

CITY OF EMPORIA

104 E. 5th Avenue
Emporia, Kansas 66801

Comprehensive Annual Financial Report
For the Fiscal Year Ended December 31, 2010

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

City of Emporia, Kansas

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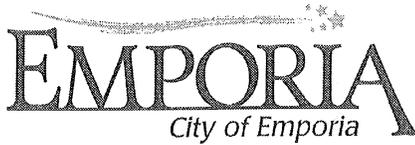
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INTRODUCTORY SECTION



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, 2010 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.

LOCAL ECONOMY

Emporia is very fortunate to have a much diversified economy. This diversity provides a cushion when particular market area suffers 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 insulated from the periodic downturns, which plague the farm sector. Strong employment in this sector is being maintained at the Menu Foods plant for the production of pet food and through Tyson, which presently is our largest employer in the community with 864 workers. Hills Pet Food opened a new plant in June 2010 and employees over 100 people and another 50 employees in the warehouse attached to the Hill's plant. Interstate Brands has come out of bankruptcy and is hiring additional employees.

In the production of durable goods, our employment base is smaller, but has a broad market spectrum from the manufacturing of leveling vials to the rebuilding of large diesel engines. Major service industries include a state university, technical college, regional medical center, and transportation and lodging facilities. The University continues to work hard to maintain its enrollment. Technical training seems to increase in importance as employers express a need for specific trained skills in their production operations. The Tech College continues to see record enrollment.

LOCAL ECONOMY - continued

Emporia State University is dependent on State funding and the poor fiscal condition of the State is affecting its operations. Attracting new students will be competitive. Transportation, particularly trucking, continues to be an important part of our economy. Our access to highway systems and our control geographical location within our state and nation continue to make this a promising area.

ACCOUNTING SYSTEM AND BUDGETARY CONTROL

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 reservations of fund balance since they are not expenditures or liabilities.

THE REPORTING ENTITY AND ITS SERVICES

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 member 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 88 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 provides a well-rounded, active recreation program; the Engineering Department provides essential street and highway construction and maintenance, surveying services, sanitation 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.

INTERNAL CONTROL

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.

CASH MANAGEMENT

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, 2010, the City's cash resources were divided between demand deposits and investments as follows: in demand deposits and cash on hand 25 percent; and in interest bearing investments 75 percent.

CASH MANAGEMENT - continued

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.

RISK MANAGEMENT

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, 2010. As of January 1, 2009, the City has moved its employees' health insurance to a third party provider.

INDEPENDENT AUDIT

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.

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, 2009. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

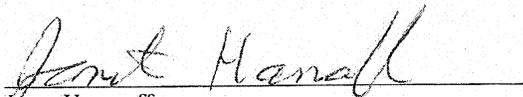
In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such comprehensive annual financial reports must satisfy both accounting principles generally 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-five consecutive years (fiscal years 1985-2009). 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
May 24, 2011

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Emporia
Kansas

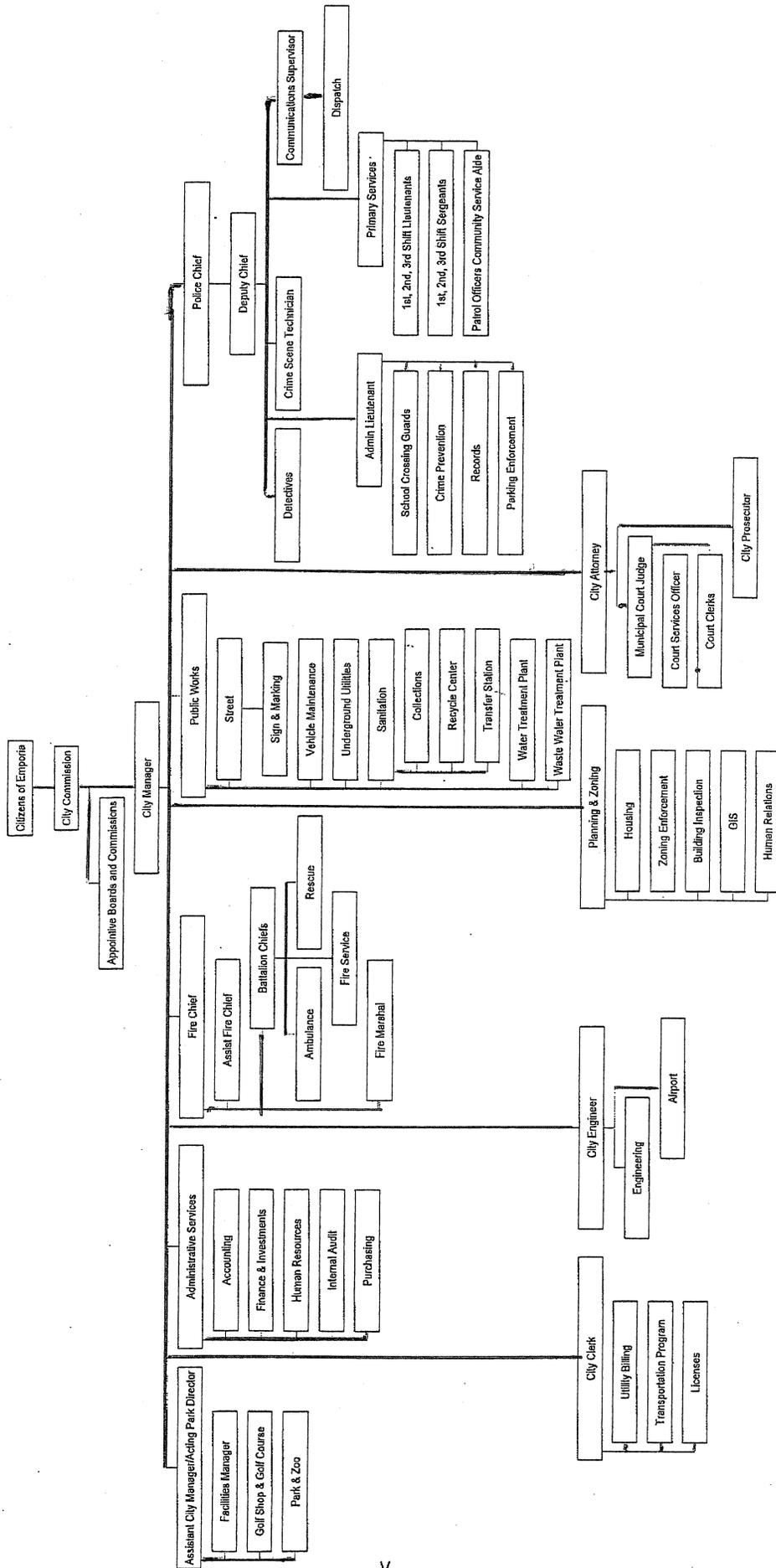
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2009

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



President

Executive Director



City of Emporia, Kansas

GOVERNING BODY

2010

MAYOR

JIM KESSLER

COMMISSIONER

JEFF LONGBINE

COMMISSIONER

BOBBIE AGLER

COMMISSIONER

KEVIN NELSON

COMMISSIONER

JULIE JOHNSON

ADMINISTRATIVE OFFICIALS

CITY MANAGER

MATTHEW ZIMMERMAN

ASSISTANT CITY MANAGER

MARK MCANARNEY

CITY CLERK

SUSAN MENDOZA

CITY TREASURER

JANET HARROUFF

CITY ATTORNEY

BLAISE PLUMMER

DEPARTMENT HEADS

PUBLIC WORKS DIRECTOR

RON CHILDERS

CITY ENGINEER

MIKE NOVAK

FIRE CHIEF

JACK TAYLOR

POLICE CHIEF

GARY SMITH

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT
ON THE BASIC FINANCIAL STATEMENTS

Mayor and City Commissioners
City of Emporia, Kansas

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Emporia, Kansas, as of and for the year ended December 31, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the "Kansas Municipal Audit Guide". Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Emporia, Kansas, at December 31, 2010, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund, Industrial Development Sales Tax Fund and Debt service Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis on pages 3 through 10 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was made for the purpose of forming opinion on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical tables as listed in the table of contents are presented for purposes of additional analysis and are not required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. We did not audit the data included in the introductory and statistical sections of this report and therefore, we express no opinion thereon.

Agler & Gaeddert, Chartered

May 24, 2011

MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF EMPORIA, KANSAS

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended December 31, 2010

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, 2010. 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 I. 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 \$85.9 million at the end of the current fiscal year.
- The Government-wide unrestricted current assets exceed the current liabilities by \$6.97 million, representing the City's ability to meet its current obligations when due.
- Total capital assets, net of accumulated depreciation at December 31, 2010 totaled \$116.2 million.
- During the year ended December 31, 2010, the City's total expenses exceeded total revenues (which include charges for services, local taxes and state and federal aid) by \$2.2 million.
- The City's total indebtedness increased by almost \$1.3 million. The primary reason for the increase was the issuance of refinancing bonds in the amount of \$10.9 million and \$1.3 million in water main replacement bonds. The City also received a loan from the State of Kansas in the amount of \$3.4 million which was used to upgrade the water treatment plant. The City made payments on general obligation bonds and temporarily notes in the amount of \$12.89 million. The City also made loan payments of \$.7 million.
- The City's net capital assets decreased \$2.2 million 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 Assets 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 Assets 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. The accrual 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 assets and current year change in those net assets. The change in net assets 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 assets 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

For the Year Ended December 31, 2010

Unaudited

Reporting on the City as a Whole (Government Wide) - continued

In the Statement of Net Assets 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 main 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 Assets 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 Assets

Net assets 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 \$85.9 million at the end of the current fiscal year.

By far the largest portion of the City of Emporia's net assets (84 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

For the Year Ended December 31, 2010

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, 2010 and 2009:

CITY OF EMPORIA, KANSAS

CONDENSED STATEMENT OF NET ASSETS

December 31, 2010 and 2009

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
ASSETS						
Current	\$ 15,929,787	\$ 15,775,189	\$ 8,013,957	\$ 7,078,762	\$ 23,943,744	\$ 22,853,951
Net capital	80,351,687	85,651,357	43,880,217	33,151,341	124,231,904	118,802,698
Total assets	<u>\$ 96,281,474</u>	<u>\$ 101,426,546</u>	<u>\$ 51,894,174</u>	<u>\$ 40,230,103</u>	<u>\$ 148,175,648</u>	<u>\$ 141,656,649</u>
LIABILITIES						
Current	11,080,099	11,234,193	5,614,114	2,017,952	16,694,214	13,252,145
Noncurrent	25,264,486	26,786,594	12,099,956	13,513,042	37,364,442	40,299,636
Total liabilities	<u>\$ 36,344,585</u>	<u>\$ 38,020,787</u>	<u>\$ 17,714,070</u>	<u>\$ 15,530,994</u>	<u>\$ 54,058,656</u>	<u>\$ 53,551,781</u>
NET ASSETS						
Invested in capital assets, net of related debt	\$ 51,512,139	\$ 55,981,334	\$ 18,844,682	\$ 18,327,412	\$ 70,356,821	\$ 74,308,746
Restricted for:						
Debt service	210,861	443,006	0	0	210,861	443,006
Unrestricted	8,213,889	6,981,419	7,321,465	6,371,697	15,535,354	13,353,116
Total net assets	<u>\$ 59,936,889</u>	<u>\$ 63,405,759</u>	<u>\$ 26,166,147</u>	<u>\$ 24,699,109</u>	<u>\$ 86,103,036</u>	<u>\$ 88,104,868</u>

The balance of unrestricted net assets (15.4 million) 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 assets, 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.

There was decrease of \$232,145 in restricted net assets reported in connection with the City of Emporia's governmental activities. This decrease resulted from the decrease in the Debt Service Fund balance.

The City's total net assets decreased by \$2.2 million during the current fiscal year due primarily to depreciation of capital assets during the year of \$9.7 million.

Governmental activities decreased the City of Emporia's net assets by \$3.6 million. This decrease was due primarily to depreciation of capital assets of \$7.7 million and an increase in expenses and growth in the demand for services.

CITY OF EMPORIA, KANSAS

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2010
Unaudited

Governmental Activities

The following is a condensed statement of the City's change in net assets for the year ended December 31, 2010 and 2009:

CITY OF EMPORIA, KANSAS

CONDENSED STATEMENT OF CHANGES IN NET ASSETS
For the Year Ended December 31, 2010 and 2009

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Revenues						
Program						
Charges for services	\$ 4,119,238	\$ 3,678,102	\$ 12,967,367	\$ 11,708,427	\$ 17,086,605	\$ 15,386,529
Operating grants	1,757,275	2,035,167	0	0	1,757,275	2,035,167
Capital grants	112,716	4,645	0	0	112,716	4,645
General revenues:						
Property tax	16,469,305	14,456,475	0	0	16,469,305	14,456,475
Other	707,098	481,399	891,617	184,467	1,598,715	665,866
Total revenues	23,165,632	20,655,788	13,858,984	11,892,894	37,024,616	32,548,682
Expenses						
General	3,861,408	4,149,676	0	0	3,861,408	4,149,676
Public safety	10,058,340	10,037,060	0	0	10,058,340	10,037,060
Highway & streets	8,432,872	8,601,094	0	0	8,432,872	8,601,094
Culture & recreation	2,829,141	2,942,303	0	0	2,829,141	2,942,303
Health & environment	85,400	89,901	0	0	85,400	89,901
Building maintenance	1,204,027	1,213,665	0	0	1,204,027	1,213,665
Plan & development	1,393,341	1,191,179	0	0	1,393,341	1,191,179
Airport operations	516,378	414,202	0	0	516,378	414,202
Appropriation	58,543	0	0	0	58,543	0
Capital outlay	257,491	0	0	0	257,491	0
Bond issuance costs	39,003	0	0	0	39,003	0
Solid waste disposal	0	0	2,570,915	2,764,437	2,570,915	2,764,437
Sewer utility	0	0	3,111,908	3,233,827	3,111,908	3,233,827
Water utility	0	0	3,657,273	3,357,695	3,657,273	3,357,695
Interest on debt	950,408	1,777,794	0	0	950,408	1,777,794
Total expenses	29,686,351	30,416,874	9,340,096	9,355,959	39,026,448	39,772,833
Increase (decrease) in net assets before transfers	(6,520,720)	(9,761,086)	4,518,888	2,536,935	(2,001,832)	(7,224,151)
Transfers	3,051,850	2,005,299	(3,051,850)	(2,005,299)	0	0
Increase (decrease) in net assets	\$ (3,468,870)	\$ (7,755,787)	\$ 1,467,038	\$ 531,636	\$ (2,001,832)	\$ (7,224,151)

CITY OF EMPORIA, KANSAS

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended December 31, 2010

Unaudited

Business-type Activities

Business-type activities increased the City of Emporia's net assets by \$1,467,040 in 2010 compared to \$531,636 for 2009. This change from 2009 to 2010 is attributed to the following: 1) an increase in charges for services of \$1,258,940 due to water usage and increased rates. Other revenues had an increase of \$707,152; 2) there was a slight decrease in expenses of \$15,863 and 3) an increase in net transfers out of \$1,046,551.

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, measures 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 \$8.2 million, an increase of \$1.1 million in comparison with the prior year. Most of this total fund balance amount (\$2.5 million) constitutes capital project fund balances, which are available for spending on large capital projects. The remainders of fund balance amounts were as follows:

\$1,507,602 Special Revenue Funds available for state defined projects and services.

\$210,861 Debt Service Fund available for debt service requirements.

\$4,134,482 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, unreserved, undesignated fund balance of the general fund was \$4.1 million. The fund balance of the City's general fund increased by \$1,454,415 during the current fiscal year.

The Industrial Development Sales Tax Fund is used to account for the receipt of retail sales tax and expenditures of funds generated by a portion of the City's retail sales tax. The ending fund balance of the Industrial Development Sales Tax Fund was \$189,643 at December 31, 2010.

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 Debt Service Fund has a total fund balance of \$210,861, 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 \$232,145. The City issued refinancing bonds in the amount of \$10.9 million and \$1.3 million in water main replacement bonds.

The City has three large capital project funds – Bridge Projects, Water Treatment Plant and Construction Projects.

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

Unrestricted net assets of the Water Fund at the end of the year amounted to \$1.7 million, the Sewer Fund at the end of the year amounted to \$3.4 million and those for the Solid Waste Disposal Fund operation amounted to \$1.7 million. The total change in net assets for Solid Waste disposal was an increase of \$914,382, for Sewer the change was a decrease of \$(58,979) and for Water the change was an increase of \$611,637. 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

For the Year Ended December 31, 2010

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 \$15,702,236. The revenues were higher than budgetary estimates by \$781,730 and the expenditures were less than budgetary estimates by \$886,365.

The actual expenditures (before transfers) for the General Fund as of December 31, 2010 were \$14,815,871 compared to the final budget of \$15,702,236. The variance of actual expenditures to budget was \$886,365 under budget for the year ended December 31, 2010. 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 \$116.2 million (net of accumulated depreciation) as of December 31, 2010. 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 6.2%. The business-type activities had a .5% increase in net investment in capital assets.

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

- Completed street improvements at the intersection of U.S. Hwy 50 and Graphic Arts Road in the amount of \$28,856.

- Started landscaping at city highway entrances at a cost of \$50,115.

- Completed street rehabilitation on various streets within the city limits at a cost of \$488,499.

- Resurfaced Hwy 99 from Kansas Ave to 3rd Ave and 12th Ave to I-35 at a cost of \$353,537.

- Reconstructed 10th Avenue from Commercial to Mechanic at a cost of \$11,116.

- Completed project to replace the bridge over KTA on 18th Avenue at a cost of \$867,967.

- Completed reconstruction of a water basin and other repairs at water plant at a cost of \$2,482,663.

- Replaced water main on Commercial Street from 3rd to 12th at a cost of \$1,289,997.

CITY OF EMPORIA, KANSAS

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended December 31, 2010

Unaudited

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

At December 31, 2010, the City had total debt outstanding of \$45.9 million, backed by the full faith and credit of the City. Total long-term debt increased for as result of the issuance of general obligation bonds by \$1.4 million for the fiscal year ended December 31, 2010. 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 60.69%. In 2010, the City issued \$11,470,000 of general obligation bonds to finance a variety of projects and improvements.

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

Economic Factors and Next Year's Budgets and Rates

The unemployment rate for the City is currently 6.8% (as of March 2011). The City Commission has taken steps to ensure the General and Utility Funds remain balanced even with declining revenues and unanticipated expenses. The revenues and expenses are reviewed monthly by City Management and semi-annually by the City Commission and any necessary budget adjustments are made in a prompt and reasonable matter.

The occupancy rate in the downtown district remains at a consistent 90%. The Emporia Main Street organization approved a master plan for the downtown, called Community Initiated Development, in 2010. Other organizations involved with the CID include the City of Emporia, Emporia Area Chamber of Commerce and Regional Development Agency of East Central Kansas. The plan is designed to develop ways to increase the variety of retail, dining and entertainment options in the downtown area and to improve occupancy rates. A direct result of CID is the construction of a mixed retail and residential building which opened in the summer of 2010. Another mixed CID building is under construction and is anticipated to open in 2012. The mixture will encourage people to live downtown and increase the population base for the retailers. Emporia Main Street and the City envision more mixed use developments in the future.

Vacancy rates across Emporia also increased in 2010. The City continues 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. The city funds the office of a Professional Economic Development position that aggressively seeks new employment opportunities and investment in the community. City officials have attended the International Conference of Shopping Centers for the last several years, which is normally attended by over 50,000 retailers, developers and government officials. A direct result of attending the conference was a proposed retail development anchored by a Lowe's and includes 2 additional sites for sit down restaurants, a junior box and a 5-stall strip mall. The project is currently delayed due to the national economy. Several other local businesses have also added additional employment during 2010.

Due to budget cuts and a tight control on spending, the City increased its balance in the General Fund for the third consecutive fiscal year, finally achieving the written goal of 15% reserve by the end of the 2010 fiscal year. Some major causes for the lower than anticipated loss in 2010 included not filling positions left by retiring or leaving employees, eliminating or reducing capital projects and have several operational projects come under budget.

CITY OF EMPORIA, KANSAS

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended December 31, 2010

Unaudited

Economic Factors and Next Year's Budgets and Rates - continued

The Water Fund had a cash deficit in 2010, due to declining water sales despite a 19% rate increase which took affect late in 2009. However, the Water Fund ended in 2010 FY with cash reserves over 20% as set forth in City Policy.

The Sewer Fund had a small cash surplus in the 2010 fiscal year. The increase was due to a large capital project scheduled to be completed in 2010 but has been delayed until 2011. Even after this project is completed, the Sewer Fund is anticipated to maintain cash reserves above 20%.

The Solid Waste Fund had a cash surplus in 2010. The City Commission is considering adding a new service or reducing rates in 2011 to maintain the 20% reserve level.

The collection of revenue from a County wide sales tax for capital projects started in 2009. The proceeds of the Multi-year fund will be used for capital projects in the community. The sales tax is expected to generate approximately \$2.3 million dollars per year for the next five years.

The City Commission has expressed their intent to fund capital purchases in the Utility Funds with cash whenever possible. A cash management policy was adopted in 2009 for the General Fund and Utility Funds. This policy establishes minimum level of reserves at 15% of non-pass thru expenses in the General Fund. For the Utility Funds the policy includes steps the City should take in the event reserves fall below the 20% level.

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 ASSETS

December 31, 2010

ASSETS	Governmental Activities	Business-type Activities	Primary Government Total	Component Unit
				Emporia Public Library
Current assets:				
Cash and investments	\$ 8,892,083	\$ 6,195,754	\$ 15,087,837	\$ 382,810
Accounts receivable (net of allowance)	6,847,274	1,263,206	8,110,480	0
Inventory	0	356,586	356,586	0
Deferred charges	190,429	198,411	388,840	0
Total current assets	<u>15,929,786</u>	<u>8,013,957</u>	<u>23,943,743</u>	<u>382,810</u>
Capital assets:				
Land	1,683,849	210,525	1,894,374	0
Construction in progress	0	4,118,130	4,118,130	0
Capital assets	229,116,695	66,789,790	295,906,485	686,947
Less: accumulated depreciation	<u>(150,448,857)</u>	<u>(35,252,185)</u>	<u>(185,701,042)</u>	<u>(296,551)</u>
Total net capital assets	<u>80,351,687</u>	<u>35,866,260</u>	<u>116,217,947</u>	<u>390,396</u>
Total assets	<u>\$ 96,281,473</u>	<u>\$ 43,880,217</u>	<u>\$ 140,161,690</u>	<u>\$ 773,206</u>
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 282,809	\$ 258,538	\$ 541,347	\$ 41,340
Accrued liabilities	488,023	234,641	722,664	0
Interest payable	258,085	156,915	415,000	0
Unearned revenue	5,861,045	0	5,861,045	0
Unpaid claims	92,423	0	92,423	0
Current portion of				
Compensated absences payable	185,195	14,136	199,331	19,617
Notes payable	13,719	4,323,684	4,337,403	0
General obligation bonds & temporary notes	<u>3,898,800</u>	<u>626,200</u>	<u>4,525,000</u>	<u>0</u>
Total current liabilities	<u>11,080,099</u>	<u>5,614,114</u>	<u>16,694,213</u>	<u>60,957</u>
Noncurrent liabilities:				
Unpaid claims	92,423	0	0	0
Compensated absences payable	245,034	28,262	273,296	0
General obligation bonds & temporary notes	24,900,000	2,100,000	27,000,000	0
Notes payable	<u>27,029</u>	<u>9,971,694</u>	<u>9,998,723</u>	<u>0</u>
Total noncurrent liabilities	<u>25,264,486</u>	<u>12,099,956</u>	<u>37,272,019</u>	<u>0</u>
Total Liabilities	<u>\$ 36,344,585</u>	<u>\$ 17,714,070</u>	<u>\$ 53,966,232</u>	<u>\$ 60,957</u>
NET ASSETS				
Invested in capital assets, net of related debt	\$ 51,512,139	\$ 18,844,682	\$ 70,356,821	\$ 390,396
Restricted for:				
Debt service	210,861	0	210,861	0
Grantor restricted	0	0	0	478
Donor restricted	0	0	0	30,258
Unrestricted	<u>8,213,889</u>	<u>7,321,465</u>	<u>15,535,354</u>	<u>291,117</u>
Total net assets	<u>\$ 59,936,889</u>	<u>\$ 26,166,147</u>	<u>\$ 86,103,036</u>	<u>\$ 712,249</u>

The accompanying notes are an integral part of this statement.

CITY OF EMPORIA, KANSAS

STATEMENT OF ACTIVITIES
For the year ended December 31, 2010

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 3,861,408	\$ 0	\$ 1,711,134	\$ 0
Public safety	10,058,340	3,346,050	0	0
Highway and streets	8,432,872	0	0	0
Culture and recreation	2,829,141	773,188	46,141	112,716
Health and environment	85,400	0	0	0
Building maintenance	1,204,027	0	0	0
Plan and development	1,393,341	0	0	0
Airport operations	516,378	0	0	0
Appropriation	58,543	0	0	0
Capital outlay	257,491	0	0	0
Bond issuance costs	39,003	0	0	0
Interest expense	950,408	0	0	0
Total governmental activities	<u>29,686,351</u>	<u>4,119,238</u>	<u>1,757,275</u>	<u>112,716</u>
Business-type activities:				
Solid waste disposal	2,570,915	3,879,922	0	0
Sewer utility	3,111,908	3,850,725	0	0
Water utility	<u>3,657,273</u>	<u>5,236,720</u>	<u>0</u>	<u>0</u>
Total business-type activities	<u>9,340,096</u>	<u>12,967,367</u>	<u>0</u>	<u>0</u>
Total primary government	<u>\$ 39,026,447</u>	<u>\$ 17,086,605</u>	<u>\$ 1,757,275</u>	<u>\$ 112,716</u>
Component unit:				
Emporia Public Library				
Culture and recreation	\$ 880,902	\$ 26,181	\$ 835,962	\$ 0
Capital outlay	<u>14,960</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total component unit	<u>\$ 895,862</u>	<u>\$ 26,181</u>	<u>\$ 835,962</u>	<u>\$ 0</u>

General Revenues:

Property taxes levied for
 General purposes
 Debt service
Investment earnings
Miscellaneous
Transfers, net

Total general revenues and transfers

Change in net assets

Net assets- beginning

Net assets- ending

The accompanying notes are an integral part of this statement.

**Net (Expenses) Revenue
and Changes in Net Assets**

Primary Government			Component Unit
Governmental Activities	Business Type Activities	Total	Emporia Public Library
\$ (2,150,274)	\$ 0	\$ (2,150,274)	\$ 0
(6,712,290)	0	(6,712,290)	0
(8,432,872)	0	(8,432,872)	0
(1,897,096)	0	(1,897,096)	0
(85,400)	0	(85,400)	0
(1,204,027)	0	(1,204,027)	0
(1,393,341)	0	(1,393,341)	0
(516,378)	0	(516,378)	0
(58,543)	0	(58,543)	0
(257,491)	0	(257,491)	0
(39,003)	0	(39,003)	0
(950,408)	0	(950,408)	0
<u>(23,697,122)</u>	<u>0</u>	<u>(23,697,122)</u>	<u>0</u>
0	1,309,007	1,309,007	0
0	738,817	738,817	0
0	1,579,447	1,579,447	0
<u>0</u>	<u>3,627,271</u>	<u>3,627,271</u>	<u>0</u>
<u>(23,697,122)</u>	<u>3,627,271</u>	<u>(20,069,851)</u>	<u>0</u>
\$ 0	\$ 0	\$ 0	\$ (18,759)
<u>0</u>	<u>0</u>	<u>0</u>	<u>(14,960)</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>(33,719)</u>
13,730,177	0	13,730,177	0
2,739,128	0	2,739,128	0
154,506	14,286	168,791	5,364
552,592	877,331	1,429,923	11,470
<u>3,051,850</u>	<u>(3,051,850)</u>	<u>0</u>	<u>0</u>
<u>20,228,252</u>	<u>(2,160,233)</u>	<u>18,068,018</u>	<u>16,834</u>
(3,468,870)	1,467,038	(2,001,832)	(16,885)
<u>63,405,759</u>	<u>24,699,109</u>	<u>88,104,868</u>	<u>729,134</u>
<u>\$ 59,936,889</u>	<u>\$ 26,166,147</u>	<u>\$ 86,103,036</u>	<u>\$ 712,249</u>

CITY OF EMPORIA, KANSAS

BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2010

	<u>General Fund</u>	<u>Industrial Development Sales Tax</u>	<u>Multi-year Improvement</u>	<u>Debt Service</u>
ASSETS				
Cash and investments	\$ 3,705,750	\$ 189,644	\$ 532,236	\$ 210,861
Receivables				
Accounts	979,511	0	0	0
Taxes	3,052,000	0	0	2,177,993
Due from other funds	<u>30,745</u>	<u>0</u>	<u>0</u>	<u>0</u>
 Total assets	 <u>\$ 7,768,006</u>	 <u>\$ 189,644</u>	 <u>\$ 532,236</u>	 <u>\$ 2,388,854</u>
LIABILITIES				
Accounts payable	\$ 143,106	\$ 0	\$ 0	\$ 0
Accrued liabilities	438,417	0	42,329	0
Due to other funds	0	0	0	0
Deferred revenue	<u>3,052,000</u>	<u>0</u>	<u>0</u>	<u>2,177,993</u>
 Total liabilities	 <u>3,633,524</u>	 <u>0</u>	 <u>42,329</u>	 <u>2,177,993</u>
FUND BALANCE				
Reserved for				
Encumbrances	37,900	0	12,985	0
Unreserved				
Undesignated, reported in:				
Special revenue	0	189,644	476,922	0
Debt service	0	0	0	210,861
Capital projects	0	0	0	0
General Fund	<u>4,096,582</u>	<u>0</u>	<u>0</u>	<u>0</u>
 Total fund balance	 <u>4,134,482</u>	 <u>189,644</u>	 <u>489,907</u>	 <u>210,861</u>
 Total liabilities & fund balances	 <u>\$ 7,768,006</u>	 <u>\$ 189,644</u>	 <u>\$ 532,236</u>	 <u>\$ 2,388,854</u>

The accompanying notes are an integral part of this statement.

<u>Bridge Projects</u>	<u>Water Treatment Plant</u>	<u>Construction Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 851,568	\$ 116,351	\$ 394,251	\$ 1,972,500	\$ 7,973,162
0	0	0	6,720	986,231
0	0	0	631,050	5,861,043
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>30,745</u>
<u>\$ 851,568</u>	<u>\$ 116,351</u>	<u>\$ 394,251</u>	<u>\$ 2,610,270</u>	<u>\$ 14,851,181</u>
\$ 5,823	\$ 0	\$ 8,254	\$ 125,305	\$ 282,489
0	0	0	7,276	488,023
0	0	0	30,745	30,745
<u>0</u>	<u>0</u>	<u>0</u>	<u>631,052</u>	<u>5,861,045</u>
<u>5,823</u>	<u>0</u>	<u>8,254</u>	<u>794,378</u>	<u>6,662,302</u>
0	116,351	167,345	0	334,581
0	0	0	709,338	1,375,904
0	0	0	0	210,861
845,745	0	218,652	1,106,555	2,170,952
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,096,582</u>
<u>845,745</u>	<u>116,351</u>	<u>385,997</u>	<u>1,815,892</u>	<u>8,188,879</u>
<u>\$ 851,568</u>	<u>\$ 116,351</u>	<u>\$ 394,251</u>	<u>\$ 2,610,270</u>	<u>\$ 14,851,181</u>

CITY OF EMPORIA, KANSAS

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

December 31, 2010

Total Governmental Fund Balances		\$	8,188,879
Amounts reported for governmental activities in the statement of net assets 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 assets.			
			548,908
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, 2010.			
			190,428
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds			
The cost of capital assets is	230,800,544		
Accumulated depreciation is	<u>(150,448,857)</u>		80,351,687
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 bonds payable	28,798,800		
Loans payable	40,748		
Interest payable	258,085		
Unpaid claims	(184,847)		
Compensated absences payable	<u>430,227</u>		<u>(29,343,013)</u>
Net Assets of Governmental Activities		\$	<u><u>59,936,889</u></u>

The accompanying notes are an integral part of this statement.

CITY OF EMPORIA, KANSAS

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

For the Year Ended December 31, 2010

	General Fund	Industrial Development Sales Tax	Multi-year Improvement	Debt Service
REVENUES				
Taxes	\$ 12,243,934	\$ 0	\$ 0	\$ 2,739,128
Charges for services	2,933,242	0	0	0
Special assessments	0	0	0	46,141
Intergovernmental	390,751	0	0	0
Licenses and permits	192,138	0	0	0
Fines and fees	581,050	0	0	0
Use of money & property	138,570	211	625	4,799
Contributions	0	0	0	0
Miscellaneous	87,278	250,969	0	134,106
Total revenues	<u>16,566,963</u>	<u>251,180</u>	<u>625</u>	<u>2,924,174</u>
EXPENDITURES				
General government	1,182,077	0	1,264,165	0
Public safety	9,517,401	0	0	0
Highways & streets	313,752	0	0	0
Culture & recreation	1,622,179	0	0	0
Health & environment	0	0	0	0
Building maintenance	1,204,027	0	0	0
Plan & development	422,689	466,056	0	0
Airport operations	448,770	0	0	0
Appropriation	58,543	0	0	0
Capital outlay	0	0	0	0
Bond issuance costs	0	0	0	0
Debt service				
Principal	0	0	0	3,105,474
Interest	0	0	0	1,090,228
Total expenditures	<u>14,769,437</u>	<u>466,056</u>	<u>1,264,165</u>	<u>4,195,702</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,797,525</u>	<u>(214,876)</u>	<u>(1,263,540)</u>	<u>(1,271,528)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,923,655	579,550	1,972,612	1,039,383
Transfers out	(3,266,765)	(272,275)	(219,168)	0
Sale of bonds	0	0	0	0
Total other financing sources (uses)	<u>(343,111)</u>	<u>307,275</u>	<u>1,753,444</u>	<u>1,039,383</u>
Changes in fund balances	1,454,415	92,399	489,904	(232,145)
Fund balance:				
Beginning of year	2,680,067	97,245	3	443,006
End of year	<u>\$ 4,134,482</u>	<u>\$ 189,644</u>	<u>\$ 489,907</u>	<u>\$ 210,861</u>

The accompanying notes are an integral part of this statement.

Bridge Projects	Water Treatment Plant	Construction Projects	Other Governmental Funds	Total Governmental Funds
\$ 0	\$ 0	\$ 0	\$ 1,486,243	\$ 16,469,305
0	0	0	0	2,933,242
0	0	0	0	46,141
0	0	0	1,320,383	1,711,134
0	0	0	0	192,138
0	0	0	0	581,050
2,034	0	856	4,318	151,413
0	0	0	112,716	112,716
0	0	34,287	45,952	552,592
<u>2,034</u>	<u>0</u>	<u>35,143</u>	<u>2,969,612</u>	<u>22,749,730</u>
0	0	0	566,611	3,012,853
0	0	0	256,889	9,774,290
829,290	0	0	627,561	1,770,603
0	0	0	719,136	2,341,315
0	0	0	85,400	85,400
0	0	0	0	1,204,027
0	0	0	504,596	1,393,341
0	0	0	0	448,770
0	0	0	0	58,543
38,679	2,483,301	1,337,282	433,154	4,292,416
0	0	4,419	35,498	39,917
0	0	0	0	3,105,474
0	0	0	0	1,090,228
<u>867,969</u>	<u>2,483,301</u>	<u>1,341,701</u>	<u>3,228,845</u>	<u>28,617,177</u>
<u>(865,935)</u>	<u>(2,483,301)</u>	<u>(1,306,558)</u>	<u>(259,235)</u>	<u>(5,867,446)</u>
0	454,598	365,268	214,457	7,549,523
0	0	0	(247,610)	(4,005,818)
0	2,145,053	1,260,049	44,283	3,449,385
<u>0</u>	<u>2,599,651</u>	<u>1,625,317</u>	<u>11,130</u>	<u>6,993,089</u>
(865,935)	116,350	318,759	(248,105)	1,125,643
1,711,680	0	67,238	2,063,997	7,063,236
<u>\$ 845,745</u>	<u>\$ 116,350</u>	<u>\$ 385,997</u>	<u>\$ 1,815,892</u>	<u>\$ 8,188,879</u>

CITY OF EMPORIA, KANSAS

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES WITH
THE GOVERNMENT WIDE STATEMENT OF ACTIVITIES

December 31, 2010

Total Net Change In Fund Balances- Governmental Funds \$ 1,125,643

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 assets 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	\$ 3,546,164	
Depreciation expense	<u>(7,670,140)</u>	(4,123,976)

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.

162,867

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.

139,820

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

(430,227)

Proceeds of bonds is a revenue in the governmental funds, but it increases long-term liabilities in the statement of net assets and does not affect the statement of activities.

(3,449,385)

Repayment of loan principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the statement of net assets and does not affect the statement of activities.

26,495

Repayment of bond principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the statement of net assets and does not affect the statement of activities.

3,078,979

Bond costs are expensed in the governmental funds, but in the statement of assets these costs are amortized over the life of the bond

Bond cost amortization	\$ (39,003)	
Bond costs in current year to be amortized	<u>39,917</u>	<u>914</u>

Changes In Net Assets of Governmental Activities \$ (3,468,870)

The accompanying notes are an integral part of this statement.

CITY OF EMPORIA, KANSAS

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

For the year ended December 31, 2010

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance Favorable (Unfavorable)
				Original	Final	
REVENUES						
Taxes	\$ 12,243,934	\$ 0	\$ 12,243,934	\$ 12,368,050	\$ 12,368,050	\$ (124,116)
Intergovernmental	390,751	0	390,751	455,650	455,650	(64,899)
Licenses and permits	192,138	0	192,138	157,900	157,900	34,238
Charges for services	2,933,242	0	2,933,242	1,663,900	1,663,900	1,269,342
Fines and fees	581,050	0	581,050	758,200	758,200	(177,150)
Use of money & property	138,570	0	138,570	150,100	150,100	(11,530)
Reimbursements	0	0	0	120,900	120,900	(120,900)
Miscellaneous	87,278	0	87,278	110,533	110,533	(23,255)
Total revenues	16,566,963	0	16,566,963	15,785,233	15,785,233	781,730
EXPENDITURES						
General government	1,182,077	0	1,182,077	1,993,958	1,993,958	811,881
Public safety						
Law enforcement	4,620,700	24,628	4,645,328	4,536,723	4,536,723	(108,605)
Animal control	114,431	0	114,431	199,904	199,904	85,473
Court services	431,415	2,750	434,165	451,340	451,340	17,175
Ambulance	2,585,356	7,555	2,592,911	2,062,426	2,062,426	(530,485)
Fire	1,765,499	0	1,765,499	2,463,950	2,463,950	698,451
Total public safety	9,517,401	34,933	9,552,335	9,714,343	9,714,343	162,008
Highways & streets						
Maintenance						
Maintenance	51,288	0	51,288	20,794	20,794	(30,494)
Snow removal	39,124	0	39,124	40,950	40,950	1,826
Street lighting	223,340	0	223,340	241,500	241,500	18,160
Total highways & streets	313,752	0	313,752	303,244	303,244	(10,508)
Culture & recreation						
Park	610,674	3,762	614,436	684,360	684,360	69,924
Swimming pool/						
Peter Pan Park	103,315	0	103,315	125,757	125,757	22,442
Golf course	313,990	0	313,990	437,005	437,005	123,015
Golf shop	214,127	6,699	220,826	234,105	234,105	13,279
Zoo	380,072	0	380,072	333,550	333,550	(46,522)
Total culture & recreation	1,622,179	10,461	1,632,639	1,814,777	1,814,777	182,138

The accompanying notes are an integral part of this statement.

CITY OF EMPORIA, KANSAS

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

For the year ended December 31, 2010

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance Favorable (Unfavorable)
				Original	Final	
EXPENDITURES - continued						
Building & maintenance						
Engineering	\$ 311,550	\$ 1,039	\$ 312,589	\$ 457,820	\$ 457,820	\$ 145,231
Grounds maintenance	75,021	0	75,021	117,710	117,710	42,689
Civic building	694,803	0	694,803	627,620	627,620	(67,183)
Library maintenance	49,598	0	49,598	75,164	75,164	25,566
Concessions	73,056	0	73,056	0	0	(73,056)
Total building & maintenance	<u>1,204,027</u>	<u>1,039</u>	<u>1,205,067</u>	<u>1,278,314</u>	<u>1,278,314</u>	<u>73,247</u>
Planning & development	<u>422,689</u>	<u>0</u>	<u>422,689</u>	<u>39,553</u>	<u>39,553</u>	<u>(383,136)</u>
Airport operations	<u>448,770</u>	<u>0</u>	<u>448,770</u>	<u>489,097</u>	<u>489,097</u>	<u>40,327</u>
Appropriations	<u>58,543</u>	<u>0</u>	<u>58,543</u>	<u>68,950</u>	<u>68,950</u>	<u>10,407</u>
Total expenditures	<u>14,769,437</u>	<u>46,433</u>	<u>14,815,871</u>	<u>15,702,236</u>	<u>15,702,236</u>	<u>886,365</u>
Excess (deficiency) of revenues over (under) expenditures	1,797,525	(46,433)	1,751,091	82,997	82,997	1,668,094
OTHER FINANCING SOURCES (USES)						
Transfers in	2,923,655	0	2,923,655	2,326,523	2,326,523	597,132
Transfers out	<u>(3,266,765)</u>	<u>0</u>	<u>(3,266,765)</u>	<u>(3,181,168)</u>	<u>(3,181,168)</u>	<u>(85,597)</u>
Total other financing sources (uses)	<u>(343,110)</u>	<u>0</u>	<u>(343,110)</u>	<u>(854,645)</u>	<u>(854,645)</u>	<u>511,535</u>
Excess (deficiency) of revenues and other sources over (under) expenditures & other (uses)	1,454,415	(46,433)	1,407,982	<u>(771,648)</u>	<u>(771,648)</u>	<u>2,179,629</u>
FUND BALANCE						
Beginning of year	<u>2,680,067</u>	<u>0</u>	<u>2,680,067</u>			
End of year	<u>\$ 4,134,482</u>	<u>\$ (46,433)</u>	<u>\$ 4,088,049</u>			

The accompanying notes are an integral part of this statement.

CITY OF EMPORIA, KANSAS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - ACTUAL AND BUDGET
 INDUSTRIAL DEVELOPMENT SALES TAX FUND
 For the year ended December 31, 2010

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance Favorable (Unfavorable)
				Original	Final	
REVENUES						
Intergovernmental	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Use of money & property	211	0	211	5,000	5,000	(4,789)
Miscellaneous	250,969	0	250,969	40,200	40,200	210,769
Total revenues	251,180	0	251,180	\$ 45,200	\$ 45,200	\$ 205,980
EXPENDITURES						
Planning and development						
Contractual services	466,056	0	466,056	\$ 458,500	\$ 458,500	\$ (7,556)
Total expenditures	466,056	0	466,056	458,500	458,500	(7,556)
Excess (deficiency) of revenues over expenditures	(214,876)	0	(214,876)	(413,300)	(413,300)	198,424
OTHER FINANCING SOURCES						
Transfers in	579,550	0	579,550	598,349	598,349	(18,799)
Transfers out	(272,275)	0	(272,275)	(272,276)	(272,276)	(1)
Total other financing sources	307,275	0	307,275	326,073	326,073	(18,799)
Excess of revenues over (under) expenditures and other financing (uses)	92,399	0	92,399	\$ (87,227)	\$ (87,227)	\$ 179,625
FUND BALANCE						
Beginning of year	97,245	0	265,386			
End of year	\$ 189,644	\$ 0	\$ 357,785			

The accompanying notes are an integral part of this statement.

CITY OF EMPORIA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - ACTUAL AND BUDGET
 MULTI-YEAR IMPROVEMENT
 For the Year Ended December 31, 2010

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Favorable (Unfavorable)
				Original	Final	
REVENUE						
Taxes	\$ 0	\$ 0	\$ 0	\$ 2,123,308	\$ 2,123,308	\$ (2,123,308)
Use of money & property	625		625	0	0	625
Total revenues	625	0	625	\$ 2,123,308	\$ 2,123,308	\$ (2,122,683)
EXPENDITURES						
General government	1,264,165	102,822	1,366,987	2,210,767	2,210,767	843,780
Total expenditures	1,264,165	102,822	1,366,987	\$ 2,210,767	\$ 2,210,767	\$ 843,780
Excess of revenues over (under) expenditures	(1,263,540)	(102,822)	(1,366,362)			
OTHER FINANCING SOURCES (USES):						
Transfers in	1,972,612	0	1,972,612	\$ 71,073	\$ 71,073	\$ 1,901,539
Transfers out	(219,168)	0	(219,168)	0	0	(219,168)
Total other financing sources (uses)	1,753,444	0	1,753,444	\$ 71,073	\$ 71,073	\$ 1,682,371
Excess of revenues over (under) expenditures & other financing (uses)	489,904	(102,822)	387,082			
FUND BALANCE -						
Beginning of year	3	(20,163)	(20,160)			
End of year	\$ 489,907	\$ (122,985)	\$ 366,922			

The accompanying notes are an integral part of this statement.

CITY OF EMPORIA, KANSAS

STATEMENT OF NET ASSETS
 PROPRIETARY FUNDS
 December 31, 2010

ASSETS	Business-Type Activities				
	Enterprise Funds				Internal Service Funds
	Solid Waste Disposal	Sewer Utility	Water Utility	Total Enterprise Funds	
Current assets:					
Cash and cash equivalents	\$ 1,577,125	\$ 3,224,150	\$ 1,394,479	\$ 6,195,754	\$ 418,921
Investments	0	0	0	0	500,000
Receivables (net of allowance for uncollectible)	403,321	396,787	463,098	1,263,206	0
Inventory	0	0	356,586	356,586	0
Deferred charges	0	0	198,411	198,411	0
Total current assets	<u>1,980,446</u>	<u>3,620,937</u>	<u>2,412,574</u>	<u>8,013,957</u>	<u>918,921</u>
Capital assets:					
Land	102,625	7,702	100,198	210,525	0
Construction in progress	0	0	4,118,130	4,118,130	0
Capital assets	4,141,961	34,806,104	27,841,725	66,789,790	0
Less: accumulated depreciation	(2,059,126)	(18,447,032)	(14,746,027)	(35,252,185)	0
Total net capital assets	<u>2,185,460</u>	<u>16,366,774</u>	<u>17,314,026</u>	<u>35,866,260</u>	<u>0</u>
Total assets	<u>\$ 4,165,906</u>	<u>\$ 19,987,711</u>	<u>\$ 19,726,600</u>	<u>\$ 43,880,217</u>	<u>\$ 918,921</u>
LIABILITIES					
Current liabilities:					
Accounts payable	\$ 101,522	\$ 66,622	\$ 90,394	\$ 258,538	\$ 320
Accrued liabilities	173,693	13,744	47,204	234,641	0
Interest payable	1,210	83,669	72,036	156,915	0
Unpaid claims	0	0	0	0	184,846
Current portion of:					
Compensated absences payable	3,311	3,246	7,579	14,136	0
Notes payable	0	559,165	3,764,519	4,323,684	0
General obligation bonds payable	21,200	0	605,000	626,200	0
Total current liabilities	<u>300,936</u>	<u>726,446</u>	<u>4,586,732</u>	<u>5,614,114</u>	<u>185,166</u>
Noncurrent liabilities:					
Compensated absences payable	6,618	6,490	15,154	28,262	0
General obligation bonds payable	0	0	2,100,000	2,100,000	0
Notes payable	0	7,457,618	2,514,076	9,971,694	0
Total noncurrent liabilities	<u>6,618</u>	<u>7,464,108</u>	<u>4,629,230</u>	<u>12,099,956</u>	<u>0</u>
Total liabilities	<u>\$ 307,554</u>	<u>\$ 8,190,554</u>	<u>\$ 9,215,962</u>	<u>\$ 17,714,070</u>	<u>\$ 185,166</u>
NET ASSETS					
Invested in capital assets, net of related debt	\$ 2,164,260	\$ 8,349,991	\$ 8,330,431	\$ 18,844,682	\$ 0
Unrestricted	<u>1,694,092</u>	<u>3,447,166</u>	<u>2,180,207</u>	<u>7,321,465</u>	<u>733,755</u>
Total net assets	<u>\$ 3,858,352</u>	<u>\$ 11,797,157</u>	<u>\$ 10,510,638</u>	<u>\$ 26,166,147</u>	<u>\$ 733,755</u>

The accompanying notes are an integral part of this statement.

CITY OF EMPORIA, KANSAS

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS

For the year ended December 31, 2010

	Business-Type Activities			Total Enterprise Funds	Internal Service Funds
	Enterprise Funds				
	Solid Waste Disposal	Sewer Utility	Water Utility		
OPERATING REVENUES					
Charges for services	\$ 3,879,922	\$ 3,850,725	\$ 5,236,720	\$ 12,967,367	\$ 299,111
Miscellaneous	8,336	3,606	570,026	581,968	113,697
Total operating revenues	<u>3,888,258</u>	<u>3,854,331</u>	<u>5,806,746</u>	<u>13,549,335</u>	<u>412,808</u>
OPERATING EXPENSES					
Personal services	1,160,388	675,167	635,353	2,470,907	0
Contractual services	850,823	564,896	1,042,014	2,457,732	242,005
Commodities	187,026	122,687	483,696	793,408	0
Capital outlay	54,461	455,867	472,049	982,377	0
Depreciation	286,295	1,017,054	742,797	2,046,146	0
Debt issuance costs amortization	0	0	33,636	33,636	0
Other	31,922	10,534	36,256	78,711	7,936
Total operating expenses	<u>2,570,915</u>	<u>2,846,204</u>	<u>3,445,801</u>	<u>8,862,920</u>	<u>249,941</u>
Operating income (loss)	<u>1,317,343</u>	<u>1,008,127</u>	<u>2,360,945</u>	<u>4,686,415</u>	<u>162,867</u>
NONOPERATING REVENUES (EXPENSES)					
Interest income	2,588	5,718	5,980	14,286	3,093
Interest expense	0	(265,704)	(211,472)	(477,177)	0
Gain (loss) on disposal of assets	259,351	0	36,012	295,363	0
Total nonoperating revenues (expenses)	<u>261,939</u>	<u>(259,986)</u>	<u>(169,480)</u>	<u>(167,528)</u>	<u>3,093</u>
Income (loss) before operating transfers	<u>1,579,282</u>	<u>748,140</u>	<u>2,191,465</u>	<u>4,518,887</u>	<u>165,960</u>
Transfers from (to) other funds					
Transfers in	56,616	26,539	38,925	122,080	0
Transfers out	(721,517)	(833,660)	(1,618,753)	(3,173,930)	(491,855)
Total transfers	<u>(664,901)</u>	<u>(807,121)</u>	<u>(1,579,828)</u>	<u>(3,051,850)</u>	<u>(491,855)</u>
Changes in net assets	914,382	(58,981)	611,637	1,467,038	(325,895)
Net assets, January 1	<u>2,943,970</u>	<u>11,856,138</u>	<u>9,899,001</u>	<u>24,699,109</u>	<u>1,059,650</u>
Net assets, December 31	<u>\$ 3,858,352</u>	<u>\$ 11,797,157</u>	<u>\$ 10,510,638</u>	<u>\$ 26,166,147</u>	<u>\$ 733,755</u>

The accompanying notes are an integral part of this statement.

CITY OF EMPORIA, KANSAS

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS

For the Year Ended December 31, 2010

	Business-Type Activities				
	Enterprise Funds				
	Solid Waste Disposal	Sewer Utility	Water Utility	Total Enterprise Funds	Internal Service Funds
Cash flows from operating activities					
Cash received from customers & users	\$ 3,802,975	\$ 3,850,264	\$ 5,757,771	\$ 13,411,010	\$ 299,111
Cash received from reimbursements	0	0	0	0	113,697
Cash payments to employees	(1,172,095)	(677,985)	(663,127)	(2,513,207)	(426,852)
Cash payments to suppliers	(1,114,590)	(1,127,786)	(2,061,077)	(4,303,453)	(7,936)
Net cash provided by (used in) operating activities	<u>1,516,290</u>	<u>2,044,493</u>	<u>3,033,567</u>	<u>6,594,350</u>	<u>(21,980)</u>
Cash flows from noncapital financing activities					
Transfer from other funds	56,616	26,539	38,925	122,080	0
Transfers (to) other funds	(677,049)	(833,660)	(1,618,753)	(3,129,462)	(491,855)
Net cash provided by (used in) noncapital financing activities	<u>(620,433)</u>	<u>(807,121)</u>	<u>(1,579,828)</u>	<u>(3,007,382)</u>	<u>(491,855)</u>
Cash flows from capital & related financing activities					
Purchase and construction of capital assets	(612,177)	(44,950)	(4,103,661)	(4,760,788)	0
Proceeds from sale of fixed assets	259,351	0	36,012	295,363	0
Proceeds from notes	0	0	3,537,378	3,537,378	0
Principal paid on bonds and notes	(24,527)	(542,031)	(773,172)	(1,339,730)	0
Interest paid	(44,371)	(263,788)	(231,772)	(539,931)	0
Net cash provided by (used in) capital and related financing activities	<u>(421,724)</u>	<u>(850,769)</u>	<u>(1,535,215)</u>	<u>(2,807,708)</u>	<u>0</u>
Cash flows from investing activities					
Interest on investments	2,588	5,718	5,980	14,286	3,093
Proceeds from sale of investments	0	0	0	0	200,000
Net cash provided by (used in) investing activities	<u>2,588</u>	<u>5,718</u>	<u>5,980</u>	<u>14,286</u>	<u>203,093</u>
Net increase (decrease) in cash and cash equivalents	476,721	392,321	(75,496)	793,546	(310,742)
Cash and cash equivalents - Beginning of year	<u>1,100,404</u>	<u>2,831,829</u>	<u>1,469,975</u>	<u>5,402,208</u>	<u>729,663</u>
Cash and cash equivalents - End of year	<u>\$ 1,577,125</u>	<u>\$ 3,224,150</u>	<u>\$ 1,394,479</u>	<u>\$ 6,195,754</u>	<u>\$ 418,921</u>

The accompanying notes are an integral part of this statement.

CITY OF EMPORIA, KANSAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2010

	Business-Type Activities				
	Enterprise Funds				
	Solid Waste Disposal	Sewer Utility	Water Utility	Total Enterprise Funds	Internal Service Funds
Reconciliation of operating (loss) income to net cash provided by (used in) operating activities					
Operating income (loss)	\$ 1,317,343	\$ 1,008,127	\$ 2,360,945	\$ 4,686,415	\$ 162,867
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities					
Depreciation	286,295	1,017,054	742,797	2,046,146	0
Amortization	0	0	33,636	33,636	0
Change in assets and liabilities					
(Increase) decrease receivables	(85,284)	(4,070)	(48,973)	(138,327)	0
(Increase) decrease inventory	0	0	(36,960)	(36,960)	0
Increase (decrease) accounts payable	9,642	26,199	9,896	45,737	0
Increase (decrease) in claims payable	0	0	0	0	(184,847)
Increase (decrease) accrued liabilities	(11,167)	1,260	978	(8,929)	0
Increase (decrease) accrued compensation	(539)	(4,078)	(28,752)	(33,369)	0
Net cash provided by (used in) operating activities	<u>\$ 1,516,290</u>	<u>\$ 2,044,493</u>	<u>\$ 3,033,567</u>	<u>\$ 6,594,350</u>	<u>\$ (21,980)</u>

The accompanying notes are an integral part of this statement.

CITY OF EMPORIA, KANSAS

STATEMENT OF FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 December 31, 2010

	Private Purpose Trust	Agency Funds
ASSETS		
Cash and cash equivalents	\$ 837,568	\$ 9,742
Accrued interest receivable	551	0
Notes receivable	<u>272,172</u>	<u>0</u>
Total assets	<u>\$ 1,110,291</u>	<u>\$ 9,742</u>
LIABILITIES		
Accounts payable	<u>\$ 0</u>	<u>\$ 9,742</u>
Total Liabilities	<u>0</u>	<u>9,742</u>
NET ASSETS		
Net assets held in trust	<u>1,110,291</u>	<u>0</u>
Total liabilities and net assets	<u>\$ 1,110,291</u>	<u>\$ 9,742</u>

The accompanying notes are an integral part of this statement.

CITY OF EMPORIA, KANSAS

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS

For the year ended December 31, 2010

	Private Purpose Trust
Addition:	
Interest Income	\$ 16,744
Total Additions	16,744
Deductions	775
Change in net assets	15,969
Net assets, January 1	1,094,322
Net assets, December 31	1,110,291

The accompanying notes are an integral part of this statement.

CITY OF EMPORIA, KANSAS

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. 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 (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 \$719,136 to the Library in 2010. 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., (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, one member appointed by the Emporia City Commission, one member appointed by Unified School District 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 assets 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. Nonmajor funds are aggregated and presented in a single column in the fund financial statements.

CITY OF EMPORIA, KANSAS

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

I. 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.

The City applies all applicable Governmental Accounting Standards Board (GASB) pronouncements as well as the following pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements: FASB Statements and Interpretations, APB Opinions, and ARBs.

Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets. Proprietary funds distinguish operating revenues and expenses from nonoperating 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 nonoperating revenues and expenses.

The internal service funds account for contributions made by the City to be used for paying claims for job related injuries (i.e. worker's compensation insurance). The City was self insured for its employees' health insurance for years prior to January 1, 2009. As of January 1, 2009, the City has moved its employee health insurance to a third party provider. The balance left in the health insurance fund will be used to reduce the premiums paid to a third party provider.

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.

CITY OF EMPORIA, KANSAS

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Measurement Focus, Basis of Accounting and Basis of Presentation - continued

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.

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

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 Bridge Projects Fund is used to account for the funds appropriated for the bridge construction funds.

Water Treatment Plant is used to account for the funds to improve the water treatment plant.

Construction Projects is used to account for the funds to construct large projects within City limits.

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.

B. 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.

CITY OF EMPORIA, KANSAS

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

B. Pooled Cash and Investments - continued

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.

C. 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 2010 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.

D. 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.

E. Prepaid Items

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

F. 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.

CITY OF EMPORIA, KANSAS

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

G. 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.

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

H. 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. The General Fund has been used to liquidate the governmental funds compensated absences in prior years.

I. 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

December 31, 2010

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

J. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of test water monitor, no costs and no liability fund balance represent tentative management plans that are subject to change.

K. Landfill Post-closure Care Liability

State and federal 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 monitoring activities include testing water samples over the past several years and no additional maintenance costs have been required. As of December 31, 2010 no additional costs have been incurred and water testing costs have been minimal. For the foreseeable future no additional costs are expected and therefore no liability has been setup for costs of maintenance and monitoring.

L. Use of Estimates

The preparations 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.

M. Deferred Revenue

The City reports deferred revenue on its governmental funds balance sheet. Deferred revenues arise when potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. In subsequent periods, when both recognition criteria are met, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized on the statement of revenues, expenditures and changes in fund balances.

N. Net Assets

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

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. 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 1st 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.

CITY OF EMPORIA, KANSAS

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY - continued

A. Budgetary Information - continued

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 2010 there was one budget amendment.

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 fund 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, Housing CDBG Grant, Home Owners Rehab, Law Enforcement Block Grant, DARE Crime prevention, Home Rehab, Home Rehab 231-235, Rental Rehab, NSP Fund, Homebuyer Repair, Home Rehab, Lake Kahola, TDD, and TIF. 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.

The actual data presented in the budgetary comparisons statements differs from the data presented in accordance with accounting principles generally accepted in the United States of America (GAAP). The following is a summary of the effects on the ending fund balances caused by the difference in accounting between the budgetary basis and GAAP basis.

CITY OF EMPORIA, KANSAS

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY – continued

	<u>Major Governmental Funds</u>				
	<u>General Fund</u>	<u>Industrial Development Sales Tax Fund</u>	<u>Multi-year Improvement</u>	<u>Debt Service Fund</u>	<u>Bridge Projects</u>
GAAP FUND BALANCE					
December 31, 2010	\$ 4,134,482	\$ 189,644	\$ 489,907	\$ 210,861	\$ 845,745
Adjustments:					
Unreserved fund balances not subject to the Kansas Budget Law:					
Bridge Projects					(845,745)
Water Treatment Plant					
Construction Projects					
Wireless 911 Tax					
Telephone Tax 911					
Housing Study RDA					
Law Enforcement Block Grant					
DARE Crime Prevention					
Home Rehab 231-235					
Rental Rehab					
NSP Fund					
Home Rehab					
Lake Kahola					
TDD					
Internal Improvements					
Biodiesel Plant Project					
Civic Auditorium Improvement					
Park Improvement Project					
Traffic Signals					
Paving Projects					
Total deductions	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(845,745)</u>
BUDGETARY FUND BALANCE					
December 31, 2010	<u>\$ 4,134,482</u>	<u>\$ 189,644</u>	<u>\$ 489,907</u>	<u>\$ 210,861</u>	<u>\$ 0</u>

CITY OF EMPORIA, KANSAS

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY – continued

	<u>Major Governmental Funds</u>			
	<u>Water Treatment Plant</u>	<u>Construction Projects</u>	<u>Other Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
GAAP FUND BALANCE				
December 31, 2010	\$ 116,351	\$ 385,997	\$ 1,815,892	\$ 8,188,879
Adjustments:				
Unreserved fund balances not subject to the Kansas Budget Law:				
Bridge Projects				(845,745)
Water Treatment Plant	(116,351)			(116,351)
Construction Projects		(385,997)		(385,997)
Wireless 911 Tax			(82,142)	(82,142)
Telephone Tax 911			(93,353)	(93,353)
Housing Study RDA			(1,694)	(1,694)
Law Enforcement Block Grant			(3,121)	(3,121)
DARE Crime Prevention			(1,687)	(1,687)
Home Rehab 231-235			(9,971)	(9,971)
Rental Rehab			(5,414)	(5,414)
NSP Fund			(28,932)	(28,932)
Home Rehab			(4,312)	(4,312)
Lake Kahola			(15)	(15)
TDD			(1,117)	(1,117)
Internal Improvements			(21,778)	(21,778)
Biodiesel Plant Project			(504,635)	(504,635)
Civic Auditorium Improvement			(14,430)	(14,430)
Park Improvement Project			(94,250)	(94,250)
Traffic Signals			(83,277)	(83,277)
Paving Projects			(388,185)	(388,185)
Total deductions	<u>(116,351)</u>	<u>(385,997)</u>	<u>(1,338,312)</u>	<u>(2,686,405)</u>
BUDGETARY FUND BALANCE				
December 31, 2010	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 477,581</u>	<u>\$ 5,502,474</u>

CITY OF EMPORIA, KANSAS

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY - continued

	Major Business-Type Funds			
	Solid Waste Disposal Fund	Sewer Utility Fund	Water Utility Fund	Total Business-Type Funds
Change in Net Assets December 31, 2010	\$ 914,382	\$ (58,981)	\$ 611,637	\$ 1,467,038
Adjustments:				
Capital assets	(677,348)	(242,761)	14,787	(905,322)
Encumbrances	785	7,594	(16,396)	(8,017)
Depreciation & amortization	286,295	1,017,054	776,433	2,079,782
Total deductions	<u>(390,268)</u>	<u>781,887</u>	<u>774,824</u>	<u>1,166,443</u>
Budgetary Change in Net Assets December 31, 2010	\$ <u>524,114</u>	\$ <u>722,906</u>	\$ <u>1,386,461</u>	\$ <u>2,633,480</u>

B. Compliance with Kansas Statutes

The following funds had deficit fund equities as of December 31, 2010: Home buyer repair \$7,812, Home Rehab. \$6,822 and TIF Fund \$23,544.

These deficits will be recovered from the receipt of bond proceeds and/or grant monies.

III. DETAILED NOTES ON ALL FUNDS

A. 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, the Municipal Investment Pool (KMIP). The average maturity of the above investments in the investment pool is two years. The maximum maturity of any investment in the investment pool is four years.

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, 2010, the City has the following Investments:

Investment Type	Fair Value	Rating	Weighted Rate
Kansas Municipal Investment Pool	\$ <u>7,336,746</u>	S&P AAAs/S1+	0.037%

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

CITY OF EMPORIA, KANSAS

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

III. DETAILED NOTES ON ALL FUNDS - continued

A. Deposits and Investments - continued

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. 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.

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 \$7,672,482 and the bank balance was \$8,179,908. The difference between the carrying amount and the bank balance was outstanding checks, deposits in transit and cash on hand. Of the bank balance, \$500,000 was covered by federal depository insurance and the remaining \$7,679,908 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 \$379,630 and the bank balance was \$427,132. The difference between the carrying amount and the bank balance was outstanding checks, deposits in transit and cash on hand. Of the bank balance, \$319,725 was covered by federal depository insurance and the remaining \$107,407 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.

B. Receivables

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

	<u>General</u>	<u>Debt Service</u>	<u>Solid Waste Disposal</u>	<u>Sewer Utility</u>	<u>Water Utility</u>	<u>Other Governmental</u>	<u>Total</u>
Receivables:							
Accounts	\$ 1,083,501	\$ 0	\$ 420,759	\$ 424,363	\$ 484,042	\$ 6,720	\$ 2,419,384
Taxes	<u>3,052,000</u>	<u>2,177,993</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>631,050</u>	<u>5,861,043</u>
Gross Receivables	4,135,501	2,177,993	420,759	424,363	484,042	637,770	8,280,427
Less: allowance for uncollectible	<u>103,989</u>	<u>0</u>	<u>17,438</u>	<u>27,576</u>	<u>20,944</u>	<u>0</u>	<u>169,948</u>
Total	<u>\$ 4,031,512</u>	<u>\$ 2,177,993</u>	<u>\$ 403,321</u>	<u>\$ 396,787</u>	<u>\$ 463,098</u>	<u>\$ 637,770</u>	<u>\$ 8,110,479</u>

CITY OF EMPORIA, KANSAS

NOTES TO FINANCIAL STATEMENTS
December 31, 2010

III. DETAILED NOTES ON ALL FUNDS – continued

C. Capital Assets

Capital asset activity for the year ended December 31, 2010, was as follows:

	Balance <u>January 1, 2010</u>	Additions/ <u>Restatements</u>	<u>Retirements</u>	Balance <u>December 31, 2010</u>
City governmental activities:				
Capital assets, not being depreciated				
Land	\$ 1,683,849	\$ 0	\$ 0	\$ 1,683,849
Construction in progress	0	0	0	0
Capital assets, being depreciated				
Land improvements	204,219,191	1,583,088	(131,644)	205,670,635
Buildings and improvements	14,073,787	589,051	0	14,662,838
Vehicles	2,962,518	94,013	(10,783)	3,045,748
Equipment, furniture and fixtures	5,759,435	206,467	(228,428)	5,737,474
Total capital assets	<u>228,698,780</u>	<u>2,472,619</u>	<u>(370,855)</u>	<u>230,800,544</u>
Less accumulated depreciation for:				
Land improvements	127,427,600	6,816,732	(118,479)	134,125,853
Buildings and improvements	8,201,439	421,100	0	8,622,539
Vehicles	2,581,983	174,225	(62,687)	2,693,521
Equipment, furniture and fixtures	4,836,402	258,083	(87,541)	5,006,944
Total accumulated depreciation	<u>143,047,424</u>	<u>7,670,140</u>	<u>(268,707)</u>	<u>150,448,857</u>
Governmental activities capital assets, net	<u>\$ 85,651,356</u>	<u>\$ (5,197,521)</u>	<u>\$ (102,148)</u>	<u>\$ 80,351,687</u>
Business-type activities:				
Capital assets, not being depreciated				
Land	\$ 210,525	\$ 0	\$ 0	\$ 210,525
Construction in process	14,469	4,103,661	0	4,118,130
Capital assets, being depreciated				
Land improvements	36,207,993	0	(50)	36,207,943
Buildings and improvements	19,445,696	0	0	19,445,696
Vehicles	1,567,523	612,452	(265,226)	1,914,749
Equipment, furniture and fixtures	9,221,867	44,950	(45,415)	9,221,402
Total capital assets	<u>66,668,073</u>	<u>4,761,063</u>	<u>(310,691)</u>	<u>71,118,445</u>
Less accumulated depreciation for:				
Land improvements	16,916,339	941,506	(50)	17,857,795
Buildings and improvements	8,447,320	513,534	0	8,960,854
Vehicles	1,304,569	125,943	(265,226)	1,165,286
Equipment, furniture and fixtures	6,848,502	465,163	(45,415)	7,268,250
Total accumulated depreciation	<u>33,516,730</u>	<u>2,046,146</u>	<u>(310,691)</u>	<u>35,252,185</u>
Business-type activities capital assets, net	<u>\$ 33,151,343</u>	<u>\$ 2,714,917</u>	<u>\$ 0</u>	<u>\$ 35,866,260</u>

CITY OF EMPORIA, KANSAS
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2010

III. DETAILED NOTES ON ALL FUNDS – continued

C. Capital Assets - continued

The City's depreciation expense was charged as follows:

Governmental Activities:	
General government	\$ 168,388
Public safety	284,050
Highways and streets	6,662,269
Culture and recreation	487,826
Airport operations	<u>67,608</u>
Total depreciation	<u>\$ 7,670,140</u>
Business-type Activities:	
Solid Waste Disposal	\$ 286,295
Sewer Utility	1,017,054
Water Utility	<u>742,797</u>
Total depreciation	<u>\$ 2,046,146</u>

D. Interfund Receivables and Payables

The composition of interfund balances as of December 31, 2010, is as follows:

Fund Types	Due From	Due To
General Fund	\$ 30,745	\$ 0
Special Revenue:		
Home Buyer Repair	0	7,201
TIF Fund	<u>0</u>	<u>23,544</u>
	<u>\$ 30,745</u>	<u>\$ 30,745</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.

E. Long-Term Debt

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

CITY OF EMPORIA, KANSAS

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

III. DETAILED NOTES ON ALL FUNDS – continued

E. Long-Term Debt - continued

Issue	Interest Rates	Date of Issue	Original Issue	Date of Final Maturity	Bonds Outstanding
Governmental Activities					
1997-A internal improvements	4.25% to 6.00%	10/1/1997	\$ 2,050,000	9/1/2011	\$ 130,000
1998 refunding and improvements	3.875 % to 4.75%	12/1/1998	3,375,000	9/1/2014	0
2001-A internal improvements	3.75% to 5.6%	10/8/2001	6,190,000	9/1/2016	0
2002 refunding	3.00% to 4.30%	8/27/2002	3,019,980	9/1/2017	300,000
2002-B refunding	3.00% to 3.50%	11/20/2002	2,800,000	11/1/2012	1,260,000
2003 refunding	3.20% to 4.65%	8/15/2003	1,631,800	9/1/2018	0
2004 internal improvements	3.875% to 4.10 %	9/1/2004	3,045,000	9/1/2019	2,685,000
2005 internal improvements	3.70% to 5.00%	10/27/2005	3,022,000	9/1/2019	2,728,800
2007-A internal improvements	5.00% to 5.60%	10/10/2007	3,604,164	9/1/2018	3,090,000
2007-B refunding	3.50% to 5.25%	12/27/2007	5,229,425	9/1/2019	3,835,000
2008 internal improvements	3.05-4.60%	9/1/2008	5,500,000	9/1/2028	4,775,000
2009-A tempory notes	1.85%-2.00%	9/1/2009	1,175,000	12/31/2012	1,005,000
2009 internal improvements	2.6% - 4.50%	9/1/2009	770,000	9/1/2029	730,000
2010-A internal improvements	3.0-4.0%	9/1/2009	8,470,000	9/1/2022	8,260,000
Business-type Activities					
1998 refunding and improvements	3.875 % to 4.75%	12/1/1998	6,195,000	9/1/2014	0
2004 internal improvements	3.875% to 4.10 %	9/1/2004	265,000	9/1/2019	210,000
2005 internal improvements	3.70% to 5.00%	10/27/2005	138,000	9/1/2019	21,200
2010-A internal improvements	3.0-4.0%	9/1/2009	3,000,000	9/1/2014	2,495,000
					<u>\$ 31,525,000</u>

During the year ended December 31, 2010, the following changes, including the reallocation of the general obligation bonds outstanding between governmental and business-type activities, occurred in long term liabilities:

	Governmental Activities			Business-type Activities		
	Balance January 1, 2010	Additions/ Adjustments	Reductions	Balance December 31, 2010	Due Within One Year	
General obligation bonds	\$ 28,464,274	\$ 8,470,000	\$ 9,140,474	\$ 27,793,800	\$ 3,068,800	
Temporary note	1,175,000	0	170,000	1,005,000	830,000	
Loans	67,243	0	26,495	40,748	27,029	
Compensated absences	490,069	0	59,840	430,229	143,409	
	<u>\$ 30,196,586</u>	<u>\$ 8,470,000</u>	<u>\$ 9,396,809</u>	<u>\$ 29,269,777</u>	<u>\$ 4,069,238</u>	
General obligation bonds	\$ 3,305,726	\$ 3,000,000	\$ 3,579,526	\$ 2,726,200	\$ 626,200	
Notes payable	11,518,203	3,537,378	760,203	14,295,378	4,323,684	
Compensated absences	75,767	0	33,370	42,397	14,136	
	<u>\$ 14,899,696</u>	<u>\$ 6,537,378</u>	<u>\$ 4,373,099</u>	<u>\$ 17,063,975</u>	<u>\$ 4,964,020</u>	

CITY OF EMPORIA, KANSAS

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

III. DETAILED NOTES ON ALL FUNDS – continued

E. Long-Term Debt - continued

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

Year	Business-type Activities		Governmental Activities		Total
	Principal	Interest	Principal	Interest	
2011	\$ 626,200	\$ 44,748	\$ 3,898,800	\$ 929,940	\$ 5,499,688
2012	615,000	35,613	3,705,000	819,171	5,174,784
2013	645,000	27,279	3,460,000	711,184	4,843,463
2014	685,000	18,163	3,275,000	604,313	4,582,476
2015	30,000	7,894	3,205,000	506,360	3,749,254
2016-2020	125,000	14,195	9,665,000	1,100,395	10,904,590
2021-2025	0	0	1,470,000	152,844	1,622,844
2026-2030	0	0	120,000	18,960	138,960
	<u>\$ 2,726,200</u>	<u>\$ 147,892</u>	<u>\$ 28,798,800</u>	<u>\$ 4,843,167</u>	<u>\$ 36,516,059</u>

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, 2010, total outstanding conduit debt was \$6,645,000.

Notes Payable. The City has notes payable with the Kansas Department of Health and Environment (KDHE) to fund water system improvements. Interest rates range from 3.42% to 4.07%. The debt services are as follows:

Year Ending December 31,	Water Utility Fund
2011	\$ 395,814
2012	455,207
2013	455,207
2014	455,207
2015	455,207
2016-2020	2,276,039
2021-2025	593,933
2026-2030	593,933
2031	59,396
Total Principal and interest	5,739,943
Less: Interest	1,340,738
Total Principal	<u>\$ 4,399,205</u>

CITY OF EMPORIA, KANSAS

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

III. DETAILED NOTES ON ALL FUNDS – continued

E. Long-Term Debt - continued

There are construction loans for water projects in progress in the amount of \$1,908,388 as of December 31, 2010. These loans have been treated as current loans for reporting purposes.

Payments began on September 1, 2001, on a 3.19% interest rate loan agreement with the Kansas Department of Health and Environment (KDHE) to fund wastewater treatment plant expansion. The current amount of debt service for this loan is \$2,979,637. Payments began on March 1, 2005, on a 3.10% interest rate loan agreement with the Kansas Department of Health and Environment (KDHE) to fund the second phase of the wastewater treatment plant expansion. The current amount of debt service for this loan is \$5,579,177. Annual debt service requirements for these loans, which mature March 1, 2021 and September 1, 2023, respectively, are as follows:

Year Ending December 31,	Wastewater Treatment Plant Expansion Phase I	Wastewater Treatment Plant Expansion Phase II	Total Sewer Utility Fund
2011	\$ 311,561	\$ 494,259	\$ 805,820
2012	311,561	494,259	805,820
2013	311,561	494,259	805,820
2014	311,561	494,259	805,820
2015	311,561	494,259	805,820
2016-2020	1,557,808	2,471,389	4,029,197
2021-2023	155,781	1,482,776	1,638,557
Total Principal and interest	3,271,394	6,425,460	9,696,854
Less: Interest	509,995	1,170,074	1,680,069
Total Principal	\$ 2,761,399	\$ 5,255,386	\$ 8,016,785

Loans Payable. Payments began on November 1, 2002, on a 2% interest rate loan agreement through the Camoplast Rockland economic development grant agreement. The annual debt service requirements on this loan, which matures May 1, 2012, are as follows:

Year Ending December 31,	Governmental Activities
2011	\$ 27,713
2012	13,856
Total Principal and interest	41,569
Less: Interest	821
Total Principal	\$ 40,748

CITY OF EMPORIA, KANSAS
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

III. DETAILED NOTES ON ALL FUNDS – continued

F. Reconciliation of Transfers

A reconciliation of interfund transfers follows:

	<u>To</u>	<u>From</u>
Major Funds:		
General	\$ 2,923,655	\$ 3,266,765
Industrial Development Sales Tax	579,550	272,275
Multi-year Improvement	1,972,612	219,168
Debt Service	1,039,383	0
Water Treatment Plant	454,598	0
Construction Projects	365,268	0
Solid Waste Disposal	56,616	721,517
Sewer Utility	26,539	833,660
Water Utility	38,925	1,618,753
Other Governmental Funds	214,457	247,610
Internal Service Funds	<u>0</u>	<u>491,855</u>
	<u>\$ 7,671,603</u>	<u>\$ 7,671,603</u>

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

G. Net Assets

The amounts reported on the statement of net assets identified as invested in capital assets, net of related debt are comprised of the following:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Primary Government Total</u>
Total net capital assets	\$ 80,351,687	\$ 35,866,260	\$ 116,217,947
Less:			
Current portion of notes payable	(13,719)	(4,323,684)	(4,337,403)
Current portion of general obligation bonds and temporary notes payable	(3,898,800)	(626,200)	(4,525,000)
Noncurrent portion of general obligation bonds and temporary notes payable	(245,034)	(28,262)	(273,296)
Noncurrent portion of notes payable	<u>(24,900,000)</u>	<u>(2,100,000)</u>	<u>(27,000,000)</u>
Net assets - invested in capital assets, net of related debt	<u>\$ 51,294,134</u>	<u>\$ 28,788,114</u>	<u>\$ 80,082,248</u>

CITY OF EMPORIA, KANSAS

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

IV. OTHER INFORMATION

A. 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 employer rate was 6.17% from January 1 to December 31, 2010. The City employer contributions to KPERS for the years ending December 31, 2010, 2009, and 2008, were \$351,618, \$318,192, and \$249,304, respectively, equal to the required contributions for each year. The KP&F employer rate established for fiscal years beginning in 2010 is 12.86%. 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, 2010, 2009, and 2008, were \$625,310, \$659,812, and \$625,634, respectively, equal to the required contributions for each year.

B. Deferred Compensation Plan

The City offers its employees a deferred compensation plan ("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, 2010 for IMCA was \$1,014,720 and for Nationwide (PEBSCO) was \$1,412,454.

C. Flexible Benefit Plan (I.R.C. 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.

D. 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, 2010, 2009, or 2008.

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.

CITY OF EMPORIA, KANSAS

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

IV. OTHER INFORMATION - continued

D. Risk Management - continued

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:

	2010	2009
Unpaid claims, January 1	\$ 369,693	\$ 369,693
Incurred claims (including IBNRs)	57,158	417,872
Claim payments	(242,005)	(417,872)
Unpaid claims, December 31	\$ 184,846	\$ 369,693

Insurance Fund. The City has discontinued its self insured employee health care program as of December 31, 2008. Activity in the fund in 2010 was to pay out existing claims. As of December 31, 2010 there were no unpaid claims and the cash balance remaining will be moved to other funds to offset other insurance expenses.

E. 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, 2010.

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.

F. New Governmental Accounting Standards

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

Statement 51 – "Accounting and Reporting for Intangible Assets" establishes new reporting standards for intangible assets. This statement would not appear to impact the City. It does have easements for right of trespass with regard to its utility lines. However there is no cash outlay for these easements. Therefore the City does not believe it has any intangible assets to report.

Statement 53 – "Accounting and Financial Reporting for Derivative Instruments" establishes new reporting standards for derivative instruments. This statement would not appear to impact the City as the city does not invest in any derivative instruments.

CITY OF EMPORIA, KANSAS

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

F. New Governmental Accounting Standards - continued

Statement 54 – “Fund Balance Reporting and Government Type Definitions” which requires fund balance reclassification. This statement will impact the City and the City is reviewing its application. This statement is effective for periods beginning after June 15, 2010.

Statement 57 - “OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans”. This statement is to address issues related to the use of the alternative measurement and the frequency and timing of measurements by employers that participate in agent multiple-employer other postemployment benefit (OPEB) plans. The city does not have any plans that qualify for this interpretation.

Statement 58 - "Accounting and Financial Reporting for Chapter 9 Bankruptcies" does not appear to apply to the City as it has not filed for bankruptcy, and has no intention of doing so in the foreseeable future.

G. Subsequent Events

The City evaluated subsequent events through May 24, 2011, the date the financial statements were available to be issued. No significant items which would require disclosure were noted.

OTHER FINANCIAL INFORMATION

CITY OF EMPORIA, KANSAS

COMBINING STATEMENTS - NONMAJOR FUNDS

December 31, 2010

NONMAJOR 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.

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 - NONMAJOR FUNDS

December 31, 2010

NONMAJOR SPECIAL REVENUE FUNDS

NON-BUDGETED FUNDS: continued

Housing CDBG Grant Fund - To account for the costs of rehabilitating eligible rental properties. Financing was provided by the US Department of Housing and Urban Development through a community development block grant.

Home Owners Rehab Fund - To account for funds used in the owner occupied rehabilitation grant program.

Law Enforcement Block Grant Fund - To account for grant funds from the US Department of Justice to be used to purchase certain equipment for the police department.

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

Home Rehab Fund - To account for the funds used in the owner occupied rehabilitation grant program.

231-235 Home Rehab Funds - To account for the funds used in the owner occupied rehabilitation grant program.

Rental Rehab Fund - To account for the funds used in the renter occupied rehabilitation grant program.

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

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

Home Rehab - To account for the funds used to rehabilitate homes which are currently occupied.

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.

TIF Fund - To account for funds associated with the Tax Increment Financing Project

NONMAJOR 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.

Recreation Center Improvement - To account for the improvements at the Recreation Center.

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

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

Airport Improvement - To account for the improvements at the airport.

CITY OF EMPORIA, KANSAS

COMBINING STATEMENTS - NONMAJOR FUNDS

December 31, 2010

NONMAJOR CAPITAL PROJECT FUNDS - continued

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

Special Assessment - To account for the costs of new subdivisions that will be charged special assessments.

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

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

CITY OF EMPORIA, KANSAS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 December 31, 2010

	Total Nonmajor Special Revenue Funds	Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and cash equivalents	\$ 865,721	\$ 1,106,779	\$ 1,972,500
Receivables			
Accounts	6,720	0	6,720
Taxes	<u>631,052</u>	<u>0</u>	<u>631,052</u>
 Total assets	 <u>\$ 1,503,493</u>	 <u>\$ 1,106,779</u>	 <u>\$ 2,610,272</u>
LIABILITIES			
Due to other funds	\$ 30,745	\$ 0	\$ 30,745
Accounts payable	125,081	224	125,305
Accrued liabilities	7,276	0	7,276
Deferred revenue	<u>631,052</u>	<u>0</u>	<u>631,052</u>
 Total liabilities	 <u>794,154</u>	 <u>224</u>	 <u>794,379</u>
FUND BALANCE			
Unreserved			
Undesignated (deficit)	<u>709,338</u>	<u>1,106,555</u>	<u>1,815,893</u>
 Total fund balance (deficit)	 <u>709,338</u>	 <u>1,106,555</u>	 <u>1,815,893</u>
 Total liabilities and fund balances	 <u>\$ 1,503,493</u>	 <u>\$ 1,106,779</u>	 <u>\$ 2,610,272</u>

CITY OF EMPORIA, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2010

	Total Nonmajor Special Revenue Funds	Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
REVENUES			
Taxes	\$ 1,486,243	\$ 0	\$ 1,486,243
Intergovernmental	1,267,507	52,876	1,320,383
Use of money and property	2,122	2,196	4,318
Miscellaneous	39,187	6,765	45,952
Contributions	1,705	111,011	112,716
	<u>2,796,764</u>	<u>172,848</u>	<u>2,969,612</u>
EXPENDITURES			
Current			
General government	566,611	0	566,611
Law enforcement	256,889	0	256,889
Highways and streets	627,561	0	627,561
Culture and recreation	719,136	0	719,136
Health and environment	85,400	0	85,400
Planning and development	504,596	0	504,596
Capital outlay	0	433,154	433,154
Bond issuance costs	0	35,498	35,498
Debt service	0	0	0
	<u>2,760,193</u>	<u>468,652</u>	<u>3,228,845</u>
Excess (deficiency) of revenues over (under) expenditures	<u>36,571</u>	<u>(295,805)</u>	<u>(259,234)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	130,344	84,113	214,457
Transfers out	(203,615)	(43,995)	(247,610)
Sale of bonds	0	44,283	44,283
	<u>(73,271)</u>	<u>84,401</u>	<u>11,130</u>
Net change in fund balances	(36,700)	(211,404)	(248,104)
Fund balance, beginning of year	<u>746,038</u>	<u>1,317,959</u>	<u>2,063,997</u>
Fund balances, end of year	<u>\$ 709,338</u>	<u>\$ 1,106,555</u>	<u>\$ 1,815,893</u>

CITY OF EMPORIA, KANSAS

COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 December 31, 2010

	<u>Library</u>	<u>Library Employee Benefits</u>	<u>Convention and Tourism Promotion</u>
ASSETS			
Cash and investments	\$ 21,742	\$ 744	\$ 115,807
Receivables			
Accounts	0	0	0
Taxes	<u>574,740</u>	<u>55,282</u>	<u>0</u>
 Total assets	 <u>\$ 596,482</u>	 <u>\$ 56,026</u>	 <u>\$ 115,807</u>
LIABILITIES			
Due to other funds	\$ 0	\$ 0	\$ 0
Accounts payable	0	0	31,270
Accrued liabilities	0	0	0
Deferred revenue	<u>574,740</u>	<u>55,282</u>	<u>0</u>
 Total liabilities	 <u>574,740</u>	 <u>55,282</u>	 <u>31,270</u>
FUND BALANCE			
Unreserved			
Undesignated (deficit)	<u>21,742</u>	<u>744</u>	<u>84,537</u>
 Total fund balance (deficit)	 <u>21,742</u>	 <u>744</u>	 <u>84,537</u>
 Total liabilities and fund balances	 <u>\$ 596,482</u>	 <u>\$ 56,026</u>	 <u>\$ 115,807</u>

<u>Industrial</u>	<u>Special Alcohol Program</u>	<u>Special Park and Recreation</u>	<u>Special Street</u>	<u>Drug Money Forfeiture</u>	<u>Wireless 911 Tax</u>
\$ 69,698	\$ 74,415	\$ 186,186	\$ 164,948	\$ 1,338	\$ 82,027
0	0	0	5,805	0	115
<u>1,030</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$ 70,728</u>	<u>\$ 74,415</u>	<u>\$ 186,186</u>	<u>\$ 170,753</u>	<u>\$ 1,338</u>	<u>\$ 82,142</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	31,410	19,700	1,300	1,613
0	0	0	7,222	0	0
<u>1,030</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>1,030</u>	<u>0</u>	<u>31,410</u>	<u>26,922</u>	<u>1,300</u>	<u>1,613</u>
<u>\$ 69,698</u>	<u>\$ 74,415</u>	<u>\$ 154,776</u>	<u>\$ 143,831</u>	<u>\$ 38</u>	<u>\$ 80,529</u>
<u>69,698</u>	<u>74,415</u>	<u>154,776</u>	<u>143,831</u>	<u>38</u>	<u>80,529</u>
<u>\$ 70,728</u>	<u>\$ 74,415</u>	<u>\$ 186,186</u>	<u>\$ 170,753</u>	<u>\$ 1,338</u>	<u>\$ 82,142</u>

CITY OF EMPORIA, KANSAS

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
December 31, 2010

	<u>Telephone Tax-911</u>	<u>Housing Study RDA</u>	<u>Emergency Shelter</u>	<u>Housing CDBG Grant</u>
ASSETS				
Cash and investments	\$ 92,553	\$ 1,694	\$ 0	\$ 0
Receivables				
Accounts	800	0	0	0
Taxes	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
 Total assets	 <u>\$ 93,353</u>	 <u>\$ 1,694</u>	 <u>\$ 0</u>	 <u>\$ 0</u>
LIABILITIES				
Due to other funds	\$ 0	\$ 0	\$ 0	\$ 0
Accounts payable	0	0	0	0
Accrued liabilities	0	0	0	0
Deferred revenue	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
 Total liabilities	 <u>0</u>	 <u>0</u>	 <u>0</u>	 <u>0</u>
FUND BALANCE				
Unreserved				
Undesignated (deficit)	<u>93,353</u>	<u>\$ 1,694</u>	<u>\$ 0</u>	<u>\$ 0</u>
 Total fund balance (deficit)	 <u>93,353</u>	 <u>1,694</u>	 <u>0</u>	 <u>0</u>
 Total liabilities and fund balances	 <u>\$ 93,353</u>	 <u>\$ 1,694</u>	 <u>\$ 0</u>	 <u>\$ 0</u>

<u>Home Owners Rehab</u>	<u>Law Enforcement Block Grant</u>	<u>DARE Crime Prevention</u>	<u>Home Rehab</u>	<u>Funds 231-235 Home Rehab</u>	<u>Rental Rehab</u>
\$ 0	\$ 3,121	\$ 1,687	\$ 0	\$ 9,971	\$ 5,414
0	0	0	0	0	
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$ 0</u>	<u>\$ 3,121</u>	<u>\$ 1,687</u>	<u>\$ 0</u>	<u>\$ 9,971</u>	<u>\$ 5,414</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	0	165
0	54	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>0</u>	<u>54</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>165</u>
\$ <u>0</u>	\$ <u>3,067</u>	\$ <u>1,687</u>	\$ <u>0</u>	\$ <u>9,971</u>	\$ <u>5,249</u>
<u>0</u>	<u>3,067</u>	<u>1,687</u>	<u>0</u>	<u>9,971</u>	<u>5,249</u>
<u>\$ 0</u>	<u>\$ 3,121</u>	<u>\$ 1,687</u>	<u>\$ 0</u>	<u>\$ 9,971</u>	<u>\$ 5,414</u>

CITY OF EMPORIA, KANSAS

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
December 31, 2010

	<u>NSP Fund</u>	<u>Home buyer Repair</u>	<u>Home Rehab.</u>	<u>Lake Kahola</u>
ASSETS				
Cash and investments	\$ 28,932	\$ 0	\$ 4,312	\$ 15
Receivables				
Accounts	0	0	0	0
Taxes	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total assets	<u>\$ 28,932</u>	<u>\$ 0</u>	<u>\$ 4,312</u>	<u>\$ 15</u>
LIABILITIES				
Due to other funds	\$ 0	\$ 7,201	\$ 0	\$ 0
Accounts payable	27,878	611	11,134	0
Accrued liabilities	0	0	0	0
Deferred revenue	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total liabilities	<u>27,878</u>	<u>7,812</u>	<u>11,134</u>	<u>0</u>
FUND BALANCE				
Unreserved				
Undesignated (deficit)	<u>1,054</u>	<u>\$ (7,812)</u>	<u>\$ (6,822)</u>	<u>\$ 15</u>
Total fund balance (deficit)	<u>1,054</u>	<u>(7,812)</u>	<u>(6,822)</u>	<u>15</u>
Total liabilities and fund balances	<u>\$ 28,932</u>	<u>\$ 0</u>	<u>\$ 4,312</u>	<u>\$ 15</u>

<u>TDD</u> <u>Fund</u>	<u>TIF</u> <u>Fund</u>	<u>Totals</u>
\$ 1,117	\$ 0	\$ 865,721
0	0	6,720
<u>0</u>	<u>0</u>	<u>631,052</u>
<u>\$ 1,117</u>	<u>\$ 0</u>	<u>\$ 1,503,493</u>
\$ 0	\$ 23,544	\$ 30,745
0	0	125,081
0	0	7,276
<u>0</u>	<u>0</u>	<u>631,052</u>
<u>0</u>	<u>23,544</u>	<u>794,154</u>
<u>\$ 1,117</u>	<u>\$ (23,544)</u>	<u>\$ 709,338</u>
<u>1,117</u>	<u>(23,544)</u>	<u>709,338</u>
<u>\$ 1,117</u>	<u>\$ 0</u>	<u>\$ 1,503,493</u>

CITY OF EMPORIA, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS

December 31, 2010

	<u>Library</u>	<u>Library Employee Benefits</u>	<u>Convention and Tourism Promotion</u>
REVENUES			
Taxes	661,541	\$ 60,424	\$ 0
Intergovernmental	0	0	418,929
Use of money and property	0	0	154
Donations	0	0	0
Miscellaneous	126	0	0
	<u>661,667</u>	<u>60,424</u>	<u>419,083</u>
EXPENDITURES			
General government	0	0	398,733
Law enforcement	0	0	0
Highways and streets	0	0	0
Culture and recreation	656,946	62,190	0
Health and environment	0	0	0
Planning and development	0	0	0
	<u>656,946</u>	<u>62,190</u>	<u>398,733</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,721</u>	<u>(1,766)</u>	<u>20,350</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	0	0	0
Transfers out	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net change in fund balances	4,721	(1,766)	20,350
Fund balance, beginning of year	<u>17,021</u>	<u>2,510</u>	<u>64,187</u>
Fund balances, end of year	<u><u>21,742</u></u>	<u><u>744</u></u>	<u><u>84,537</u></u>

<u>Industrial</u>	<u>Special Alcohol Program</u>	<u>Special Park and Recreation</u>	<u>Special Street</u>	<u>Drug Money Forfeiture</u>	<u>Wireless 911 Tax</u>
\$ 0	\$ 0	\$ 0	\$ 764,278	\$ 0	\$ 0
1,157	72,504	72,504	5,540	11,901	56,397
192	148	938	339	(7)	117
0	0	0	0	0	0
0	0	0	16,040	0	0
<u>1,349</u>	<u>72,652</u>	<u>73,442</u>	<u>786,197</u>	<u>11,894</u>	<u>56,513</u>
0	0	101,378	0	0	13,656
0	0	0	0	12,571	0
0	0	0	627,561	0	0
0	0	0	0	0	0
0	85,400	0	0	0	0
<u>55,820</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>55,820</u>	<u>85,400</u>	<u>101,378</u>	<u>627,561</u>	<u>12,571</u>	<u>13,656</u>
<u>(54,471)</u>	<u>(12,748)</u>	<u>(27,936)</u>	<u>158,636</u>	<u>(677)</u>	<u>42,857</u>
0	0	44,236	10,616	0	0
<u>0</u>	<u>0</u>	<u>(6,144)</u>	<u>(119,142)</u>	<u>0</u>	<u>0</u>
<u>0</u>	<u>0</u>	<u>38,092</u>	<u>(108,526)</u>	<u>0</u>	<u>0</u>
(54,471)	(12,748)	10,156	50,110	(677)	42,857
<u>124,169</u>	<u>87,163</u>	<u>144,620</u>	<u>93,721</u>	<u>715</u>	<u>37,672</u>
<u>\$ 69,698</u>	<u>\$ 74,415</u>	<u>\$ 154,776</u>	<u>\$ 143,831</u>	<u>\$ 38</u>	<u>\$ 80,529</u>

CITY OF EMPORIA, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
December 31, 2010

	Telephone Tax-911	Housing Study RDA	Emergency Shelter	Housing CDBG Grant
REVENUES				
Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental	44,441	0	21,817	0
Use of money and property	168	0	0	0
Donations	0	0	0	0
Miscellaneous	0	0	0	0
Total revenues	44,609	0	21,817	0
EXPENDITURES				
General government	29,887	0	21,817	0
Law enforcement	0	0	0	0
Highways and streets	0	0	0	0
Culture and recreation	0	0	0	0
Health and environment	0	0	0	0
Planning and development	0	0	0	0
Total expenditures	29,887	0	21,817	0
Excess (deficiency) of revenues over (under) expenditures	14,723	0	(0)	0
OTHER FINANCING SOURCES (USES)				
Transfers in	0	0	0	0
Transfers out	0	0	0	(3,361)
Total other financing sources (uses)	0	0	0	(3,361)
Net change in fund balances	14,723	0	0	(3,361)
Fund balance, beginning of year	78,630	1,694	0	3,361
Fund balances, end of year	<u>\$ 93,353</u>	<u>\$ 1,694</u>	<u>\$ 0</u>	<u>\$ 0</u>

<u>Home Owners Rehab</u>	<u>Law Enforcement Block Grant</u>	<u>DARE Crime Prevention</u>	<u>Home Rehab</u>	<u>Funds 231-235 Home Rehab</u>	<u>Rental Rehab</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	242,233	0	0	1,305	1,875
0	0	0	0	0	0
0	1,705	0	0	0	0
0	0	0	0	0	0
<u>0</u>	<u>243,938</u>	<u>0</u>	<u>0</u>	<u>1,305</u>	<u>1,875</u>
0	0	0	0	1,019	0
0	244,318	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	44,787
<u>0</u>	<u>244,318</u>	<u>0</u>	<u>0</u>	<u>1,019</u>	<u>44,787</u>
<u>0</u>	<u>(381)</u>	<u>0</u>	<u>0</u>	<u>286</u>	<u>(42,912)</u>
0	0	0	0	0	35,492
(8,278)	0	0	(1,021)	(22,833)	0
<u>(8,278)</u>	<u>0</u>	<u>0</u>	<u>(1,021)</u>	<u>(22,833)</u>	<u>35,492</u>
(8,278)	(381)	0	(1,021)	(22,547)	(7,420)
<u>8,278</u>	<u>3,447</u>	<u>1,687</u>	<u>1,021</u>	<u>32,518</u>	<u>12,669</u>
<u>\$ 0</u>	<u>\$ 3,067</u>	<u>\$ 1,687</u>	<u>\$ 0</u>	<u>\$ 9,971</u>	<u>\$ 5,249</u>

CITY OF EMPORIA, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
December 31, 2010

	<u>NSP Fund</u>	<u>Home buyer Repair</u>	<u>Home Rehab.</u>	<u>Lake Kahola</u>
REVENUES				
Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental	221,190	20,380	75,335	0
Use of money and property	0	0	0	73
Donations	0	0	0	0
Miscellaneous	1,349	50	0	21,620
	<u>222,539</u>	<u>20,430</u>	<u>75,335</u>	<u>21,693</u>
Total revenues				
EXPENDITURES				
General government	0	0	77	0
Law enforcement	0	0	0	0
Highways and streets	0	0	0	0
Culture and recreation	0	0	0	0
Health and environment	0	0	0	0
Planning and development	221,485	28,242	122,080	32,182
	<u>221,485</u>	<u>28,242</u>	<u>122,157</u>	<u>32,182</u>
Total expenditures				
Excess (deficiency) of revenues over (under) expenditures	<u>1,054</u>	<u>(7,812)</u>	<u>(46,822)</u>	<u>(10,489)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	0	0	40,000	0
Transfers out	<u>0</u>	<u>0</u>	<u>0</u>	<u>(42,836)</u>
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>40,000</u>	<u>(42,836)</u>
Net change in fund balances	1,054	(7,812)	(6,822)	(53,325)
Fund balance, beginning of year	<u>0</u>	<u>0</u>	<u>0</u>	<u>53,340</u>
Fund balances, end of year	<u>\$ 1,054</u>	<u>\$ (7,812)</u>	<u>\$ (6,822)</u>	<u>\$ 15</u>

	TDD		TIF		Totals
	Fund		Fund		
\$	0	\$	0	\$	1,486,243
	0		0		1,267,507
	0		0		2,122
	0		0		1,705
	2		0		39,187
	<u>2</u>		<u>0</u>		<u>2,796,764</u>
	0		44		566,611
	0		0		256,889
	0		0		627,561
	0		0		719,136
	0		0		85,400
	<u>0</u>		<u>0</u>		<u>504,596</u>
	<u>0</u>		<u>44</u>		<u>2,760,193</u>
	<u>2</u>		<u>(44)</u>		<u>36,571</u>
	0		0		130,344
	<u>0</u>		<u>0</u>		<u>(203,615)</u>
	<u>0</u>		<u>0</u>		<u>(73,271)</u>
	2		(44)		(36,700)
	<u>1,115</u>		<u>(23,500)</u>		<u>746,038</u>
\$	<u><u>1,117</u></u>	\$	<u><u>(23,544)</u></u>	\$	<u><u>709,338</u></u>

CITY OF EMPORIA, KANSAS

COMBINING BALANCE SHEET
 NONMAJOR CAPITAL PROJECTS FUNDS
 December 31, 2010

	<u>Internal Improvements</u>	<u>Recreation Center Improvement</u>	<u>Biodiesel Plant Project</u>	<u>Civic Auditorium Improvement</u>
ASSETS				
Cash and investments	\$ 22,002	\$ 0	\$ 504,635	\$ 14,430
Accounts receivable	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total assets	<u>\$ 22,002</u>	<u>\$ 0</u>	<u>\$ 504,635</u>	<u>\$ 14,430</u>
LIABILITIES				
Accounts payable	<u>\$ 224</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total liabilities	<u>224</u>	<u>0</u>	<u>0</u>	<u>0</u>
FUND BALANCE				
Restricted	0	0	0	0
Unreserved				
Undesignated (deficit)	<u>21,778</u>	<u>0</u>	<u>504,635</u>	<u>14,430</u>
Total fund balance (deficit)	<u>21,778</u>	<u>0</u>	<u>504,635</u>	<u>14,430</u>
Total liabilities and fund balances	<u>\$ 22,002</u>	<u>\$ 0</u>	<u>\$ 504,635</u>	<u>\$ 14,430</u>

<u>Airport Improvement</u>	<u>Park Improvement Project</u>	<u>Special Assessment</u>	<u>Traffic Signals</u>	<u>Paving Project</u>	<u>Totals</u>
\$ 0	\$ 94,250	\$ 0	\$ 83,277	\$ 388,185	\$ 1,106,779
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$ 0</u>	<u>\$ 94,250</u>	<u>\$ 0</u>	<u>\$ 83,277</u>	<u>\$ 388,185</u>	<u>\$ 1,106,779</u>
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 224</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>224</u>
0	0	0	0	0	0
<u>0</u>	<u>94,250</u>	<u>0</u>	<u>83,277</u>	<u>388,185</u>	<u>1,106,555</u>
<u>0</u>	<u>94,250</u>	<u>0</u>	<u>83,277</u>	<u>388,185</u>	<u>1,106,555</u>
<u>\$ 0</u>	<u>\$ 94,250</u>	<u>\$ 0</u>	<u>\$ 83,277</u>	<u>\$ 388,185</u>	<u>\$ 1,106,779</u>

CITY OF EMPORIA, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS

December 31, 2010

	<u>Internal Improvements</u>	<u>Recreation Center Improvement</u>	<u>Biodiesel Plant Project</u>	<u>Civic Auditorium Improvement</u>
REVENUES				
Intergovernmental	\$ 10,942	\$ 0	\$ 0	\$ 0
Use of money and property	154	1	949	0
Miscellaneous	6,765	0	0	0
Contributions	<u>0</u>	<u>0</u>	<u>0</u>	<u>111,000</u>
Total revenues	<u>17,861</u>	<u>1</u>	<u>949</u>	<u>111,000</u>
EXPENDITURES				
Capital outlay				
Contract costs	225,375	2	1,532	150,292
Bond issuance costs	35,498	0	0	0
Debt service				
Principal	0	0	0	0
Interest and other charges	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total expenditures	<u>260,873</u>	<u>2</u>	<u>1,532</u>	<u>150,292</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(243,012)</u>	<u>(1)</u>	<u>(583)</u>	<u>(39,292)</u>
OTHER FINANCING RESOURCES (USES)				
Transfers in	22,142	2,890	0	52,865
Transfers out	(11,351)	0	0	(12,612)
Sale of bonds	<u>44,283</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total other financing sources (uses)	<u>55,074</u>	<u>2,890</u>	<u>0</u>	<u>40,253</u>
Net change in fund balances	(187,938)	2,889	(583)	961
Fund balance, beginning of year	<u>209,716</u>	<u>(2,889)</u>	<u>505,218</u>	<u>13,469</u>
Fund balances, end of year	<u>\$ 21,778</u>	<u>\$ 0</u>	<u>\$ 504,635</u>	<u>\$ 14,430</u>

<u>Airport Improvement</u>	<u>Park Improvement Project</u>	<u>Special Assessment</u>	<u>Traffic Signals</u>	<u>Paving Project</u>	<u>Totals</u>
\$ 0	\$ 13,474	\$ 0	\$ 0	\$ 28,460	\$ 52,876
3	179	28	156	726	2,196
0	0	0	0	0	6,765
0	11	0	0	0	111,011
<u>3</u>	<u>13,664</u>	<u>28</u>	<u>156</u>	<u>29,186</u>	<u>172,848</u>
0	20,660	4,103	0	31,191	433,154
0	0	0	0	0	35,498
0	0	0	0	0	0
0	0	0	0	0	0
<u>0</u>	<u>20,660</u>	<u>4,103</u>	<u>0</u>	<u>31,191</u>	<u>468,652</u>
<u>3</u>	<u>(6,996)</u>	<u>(4,075)</u>	<u>156</u>	<u>(2,005)</u>	<u>(295,805)</u>
72	6,144	0	0	0	84,113
(2,264)	(1,400)	(16,368)	0	0	(43,995)
0	0	0	0	0	44,283
<u>(2,192)</u>	<u>4,744</u>	<u>(16,368)</u>	<u>0</u>	<u>0</u>	<u>84,401</u>
(2,189)	(2,252)	(20,443)	156	(2,005)	(211,404)
<u>2,189</u>	<u>96,502</u>	<u>20,443</u>	<u>83,121</u>	<u>390,190</u>	<u>1,317,959</u>
<u>\$ 0</u>	<u>\$ 94,250</u>	<u>\$ 0</u>	<u>\$ 83,277</u>	<u>\$ 388,185</u>	<u>\$ 1,106,555</u>

CITY OF EMPORIA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET

LIBRARY FUND

For the Year Ended December 31, 2010

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Favorable (Unfavorable)
				Original	Final	
REVENUE						
Taxes	\$ 661,541	\$ 0	\$ 661,541	\$ 667,561	\$ 667,561	\$ (6,020)
Miscellaneous	126	0	126	0	0	126
Total revenues	661,667	0	661,667	667,561	667,561	(5,894)
EXPENDITURES						
Culture and recreation	656,946	0	656,946	656,946	656,946	0
Total expenditures	656,946	0	656,946	656,946	656,946	0
Excess of revenues over (under) expenditures	4,721	0	4,721			
FUND BALANCE -						
Beginning of year	17,021	0	17,021			
End of year	\$ 21,742	\$ 0	\$ 21,742			

CITY OF EMPORIA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - ACTUAL AND BUDGET
 LIBRARY EMPLOYEE BENEFIT FUND
 For the Year Ended December 31, 2010

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Favorable (Unfavorable)
				Original	Final	
REVENUE						
Taxes	\$ 60,424	\$ 0	\$ 60,424	\$ 61,058	\$ 61,058	\$ (634)
Total revenues	60,424	0	60,424	\$ 61,058	\$ 61,058	\$ (634)
EXPENDITURES						
Culture and recreation	62,190	0	62,190	62,190	62,190	0
Total expenditures	62,190	0	62,190	\$ 62,190	\$ 62,190	\$ 0
Excess of revenues over (under) expenditures	(1,766)	0	(1,766)			
FUND BALANCE -						
Beginning of year	2,510	0	2,510			
End of year	\$ 744	\$ 0	\$ 744			

CITY OF EMPORIA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - ACTUAL AND BUDGET
 CONVENTION AND TOURISM FUND
 For the Year Ended December 31, 2010

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Favorable (Unfavorable)
				Original	Final	
REVENUES						
Intergovernmental	\$ 418,929	\$ 0	\$ 418,929	\$ 361,584	\$ 361,584	\$ 57,345
Use of money & property	154	0	154	1,000	1,000	(846)
Total revenues	<u>419,083</u>	<u>0</u>	<u>419,083</u>	<u>\$ 362,584</u>	<u>\$ 362,584</u>	<u>\$ 56,499</u>
EXPENDITURES						
General government						
Miscellaneous	0	0	0	15,000	15,000	15,000
Appropriations	<u>398,733</u>	<u>0</u>	<u>398,733</u>	<u>377,000</u>	<u>377,000</u>	<u>(21,733)</u>
Total expenditures	<u>398,733</u>	<u>0</u>	<u>398,733</u>	<u>\$ 392,000</u>	<u>\$ 392,000</u>	<u>\$ (6,733)</u>
Excess of revenues over (under) expenditures	20,350	0	20,350			
FUND BALANCE -						
Beginning of year	<u>64,187</u>	<u>0</u>	<u>64,187</u>			
End of year	<u>\$ 84,537</u>	<u>\$ 0</u>	<u>\$ 84,537</u>			

CITY OF EMPORIA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
INDUSTRIAL FUND

For the Year Ended December 31, 2010

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Favorable (Unfavorable)
				Original	Final	
REVENUES						
Intergovernmental	\$ 1,157	\$ 0	\$ 1,157	\$ 1,128	\$ 1,128	\$ 29
Use of money & property	192	0	192	2,500	2,500	(2,308)
Total revenues	<u>1,349</u>	<u>0</u>	<u>1,349</u>	<u>\$ 3,628</u>	<u>\$ 3,628</u>	<u>\$ (2,279)</u>
EXPENDITURES						
Planning and development						
Contractual services	<u>55,820</u>	<u>0</u>	<u>55,820</u>	<u>128,096</u>	<u>128,096</u>	<u>72,276</u>
Total expenditures	<u>55,820</u>	<u>0</u>	<u>55,820</u>	<u>\$ 128,096</u>	<u>\$ 128,096</u>	<u>\$ 72,276</u>
Excess of revenues over (under) expenditures	(54,471)	0	(54,471)			
FUND BALANCE -						
Beginning of year	<u>124,169</u>	<u>0</u>	<u>124,169</u>			
End of year	<u>\$ 69,698</u>	<u>\$ 0</u>	<u>\$ 69,698</u>			

CITY OF EMPORIA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - ACTUAL AND BUDGET
 SPECIAL ALCOHOL PROGRAM FUND
 For the Year Ended December 31, 2010

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Favorable (Unfavorable)
				Original	Final	
REVENUES						
Intergovernmental	\$ 72,504	\$ 0	\$ 72,504	\$ 88,000	\$ 88,000	\$ (15,496)
Use of money & property	148	0	148	2,000	2,000	(1,852)
Total revenues	<u>72,652</u>	<u>0</u>	<u>72,652</u>	<u>\$ 90,000</u>	<u>\$ 90,000</u>	<u>\$ (17,348)</u>
EXPENDITURES						
Health and environment						
Appropriation	85,400	0	85,400	85,400	85,400	0
Other charges	<u>0</u>	<u>0</u>	<u>0</u>	<u>94,166</u>	<u>94,166</u>	<u>94,166</u>
Total expenditures	<u>85,400</u>	<u>0</u>	<u>85,400</u>	<u>\$ 179,566</u>	<u>\$ 179,566</u>	<u>\$ 94,166</u>
Excess of revenues over (under) expenditures	(12,748)	0	(12,748)			
FUND BALANCE -						
Beginning of year	<u>87,163</u>	<u>0</u>	<u>87,163</u>			
End of year	<u>\$ 74,415</u>	<u>\$ 0</u>	<u>\$ 74,415</u>			

CITY OF EMPORIA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - ACTUAL AND BUDGET
 SPECIAL PARK AND RECREATION FUND
 For the Year Ended December 31, 2010

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Favorable (Unfavorable)
				Original	Final	
REVENUES						
Intergovernmental	\$ 72,504	\$ 0	\$ 72,504	\$ 93,000	\$ 93,000	\$ (20,496)
Use of money & property	938	0	938	1,000	1,000	(62)
Total revenues	<u>73,442</u>	<u>0</u>	<u>73,442</u>	<u>\$ 94,000</u>	<u>\$ 94,000</u>	<u>\$ (20,558)</u>
EXPENDITURES						
General government						
Capital outlay	90,038	0	90,038	217,500	217,500	127,462
Other charges	<u>11,340</u>	<u>0</u>	<u>11,340</u>	<u>44,418</u>	<u>44,418</u>	<u>33,078</u>
Total expenditures	<u>101,378</u>	<u>0</u>	<u>101,378</u>	<u>\$ 261,918</u>	<u>\$ 261,918</u>	<u>\$ 160,540</u>
Excess of revenues over (under) expenditures	(27,936)	0	(27,936)			
OTHER FINANCING SOURCES (USES):						
Transfers in	44,236	0	44,236	\$ 0	\$ 0	(44,236)
Transfers out	<u>(6,144)</u>	<u>0</u>	<u>(6,144)</u>	<u>0</u>	<u>0</u>	<u>(6,144)</u>
Total other financing sources (uses)	38,092	0	38,092	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (50,380)</u>
Excess of revenues over (under) expenditures & other financing (uses)	<u>10,156</u>	<u>0</u>	<u>10,156</u>			
FUND BALANCE -						
Beginning of year	<u>144,620</u>	<u>0</u>	<u>144,620</u>			
End of year	<u>\$ 154,776</u>	<u>\$ 0</u>	<u>\$ 154,776</u>			

CITY OF EMPORIA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
SPECIAL STREET FUND

For the Year Ended December 31, 2010

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Favorable (Unfavorable)
				Original	Final	
REVENUES						
Taxes	\$ 764,278	\$ 0	\$ 764,278	\$ 855,440	\$ 855,440	\$ (91,162)
Intergovernmental	5,540	0	5,540	0	0	5,540
Use of money & property	339	0	339	2,000	2,000	(1,661)
Miscellaneous	16,040	0	16,040	7,000	7,000	9,040
Total revenues	<u>786,197</u>	<u>0</u>	<u>786,197</u>	<u>\$ 864,440</u>	<u>\$ 864,440</u>	<u>\$ (78,243)</u>
EXPENDITURES						
Highways and streets						
Personal services	371,527	0	371,527	450,121	450,121	78,594
Contractual	197,110	0	197,110	91,450	91,450	(105,660)
Commodities	18,700	0	18,700	133,600	133,600	114,900
Other charges	207	0	207	24,000	24,000	23,793
Capital outlay	40,017	0	40,017	61,000	61,000	20,983
Total expenditures	<u>627,561</u>	<u>0</u>	<u>627,561</u>	<u>\$ 760,171</u>	<u>\$ 760,171</u>	<u>\$ 132,610</u>
Excess of revenues over (under) expenditures	158,636	0	158,636			
OTHER FINANCING SOURCES (USES):						
Transfers in	10,616	0	10,616	\$ 0	\$ 0	\$ (10,616)
Transfers out	(119,142)	0	(119,142)	(128,316)	(128,316)	9,174
Total other financing sources and (uses)	<u>(108,526)</u>	<u>0</u>	<u>(108,526)</u>	<u>\$ (128,316)</u>	<u>\$ (128,316)</u>	<u>\$ (1,442)</u>
Net change in fund balances	50,110	0	50,110			
FUND BALANCE -						
Beginning of year	<u>93,721</u>	<u>0</u>	<u>93,721</u>			
End of year	<u>\$ 143,831</u>	<u>\$ 0</u>	<u>\$ 143,831</u>			

CITY OF EMPORIA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - ACTUAL AND BUDGET
 DRUG MONEY FORFEITURE FUND
 For the Year Ended December 31, 2010

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Favorable (Unfavorable)
				Original	Final	
REVENUES						
Intergovernmental	\$ 11,901	\$ 0	\$ 11,901	\$ 55,000	\$ 55,000	\$ (43,099)
Use of money & property	(7)	0	(7)	500	500	(507)
Total revenues	<u>11,894</u>	<u>0</u>	<u>11,894</u>	<u>\$ 55,500</u>	<u>\$ 55,500</u>	<u>\$ (43,606)</u>
EXPENDITURES						
Law enforcement						
Contractual	1,210	0	1,210	7,000	7,000	5,790
Commodities	11,361	0	11,361	43,571	43,571	32,210
Capital outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>10,500</u>	<u>10,500</u>	<u>10,500</u>
Total expenditures	<u>12,571</u>	<u>0</u>	<u>12,571</u>	<u>\$ 61,071</u>	<u>\$ 61,071</u>	<u>\$ 48,500</u>
Excess of revenues over (under) expenditures	(677)	0	(677)			
FUND BALANCE -						
Beginning of year	<u>715</u>	<u>0</u>	<u>715</u>			
End of year	<u>\$ 38</u>	<u>\$ 0</u>	<u>\$ 38</u>			

CITY OF EMPORIA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
DEBT SERVICE FUND

For the Year Ended December 31, 2010

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Favorable (Unfavorable)
				Original	Final	
REVENUES						
Taxes	\$ 2,739,128	\$ 0	\$ 2,739,128	\$ 2,656,050	\$ 2,656,050	\$ 83,078
Special assessments	46,141	0	46,141	0	0	46,141
Use of money & property	4,799	0	4,799	25,000	25,000	(20,201)
Miscellaneous	134,106	0	134,106	0	0	134,106
Total revenues	<u>2,924,174</u>	<u>0</u>	<u>2,924,174</u>	<u>\$ 2,681,050</u>	<u>\$ 2,681,050</u>	<u>\$ 243,124</u>
EXPENDITURES						
Debt Service						
Principal	3,105,474	0	3,105,474	\$ 3,125,000	\$ 3,125,000	\$ 19,526
Interest	<u>1,090,228</u>	<u>0</u>	<u>1,090,228</u>	<u>1,200,056</u>	<u>1,200,056</u>	<u>109,828</u>
Total expenditures	<u>4,195,702</u>	<u>0</u>	<u>4,195,702</u>	<u>\$ 4,325,056</u>	<u>\$ 4,325,056</u>	<u>\$ 129,354</u>
Excess of revenues over (under) expenditures	(1,271,528)	0	(1,271,528)			
OTHER FINANCING SOURCES						
Transfers in	<u>1,039,383</u>	<u>0</u>	<u>1,039,383</u>	<u>\$ 1,237,468</u>	<u>\$ 1,237,468</u>	<u>\$ (198,085)</u>
Total other financing sources (uses)	<u>1,039,383</u>	<u>0</u>	<u>1,039,383</u>	<u>\$ 1,237,468</u>	<u>\$ 1,237,468</u>	<u>\$ (198,085)</u>
Excess of revenues over (under) expenditures & other financing (uses)	<u>(232,145)</u>	<u>0</u>	<u>(232,145)</u>			
FUND BALANCE						
Beginning of year	<u>443,006</u>	<u>0</u>	<u>443,006</u>			
End of year	<u>\$ 210,861</u>	<u>\$ 0</u>	<u>\$ 210,861</u>			

CITY OF EMPORIA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN NET ASSETS - ACTUAL AND BUDGET
SOLID WASTE DISPOSAL FUND
For the Year Ended December 31, 2010

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance Favorable (Unfavorable)
				Original	Final	
OPERATING REVENUES						
Charges for services	\$ 3,879,922	\$ 0	\$ 3,879,922	\$ 3,995,685	\$ 3,995,685	\$ (115,763)
Use of money & property	2,588	0	2,588	7,000	7,000	(4,412)
Sale of assets	259,351	0	259,351	0	0	259,351
Miscellaneous	8,336	0	8,336	5,000	5,000	3,336
Total operating revenues	<u>4,150,197</u>	<u>0</u>	<u>4,150,197</u>	<u>\$ 4,007,685</u>	<u>\$ 4,007,685</u>	<u>\$ 142,512</u>
OPERATING EXPENSES						
Personal services	1,160,388	0	1,160,388	1,241,061	1,241,061	80,673
Contractual services	850,823	(4,558)	846,265	1,224,538	1,019,838	173,573
Commodities	187,026	3,773	190,799	257,500	462,200	271,401
Capital outlay	54,461	677,348	731,809	502,000	502,000	(229,809)
Debt service	0	0	0	70,108	70,108	70,108
Depreciation	286,295	(286,295)	0	0	0	0
Miscellaneous	31,922	0	31,922	91,300	91,300	59,378
Total operating expenses	<u>2,570,914</u>	<u>390,268</u>	<u>2,961,182</u>	<u>\$ 3,386,507</u>	<u>\$ 3,386,507</u>	<u>\$ 425,324</u>
Excess of revenues over (under) expenditures	1,579,282	(390,268)	1,189,014			
OTHER FINANCING SOURCES (USES):						
Transfers in	56,616	0	56,616	\$ 0	\$ 0	\$ (56,616)
Transfers out	(721,517)	0	(721,517)	(700,323)	(700,323)	21,194
Total other financing sources and (uses)	<u>(664,901)</u>	<u>0</u>	<u>(664,901)</u>	<u>\$ (700,323)</u>	<u>\$ (700,323)</u>	<u>\$ (35,422)</u>
Change in net assets	914,382	(390,268)	524,114			
NET ASSETS						
Beginning of year	<u>2,943,970</u>	<u>270,441</u>	<u>3,214,411</u>			
End of year	<u>\$ 3,858,352</u>	<u>\$ (119,827)</u>	<u>\$ 3,738,525</u>			

CITY OF EMPORIA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN NET ASSETS - ACTUAL AND BUDGET
SEWER UTILITY FUND

For the Year Ended December 31, 2010

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance Favorable (Unfavorable)
				Original	Final	
REVENUES						
Charges for services	\$ 3,850,725	\$ 0	\$ 3,850,725	\$ 3,696,725	\$ 3,696,725	\$ 154,000
Use of money & property	5,718	0	5,718	25,000	25,000	(19,282)
Miscellaneous	3,606	0	3,606	5,000	5,000	(1,394)
Total operating revenues	<u>3,860,049</u>	<u>0</u>	<u>3,860,049</u>	<u>\$ 3,726,725</u>	<u>\$ 3,726,725</u>	<u>\$ 133,324</u>
EXPENSES						
Personal services	675,167	0	675,167	772,119	772,119	96,952
Contractual services	564,896	(11,367)	553,529	609,439	609,439	55,910
Commodities	122,687	3,773	126,460	330,450	330,450	203,990
Capital outlay	455,867	242,761	698,628	1,536,000	1,536,000	837,372
Debt service	265,704	0	265,704	805,821	805,821	540,117
Depreciation	1,017,054	(1,017,054)	0	0	0	0
Miscellaneous	10,534	0	10,534	75,850	75,850	65,316
Total operating expenses	<u>3,111,909</u>	<u>(781,887)</u>	<u>2,330,022</u>	<u>\$ 4,129,679</u>	<u>\$ 4,129,679</u>	<u>\$ 1,799,657</u>
Excess of revenues over (under) expenditures	748,140	781,887	1,530,027			
OTHER FINANCING SOURCES (USES):						
Transfers in	26,539	0	26,539	\$ 0	\$ 0	\$ (26,539)
Transfers out	(833,660)	0	(833,660)	(665,411)	(665,411)	168,249
Total other financing sources and (uses)	<u>(807,121)</u>	<u>0</u>	<u>(807,121)</u>	<u>\$ (665,411)</u>	<u>\$ (665,411)</u>	<u>\$ 141,710</u>
Change in net assets	(58,981)	781,887	722,906			
NET ASSETS						
Beginning of year	<u>11,856,138</u>	<u>4,767,274</u>	<u>17,815,590</u>			
End of year	<u>\$ 11,797,157</u>	<u>\$ 5,549,161</u>	<u>\$ 18,538,496</u>			

CITY OF EMPORIA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN NET ASSETS - ACTUAL AND BUDGET
WATER UTILITY FUND

For the Year Ended December 31, 2010

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance Favorable (Unfavorable)
				Original	Final	
REVENUES						
Charges for services	\$ 5,236,720	\$ 0	\$ 5,236,720	\$ 4,460,739	\$ 4,460,739	\$ 775,981
Use of money & property	5,980	0	5,980	10,000	10,000	(4,020)
Sale of bonds	0	0	0	880,000	880,000	(880,000)
Gain (loss) on assets	36,012	0	36,012	0	0	36,012
Miscellaneous	570,026	0	570,026	3,000	3,000	567,026
Total operating revenues	<u>5,848,738</u>	<u>0</u>	<u>5,848,738</u>	<u>\$ 5,353,739</u>	<u>\$ 5,353,739</u>	<u>\$ 494,999</u>
EXPENSES						
Personal services	635,353	0	635,353	574,179	574,179	(61,174)
Contractual services	1,042,014	12,623	1,054,637	1,121,838	1,121,838	67,201
Commodities	483,696	3,773	487,469	461,750	461,750	(25,719)
Capital outlay	472,049	(14,787)	457,262	1,019,000	1,019,000	561,738
Debt service	211,472	0	211,472	1,225,993	1,225,993	1,014,521
Amortization	33,636	(33,636)	0	0	0	0
Depreciation	742,797	(742,797)	0	0	0	0
Miscellaneous	36,256	0	36,256	151,750	151,750	115,494
Total operating expenses	<u>3,657,273</u>	<u>(774,824)</u>	<u>2,882,449</u>	<u>\$ 4,554,510</u>	<u>\$ 4,554,510</u>	<u>\$ 1,672,061</u>
Excess of revenues over (under) expenditures	2,191,465	774,824	2,966,289			
OTHER FINANCING SOURCES (USES):						
Transfers in	38,925	0	38,925	\$ 0	\$ 0	\$ (38,925)
Transfers out	(1,618,753)	0	(1,618,753)	(838,573)	(838,573)	780,180
Total other financing sources and (uses)	<u>(1,579,828)</u>	<u>0</u>	<u>(1,579,828)</u>	<u>(838,573)</u>	<u>(838,573)</u>	<u>741,255</u>
Change in net assets	611,637	774,824	1,386,461			
NET ASSETS						
Beginning of year	<u>9,899,001</u>	<u>4,853,247</u>	<u>14,752,247</u>			
End of year	<u>\$ 10,510,638</u>	<u>\$ 5,628,071</u>	<u>\$ 16,138,708</u>			

CITY OF EMPORIA, KANSAS

INTERNAL SERVICE FUNDS

December 31, 2010

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 ASSETS
INTERNAL SERVICE FUNDS
December 31, 2010

	<u>Workers'</u> <u>Compensation</u>	<u>Employee</u> <u>Health</u> <u>Care</u>	<u>Total</u>
ASSETS			
Current assets			
Cash and cash equivalents	\$ 325,848	\$ 93,073	\$ 418,921
Investments	<u>500,000</u>	<u>0</u>	<u>500,000</u>
Total assets	<u>\$ 825,848</u>	<u>\$ 93,073</u>	<u>\$ 918,921</u>
LIABILITIES			
Current liabilities			
Accrued liabilities	\$ 0	\$ 320	\$ 320
Unpaid claims	<u>184,846</u>	<u>0</u>	<u>184,846</u>
Total Liabilities	<u>184,846</u>	<u>320</u>	<u>185,166</u>
NET ASSETS			
Unrestricted	<u>641,002</u>	<u>92,753</u>	<u>733,755</u>
Total liabilities and net assets	<u>\$ 825,848</u>	<u>\$ 93,073</u>	<u>\$ 918,921</u>

CITY OF EMPORIA, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2010

	<u>Workers'</u> <u>Compensation</u>	<u>Employee</u> <u>Health</u> <u>Care</u>	<u>Total</u>
OPERATING REVENUES			
Charges for services	\$ 299,111	\$ 0	\$ 299,111
Miscellaneous	0	113,697	113,697
	<u>299,111</u>	<u>113,697</u>	<u>412,808</u>
Total operating revenues			
OPERATING EXPENSES			
Cost of services	242,005	0	242,005
Other	0	7,936	7,936
	<u>242,005</u>	<u>7,936</u>	<u>249,941</u>
Total operating expenses			
Operating income (loss)	57,106	105,761	162,867
NONOPERATING REVENUES (EXPENSES)			
Interest income	2,255	838	3,093
Transfers from (to) other funds			
Transfers out	0	(491,855)	(491,855)
Changes in net assets	59,361	(385,256)	(325,895)
NET ASSETS			
Beginning of year	<u>581,641</u>	<u>478,009</u>	<u>1,059,650</u>
End of year	<u>\$ 641,002</u>	<u>\$ 92,753</u>	<u>\$ 733,755</u>

CITY OF EMPORIA, KANSAS

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2010

	<u>Workers'</u> <u>Compensation</u>	<u>Employee</u> <u>Health</u> <u>Care</u>	<u>Total</u>
Cash flows from operating activities			
Cash received from participants	\$ 299,111	\$ 0	\$ 299,111
Cash received from reimbursements	0	113,697	113,697
Cash paid for services	(426,852)	0	(426,852)
Cash payments to suppliers	0	(7,936)	(7,936)
Net cash provided by (used for) operating activities	<u>(127,741)</u>	<u>105,761</u>	<u>(21,980)</u>
Cash flows from noncapital financing activities			
Transfers (to) other funds	0	(491,855)	(491,855)
Cash flows from investing activities			
Proceeds from sale of investments	200,000	0	200,000
Interest received	2,255	838	3,093
Net cash provided by (used for) investing activities	<u>202,255</u>	<u>838</u>	<u>203,093</u>
Net increase (decrease) in cash and cash equivalents	74,514	(385,256)	(310,742)
Cash and cash equivalents, beginning of year	<u>251,334</u>	<u>478,329</u>	<u>729,663</u>
Cash and cash equivalents, end of year	<u>\$ 325,848</u>	<u>\$ 93,073</u>	<u>\$ 418,921</u>

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

Operating income (loss)	\$ 57,106	\$ 105,761	\$ 162,867
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities			
Changes in assets and liabilities			
Increase (decrease) in claims payable	<u>(184,847)</u>	<u>0</u>	<u>(184,847)</u>
Net cash provided by (used for) operating activities	<u>\$ (127,741)</u>	<u>\$ 105,761</u>	<u>\$ (21,980)</u>

CITY OF EMPORIA, KANSAS

TRUST AND AGENCY FUNDS

December 31, 2010

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 ASSETS
 FIDUCIARY FUNDS - PRIVATE PURPOSE TRUST
 December 31, 2010

	<u>Private Purpose Trust</u>			
	<u>Tree</u>	<u>Fremont Park</u>	<u>Las Casitas Park</u>	<u>Economic Development</u>
ASSETS				
Cash and cash equivalents	\$ 1,665	\$ 89	\$ 413	\$ 835,401
Accrued interest receivable	0	0	0	551
Notes receivable	0	0	0	272,172
Total assets	<u>\$ 1,665</u>	<u>\$ 89</u>	<u>\$ 413</u>	<u>\$ 1,108,124</u>
LIABILITIES				
Accounts payable	\$ 0	\$ 0	\$ 0	\$ 0
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
NET ASSETS				
Net assets held in trust	<u>1,665</u>	<u>89</u>	<u>413</u>	<u>1,108,124</u>
Total liabilities and net assets	<u>\$ 1,665</u>	<u>\$ 89</u>	<u>\$ 413</u>	<u>\$ 1,108,124</u>

<u>Total</u>	
\$	837,568
	551
	<u>272,172</u>
\$	<u>1,110,291</u>
\$	<u>0</u>
	<u>0</u>
	<u>1,110,291</u>
\$	<u>1,110,291</u>

CITY OF EMPORIA, KANSAS

COMBINING STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS - AGENCY FUND
December 31, 2010

	Fire Insurance Proceeds
ASSETS	
Cash and cash equivalents	\$ <u>9,742</u>
Total Assets	\$ <u><u>9,742</u></u>
LIABILITIES	
Accounts payable	\$ <u>9,742</u>
Total Liabilities	\$ <u><u>9,742</u></u>

CITY OF EMPORIA, KANSAS

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS

For the Year Ended December 31, 2010

	<u>Private Purpose Trust</u>			
	<u>Tree</u>	<u>Fremont Park</u>	<u>Las Casitas Park</u>	<u>Economic Development</u>
ADDITIONS				
Interest income	\$ 0	\$ 0	\$ 0	\$ 16,744
Total Additions	0	0	0	16,744
DEDUCTIONS				
	<u>775</u>	<u>0</u>	<u>0</u>	<u>0</u>
Change in net assets	(775)	0	0	16,744
Net assets, beginning of year	<u>2,440</u>	<u>89</u>	<u>413</u>	<u>1,091,380</u>
Net assets, end of year	<u>\$ 1,665</u>	<u>\$ 89</u>	<u>\$ 413</u>	<u>\$ 1,108,124</u>

	<u>Total</u>
\$	<u>16,744</u>
	16,744
	<u>775</u>
	15,969
	<u>1,094,322</u>
\$	<u><u>1,110,291</u></u>

CITY OF EMPORIA, KANSAS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUND

For the Year Ended December 31, 2010

	<u>Balance January 1, 2010</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31, 2010</u>
Cash and cash equivalents	\$ 22,701	\$ 7,035	\$ 19,994	\$ 9,742
Total assets	<u>\$ 22,701</u>	<u>\$ 7,035</u>	<u>\$ 19,994</u>	<u>\$ 9,742</u>
Accounts payable	\$ 22,701	\$ 7,035	\$ 19,994	\$ 9,742
Total liabilities	<u>\$ 22,701</u>	<u>\$ 7,035</u>	<u>\$ 19,994</u>	<u>\$ 9,742</u>

STATISTICAL SECTION

CITY OF EMPORIA

Statistical Section
(Unaudited)
December 31, 2010

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 are presenting 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 related 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.

CITY OF EMPORIA, KANSAS

TABLE 1
UNAUDITED

CHANGES IN NET ASSETS
LAST SEVEN YEARS
(Accrual Basis of Accounting)
As of December 31,

	Fiscal year		
	2004	2005	2006
Governmental Activities:			
Invested in capital assets, net of related debt	\$ 90,115,362	\$ 82,349,192	\$ 75,354,567
Restricted	385,615	99,442	249,058
Unrestricted	<u>3,102,278</u>	<u>4,806,454</u>	<u>8,871,611</u>
Total net assets	<u>\$ 93,603,255</u>	<u>\$ 87,255,088</u>	<u>\$ 84,475,236</u>
Business-type Activities:			
Invested in capital assets, net of related debt	\$ 21,030,184	\$ 20,188,141	\$ 19,704,708
Unrestricted	<u>2,298,165</u>	<u>1,825,862</u>	<u>2,814,926</u>
Total net assets	<u>\$ 23,328,349</u>	<u>\$ 22,014,003</u>	<u>\$ 22,519,634</u>
Primary Government			
Invested in capital assets, net of related debt	\$ 111,145,546	\$ 102,537,333	\$ 95,059,275
Restricted	385,615	99,442	249,058
Unrestricted	<u>5,400,443</u>	<u>6,632,316</u>	<u>11,686,537</u>
Total net assets	<u>\$ 116,931,604</u>	<u>\$ 109,269,091</u>	<u>\$ 106,994,870</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.

TABLE 1
UNAUDITED

		Fiscal year					
		2007	2008	2009	2010		
\$	66,616,597	\$	66,752,347	\$	55,981,334	\$	51,512,139
	227,184		467,128		443,006		210,861
	<u>9,091,918</u>		<u>8,942,071</u>		<u>6,981,419</u>		<u>8,029,041</u>
\$	<u><u>75,935,699</u></u>	\$	<u><u>76,161,546</u></u>	\$	<u><u>63,405,759</u></u>	\$	<u><u>59,752,041</u></u>
\$	19,415,639	\$	18,842,735	\$	18,327,412	\$	18,844,682
	<u>4,310,519</u>		<u>5,324,738</u>		<u>6,371,697</u>		<u>7,321,467</u>
\$	<u><u>23,726,158</u></u>	\$	<u><u>24,167,473</u></u>	\$	<u><u>24,699,109</u></u>	\$	<u><u>26,166,149</u></u>
\$	86,032,236	\$	80,595,082	\$	74,308,746	\$	70,356,821
	227,184		467,127		443,006		210,861
	<u>13,402,437</u>		<u>14,266,809</u>		<u>13,353,116</u>		<u>15,350,508</u>
\$	<u><u>99,661,857</u></u>	\$	<u><u>95,329,018</u></u>	\$	<u><u>88,104,868</u></u>	\$	<u><u>85,918,190</u></u>

CITY OF EMPORIA, KANSAS

TABLE 2
UNAUDITED

CHANGES IN NET ASSETS
LAST SEVEN YEARS
(Accrual Basis of Accounting)
As of December 31,

Expenses	Fiscal Year		
	2004	2005	2006
Governmental activities:			
General government	\$ 3,667,468	\$ 3,661,655	\$ 4,646,991
Public Safety	7,920,078	8,735,530	7,995,365
Highways and streets	8,147,882	8,174,128	8,099,622
Culture and recreation	2,693,563	2,779,900	2,315,915
Health and environment	66,672	65,539	61,205
Building maintenance	1,006,234	940,398	893,474
Planning and development	1,485,859	1,385,571	1,264,408
Airport operations	518,685	538,347	384,315
Appropriation	0	0	0
Capital outlay	0	0	0
Bond issuance costs	0	0	0
Interest on long-term debt	1,097,258	1,067,693	1,100,521
Total expenses	<u>26,603,699</u>	<u>27,348,761</u>	<u>26,761,816</u>
Business-type activities			
Solid waste disposal	2,434,993	2,561,538	2,200,552
Sewer utility	2,224,003	3,077,282	2,929,858
Water utility	3,503,268	3,491,982	3,580,339
Total activities	<u>8,162,264</u>	<u>9,130,802</u>	<u>8,710,749</u>
Total expenses	<u>\$ 34,765,963</u>	<u>\$ 36,479,563</u>	<u>\$ 35,472,565</u>
Program Revenues			
Governmental activities:			
Charges for services	\$ 4,200,665	3,736,026	\$ 4,230,979
Operating grants & contributions	2,098,470	2,478,260	2,551,256
Total revenues	<u>6,299,135</u>	<u>6,214,286</u>	<u>6,782,235</u>
Business-type activities:			
Charges for Services	9,975,459	9,976,335	10,803,039
Capital grants & contributions	0	164,214	205,002
Total revenues	<u>9,975,459</u>	<u>\$ 10,140,549</u>	<u>11,008,041</u>
Total revenues	<u>\$ 16,274,594</u>	<u>\$ 16,354,835</u>	<u>\$ 17,790,276</u>
Net (expense)/revenue			
Governmental activities	\$ (20,304,564)	\$ (21,134,475)	\$ (19,979,581)
Business-type activities	<u>1,813,195</u>	<u>1,009,747</u>	<u>2,297,292</u>
Total net expense	<u>\$ (18,491,369)</u>	<u>\$ (20,124,728)</u>	<u>\$ (17,682,289)</u>
General revenues and other changes in net assets			
Governmental activities:			
Taxes	\$ 11,627,273	11,668,957	\$ 12,390,698
Investment earnings	170,491	231,223	433,320
Miscellaneous	152,533	268,970	472,137
Transfers	2,040,880	2,566,496	1,950,840
Total governmental activities	<u>13,991,177</u>	<u>14,735,646</u>	<u>15,246,995</u>

TABLE 2
UNAUDITED

		Fiscal Year					
		2007	2008	2009	2010		
\$	6,205,113	\$	4,580,920	\$	4,149,676	\$	4,046,255
	8,680,772		9,318,358		10,037,060		10,058,340
	8,218,813		8,122,190		8,601,094		8,432,872
	2,774,693		2,772,761		2,942,303		2,829,141
	72,475		72,475		89,901		85,400
	939,756		1,114,909		1,213,665		1,204,027
	4,447,332		1,503,737		1,191,179		1,393,341
	634,334		688,806		414,202		516,378
	0		0		0		58,543
	0		0		0		257,491
	0		0		0		39,003
	1,014,796		1,924,572		1,777,794		950,408
	<u>32,988,084</u>		<u>30,098,728</u>		<u>30,416,874</u>		<u>29,871,199</u>
	2,629,336		2,712,201		2,764,437		2,570,915
	2,959,294		2,969,314		3,233,827		3,111,908
	<u>3,564,058</u>		<u>3,255,744</u>		<u>3,357,695</u>		<u>3,657,273</u>
	<u>9,152,688</u>		<u>8,937,259</u>		<u>9,355,959</u>		<u>9,340,096</u>
\$	<u>42,140,772</u>	\$	<u>39,035,987</u>	\$	<u>39,772,833</u>	\$	<u>39,211,295</u>
\$	4,716,743	\$	5,829,277	\$	3,678,102	\$	4,119,238
	<u>2,275,621</u>		<u>2,627,966</u>		<u>2,039,812</u>		<u>1,869,991</u>
	<u>6,992,364</u>		<u>8,457,243</u>		<u>5,717,914</u>		<u>5,989,229</u>
	11,335,237		10,891,326		11,708,427		12,967,367
	<u>0</u>		<u>0</u>		<u>0</u>		<u>0</u>
	<u>11,335,237</u>		<u>10,891,326</u>		<u>11,708,427</u>		<u>12,967,367</u>
\$	<u>18,327,601</u>	\$	<u>19,348,569</u>	\$	<u>17,426,341</u>	\$	<u>18,956,596</u>
\$	(25,995,720)	\$	(21,641,485)	\$	(24,698,960)	\$	(23,881,969)
	<u>2,182,549</u>		<u>1,954,067</u>		<u>2,352,468</u>		<u>3,627,271</u>
\$	<u>(23,813,171)</u>	\$	<u>(19,687,418)</u>	\$	<u>(22,346,492)</u>	\$	<u>(20,254,698)</u>
\$	13,087,215	\$	13,696,681	\$	14,456,475	\$	16,469,304
	713,477		414,246		205,596		154,505
	1,811,021		898,272		275,803		552,592
	<u>1,971,420</u>		<u>1,858,133</u>		<u>2,005,299</u>		<u>3,051,850</u>
	<u>17,583,133</u>		<u>16,867,332</u>		<u>16,943,173</u>		<u>20,228,251</u>

CITY OF EMPORIA, KANSAS

TABLE 2
UNAUDITED

CHANGES IN NET ASSETS
LAST SEVEN YEARS
(Accrual Basis of Accounting)
As of December 31,

	Fiscal Year		
	2004	2005	2006
Business-type activities:			
Investment earnings	\$ 92,389	\$ 50,789	\$ 64,197
Miscellaneous	178,208	191,614	107,922
Transfers	(2,040,880)	(2,566,496)	(1,950,840)
Total business-type activities	<u>(1,770,283)</u>	<u>(2,324,093)</u>	<u>(1,778,721)</u>
Total primary government	\$ <u>12,220,894</u>	\$ <u>12,411,553</u>	\$ <u>13,468,274</u>
Change in net assets			
Governmental activities	\$ (6,313,387)	(6,398,829)	\$ (4,732,586)
Business-type activities	<u>42,912</u>	<u>(1,314,346)</u>	<u>518,571</u>
Total primary government	\$ <u>(6,270,475)</u>	\$ <u>(7,713,175)</u>	\$ <u>(4,214,015)</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.

TABLE 2
UNAUDITED

		Fiscal Year					
		2007	2008	2009	2010		
\$	496,647	\$	159,667	\$	30,019	\$	14,287
	248,217		185,714		154,448		877,332
	(1,971,420)		(1,858,133)		(2,005,299)		(3,051,850)
	<u>(1,226,556)</u>		<u>(1,512,752)</u>		<u>(1,820,832)</u>		<u>(2,160,231)</u>
\$	<u>16,356,577</u>	\$	<u>15,354,580</u>	\$	<u>15,122,341</u>	\$	<u>18,068,020</u>
\$	(8,412,587)	\$	(4,774,153)	\$	(7,755,787)	\$	(3,653,718)
	<u>955,993</u>		<u>441,315</u>		<u>531,636</u>		<u>1,467,040</u>
\$	<u>(7,456,594)</u>	\$	<u>(4,332,838)</u>	\$	<u>(7,224,151)</u>	\$	<u>(2,186,678)</u>

CITY OF EMPORIA, KANSAS

TABLE 3
UNAUDITED

GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
LAST SEVEN YEARS
(Accrual Basis of Accounting)
as of December 31,

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

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.

CITY OF EMPORIA, KANSAS

TABLE 4
UNAUDITED

FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN YEARS
(Modified Accrual Basis of Accounting)
As of December 31,

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
General Fund				
Reserved	\$ 34,748	\$ 22,503	\$ 831	\$ 0
Unreserved	<u>29,299</u>	<u>369,807</u>	<u>385,191</u>	<u>883,809</u>
Total general fund	<u>\$ 64,047</u>	<u>\$ 392,310</u>	<u>\$ 386,022</u>	<u>\$ 883,809</u>
All other governmental funds				
Reserved	\$ 1,600,936	\$ 126,396	\$ 8,935	\$ 0
Unreserved, reported in:				
Special revenue funds	426,778	2,056,323	1,989,329	1,164,245
Debt service funds	247,620	24,843	176,533	385,615
Capital projects funds	<u>3,767,233</u>	<u>2,132,896</u>	<u>(148,050)</u>	<u>459,924</u>
Total all other governmental funds	<u>\$ 6,042,567</u>	<u>\$ 4,340,458</u>	<u>\$ 2,026,747</u>	<u>\$ 2,009,784</u>

Source: City of Emporia, Kansas Basic Financial Statements.

TABLE 4
UNAUDITED

<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
\$ 0	\$ 53,991	\$ 81,152	\$ 0	\$ 46,433	\$ 37,900
<u>906,267</u>	<u>1,346,381</u>	<u>2,234,807</u>	<u>3,038,285</u>	<u>2,633,634</u>	<u>4,096,582</u>
<u>\$ 906,267</u>	<u>\$ 1,400,372</u>	<u>\$ 2,315,959</u>	<u>\$ 3,038,285</u>	<u>\$ 2,680,067</u>	<u>\$ 4,134,482</u>
\$ 0	\$ 0	\$ 115,753	\$ 0	\$ 232,543	\$ 296,680
1,329,900	1,919,585	1,453,126	1,143,544	822,672	1,375,903
99,442	249,058	227,184	467,128	443,006	210,861
<u>1,949,760</u>	<u>5,427,142</u>	<u>6,467,716</u>	<u>5,332,192</u>	<u>2,884,947</u>	<u>2,170,952</u>
<u>\$ 3,379,102</u>	<u>\$ 7,595,785</u>	<u>\$ 8,263,779</u>	<u>\$ 6,942,864</u>	<u>\$ 4,383,168</u>	<u>\$ 4,054,396</u>

CITY OF EMPORIA, KANSAS

TABLE 5
UNAUDITED

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN YEARS

(Modified Accrual Basis of Accounting)

December 31,

	2001	2002	2003	2004
Revenues				
Taxes	\$ 9,622,700	\$ 10,000,954	\$ 10,429,929	\$ 11,545,148
Charges for services	944,841	1,001,003	1,215,208	1,664,767
Special assessments	397,346	343,853	140,766	82,125
Intergovernmental	2,025,811	3,435,257	2,650,278	2,092,293
Licenses and permits	252,453	230,372	223,767	222,834
Fines and fees	694,922	904,089	609,956	846,047
Use of money and property	381,632	207,397	139,577	152,792
Contributions	13,280	1,180,864	13,665	6,177
Miscellaneous	170,842	237,816	152,258	149,850
Total revenues	<u>14,503,827</u>	<u>17,541,605</u>	<u>15,575,404</u>	<u>16,762,033</u>
Expenditures				
General government	903,816	1,599,225	2,002,363	1,697,194
Public safety	6,729,779	7,022,651	7,244,197	7,633,408
Highways and streets	1,428,172	1,614,230	1,265,207	1,575,987
Culture and recreation	1,853,974	2,002,345	1,862,663	2,021,225
Health and environment	63,600	59,010	66,180	66,672
Building Maintenance	688,741	737,577	790,025	903,207
Planning and development	1,288,605	1,254,285	1,088,645	1,485,858
Airport Operations	370,985	327,488	290,382	345,189
Appropriations	0	0	0	0
Capital outlay	5,983,369	7,574,461	4,630,990	1,873,304
Bond issuances costs	0	0	0	0
Debt service				
Principal	1,287,276	1,540,882	1,244,835	1,469,713
Interest and other charges	643,332	1,171,256	1,026,653	1,075,217
Total expenditures	<u>21,241,649</u>	<u>24,903,410</u>	<u>21,512,140</u>	<u>20,146,974</u>
Excess of revenues over /(under) expenditures	<u>(6,737,822)</u>	<u>(7,361,805)</u>	<u>(5,936,736)</u>	<u>(3,384,941)</u>
Other financing sources (uses)				
Transfers In	3,446,018	4,169,969	3,252,994	3,518,373
Transfers out	(1,785,507)	(1,907,356)	(1,158,057)	(1,477,493)
Payment to refund bonds	0	0	(110,000)	(1,185,000)
Payment to escrow agent	0	0	0	0
Bond premium	0	0	0	0
Sale of bonds	6,450,000	3,725,346	1,631,800	3,465,000
Total other financing sources (uses)	<u>8,110,511</u>	<u>5,987,959</u>	<u>3,616,737</u>	<u>4,320,880</u>
Net change in fund balances	<u>\$ 1,372,689</u>	<u>\$ (1,373,846)</u>	<u>\$ (2,319,999)</u>	<u>\$ 935,939</u>
Debt service as a percentage of noncapital expenditures	12.65%	15.65%	13.46%	13.93%

Source: City of Emporia, Kansas Basic Financial Statements.

TABLE 5
UNAUDITED

	2005	2006	2007	2008	2009	2010
\$	11,610,647	\$ 12,324,809	\$ 13,018,554	\$ 13,630,703	\$ 14,365,740	\$ 16,469,305
	1,380,037	1,744,253	1,725,796	2,602,820	2,534,303	2,933,242
	58,310	65,889	68,661	65,978	90,735	46,141
	2,472,129	2,442,244	2,091,977	2,508,944	2,035,167	1,711,134
	236,014	287,456	310,062	219,877	325,369	192,138
	704,566	663,204	701,957	918,706	818,430	581,050
	182,814	359,238	639,281	382,330	205,596	151,412
	6,131	825	183,644	296,791	4,645	112,716
	268,970	472,137	1,811,021	390,107	275,803	552,592
	<u>16,919,618</u>	<u>18,360,055</u>	<u>20,550,953</u>	<u>21,016,256</u>	<u>20,655,788</u>	<u>22,749,729</u>
	1,723,621	1,892,612	1,986,354	2,309,225	3,242,791	3,012,853
	8,444,565	7,523,946	8,414,431	9,044,346	9,728,384	9,774,290
	1,587,864	1,357,344	1,479,746	1,473,524	1,902,728	1,770,603
	2,098,537	2,054,308	2,233,824	2,287,583	2,477,137	2,341,315
	65,539	61,205	72,475	72,475	89,901	85,400
	839,482	827,882	939,756	1,114,909	1,213,665	1,204,027
	1,385,571	1,164,397	4,447,332	1,694,637	1,191,179	1,393,341
	364,066	384,316	463,628	517,569	401,438	448,770
	0	0	0	0	58,820	58,543
	1,583,078	2,250,940	4,166,044	2,140,096	1,761,441	4,292,416
	0	0	0	0	26,585	39,917
	2,001,186	1,848,559	1,948,203	7,330,674	4,131,434	3,105,474
	1,073,492	1,078,698	1,086,649	1,520,013	1,304,501	1,090,228
	<u>21,167,001</u>	<u>20,444,207</u>	<u>27,238,442</u>	<u>29,505,051</u>	<u>27,530,004</u>	<u>28,617,177</u>
	<u>(4,247,383)</u>	<u>(2,084,152)</u>	<u>(6,687,489)</u>	<u>(8,488,795)</u>	<u>(6,874,216)</u>	<u>(5,867,447)</u>
	3,841,246	3,860,551	3,510,358	3,585,034	5,893,119	7,549,523
	(1,274,750)	(1,909,711)	(1,538,938)	(1,194,828)	(3,887,820)	(4,005,818)
	0	0	(3,720,000)	0	0	0
	0	0	(156,988)	0	0	0
	0	0	103,588	0	0	0
	<u>3,022,000</u>	<u>4,820,000</u>	<u>10,200,000</u>	<u>5,500,000</u>	<u>1,945,000</u>	<u>3,449,385</u>
	<u>5,588,496</u>	<u>6,770,840</u>	<u>8,398,020</u>	<u>7,890,206</u>	<u>3,950,299</u>	<u>6,993,089</u>
\$	<u>1,341,113</u>	<u>4,686,688</u>	<u>1,710,531</u>	<u>(598,589)</u>	<u>(2,923,917)</u>	<u>1,125,642</u>
	15.70%	16.09%	13.15%	32.34%	21.10%	17.25%

CITY OF EMPORIA, KANSAS

TABLE 6
UNAUDITED

GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE
LAST TEN YEARS
(Modified Accrual Basis of Accounting)
December 31,

Fiscal Year	Property Tax	Sales Tax	Franchise Tax	Motor Vehicle Tax	Total
2001	\$ 4,245,961	\$ 3,826,968	\$ 934,719	\$ 615,052	\$ 9,622,700
2002	4,650,010	3,779,416	911,158	660,370	10,000,954
2003	5,609,562	3,712,601	907,308	744,078	10,973,549
2004	5,954,778	3,854,759	992,036	743,575	11,545,148
2005	5,753,828	3,997,182	1,060,262	799,375	11,610,647
2006	6,153,081	4,032,795	1,372,059	766,874	12,324,809
2007	6,251,907	4,104,469	1,905,311	756,867	13,018,554
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

Source: City of Emporia, Kansas Basic Financial Statements.

CITY OF EMPORIA, KANSAS

TABLE 7

UNAUDITED

ASSESSED VALUE & ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS
December 31,

Fiscal Year Ended December 31,	Real Property		Personal Property	
	Residential Property - 1	Commercial Property - 1	Motor Vehicles - 2	Other - 1
2000	\$ 76,375,900	\$ 18,175,000	\$ 19,989,300	\$ 1,120,000
2001	83,230,400	17,807,800	19,517,800	2,850,000
2002	93,952,600	19,060,600	20,866,000	4,163,000
2003	103,881,400	18,650,300	21,176,100	125,000
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

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

TABLE 7
UNAUDITED

	Less Tax Exempt Real Property - 1	Total Taxable Assessed Value	Total Direct Tax Rate - 2	Estimated Actual Taxable Value	Assessed Value As a Percentage of Actual Value
\$	2,626,000	\$ 113,034,200	\$ 36.124	\$ 590,850,500	\$ 19.13%
	4,412,000	118,994,000	35.882	663,678,000	17.93%
	6,788,000	131,254,200	38.397	730,047,700	17.98%
	9,074,000	134,758,800	42.062	760,455,400	17.72%
	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%

CITY OF EMPORIA, KANSAS

TABLE 8
UNAUDITED

PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN YEARS
December 31,

Fiscal Year	City of Emporia, Kansas			Lyon County			USD 253			Total Direct & Overlapping Rates
	Operating Millage	Debt Service Millage	Total City Millage	Operating Millage	Debt Service Millage	Total County Millage	Operating Millage	Debt Service Millage	Total USD Millage	
2001	25.848	10.034	35.882	43.699	1.893	45.592	43.886	17.223	61.109	142.583
2002	28.544	9.853	38.397	44.879	1.083	45.962	40.123	21.037	61.160	145.519
2003	29.839	12.223	42.062	47.685	0.502	48.187	43.989	16.224	60.213	150.462
2004	30.511	10.747	41.258	50.077	0.969	51.046	48.130	9.591	57.721	150.025
2005	28.859	12.298	41.157	50.165	0.768	50.933	45.060	11.324	56.384	148.474
2006	28.453	12.503	40.956	49.656	0.890	50.546	44.849	9.986	54.835	146.337
2007	28.699	13.334	42.033	50.998	0.641	51.639	45.248	8.876	54.124	147.796
2008	28.573	13.275	41.848	46.437	0	46.437	46.260	7.788	54.048	142.333
2009	26.999	14.572	41.571	49.407	0	49.407	45.655	9.887	55.542	146.520
2010	27.204	15.571	42.775	52.810	0	52.810	49.564	10.852	60.416	155.002

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

TABLE 9
UNAUDITED

PRINCIPAL PROPERTY TAXPAYERS

December 31, 2010

Taxpayer	2010			2001		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Hills Pet Nutrition	\$ 5,456,049	1	3.658%	\$ 0		0.000%
Iowa Beef/Tyson Fresh Meats	4,102,048	2	2.750%	4,482,500	1	3.767%
Menu Pet Food	3,874,621	3	2.598%	0		0.000%
Westar Energy(Electrc Div)	3,018,852	4	2.024%	3,860,390	2	3.244%
Kansas Gas Service	1,871,234	5	1.255%	0		0.000%
Emporia ROS / Wal-Mart	1,737,275	6	1.165%	2,309,183	4	1.941%
Emporia Partners	1,255,605	7	0.842%	1,134,707	10	0.954%
Interstate Brands	1,121,550	8	0.752%	1,325,298	7	1.114%
Flint Hills Mall LLC	1,050,200	9	0.704%	1,330,800	6	1.118%
Deuce Holdings	1,003,048	10	0.672%	0		0.000%
Bunge North America	871,450	11	0.584%	1,554,940	5	1.307%
Camoplast Rockland, LTD	776,306	12	0.520%	0		0.000%
Hopkins Manufacturing (3)	0		0.000%	1,143,668	9	0.961%
Southwestern Bell (3)	0		0.000%	2,814,834	3	2.366%
Modine Manufacturing (2)	0		0.000%	1,295,109	8	1.088%
Total	\$ 26,138,238		17.524%	\$ 21,251,429		17.859%
Total Assessed Value	149,154,574 (1)			118,995,022		

(1)County Clerk's Budget Information for 2010

(2)Modine Manufacturing no longer in business

(3)Information not available

Data from County Treasurer's Office

CITY OF EMPORIA, KANSAS

TABLE 10
UNAUDITED

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS
December 31,

Fiscal Year Ended December 31,	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2001	\$ 4,417,433	\$ 3,956,498	89.566%	42,829	\$ 3,999,327	90.535%
2002	4,980,869	4,284,854	86.026%	80,801	4,365,655	87.648%
2003	5,406,369	4,808,654	88.944%	72,483	4,881,137	90.285%
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%

Data from City of Emporia Treasurer

CITY OF EMPORIA, KANSAS

TABLE 11
UNAUDITED

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN YEARS
December 31,

Fiscal Year	Governmental Activities				
	General Obligation	Temporary	Loans	Capital	Notes
	Bonds	Notes	Payable	Leases	Payable
2001	\$ 21,204,265	\$ 0	\$	\$ 193,579	\$ 7,363,719
2002	23,614,730	0		142,472	13,338,218
2003	23,906,800	0		86,856	15,255,430
2004	24,320,600	420,000	192,083	30,178	15,063,089
2005	25,785,400	0	168,098	0	14,343,737
2006	23,961,309	4,820,000	143,630	0	13,650,842
2007	27,151,654	6,290,000	118,670	0	12,963,791
2008	30,345,709	1,470,000	94,202	0	12,253,185
2009	28,454,275	1,175,000	67,243	0	11,518,203
2010	27,793,800	1,005,000	40,748	0	14,295,379

Note 1 - See the Schedule of Demographic and Economic Statistics at Table 15 for personal income and population data.

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

TABLE 11
UNAUDITED

	General Obligation Bonds	Capital Leases	Total Primary Government	Percentage of Personal Income - 1	Per Capita - 1
\$	8,330,730	\$ 0	\$ 37,092,293	6.57%	1,386
	7,525,270	0	44,620,690	7.87%	1,667
	6,453,200	0	45,702,286	7.95%	1,708
	5,989,400	0	46,015,350	7.94%	1,720
	5,554,600	0	45,851,835	7.91%	1,713
	4,928,691	0	47,504,472	8.13%	1,775
	4,406,935	0	50,931,050	8.73%	1,903
	3,864,291	0	48,027,387	8.44%	1,795
	3,305,726	0	44,520,447	6.68%	1,789
	2,726,200	0	45,861,127	11.00%	1,943

CITY OF EMPORIA, KANSAS

TABLE 12
UNAUDITED

RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN YEARS
December 31,

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service fund	Net Bonded Debt	Percentage	Per
				Estimated Annual Taxable Value of Property - 1	
2001	\$ 21,204,265	\$ 247,620	\$ 20,956,645	17.612%	783
2002	23,614,730	24,843	23,589,887	17.973%	882
2003	23,906,800	208,172	23,698,628	17.586%	886
2004	24,320,600	391,321	23,929,279	17.950%	894
2005	25,785,400	105,875	25,679,525	18.477%	960
2006	23,961,309	253,874	23,707,435	15.924%	886
2007	27,151,654	227,184	26,924,470	18.291%	1,006
2008	30,345,709	467,128	29,878,581	20.069%	1,117
2009	28,454,275	443,006	28,011,269	18.149%	1,144
2010	27,793,800	210,861	27,582,939	21.200%	1,109

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 at Table 7 for property value data.

Note 2 - Population data can be found in the Schedule of Demographic and Economic Statistics at Table 15

CITY OF EMPORIA, KANSAS

TABLE 13
UNAUDITED

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2010

Governmental Unit	Debt Outstanding - Paid with Property Taxes	Percentage Applicable to City of Emporia	Amount Applicable to City of Emporia
City of Emporia, Kansas - Direct	\$ 28,924,939	100.000%	\$ 28,924,939
Unified School District #253 - Overlapping	30,170,000	87.197%	26,307,335
Lyon County, Kansas - Overlapping	19,070,000	63.085%	12,030,310
Total direct and overlapping debt			\$ <u>67,262,584</u>

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the overlapping debt of those overlapping governments that is borne by the resident 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

CITY OF EMPORIA, KANSAS

TABLE 14
UNAUDITED

LEGAL DEBT MARGIN INFORMATION
LAST TEN YEARS
December 31,

	2001	2002	2003	2004
Debt Limit	\$ 35,698,200	\$ 39,376,260	\$ 40,427,640	\$ 39,993,450
Total net debt applicable to limit	<u>20,956,645</u>	<u>23,589,887</u>	<u>23,698,628</u>	<u>23,929,279</u>
Legal debt margin	\$ <u>14,741,555</u>	\$ <u>15,786,373</u>	\$ <u>16,729,012</u>	\$ <u>16,064,171</u>
Total net debt applicable to the limit as a percentage of debt limit	58.71%	59.91%	58.62%	59.83%

Note: Under State finance law, the City's outstanding general obligation debt should not exceed 30 percent of the total assessed property value

Source: Assessed Valuation from Lyon County Appraiser

TABLE 14
UNAUDITED

Fiscal Year						
	2005	2006	2007	2008	2009	2010
\$	41,694,150	\$ 44,225,583	\$ 44,855,183	\$ 44,639,313	\$ 46,155,021	\$ 44,855,183
	<u>25,679,525</u>	<u>23,707,435</u>	<u>26,924,470</u>	<u>30,345,709</u>	<u>28,011,269</u>	<u>26,924,470</u>
\$	<u><u>16,014,625</u></u>	<u><u>20,518,148</u></u>	<u><u>17,930,713</u></u>	<u><u>14,293,604</u></u>	<u><u>18,143,752</u></u>	<u><u>17,930,713</u></u>
	61.59%	53.61%	60.03%	67.98%	60.69%	60.03%
Legal Debt Margin Calculation for the Fiscal Year						2010
Assessed Value						\$ <u>149,517,276</u>
Debt limit (30% of total assessed value)						\$ 44,855,183
Debt applicable to limit:						
General obligation bonds						31,525,000
Less: amount set aside for repayment of general obligation debt						<u>(210,861)</u>
Total net debt applicable to limit						<u>31,314,139</u>
Legal debt margin						\$ <u><u>13,541,044</u></u>

CITY OF EMPORIA, KANSAS

TABLE 15
UNAUDITED

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS
December 31,

Fiscal Year	Population -1	Personal 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
2001	26,760	\$ 564,315	\$ 21,088	36.5	14.5	5,823	3.7%
2002	26,760	567,071	21,191	36.8	14.6	6,005	3.7%
2003	26,760	574,698	21,476	36.7	14.6	6,011	4.0%
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%

Note 1 - Data From U.S. Census Information

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

Note 3 - Data Obtained From Various Education Entities in Emporia

CITY OF EMPORIA, KANSAS

TABLE 16
UNAUDITED

PRINCIPAL EMPLOYERS
DECEMBER 31, 2010 AND TEN YEARS AGO

Taxpayer	2010			2001		
	Employees	Rank	Percentage of Total County Employment	Employee	Rank	Percentage of Total County Employment
Tyson Fresh Meats	835	1	3.36%	2607	1	10.22%
Emporia State University	777	2	3.12%	1145	3	4.49%
U. S. D. #253	770	3	3.10%	1493	2	5.85%
Wonder-Hostess	570	4	2.29%	750	4	2.94%
Newman Regional Health	405	5	1.63%	497	5	1.95%
Simmons Pet Food	265	6	1.07%	0		0.00%
Lyon County	258	7	1.04%	241	10	0.94%
Menu Foods Midwest	256	8	1.03%	0		0.00%
City of Emporia Kansas	240	9	0.97%	285	7	1.12%
Hopkins Manufacturing	236	10	0.95%	283	8	1.11%
Modine Manufacturing	0		0.00%	495	6	1.94%
Birch Telecom	95	11	0.00%	269	9	1.05%
Total	<u>4,707</u>		<u>18.56%</u>	<u>8,065</u>		<u>31.61%</u>

Data from Emporia Chamber of Commerce

CITY OF EMPORIA, KANSAS

TABLE 17
UNAUDITED

FULL-TIME CITY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN YEARS
December 31,

Function	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
General Government	37	34	32	32	32	37	35	34	33	34
Public Safety										
Officers	44	48	45	48	45	48	44	46	47	47
Civilians	29	20	21	24	21	23	23	23	23	25
Fire										
Firefighter & Officers	48	45	46	48	46	48	48	48	49	49
Civilians	1	1	1	1	1	1	1	1	1	1
Highways and Streets										
Engineering	5	6	5	7	5	7	8	5	5	5
Maintenance	15	16	16	11	11	11	9	7	7	8
Sanitation	28	32	28	30	28	31	30	30	31	32
Culture and Recreation	28	29	29	30	34	28	30	19	20	20
Water	20	21	19	17	19	18	17	21	21	21
Sewer	13	13	13	12	13	12	12	13	13	13
Total	<u>268</u>	<u>265</u>	<u>255</u>	<u>260</u>	<u>255</u>	<u>264</u>	<u>257</u>	<u>247</u>	<u>250</u>	<u>255</u>

(1) Data received from the Human Resources Department

CITY OF EMPORIA, KANSAS

TABLE 18
UNAUDITED

OPERATING INDICATORS BY FUNCTION
LAST TEN YEARS
December 31,

Function	Fiscal Year			
	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
Police				
Physical arrests(1)	2,095	2,341	1,961	2,008
Parking violations(1)	7,853	6,535	5,840	7,289
Traffic violations(1)	5,026	5,415	4,991	5,075
Fire				
Number of calls answered(2)	1,320	1,411	1,445	1,396
Inspections(2)	848	1,004	1,045	1,614
Highways and streets				
Street resurfacing (miles)(3)	4.01	5.00	4.81	4.79
Potholes repaired(4)	55	80	80	78
Sanitation				
Refuse collected (tons/day)(5)	92.65	90.51	90.96	96.04
Recyclables collected (tons/day)(5)	6.52	6.46	6.98	6.21
Water				
New connections(6)	173	173	173	173
Water main breaks(6)	43	88	84	61
Average daily consumption (thousands of gallons)(7)	8,050	8,647	9,218	8,737
Wastewater				
Average Daily Treatment Capacity (thousands of gallons)(8)	2,187	2,190	2,003	2,192

- (1) data received from the police 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

TABLE 18
UNAUDITED

Fiscal Year					
<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
1,952	1,859	1,823	1,306	890	996
6,308	6,355	6,609	7,130	9,044	7,253
4,788	4,969	4,879	3,725	3,010	2,309
1,448	1,333	1,435	1,267	3,154	3,065
1,067	980	1,023	1,127	1,338	1,287
4.80	4.82	4.81	3.53	3.60	8.56
95	100	150	201	304	399
96.67	94.21	92.11	87.62	81.46	80.00
6.04	6.71	6.57	5.61	6.45	5.03
173	173	169	177	36	16
57	63	72	69	35	49
8,765	9,472	8,460	6,629	6,292	6,334
2,002	2,200	3,190	2,400	2,357	2,400

CITY OF EMPORIA, KANSAS

TABLE 19
UNAUDITED

CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN YEARS
December 31,

Function	Fiscal Year			
	2001	2002	2003	2004
Public Safety				
Police				
Stations	1.00	1.00	1.00	1.00
Patrol Units(1)	21.00	21.00	22.00	22.00
Fire Stations	2.00	2.00	2.00	2.00
Sanitation				
Collection Trucks(2)	11.00	11.00	11.00	11.00
Highways and Streets				
Streets (miles)(3)	161	167	167	167
Traffic Signals(4)	68	69	71	72
Culture and Recreation				
Parks Acreage(5)	341.22	357.28	357.28	357.28
Parks(5)	19	20	20	20
Swimming Pools	2	2	2	2
Tennis Courts(5)	6	6	6	6
Community Centers	1	1	1	1
Water				
Water Main (miles)(3)	173.00	173.00	173.00	173.00
Fire Hydrants(6)	890	892	897	897
Maximum Daily Capacity (thousands of gallons)(7)	13,022	14,520	14,874	12,654
Sewer				
Sanitary Sewers (miles)(3)	138.00	138.00	138.00	138.00
Storm Sewers (miles)(3)	56	56	56	56
Maximum Daily Treatment Capacity (thousands of gallons)(8)	5,997	5,997	6,129	6,129

- (1) data supplied by police department
- (2) data supplied by sanitation department
- (3) data supplied by engineering
- (4) data supplied by public works department
- (5) data supplied by parks department
- (6) data supplied by fire department
- (7) data supplied by water department
- (8) data supplied by wastewater department

TABLE 19
UNAUDITED

Fiscal Year					
<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
1.00	1.00	1.00	1.00	1.00	1.00
24.00	23.00	23.00	23.00	23.00	23.00
2.00	2.00	2.00	2.00	2.00	2.00
11.00	11.00	11.00	11.00	11.00	10.00
167	167	167	168	168	168
74	75	76	77	78	80
325.16	325.16	325.16	325.16	325.16	325.16
20	18	18	18	18	18
2	2	2	2	2	2
6	6	6	6	6	6
1	1	1	1	1	1
173.00	173.00	178.60	179.20	180.63	180.63
899	902	916	918	920	908
13,502	14,115	13,116	9,217	9,355	9,220
138.00	138.00	138.50	138.70	139.10	139.10
56	56	56.5	56.6	67.5	67.5
6,130	6,130	7,640	7,520	7,520	7,400