park	Las Casitas Park	Economic Development	
ADDITIONS					
Interest income	\$ 1	\$ -	\$ -	\$ 1,755	\$ 1,756
Total Additions	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,755</u>	<u>\$ 1,756</u>
DEDUCTIONS					
Change in net position	\$ 1	\$ -	\$ -	\$ 1,755	\$ 1,756
NET POSITION - BEGINNING OF YEAR	1,668	89	413	1,121,545	1,123,715
NET POSITION - END OF YEAR	<u>\$ 1,669</u>	<u>\$ 89</u>	<u>\$ 413</u>	<u>\$ 1,123,300</u>	<u>\$ 1,125,471</u>

CITY OF EMPORIA, KANSAS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
For the Year Ended December 31, 2013

	<u>Balance - January 1, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance - December 31, 2013</u>
Cash and cash equivalents	\$ 15,896	\$ 5,866	\$ -	\$ 21,762
TOTAL ASSETS	<u>\$ 15,896</u>	<u>\$ 5,866</u>	<u>\$ -</u>	<u>\$ 21,762</u>
Accounts payable	\$ 15,896	\$ 5,866	\$ -	\$ 21,762
TOTAL LIABILITIES	<u>\$ 15,896</u>	<u>\$ 5,866</u>	<u>\$ -</u>	<u>\$ 21,762</u>

STATISTICAL SECTION

CITY OF EMPORIA, KANSAS
STATISTICAL SECTION
(UNAUDITED)
December 31, 2013

This part of the City of Emporia's *Comprehensive Annual Financial Report (CAFR)* 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.

Contents

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 City's most significant local revenue source, the 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.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

Source - Unless otherwise noted, the information in these schedules is derived from the Annual Financial Report for the relevant year. The City implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year

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CITY OF EMPORIA, KANSAS
NET POSITION BY COMPONENT
LAST NINE FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year		
	2005	2006	2007
Governmental Activities			
Net investment in capital assets	\$ 82,349,192	\$ 75,354,567	\$ 66,616,597
Restricted	99,442	249,058	227,184
Unrestricted	4,806,454	8,871,611	9,091,918
Total Net Position	<u>\$ 87,255,088</u>	<u>\$ 84,475,236</u>	<u>\$ 75,935,699</u>
Business-Type Activities			
Net investment in capital assets	\$ 20,188,141	\$ 19,704,708	\$ 19,415,639
Unrestricted	1,825,862	2,814,926	4,310,519
Total Net Position	<u>\$ 22,014,003</u>	<u>\$ 22,519,634</u>	<u>\$ 23,726,158</u>
Primary Government			
Net investment in capital assets	\$ 102,537,333	\$ 95,059,275	\$ 86,032,236
Restricted	99,442	249,058	227,184
Unrestricted	6,632,316	11,686,537	13,402,437
Total Net Position	<u>\$ 109,269,091</u>	<u>\$ 106,994,870</u>	<u>\$ 99,661,857</u>

Note: Data became available with the inception of GASB 34 during fiscal year 2003, therefore 10 years of data is unavailable.

Source: City of Emporia, Kansas Basic Financial Statements.

Fiscal Year					
2008	2009	2010	2011	2012	2013
\$ 66,752,347	\$ 55,981,334	\$ 51,512,139	\$ 49,963,992	\$ 46,489,682	\$ 43,616,768
467,128	443,006	210,861	8,865,752	8,649,753	8,971,882
8,942,071	6,981,419	8,029,041	1,959,948	1,830,380	2,035,274
<u>\$ 76,161,546</u>	<u>\$ 63,405,759</u>	<u>\$ 59,752,041</u>	<u>\$ 60,789,692</u>	<u>\$ 56,969,815</u>	<u>\$ 54,623,924</u>
\$ 18,842,735	\$ 18,327,412	\$ 18,844,682	\$ 19,544,388	\$ 18,844,645	\$ 16,712,412
5,324,738	6,371,697	7,321,467	6,907,985	7,573,049	9,415,929
<u>\$ 24,167,473</u>	<u>\$ 24,699,109</u>	<u>\$ 26,166,149</u>	<u>\$ 26,452,373</u>	<u>\$ 26,417,694</u>	<u>\$ 26,128,341</u>
\$ 80,595,082	\$ 74,308,746	\$ 70,356,821	\$ 69,508,380	\$ 65,334,327	\$ 60,329,180
467,127	443,006	210,861	8,865,752	8,649,753	8,971,882
14,266,809	13,353,116	15,535,354	8,867,933	9,403,429	11,451,203
<u>\$ 95,329,018</u>	<u>\$ 88,104,868</u>	<u>\$ 86,103,036</u>	<u>\$ 87,242,065</u>	<u>\$ 83,387,509</u>	<u>\$ 80,752,265</u>

CITY OF EMPORIA, KANSAS
CHANGES IN NET POSITION
LAST NINE FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year			
	2005	2006	2007	2008
Expenses				
Governmental activities:				
General government	\$ 3,661,655	\$ 4,646,991	\$ 6,205,113	\$ 4,580,920
Public safety	8,735,530	7,995,365	8,680,772	9,318,358
Highways and streets	8,174,128	8,099,622	8,218,813	8,122,190
Culture and recreation	2,779,900	2,315,915	2,774,693	2,772,761
Health and environment	65,539	61,205	72,475	72,475
Building maintenance	940,398	893,474	939,756	1,114,909
Planning and development	1,385,571	1,264,408	4,447,332	1,503,737
Airport operations	538,347	384,315	634,334	688,806
Appropriation	-	-	-	-
Capital outlay	-	-	-	-
Bond issuance costs	-	-	-	-
Interest on long-term debt	1,067,693	1,100,521	1,014,796	1,924,572
Total Governmental Activities Expense	<u>\$ 27,348,761</u>	<u>\$ 26,761,816</u>	<u>\$ 32,988,084</u>	<u>\$ 30,098,728</u>
Business-Type Activities:				
Solid waste disposal	\$ 2,561,538	\$ 2,200,552	\$ 2,629,336	\$ 2,712,201
Sewer utility	3,077,282	2,929,858	2,959,294	2,969,314
Water utility	3,491,982	3,580,339	3,564,058	3,255,744
Total Business-Type Activities Expense	<u>\$ 9,130,802</u>	<u>\$ 8,710,749</u>	<u>\$ 9,152,688</u>	<u>\$ 8,937,259</u>
Total Primary Government Expenses:	<u>\$ 36,479,563</u>	<u>\$ 35,472,565</u>	<u>\$ 42,140,772</u>	<u>\$ 39,035,987</u>
Program Revenues				
Governmental activities:				
Charges for services				
General government	\$ 1,732,685	\$ 3,281,319	\$ 2,006,903	\$ 2,182,061
Public safety	1,418,612	949,660	1,889,173	2,687,503
Highways and streets	-	-	69,299	-
Culture and recreation	381,834	-	460,230	586,483
Building maintenance	7,609	-	-	-
Airport operations	195,286	-	291,138	373,230
Operating grants and contributions	2,478,260	2,551,256	2,275,621	2,369,355
Capital grants and contributions	-	-	-	258,611
Total Governmental Activities Program Revenues	<u>\$ 6,214,286</u>	<u>\$ 6,782,235</u>	<u>\$ 6,992,364</u>	<u>\$ 8,457,243</u>
Business-Type Activities:				
Charges for services:				
Solid waste disposal	\$ 2,637,269	\$ 3,021,910	\$ 3,060,494	\$ 3,140,333
Sewer utility	3,176,925	3,245,787	3,682,590	3,880,277
Water utility	4,162,141	4,535,342	4,592,153	3,870,716
Capital grants and contributions	164,214	205,002	-	-
Total Business-Type Activities Program Revenues	<u>\$ 10,140,549</u>	<u>\$ 11,008,041</u>	<u>\$ 11,335,237</u>	<u>\$ 10,891,326</u>
Total Primary Government Program Revenue:	<u>\$ 16,354,835</u>	<u>\$ 17,790,276</u>	<u>\$ 18,327,601</u>	<u>\$ 19,348,569</u>
Net (expense)/revenue				
Governmental activities	\$ (21,134,475)	\$ (19,979,581)	\$ (25,995,720)	\$ (21,641,485)
Business-type activities	1,009,747	2,297,292	2,182,549	1,954,067
Total Primary Government Net Expense	<u>\$ (20,124,728)</u>	<u>\$ (17,682,289)</u>	<u>\$ (23,813,171)</u>	<u>\$ (19,687,418)</u>

Fiscal Year				
2009	2010	2011	2012	2013
\$ 4,149,676	\$ 4,046,255	\$ 3,779,829	\$ 4,387,457	\$ 5,237,185
10,037,060	10,058,340	10,267,119	9,208,224	10,102,881
8,601,094	8,432,872	7,656,949	7,443,498	6,417,951
2,942,303	2,829,141	2,822,262	2,909,189	3,666,390
89,901	85,400	105,500	197,099	106,788
1,213,665	1,204,027	1,374,742	1,320,425	1,503,430
1,191,179	1,393,341	656,439	608,747	649,666
414,202	516,378	584,990	617,829	1,618,281
-	58,543	86,583	81,010	123,121
-	257,491	-	-	209,145
-	39,003	46,235	17,853	673,671
1,777,794	950,408	1,006,166	830,402	-
<u>\$ 30,416,874</u>	<u>\$ 29,871,199</u>	<u>\$ 28,386,814</u>	<u>\$ 27,621,733</u>	<u>\$ 30,308,509</u>
\$ 2,764,437	\$ 2,570,915	\$ 2,979,111	\$ 3,020,758	\$ 3,098,193
3,233,827	3,111,908	3,233,859	3,511,678	3,115,167
3,357,695	3,657,273	4,327,855	4,495,878	3,643,768
<u>\$ 9,355,959</u>	<u>\$ 9,340,096</u>	<u>\$ 10,540,825</u>	<u>\$ 11,028,314</u>	<u>\$ 9,857,128</u>
<u>\$ 39,772,833</u>	<u>\$ 39,211,295</u>	<u>\$ 38,927,639</u>	<u>\$ 38,650,047</u>	<u>\$ 40,165,637</u>
\$ 2,534,303	\$ -	\$ 1,767,827	\$ 1,133,029	\$ 1,328,031
1,143,799	3,346,050	2,342,449	1,240,326	2,698,754
-	-	208,007	-	97,237
-	773,188	127,222	581,032	442,056
-	-	10,465	-	-
-	-	353,204	454,203	136,854
2,035,167	1,757,275	731,493	476,479	1,551,979
4,645	112,716	760,984	-	321,941
<u>\$ 5,717,914</u>	<u>\$ 5,989,229</u>	<u>\$ 6,301,651</u>	<u>\$ 3,885,069</u>	<u>\$ 6,576,852</u>
\$ 3,487,385	\$ 3,879,922	\$ 3,984,198	\$ 3,907,206	\$ 3,951,538
3,962,051	3,850,725	3,838,061	3,721,099	3,526,764
4,258,991	5,236,720	5,318,217	5,331,334	4,865,176
-	-	-	-	-
<u>\$ 11,708,427</u>	<u>\$ 12,967,367</u>	<u>\$ 13,140,476</u>	<u>\$ 12,959,639</u>	<u>\$ 12,343,478</u>
<u>\$ 17,426,341</u>	<u>\$ 18,956,596</u>	<u>\$ 19,442,127</u>	<u>\$ 16,844,708</u>	<u>\$ 18,920,330</u>
\$(24,698,960)	\$(23,697,122)	\$(22,846,147)	\$(23,736,664)	\$(23,731,657)
2,352,468	3,627,271	3,360,635	1,931,325	2,486,350
<u>\$(22,346,492)</u>	<u>\$(20,069,851)</u>	<u>\$(19,485,512)</u>	<u>\$(21,805,339)</u>	<u>\$(21,245,307)</u>

CITY OF EMPORIA, KANSAS
CHANGES IN NET POSITION (continued)
LAST NINE FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year			
	2005	2006	2007	2008
General Revenue and Other Changes in Net Position				
Governmental activities:				
Taxes				
Property taxes, levied for general purposes *	\$ 3,876,443	\$ 3,940,447	\$ 3,918,248	\$ 7,608,716
Property taxes, levied for debt service	1,980,352	2,279,791	2,399,191	2,588,050
Franchise taxes	1,038,088	1,372,059	1,891,288	2,023,685
Sales taxes	3,997,182	4,032,795	4,104,469	716,102
Gasoline taxes	776,892	765,606	774,019	760,128
Investment earnings	231,223	433,320	713,477	414,246
Miscellaneous	268,970	472,137	1,811,021	898,272
Transfers	2,566,496	1,950,840	1,971,420	1,858,133
Total Governmental Activities	<u>\$ 14,735,646</u>	<u>\$ 15,246,995</u>	<u>\$ 17,583,133</u>	<u>\$ 16,867,332</u>
Business-Type Activities:				
Investment earnings	\$ 50,789	\$ 64,197	\$ 496,647	\$ 159,667
Miscellaneous	191,614	107,922	248,217	185,714
Transfers	(2,566,496)	(1,950,840)	(1,971,420)	(1,858,133)
Total Business-Type Activities	<u>\$ (2,324,093)</u>	<u>\$ (1,778,721)</u>	<u>\$ (1,226,556)</u>	<u>\$ (1,512,752)</u>
Total Primary Government	<u>\$ 12,411,553</u>	<u>\$ 13,468,274</u>	<u>\$ 16,356,577</u>	<u>\$ 15,354,580</u>
Change in Net Position				
Governmental activities	\$ (6,398,829)	\$ (4,732,586)	\$ (8,412,587)	\$ (4,774,153)
Business-type activities	(1,314,346)	518,571	955,993	441,315
Total Primary Government	<u>\$ (7,713,175)</u>	<u>\$ (4,214,015)</u>	<u>\$ (7,456,594)</u>	<u>\$ (4,332,838)</u>

* This amount will not trace directly into the Statement of Activities for years 2004 through 2010. In 2011, additional revenue breakdowns were added. Those breakdowns have been used for all years on this statistical comparison.

Fiscal Year				
2009	2010	2011	2012	2013
\$ 4,332,379	\$ 4,526,733	\$ 4,451,177	\$ 4,021,932	\$ 3,946,914
2,637,470	2,739,128	2,773,776	3,009,020	2,927,142
2,028,528	2,175,501	2,233,692	2,211,034	2,332,231
4,789,449	6,263,665	6,658,352	6,442,595	6,665,421
668,649	764,278	649,585	646,213	702,059
205,596	154,506	141,480	153,676	162,932
275,803	552,592	994,852	1,211,917	1,397,464
2,005,299	3,051,850	3,425,288	2,220,400	3,251,603
<u>\$ 16,943,173</u>	<u>\$ 20,228,253</u>	<u>\$ 21,328,202</u>	<u>\$ 19,916,787</u>	<u>\$ 21,385,766</u>
\$ 30,019	\$ 14,286	\$ 7,348	\$ 5,187	\$ 5,357
154,448	877,331	343,531	249,209	470,543
(2,005,299)	(3,051,850)	(3,425,288)	(2,220,400)	(3,251,603)
<u>\$ (1,820,832)</u>	<u>\$ (2,160,233)</u>	<u>\$ (3,074,409)</u>	<u>\$ (1,966,004)</u>	<u>\$ (2,775,703)</u>
<u>\$ 15,122,341</u>	<u>\$ 18,068,020</u>	<u>\$ 18,253,793</u>	<u>\$ 17,950,783</u>	<u>\$ 18,610,063</u>
\$ (7,755,787)	\$ (3,468,870)	\$ (1,517,945)	\$ (3,819,877)	\$ (2,345,891)
531,636	1,467,038	286,226	(34,679)	(289,353)
<u>\$ (7,224,151)</u>	<u>\$ (2,001,832)</u>	<u>\$ (1,231,719)</u>	<u>\$ (3,854,556)</u>	<u>\$ (2,635,244)</u>

CITY OF EMPORIA, KANSAS
GOVERNMENTAL ACTIVITIES, TAX REVENUES BY SOURCE
LAST NINE FISCAL YEARS
(accrual basis of accounting)

Fiscal Year	Property Tax	Sales Tax	Franchise Tax	Motor Vehicle Tax	Total
2004	\$ 6,036,903	\$ 3,854,759	\$ 992,036	\$ 743,575	\$ 11,627,273
2005	5,812,138	3,997,182	1,060,262	799,375	11,668,957
2006	6,218,970	4,032,795	1,372,059	766,874	12,390,698
2007	6,320,568	4,104,469	1,905,311	756,867	13,087,215
2008	6,646,981	4,161,025	2,108,211	780,464	13,696,681
2009	6,773,224	4,875,570	2,028,528	779,153	14,456,475
2010	6,600,005	6,263,664	2,873,074 *	778,083	16,514,826
2011	6,410,581	6,658,352	2,233,692	768,230	16,070,855
2012	6,152,090	6,442,595	2,211,034	769,244	15,574,963
2013	6,129,697	6,665,421	2,332,231	684,936	15,812,285

Source: City of Emporia, Kansas Basic Financial Statements.

* Number changed from prior year CAFR. Prior year number was incorrect.

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CITY OF EMPORIA, KANSAS
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General Fund					
Pre-GASB 54 *					
Reserved	\$ -	\$ -	\$ 53,991	\$ 81,152	\$ -
Unreserved	883,809	906,267	1,346,381	2,234,807	3,038,285
Post-GASB 54 *					
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total General Fund	<u>\$ 883,809</u>	<u>\$ 906,267</u>	<u>\$ 1,400,372</u>	<u>\$ 2,315,959</u>	<u>\$ 3,038,285</u>
All Other Governmental Funds					
Pre-GASB 54 *					
Reserved	\$ -	\$ -	\$ -	\$ 115,753	\$ -
Unreserved - Reported in:					
Special revenue funds	1,164,245	1,329,900	1,919,585	1,453,126	1,143,544
Debt service funds	385,615	99,442	249,058	227,184	467,128
Capital projects funds	459,924	1,949,760	5,427,142	6,467,716	5,332,192
Post-GASB 54 *					
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total All Other Governmental Funds	<u>\$ 2,009,784</u>	<u>\$ 3,379,102</u>	<u>\$ 7,595,785</u>	<u>\$ 8,263,779</u>	<u>\$ 6,942,864</u>

The City implemented GASB 54, Fund Balance Reporting and Governmental Fund Type Definitions ("GASB 54") in 2011. GASB 54 established new fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in the governmental funds. The City has elected to apply GASB 54 prospectively and thus has provided fund balance information before ("Pre") and after ("Post") its implementation.

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
\$ 46,433	\$ 37,900	\$ -	\$ -	\$ -
2,633,634	4,096,582	-	-	-
-	-	2,688,478	3,001,385	3,172,762
-	-	1,632,647	1,108,698	1,298,251
<u>\$ 2,680,067</u>	<u>\$ 4,134,482</u>	<u>\$ 4,321,125</u>	<u>\$ 4,110,083</u>	<u>\$ 4,471,013</u>

\$ 232,543	\$ 296,680	\$ -	\$ -	\$ -
822,672	1,375,903	-	-	-
443,006	210,861	-	-	-
2,884,947	2,170,952	-	-	-
-	-	2,337,849	2,427,983	3,098,780
-	-	3,839,425	3,220,385	2,700,340
-	-	-	-	-
-	-	-	-	-
<u>\$ 4,383,168</u>	<u>\$ 4,054,396</u>	<u>\$ 6,177,274</u>	<u>\$ 5,648,368</u>	<u>\$ 5,799,120</u>

CITY OF EMPORIA, KANSAS
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Revenues					
Taxes	\$ 11,545,148	\$ 11,610,647	\$ 12,324,809	\$ 13,018,554	\$ 13,630,703
Charges for services	1,664,767	1,380,037	1,744,253	1,725,796	2,602,820
Special assessments	82,125	58,310	65,889	68,661	65,978
Intergovernmental	2,092,293	2,472,129	2,442,244	2,091,977	2,508,944
Licenses and permits	222,834	236,014	287,456	310,062	219,877
Fines and fees	846,047	704,566	663,204	701,957	918,706
Use of money and property	152,792	182,814	359,238	639,281	382,330
Contributions	6,177	6,131	825	183,644	296,791
Miscellaneous	149,850	268,970	472,137	1,811,021	390,107
Total Revenues	<u>\$ 16,762,033</u>	<u>\$ 16,919,618</u>	<u>\$ 18,360,055</u>	<u>\$ 20,550,953</u>	<u>\$ 21,016,256</u>
Expenditures					
General governmental	\$ 1,697,194	\$ 1,723,621	\$ 1,892,612	\$ 1,986,354	\$ 2,309,225
Public safety	7,633,408	8,444,565	7,523,946	8,414,431	9,044,346
Highways and streets	1,575,987	1,587,864	1,357,344	1,479,746	1,473,524
Culture and recreation	2,021,225	2,098,537	2,054,308	2,233,824	2,287,583
Health and environment	66,672	65,539	61,205	72,475	72,475
Building maintenance	903,207	839,482	827,882	939,756	1,114,909
Planning and development	1,485,858	1,385,571	1,164,397	4,447,332	1,694,637
Airport operations	345,189	364,066	384,316	463,628	517,569
Appropriations	-	-	-	-	-
Capital outlay	1,873,304	1,583,078	2,250,940	4,166,044	2,140,096
Bond issuance costs	-	-	-	-	-
Debt service					
Principal	1,469,713	2,001,186	1,848,559	1,948,203	7,330,674
Interest and other charges	1,075,217	1,073,492	1,078,698	1,086,649	1,520,013
Total Expenditures	<u>\$ 20,146,974</u>	<u>\$ 21,167,001</u>	<u>\$ 20,444,207</u>	<u>\$ 27,238,442</u>	<u>\$ 29,505,051</u>
Excess of Revenues Over/(Under) Expenditures	<u>\$ (3,384,941)</u>	<u>\$ (4,247,383)</u>	<u>\$ (2,084,152)</u>	<u>\$ (6,687,489)</u>	<u>\$ (8,488,795)</u>
Other Financing Sources (Uses)					
Transfers in	\$ 3,518,373	\$ 3,841,246	\$ 3,860,551	\$ 3,510,358	\$ 3,585,034
Transfers out	(1,477,493)	(1,274,750)	(1,909,711)	(1,538,938)	(1,194,828)
Payment to refund bonds	(1,185,000)	-	-	(3,720,000)	-
Payment to escrow agent	-	-	-	(156,988)	-
Bond premium	-	-	-	103,588	-
Bond issuances costs	-	-	-	-	-
Sale of bonds	3,465,000	3,022,000	4,820,000	10,200,000	5,500,000
Total Other Financing Sources (Uses)	<u>\$ 4,320,880</u>	<u>\$ 5,588,496</u>	<u>\$ 6,770,840</u>	<u>\$ 8,398,020</u>	<u>\$ 7,890,206</u>
Net Change in Fund Balance:	<u>\$ 935,939</u>	<u>\$ 1,341,113</u>	<u>\$ 4,686,688</u>	<u>\$ 1,710,531</u>	<u>\$ (598,589)</u>
Debt service as a percentage of non-capital expenditures	13.93%	15.70%	16.09%	13.15%	32.34%

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
\$ 14,365,740	\$ 16,469,305	\$ 16,720,440	\$ 16,284,653	\$ 16,525,626
2,534,303	2,933,242	2,650,519	1,079,812	2,149,867
90,735	46,141	46,142	46,141	48,141
2,035,167	1,711,134	1,553,271	1,641,667	3,168,296
325,369	192,138	232,105	158,756	121,720
818,430	581,050	545,244	589,334	725,420
205,596	151,412	138,446	150,177	159,715
4,645	112,716	222,672	28,739	71,257
275,803	552,592	813,070	595,735	1,080,172
<u>\$ 20,655,788</u>	<u>\$ 22,749,730</u>	<u>\$ 22,921,909</u>	<u>\$ 20,575,014</u>	<u>\$ 24,050,214</u>
\$ 3,242,791	\$ 3,012,853	\$ 3,712,908	\$ 3,644,674	\$ 4,547,136
9,728,384	9,774,290	9,887,398	8,638,708	9,892,795
1,902,728	1,770,603	1,031,166	932,739	916,948
2,477,137	2,341,315	2,522,506	2,504,164	2,478,568
89,901	85,400	105,500	197,099	106,788
1,213,665	1,204,027	1,361,933	1,194,393	1,345,428
1,191,179	1,393,341	656,439	595,823	636,741
401,438	448,770	517,009	548,013	480,604
58,820	58,543	86,583	81,010	123,121
1,761,441	4,292,416	444,203	1,110,759	2,122,112
26,585	39,917	79,086	5,773	32,100
		\$ -		
4,131,434	3,105,474	3,818,800	3,525,000	4,385,410
1,304,501	1,090,228	977,084	868,613	750,291
<u>\$ 27,530,004</u>	<u>\$ 28,617,177</u>	<u>\$ 25,200,615</u>	<u>\$ 23,846,768</u>	<u>\$ 27,818,042</u>
<u>\$ (6,874,216)</u>	<u>\$ (5,867,447)</u>	<u>\$ (2,278,706)</u>	<u>\$ (3,271,754)</u>	<u>\$ (3,767,828)</u>
\$ 5,893,119	\$ 7,549,523	\$ 9,112,902	\$ 7,265,046	\$ 9,069,474
(3,887,820)	(4,005,818)	(5,108,296)	(4,767,395)	(5,562,947)
-	-	-	-	(1,288,607)
-	-	(2,936,865)	-	1,288,607
-	-	340,484	-	226,590
-	-	-	-	-
<u>1,945,000</u>	<u>3,449,385</u>	<u>3,180,000</u>	<u>34,155</u>	<u>546,393</u>
<u>\$ 3,950,299</u>	<u>\$ 6,993,090</u>	<u>\$ 4,588,225</u>	<u>\$ 2,531,806</u>	<u>\$ 4,279,510</u>
<u>\$ (2,923,917)</u>	<u>\$ 1,125,643</u>	<u>\$ 2,309,519</u>	<u>\$ (739,948)</u>	<u>\$ 511,682</u>
21.10%	16.74%	19.40%	19.09%	19.78%

**CITY OF EMPORIA, KANSAS
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS**

Fiscal Year Ended December 31,	Real Property		Personal Property	
	Residential Property - 1	Commercial Property - 1	Motor Vehicles - 2	Other - 1
2004	\$ 95,122,800	\$ 19,083,100	\$ 21,704,600	\$ 973,000
2005	100,577,500	21,257,000	21,590,000	549,000
2006	106,044,300	22,987,100	21,849,600	2,773,000
2007	106,900,000	22,411,800	21,617,400	838,000
2008(3)	113,779,300	46,140,400	20,997,600	1,117,000
2009(3)	118,624,000	49,029,200	17,141,600	1,008,000
2010(3)	78,139,590	53,007,200	18,521,600	123,800
2011	78,018,189	47,819,500	19,279,593	59,970
2012	76,301,740	52,872,743	18,695,592	147,657
2013	75,023,705	52,084,968	18,187,200	144,114

Note 1 - Lyon County Appraiser

Note 2 - Lyon County Clerk's Office

Note 3 - Abstract of Appraised Value with Appropriate Assessment Values Applied; does not reflect appealed valuation Changes

<u>Less: Tax Exempt Real Property - 1</u>	<u>Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate - 2</u>	<u>Estimated Actual Taxable Value</u>	<u>Assessed Value as a Percentage of Actual Value</u>
\$ 3,572,000	\$133,311,500	\$ 41.258	\$800,452,000	16.65%
4,993,000	138,980,500	41.157	852,801,400	16.30%
4,772,000	148,882,000	40.956	890,406,000	16.72%
4,568,000	147,199,200	42.033	895,502,100	16.44%
30,136,000	151,898,300	41.848	920,785,600	16.50%
29,021,000	156,781,800	41.571	919,786,500	17.05%
26,898,000	122,894,190	41.776	892,382,500	13.77%
24,883,140	120,294,112	41,559	870,540,100	13.80%
23,559,970	124,457,762	41.560	876,067,600	14.20%
23,585,880	121,854,107	41.582	869,676,580	14.00%

**CITY OF EMPORIA, KANSAS
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS**

Fiscal Year Ended December 31,	City of Emporia, Kansas			Lyon County		
	Operating Mileage	Debt Service Mileage	Total City Mileage	Operating Mileage	Debt Service Mileage	Total County Mileage
2004	30.511	10.747	41.258	50.077	0.969	51.046
2005	28.859	12.298	41.157	50.165	0.768	50.933
2006	28.453	12.503	40.956	49.656	0.890	50.546
2007	28.699	13.334	42.033	50.998	0.641	51.639
2008	28.573	13.275	41.848	46.437	-	46.437
2009	26.999	14.572	41.571	49.407	-	49.407
2010	26.205	15.571	41.776	52.810	-	52.810
2011	23.588	17.971	41.559	57.304	-	57.304
2012	24.477	17.082	41.559	63.972	-	63.972
2013	26.715	14.867	41.582	56.501	-	56.501

Fiscal Year Ended December 31,	USD 253			Total Direct & Overlapping Rates
	Operating Mileage	Debt Service Mileage	Total USD Mileage	
2004	48.130	9.591	57.721	150.025
2005	45.060	11.324	56.384	148.474
2006	44.849	9.986	54.835	146.337
2007	45.248	8.876	54.124	147.796
2008	46.260	7.788	54.048	142.333
2009	45.655	9.887	55.542	146.520
2010	49.564	10.852	60.416	155.002
2011	51.325	9.112	60.437	159.300
2012	50.404	10.033	60.437	165.968
2013	51.796	9.585	61.381	159.464

Overlapping rates are those of local and county government that apply to property owners within the City of Emporia. Not all overlapping rates apply to all Emporia property owners.

Source: Lyon County Clerk's Office

CITY OF EMPORIA, KANSAS
PRINCIPAL PROPERTY TAXPAYERS
For the Years Ended December 31,

Taxpayer	2013			2004		
	Taxpayer Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxpayer Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Westar Energy (Electric Div)	\$ 4,882,227	1	3.806%	\$ 2,739,964	1	2.055%
Iowa Beef Processors	2,185,032	3	1.703%	-		0.000%
Hills Pet Nutrition	-	3	0.000%	761,224	9	0.571%
Kansas Gas Service	1,917,309	4	1.495%	875,616	5	0.657%
Emporia ROS/WalMart	1,808,876	5	1.410%	1,293,032	4	0.970%
Tyson Fresh Meats	1,352,016	7	1.054%	2,414,124	2	1.811%
Emporia Partners	1,271,878	9	0.991%	-		0.000%
Camoplast Rockland, LTD	1,238,501	10	0.965%	-		0.000%
Interstate Brands	-		0.000%	849,396	7	0.637%
Southwestern Bell (2)	-		0.000%	1,469,532	3	1.102%
Deuce Holdings	-		0.000%	-		0.000%
Bunge North America	-		0.000%	-	0	0.000%
Flint Hills Mall LLC	1,494,078	6.00	1.165%	864,892	6	0.649%
Modine Manufacturing (2)	-		0.000%	-	0	0.000%
Menu Pet Food	2,385,951	2.00	1.860%	825,948	8	0.620%
Summit Hospitality	1,322,275	8.00	1.031%	755,724	10	0.620%
Total	\$ 19,858,143		15.480%	\$ 12,849,452		9.692%
Total Assessed Value	\$128,280,129			\$ 133,311,500		

(1) County Clerk's Budget Information for 2013

**CITY OF EMPORIA, KANSAS
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

<u>Fiscal Year Ended December 31,</u>	<u>Total Tax Levy for Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy</u>		<u>Collections in Subsequent Years</u>	<u>Total Collections to Date</u>	
		<u>Amount</u>	<u>Percentage of Levy</u>		<u>Amount</u>	<u>Percentage of Levy</u>
2004	5,524,098	5,274,464	95.481%	67,114	5,341,578	96.696%
2005	6,016,595	5,329,513	88.580%	93,220	5,422,733	90.130%
2006	6,054,145	5,624,603	92.905%	148,472	5,773,075	95.357%
2007	6,324,371	5,779,655	91.387%	80,454	5,860,109	92.659%
2008	6,313,570	6,148,270	97.382%	110,117	6,258,387	99.126%
2009	6,444,697	6,161,870	95.611%	184,226	6,346,096	98.470%
2010	6,683,675	5,939,418	88.865%	219,062	6,158,480	92.142%
2011	5,964,427	5,783,102	96.959%	228,161	6,011,263	100.785%
2012	5,947,380	5,697,522	96.960%	136,198	5,833,720	98.089%
2013	6,036,427	5,737,032	95.040%	119,274	5,856,306	97.016%

Data from City of Emporia Treasurer

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**CITY OF EMPORIA, KANSAS
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

<u>Fiscal Year Ended December 31,</u>	<u>Governmental Activities</u>			
	<u>General Obligation Bonds</u>	<u>Temporary Notes</u>	<u>Loans Payable</u>	<u>Capital Leases</u>
2004	\$ 24,320,600	\$ 420,000	\$ 192,083	\$ 30,178
2005	25,785,400	-	168,098	-
2006	23,961,309	4,820,000	143,630	-
2007	27,151,654	6,290,000	118,670	-
2008	30,345,709	1,470,000	94,202	-
2009	28,454,275	1,175,000	67,243	-
2010	27,793,800	1,005,000	40,748	-
2011	23,060,000	175,000	-	-
2012	19,710,000	-	-	-
2013	16,075,000	-	-	-

Note 1 - See the Schedule of Demographic and Economic Statistics at for personal income and population data.

Note - Details regarding the City's outstanding debt can be found in the notes to the financial statements.

Business-type Activities		Total Primary Government	Percentage of Personal Income	Per Capita - 1
General Obligation Bonds	Notes Payable			
5,989,400	15,063,089	46,015,350	7.94%	1,720
5,554,600	14,343,737	45,851,835	7.91%	1,713
4,928,691	13,650,842	47,504,472	8.13%	1,775
4,406,935	12,963,791	50,931,050	8.73%	1,903
3,864,291	12,253,185	48,027,387	8.44%	1,795
3,305,726	11,518,203	44,520,447	6.68%	1,789
2,726,200	14,295,379	45,861,127	11.00%	1,943
8,150,000	6,566,169	37,951,169	9.20%	1,526
12,895,000	-	32,605,000	7.97%	1,984
13,680,000	-	29,755,000	6.69%	1,192

CITY OF EMPORIA, KANSAS
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
December 31, 2013

Governmental Unit	Debt Outstanding - Paid with Property Taxes	Percentage Applicable to City of Emporia	Amount Applicable to City of Emporia
Unified School District #253 - Overlapping	\$ 25,275,000	87.197%	\$ 22,039,042
Lyon County, Kansas - Overlapping	12,355,000	63.085%	<u>7,794,152</u>
Subtotal, Overlapping Debt			\$ 29,833,194
City of Emporia - Direct Debt			<u>41,630,000</u>
Total Direct and Overlapping Debt			<u><u>\$ 71,463,194</u></u>
Population			24,958
Overlapping debt per capita			\$ 1,195
Direct and overlapping debt per capita			\$ 2,863

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the overlapping debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident and therefore responsible for repaying the debt, of each overlapping government.

For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the City's boundaries and dividing it by each unit's total taxable assessed value. This approach was also applied to the other debt of the overlapping governmental units.

Source: Lyon County Clerk

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CITY OF EMPORIA, KANSAS
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
For the Years Ended December 31,

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Debt limit *	\$ 39,993,450	\$ 41,694,150	\$ 44,225,583	\$ 44,855,183
Total net debt applicable to limit	<u>23,929,279</u>	<u>25,679,525</u>	<u>23,707,435</u>	<u>26,924,470</u>
Legal Debt Margin	<u>\$ 16,064,171</u>	<u>\$ 16,014,625</u>	<u>\$ 20,518,148</u>	<u>\$ 17,930,713</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	59.83%	61.59%	53.61%	60.03%

* According to Kansas law, the debt limitation is 30% of assessed valuation.

Source: Assessed Valuation from Lyon County Appraiser

	2008	2009	2010	2011	2012	2013
	\$ 44,639,313	\$ 46,155,021	\$ 44,855,183	\$ 42,716,032	\$ 42,830,893	\$ 38,484,038
	30,345,709	28,011,269	26,924,470	23,074,579	19,013,762	15,474,324
	<u>\$ 14,293,604</u>	<u>\$ 18,143,752</u>	<u>\$ 17,930,713</u>	<u>\$ 19,641,453</u>	<u>\$ 23,817,131</u>	<u>\$ 23,009,714</u>
	67.98%	60.69%	60.03%	54.02%	44.39%	40.21%

Legal Debt margin Calculation for the Fiscal Year 2013

	2013
Assessed Value	<u>\$ 128,280,128</u>
Debt Limit Ratio	30%
December 31, 2013 Debt Limit	\$ 38,484,038
Outstanding Debt Subject to Debt Limit	* <u>15,474,324</u>
Debt Authority Remaining December 31, 2013	<u>\$ 23,009,714</u>
December 31, 2013 GO Bonds Outstanding	\$ 16,075,000
Less: amount set aside for repayment of general obligation debt	<u>(600,676)</u>
Total Outstanding Debt Subject to Debt Limit December 31, 2013	* <u>\$ 15,474,324</u>

**CITY OF EMPORIA, KANSAS
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

Fiscal Year	Governmental Activities	Business-Type Activities	Less: Amounts Available in Debt Service Fund	Net Bonded Debt	Percentage Estimated Annual Taxable Value of Property - 1	Per Capita - 2
	General Obligation Bonds	General Obligation Bonds				
2004	\$ 24,320,600	\$ 5,989,400	\$ 391,321	\$ 29,918,679	3.74%	\$ 1,118
2005	25,785,400	5,554,600	105,875	31,234,125	3.66%	1,167
2006	23,961,309	4,928,691	253,874	28,636,126	3.22%	1,070
2007	27,151,654	4,406,935	227,184	31,331,405	3.50%	1,171
2008	30,345,709	3,864,291	467,128	33,742,872	3.66%	1,261
2009	28,454,275	3,305,726	443,006	31,316,995	3.40%	1,170
2010	27,793,800	2,726,200	210,861	30,309,139	3.40%	1,219
2011	23,060,000	8,150,000	160,421	31,049,579	3.57%	1,249
2012	19,710,000	12,895,000	733,388	31,871,612	3.64%	1,280
2013	16,075,000	13,680,000	600,676	29,154,324	3.61%	1,256

Note - Detail regarding the City's outstanding debt can be found in the notes to the financial statements.

Note 1 - See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data.

Note 2 - Population data can be found in the Schedule of Demographic and Economic Statistics.

**CITY OF EMPORIA, KANSAS
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

Fiscal Year Ended December 31,	Population - 1	Population Income (amounts expressed in thousands)	Per Capita Personal Income - 2	Median Age - 2	Education Level in Years of Formal Schooling - 2	School Enrollment - 3	Unemployment Rate - 2
2004	26,760	\$ 579,702	\$ 21,663	36.9	14.7	6,194	4.3%
2005	26,760	579,943	21,672	37.0	14.7	6,192	4.1%
2006	26,760	584,438	21,840	37.1	15.0	6,201	3.6%
2007	26,760	583,475	21,804	37.4	14.9	6,257	4.8%
2008	26,760	569,373	21,277	38.1	14.2	6,167	6.3%
2009	26,760	665,575	24,872	28.4	14.1	6,156	6.7%
2010	24,868	483,260	19,433	28.4	12.2	6,833	8.3%
2011	24,868	408,656	19,433	28.4	12.1	7,067	8.3%
2012	24,891	409,034	16,433	29.0	12.1	7,123	7.1%
2013	24,958	444,901	17,826	29.0	12.2	11,301	5.5%

Note 1 - Data from U.S. Census Information

Note 2 - Data from Kansas Department of Labor Lyon County Statistics

Note 3 - Data obtained from USD 253 Board of Ed, Flint Hills Technical College and Emporia State University

**CITY OF EMPORIA, KANSAS
PRINCIPAL EMPLOYERS**
December 31, 2013 and Ten Years Ago

Taxpayer	2013			2003		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Tyson Fresh Meats	931	1	3.73%	2,601	1	9.72%
USD #253	788	2	3.16%	1,119	3	4.18%
Emporia State University	737	3	2.95%	1,716	2	6.41%
Newman Regional Health	430	4	1.72%	540	5	2.02%
Hostess Brands, LLC	320	5	1.28%	760	4	2.84%
Simmons Pet Food	317	6	1.27%	-		0.00%
Lyon County	254	7	1.02%	290	10	1.08%
City of Emporia, Kansas	240	8	0.96%	295	9	1.10%
Hopkins Manufacturing	221	9	0.89%	300	8	1.12%
Wal-Mart Super Center	213	10	0.85%	358	6	1.34%
Menu Foods Midwest	-		0.00%	310	8	1.16%
Birch Telecom	-		0.00%	340	7	1.27%
Total	4,451		17.83%	8,629		32.24%

Data from Emporia Chamber of Commerce

CITY OF EMPORIA, KANSAS
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

Function	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Government	32	32	37	35	34	33	34	34	34	36
Public Safety										
Officers	48	45	48	44	46	47	47	49	49	44
Civilians	24	21	23	23	23	23	25	24	24	20
Fire										
Firefighters and Officers	48	46	48	48	48	49	49	49	49	49
Civilians	1	1	1	1	1	1	1	1	1	1
Highways and Streets										
Engineering	7	5	7	8	5	5	5	5	7	7
Maintenance	11	11	11	9	7	7	8	8	9	10
Sanitation	30	28	31	30	30	31	32	33	33	30
Culture and Recreation	30	34	28	30	19	20	20	21	22	18
Water	17	19	18	17	21	21	21	20	22	19
Sewer	12	13	12	12	13	13	13	13	13	12
Total	260	255	264	257	247	250	255	257	263	246

(1) Data received from the Human Resources Department

**CITY OF EMPORIA, KANSAS
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

Function	2004	2005	2006	2007	2008	2009	2010	2011	2012	2012
Police										
Physical arrests (1)	2,008	1,952	1,859	1,823	1,306	890	996	1,290	1,141	1323
Parking violations (1)	7,289	6,308	6,355	6,609	7,130	9,044	7,253	5,249	5,285	4934
Traffic violations (1)	5,075	4,788	4,969	4,879	3,725	3,010	2,309	2,237	3,231	4308
Fire										
Number of calls answered (2)	1,396	1,448	1,333	1,435	1,267	3,154	3,065	3,047	3,481	3408
Inspections (2)	1,614	1,067	980	1,023	1,127	1,338	1,287	1,272	1,157	1224
Highways and Streets										
Street resurfacing (miles) (3)	4.79	4.80	4.82	4.81	3.53	3.60	8.56	3.08	3.77	4
Potholes repaired (4)	78	95	100	150	201	304	399	427	451	700
Sanitation										
Refuse collected (tons/day) (5)	96.04	96.67	94.21	92.11	87.62	81.46	80.00	79.78	78.73	85
Recyclables collected (tons/day) (5)	6.21	6.04	6.71	6.57	5.61	6.45	5.03	4.76	5.40	5
Water										
New connections (6)	173	173	173	169	177	36	16	27	25	19
Water main breaks (6)	61	57	63	72	69	35	49	47	52	34
Average daily consumption (thousands of gallons) (7)	8,737	8,765	9,472	8,460	6,629	6,292	6,334	5,524	6,464	5458
Wastewater										
Average daily treatment capacity (thousands of gallons) (8)	2,192	2,002	2,200	3,190	2,400	2,357	2,400	2,700	2,300	2000

(1) Data received from the Human Resources Department

(2) Data received from the fire department

(3) Data received from the engineering department

(4) Data received from the street department

(5) Data received from the solid waste department

(6) Data received from the public works department

(7) Data recovered from the water department

(8) Data received from the wastewater department

**CITY OF EMPORIA, KANSAS
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS**

Function	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units (1)	22	24	23	23	23	23	23	30	30	28
Fire Stations	2	2	2	2	2	2	2	2	2	2
Sanitation										
Collection Trucks (2)	11	11	11	11	11	11	10	10	10	10
Highways and Streets										
Street (miles) (3)	167	167	167	167	168	168	168	168	168	168
Traffic signals (4)	72	74	75	76	77	78	80	81	81	89
Culture and Recreation										
Parks acreage (5)	357.28	325.16	325.16	325.16	325.16	325.16	325.16	325.16	325.16	325.16
Parks (5)	20	20	18	18	18	18	18	18	18	18
Swimming pools	2	2	2	2	2	2	2	2	2	2
Tennis courts	6	6	6	6	6	6	6	6	6	6
Community centers	1	1	1	1	1	1	1	1	1	1
Water										
Water main (miles) (3)	173.00	173.00	173.00	178.60	179.20	180.63	180.63	180.63	180.63	180.63
Fire hydrants (6)	897	899	902	916	918	920	908	911	912	906
Maximum daily capacity thousands of gallons (7)	12,654	13,502	14,115	13,116	9,217	9,355	9,220	12,204	11,732	9456
Sewer										
Sanitary sewers (miles) (3)	138.00	138.00	138.00	138.50	138.70	139.10	139.10	139.10	139.98	139.98
Storm sewers (miles) (3)	56.00	56.00	56.00	56.50	56.60	67.50	67.50	67.69	67.69	67.69
Maximum daily treatment capacity (thousands of gallons) (8)	6,129	6,130	6,130	7,640	7,520	7,520	7,400	7,200	7,000	4500

(1) Data received from the Human Resources Department

(2) Data received from the fire department

(3) Data received from the engineering department

(4) Data received from the street department

(5) Data received from the solid waste department

(6) Data received from the public works department

(7) Data received from the water department

(8) Data received from the wastewater department

SINGLE AUDIT SECTION



June 21, 2014

Mayor and City Commissioners
City of Emporia, Kansas

**Independent Auditor's Report on Internal Control over
Financial Reporting and on Compliance and Other Matters Based on an Audit of
Financial Statements Performed in Accordance with *Government Auditing Standards***

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Emporia, Kansas (the City), as of and for the year ended December 31, 2013 and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 21, 2014.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

June 21, 2014

Mayor and City Commissioners
City of Emporia, Kansas
(Continued)

COMPLIANCE AND OTHER MATTERS

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

PURPOSES OF THIS REPORT

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



Certified Public Accountants
Manhattan, Kansas



June 21, 2014

Honorable Mayor and City Commissioners
City of Emporia

**Independent Auditor's Report on Compliance for Each Major Program
and on Internal Control Over Compliance Required by OMB Circular A-133**

Report on Compliance for Each Major Federal Program

We have audited the compliance of the City of Emporia, Kansas (the City) with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2013. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2013.

June 21, 2014

Honorable Mayor and City Commissioners
City of Emporia

Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



Certified Public Accountants
Manhattan, Kansas

CITY OF EMPORIA, KANSAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2013

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Expenditures
U.S. Department of Housing and Urban Development		
Passed through the Kansas Housing Resources Corp. Emergency Shelter Grants Program	14.231	\$ 13,161
Total U.S. Department of Housing and Urban Development		<u>\$ 13,161</u>
U.S. Department of Justice		
Violence Against Women Office OVWA Technical Assistance Initiative	16.526	\$ 63,044
Office of Community Oriented Policing Services Public Safety Partnerships	16.710	88,313
Total U.S. Department of Justice		<u>\$ 151,357</u>
U.S. Department of Commerce		
Public Works and Development Facilities Passed through the Kansas Department of Commerce Housing Rehabilitation	11.300 14.228	\$ 203,776 280,997
Total U.S. Department of Commerce		<u>\$ 484,773</u>
U.S. Department of Homeland Security		
Passed through the Kansas Adjutant General Emergency Preparedness	97.042	\$ 821
Total U.S. Department of Homeland Security		<u>\$ 821</u>
U.S. Department of Transportation		
Airport Improvement Program Passed through the Kansas Department of Transportation State Planning and Research	20.106 20.515	\$ 1,009,667 3,564
Total U.S. Department of Transportation		<u>\$ 1,013,231</u>
TOTAL		<u><u>\$ 1,663,343</u></u>

See notes to schedule of expenditures of federal awards.

CITY OF EMPORIA, KANSAS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
December 31, 2013

Note 1: General

The accompanying schedule of expenditures of federal awards presents the activity of all federal awards of the City of Emporia, Kansas (the City). The City's reporting entity is defined in Note 1 to the City's basic financial statements.

Note 2: Basis of Accounting

The accompanying schedule of expenditures of federal awards is presented using the cash basis of accounting.

CITY OF EMPORIA, KANSAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
December 31, 2013

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unqualified	
Internal control over financial reporting:		
Material weaknesses identified?	___ Yes	<u>X</u> No
Significant deficiencies identified not considered to be material weaknesses?	___ Yes	<u>X</u> None reported
Noncompliance material to financial statements noted?	___ Yes	<u>X</u> No

Federal Awards

Internal controls over major programs:		
Material weaknesses identified?	___ Yes	<u>X</u> No
Significant deficiencies identified not considered to be material weaknesses?	___ Yes	<u>X</u> None reported

Type of auditor's report issued on compliance for major programs:	Unqualified
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Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133, Section .510(a)?	___ Yes	<u>X</u> No
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Identification of major programs:
Name of Federal program

	<u>CFDA Number</u>
Airport Improvement Grant	20.106

Dollar threshold used to distinguish between Type A and Type B programs:	\$ 300,000
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Auditee qualified as a low-risk auditee?	___ Yes	<u>X</u> No
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Section II - Financial Statement Findings

No matters were reported

Section III - Federal Award Findings and Questioned Costs

No matters were reported

CITY OF EMPORIA, KANSAS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
December 31, 2013

None.