

CITY OF EMPORIA

522 Mechanic
Emporia, Kansas 66801

Comprehensive Annual Financial Report
For the fiscal year ended December 31, 2001

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

CITY OF EMPORIA, KANSAS
 Comprehensive Annual Financial Report
 For the fiscal year ended December 31, 2001

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INTRODUCTORY SECTION



THE CITY OF
EMPORIA

City Manager's Office/522 Mechanic/P.O. Box 928/Emporia, KS 66801-0928/620-343-4251

Tom Myers, Mayor
Julia Johnson, Vice-Mayor
Dale K. Davis, Commissioner
Raymond A. Toso, Commissioner
Francis G. Walters, Jr., Commissioner
Steve Commons, City Manager

Honorable Mayor and
City Commissioners
City of Emporia
Emporia, Kansas

Honorable Mayor and City Commissioners:

I hereby transmit the Comprehensive Annual Financial Report of the City of Emporia, Kansas as of December 31, 2001 and for the year then ended. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. Management believes that the data, 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 operations 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.

In developing and evaluating the City's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are discussed by the Director of Administrative Services in his accompanying letter of transmittal, and within that framework, I believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

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, 2000. This was the sixteenth consecutive year the City has received this award.

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 reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

The accompanying report consists of four parts:

1. Introductory section, including the Director of Administrative Services' letter of transmittal.
2. Financial section, including the financial statements and supplemental data of the City accompanied by our independent auditors' opinion.
3. Single audit section, designed to meet the requirements of the federal single audit act of 1984 and related OMB Circular A-133.
4. Statistical section, including a number of tables of unaudited data depicting the financial history of the City for the past ten years, information on overlapping governments, and demographic and other miscellaneous information.

Kansas Statutes Annotated 75-1122 requires an annual audit to be made of the books of account, financial records, and transactions of all administrative departments of the City by independent Certified Public Accountants or Licensed Municipal Public Accountants selected by the City Commission. This requirement has been complied with, and our auditor's opinion has been included in this report.

Honorable Mayor and
City Commissioners

The remainder of this letter will review accomplishments of this organization and local economic events during the fiscal year being evaluated. This letter will also include a future outlook section and a review of the property tax base for the community. Many of the topics are woven together. As one project or function leads to another, these accomplishments show a strong overall community commitment to continue to move forward for a better Emporia and a stronger economic region.

SIGNIFICANT LOCAL ECONOMIC EVENTS

A review of past transmittal letters would indicate a pattern of significant growth activity which now spans at least four years. Prior to that time, our economic activity was stable and only through hindsight can we really see the substantial jump in activity we have enjoyed in more recent years. Building activity is a good indicator of growth and development in a community. Noted below is the gross value of building permits issued in the last 10 years. It clearly illustrates when we moved to a new level of activity for our community.

1992	\$13,727,729	1997	\$14,839,473
1993	\$14,372,318	1998	\$23,285,937
1994	\$22,774,763	1999	\$35,983,712
1995	\$13,805,187	2000	\$38,565,007
1996	\$15,229,107	2001	\$42,092,226

The year 2001 represented the largest building and construction activity in Emporia's history. For four years in a row, new records have been established for our construction activity. Residential housing, commercial business activity and industrial development all demonstrated healthy economic activity. The following provides specific information relating to our economic activity:

Commercial Development - About four years ago, we started to see stronger investment in our commercial sector. This trend of commercial activity continued through the 1999 construction season. In 2000 and 2001, we are seeing more modest investment. We expect this area to be weaker in 2002. Even if the national economy returns to healthier levels, our commercial activity tends to lag behind national trends.

General Building Activity - This area continues to show substantial growth and as was noted earlier, 2001 represents the largest year in total building permit value in Emporia's history. Noted below are the recent trends of building permit valuations. It was an exciting year to have growth and development in all sectors of the economy. Public construction is particularly strong over the last few years with the new courthouse and new public school buildings. The soft spot in looking at this chart is Multi-Family Dwellings. Every few years, a large multi-family apartment complex is constructed and causes other investment in this area to subside until community growth catches up with the additional development. The following chart reflects the new construction, building addition and alterations by category:

	<u>1999</u>	<u>2000</u>	<u>2001</u>
One and Two Family Dwellings	\$4,823,857	\$ 4,043,536	\$ 5,396,012
Multi-Family Dwellings	\$5,683,891	\$ 757,606	\$ 1,159,130
Commercial	\$9,319,483	\$ 5,756,781	\$ 4,246,711
Industrial	\$7,700,382	\$10,241,379	\$14,554,746
Accessory, Institutional, Public Use	<u>\$8,456,099</u>	<u>\$17,765,705</u>	<u>\$16,735,627</u>
	\$35,983,712	\$38,565,007	\$42,092,226

Industrial Development - The city continues to show good continued building investment and steady employment within our industrial development community. Unfortunately, 2001 marked the closing of Didde Corporation, which is was one of the oldest manufacturer's in the community. Shifting market conditions and technology changes that have effected the printing press industry, caused one of our corner stones of the industrial community to close. This change only reenforces the necessity of working hard as a city to encourage expansion of your existing industries and welcoming new additions to this sector of our economy. Other businesses will be forced

**Honorable Mayor and
City Commissioners**

to close or adjust their workforce due to changing market conditions or product obsolescence. That is why encouraging new investment and innovation is critical for the future health of the Emporia area's industrial community. As one story ends, and new one begins as Norfolk Iron and Metal started operations in 2001. A major capital expansion project involving IBP was also substantially completed in 2001. These projects are building our future tax base and companies like Norfolk are adding new employment opportunities that are compensated well in our market place. Our industrial development program has been the center of our strong sustained growth in our local economy. Later in this letter, we will provide more specifics about our industrial activity.

DEPARTMENTAL SERVICE ACTIVITY EFFORTS

During the year, the City's departments and staff have worked on a number of notable projects which will improve the quality of life in the city. They are as follows:

Industrial Park III - This industrial park continues to be the center of much activity and it appears that this activity will continue in the park and in areas adjacent to the park. Norfolk Iron and Metal represents our newest addition to the industrial area with the construction of 150,000 sq. feet of warehouse space. This project required the extension of sewer and water lines into an added area to the Industrial Park. As a result of this new business addition to our community, additional street improvements are being developed in 2002 for 2003 construction on South Avenue adjacent to Norfolk Iron and Metal which started commercial operations in 2001. The infrastructure investment is significant in this area and will encourage other growth and development in the Park.

Initiating Major Construction Projects - In 2001, our staff has been involved in the development and implementation of a number of substantial projects which, due to their size, required more preparation and planning than in some previous years. Projects like the Jones Aquatic Center, Downtown Streetscape Project, reconstruction of Americus Road as it intersects with US Highway 50 and the Pedestrian Bridge at Prairie Street over I-35 represent large public construction activities. These projects require substantial coordination and special commitments due to the source of funding. Some of the projects are supported by grant funds and others involve donations and bond issue proceeds. All, but the Americus Road project, had construction initiated in 2001 and will be completed in 2002.

Housing Development - A substantial amount of staff time continues to be spent working on issues relating to the housing situation in Emporia. Based on a Housing Study which was completed in 1999, the community has moved forward with the development of a local housing authority which is called the Emporia Community Housing Organization (ECHO). This new group started its activities in 2001, working with City and other interested parties, to improve the quality and quantity of the existing housing stock in our community. The business community and other interested citizens have pledged funds to the housing organization.

Utility Investment - Community growth and increasing standards for environmental quality have continued the need for Emporia to improve both the Water Treatment and the Wastewater Treatment Plants. Over the last few years, major projects were completed at both treatment facilities. In 2001, planning and design work were completed on a wastewater plant expansion which will increase the processing capacity of the plant. Our industrial growth in the community made this expansion a necessity. This expansion is projected to be substantially completed prior to the end of 2002. The prior years of investment in the water treatment plant have resulted in the ability to produce a high quality water. This was confirmed when early in 2002 our water was judged by the Kansas Rural Water Association the best tasting water in the State and was ranked as one of the top five in the nation. Investing in the newest and best technology has allowed us to produce a superior product in sufficient quantities to meet a growing community and regional demand.

The preceding are only a sampling of City staff's activities during the year. The City's departments continue to strive to provide quality services to the citizens of Emporia and to make improvements whenever possible.

Honorable Mayor and
City Commissioners

FUTURE OUTLOOK

Emporia is very fortunate to have a very diversified economy. This diversity provides a cushion when a 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. Increased employment in this area is being created with additional production lines starting at the Menu Foods plant for the production of pet food.

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. Employers in this sector project stable employment and the diversity in the types of goods produced has to be considered an asset. Caterpillar continues to build their production staff as one of our newest members to the industrial community with the production of the rubberized track and wheel assembly for the farm and construction equipment market. The new plant opened in 2000 and in 2001, they moved the wheel assembly operation to the plant and have been building their production operations staffing.

The City has also gained another new employer with the announcement of Norfolk Iron and Metal Company's establishment of a new warehouse distribution facility in Emporia. The Company has already accomplished their employment goals with 80 people on their staff and plans to continue to grow their business and employment. This project represents additional diversification of our economy with the development of a warehouse type operation.

Major service industries include a state university, technical college, regional medical center, transportation and hotel facilities. The University is working harder to maintain and build its enrollment. Technical training seems to increase in importance as employers express a need for specific trained skills in their production operations. The demand for good technical training will increase. Transportation, particularly trucking, continues to be an important part of our economy. Our access to highway systems and our central geographical location within our state and nation continue to make this a promising area. Emporia has been able to improve its position as a medical center with the development of a new medical office building which has assisted in physician recruitment. The hospital is also in the process of constructing a major building expansion to improve all areas of hospital services. Increasing the availability of certain medical specialties, such as cardiac care and cancer treatment, are areas being pursued to create a stronger position as a regional medical provider.

It is anticipated that the construction activity in 2002 will be strong, but will be less than the record setting pace of 2001. Even with a slowdown of the national economy, we are anticipating continued growth in our industrial sector. New business opportunities are possible in 2002 and 2003 that would continue the strong pace we have set in this segment of our economy. Opportunities are available from both new companies and growth within our existing industrial community. If this area continues strong, it will create new commercial and residential opportunities to keep pace with a growing employment base.

As the city has grown and worked to establish a good network of streets and utilities, the next couple of years will begin a new focus on projects that are intended to improve the quality of life in our community. The voters of Emporia approved the issuance of \$3.2 million of bonds to be matched with a \$1 million donation from the Jones Trust to construct a new Family Aquatic Center for our community. Construction of this new water park began in 2001 and was completed for the summer swim season of 2002. Another large community improvement project is the Streetscape program. This multi-million dollar beautification project is designed to improve the appearance of downtown Emporia. The governing body feels it is important to protect the core of our community and the goal is to maintain an attractive area to encourage continued business investment in the area. Also, the city is working with the Recreation Commission in evaluating the future park needs as the city grows into new land areas. Park and recreational needs are a part of the quality of life that is enjoyed in any community and Emporia wants to be sure that we have not only met the expectations of our current systems, but that we are planning ahead to meet the needs for a growing community.

Our community has shown steady growth in our property tax assessed valuation. Due to all the recent building activity, we should see our assessed valuation steadily rise. Tax abatement has been a factor in some of our expansion programs so some of the construction investment will not be reflected for a few years. Even with the temporary abatements of some of our industrial expansion, the broad based construction investments will still have a very positive effect in our valuation.

Honorable Mayor and
City Commissioners

GROWTH IN VALUATION

<u>ASSESSED YEAR</u>	<u>ASSESSED VALUATION</u>
1997	\$ 96,526,234
1998	\$100,113,321
1999	\$101,337,375
2000	\$108,595,581
2001	\$113,034,253
2002	\$123,110,003

Besides the property tax and the collection of utility charges, the one cent local sales tax is a significant source of income for our community. Retail sales activity is difficult to project because of the changing nature of retail sales. Large retail centers in metropolitan areas do create competitive pressures on a smaller city like Emporia. These large regional trade centers pull some retail activity out of our community. Add to this competitive pressure, the growing number of sales which are occurring through catalogs and the internet. Just to hold your level of retail sales is an accomplishment. Our five-year history shows that we have held our position with modest growth in activity. In that 5 year period, income from this source grew by 20.7%. We recognize that it will continue to be hard to maintain this position, but our industrial development strategy which encourages better paying jobs will create more disposable income within our community for retail sales. Noted below is our five-year history for the recent trends in retail sales tax collections.

SALES TAX HISTORY

1997	\$3,166,576
1998	\$3,533,338
1999	\$3,604,402
2000	\$3,706,938
2001	\$3,823,159

With the solid industrial base established through the years in our community, Emporia is working from a position of economic strength. The City's future appears to be, given our past performance, one of stable growth. The community has been working aggressively to continue to broaden its industrial base. In 1994, the voters approved that a portion of our sales tax be used to increase employment opportunities for the community. This sales tax was scheduled to sunset in 2004, but the community's commitment to our growth and development continues and in 2001, the voters extended the sales tax until 2014. This continues to position our community for a future which will build new capital investment and a well compensated workforce.

ACKNOWLEDGMENTS

The preparation of this report could not be accomplished without the efficient and dedicated services of the entire staff of the accounting and internal audit departments. I should like to express my appreciation to all who assisted and contributed to its preparation. I should also like to thank the members of the City Commission for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,


Steve Commons, City Manager

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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, 2001 is submitted herewith.

This report was prepared by the City's Finance Department. The report is published to provide to the Commission, to 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.

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 26,760 based on the 2000 census. There are 10.49 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 under the lawful jurisdiction of the State of Kansas. The City has a 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.

ACCOUNTING SYSTEM AND BUDGETARY CONTROL

City departments are required to submit their annual budget requests for the ensuing year to the Assistant City Manager by May 1st. Such budget requests are reviewed by the City Manager and Commission and incorporated into the official budget required by applicable state statutes. The notification of budget hearing with proposed expenditures is published ten days prior to the public hearing. After the public hearing, the budget expenditures and related levies may be lowered but not raised. The adopted budget is certified to the County Clerk no later than August 25th.

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 an expenditure 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. All other budget amendments require the approval of the State Board of Tax Appeals.

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 and account groups 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 @ 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; a swimming pool, golf course, tennis courts, neighborhood parks and a community center provide a well-rounded, active recreation program; the Engineering Department provides essential street and highway construction and maintenance, surveying services, 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 judgements 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.

GENERAL GOVERNMENTAL FUNCTIONS

REVENUES AND OTHER FINANCING SOURCES

Revenues for budgeted governmental functions (General Fund, Special Revenue Funds and Debt Service Fund) totaled \$16,745,936 in 2001, an increase of 2.4 percent from 2000. Taxes produced 58 percent of the budgeted fund revenue compared with 57 percent in 2000. Revenues have remained consistent from the prior year. The amount of revenue from various sources and the increase [decrease] over last year are shown in the following information.

<u>Budgeted Funds</u>	2001		Increase [Decrease] Over 2000	
	<u>Amount</u>	<u>Percent of Total</u>	<u>Amount</u>	<u>Percent</u>
Taxes	\$ 9,622,700	57.5	\$ 373,062	4.0
Special assessments	397,346	2.4	113,417	39.9
Intergovernmental	1,827,866	10.9	[369,389]	[16.8]
Licenses and fees	252,453	1.5	13,414	5.6
Charges for services	944,841	5.6	[96,615]	[9.3]
Fines and fees	694,922	4.1	32,445	4.9
Use of money and property	240,717	1.4	[93,110]	[27.9]
Transfers from other funds	2,653,468	15.8	525,372	24.7
Other	111,623	0.8	[102,937]	[48.0]
	<u>\$ 16,745,936</u>	<u>100.0</u>	<u>\$ 395,659</u>	<u>2.4</u>

The City's assessed valuation of \$118,994,000 represented an increase of 6 percent from the preceding year. Property tax collections were 89.6 percent of the current tax levy as compared to 93.7 percent for 2000. Delinquent tax collections this year were 0.97 percent of the current levy as compared to 1.01 percent in 2000. Total tax collections, both current and delinquent were 90.5 percent of the current levy which was 4.2 percent lower than the preceding year.

EXPENDITURES AND OTHER FINANCING USES

Expenditures for budgeted governmental functions (General Fund, Special Revenue Funds and Debt Service Fund) totaled \$16,539,543 in 2001, a decrease of 0.2 percent from 2000. Increases [decreases] in levels of budgeted expenditures over the preceding year are shown in the following information.

<u>Budgeted Funds</u>	2001		Increase [Decrease] Over 2000	
	<u>Amount</u>	<u>Percent of Total</u>	<u>Amount</u>	<u>Percent</u>
General government	\$ 2,331,773	14.6	\$ 269,410	13.1
Public safety	6,729,779	41.9	212,611	3.3
Public health	63,600	0.4	-	-
Public works	584,127	3.7	348,449	147.8
Culture and recreation	1,853,974	8.2	90,489	0.1
Community and industrial planning and	1,288,605	8.1	[78,670]	[5.8]
Public transportation	84,207	0.5	[13,548]	[13.9]
Street lighting	168,438	1.1	3,081	1.9
Airport operations	370,985	2.3	[32,850]	[8.1]
Debt service	1,839,194	11.5	[356,714]	[16.2]
Transfers to other funds	1,224,861	7.7	[477,082]	[28.0]
	<u>\$ 16,539,543</u>	<u>100.0</u>	<u>\$ [34,824]</u>	<u>0.2</u>

DEBT ADMINISTRATION

Net bonded debt per capita and the percentage of net debt to assessed value are useful indicators of the City's debt position to municipal management, citizens and investors in City bonds. Total outstanding general obligation tax supported and special assessment debt was \$29,275,000 on December 31, 2001. Debt statistics for the City of Emporia at December 31, 2001 were as follows:

	<u>Amounts</u>	<u>Percent of Total</u>	<u>Debt per Capita</u>
Direct City debt	\$ 29,275,000	45.3%	\$ 1,094
Overlapping debt	<u>35,320,038</u>	<u>54.7%</u>	<u>1,320</u>
	<u>\$ 64,595,038</u>	<u>100.0%</u>	<u>\$ 2,414</u>

Additional information about the City's debt can be found in the statistical section of this report. (Tables 8 – 10)

ENTERPRISE OPERATIONS

The City's enterprise operations are composed of four separate and distinct activities; the water utility; the sewer utility; solid waste disposal; and parking facilities. A substantial percentage of the City's 2001 construction activity pertains to the water and sewer utilities.

A summary of selected enterprise fund financial information is presented in the following tabulation:

	<u>Amount</u>
Gross operating revenue	\$ 9,113,565
Net loss	[1,233,305]
Revenue available for debt service (net income [loss] plus depreciation and amortization of bond issue costs)	405,130
2001 debt service	1,777,942
Coverage (income available for debt service divided by 2001 debt service)	0.23

CASH MANAGEMENT

Cash temporarily idle during the year was invested in time deposits ranging from 30 to 90 days in maturity and in U.S. Government obligations with variable maturities and in the Kansas Municipal Investment Pool. At December 31, 2001, the City's cash resources were divided between demand deposits and investments as follows: in demand deposits and cash on hand 1.0 percent; and in interest bearing investments 99.0 percent. The amount of interest received in 2001 from idle cash was \$174,782.

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. Additionally, the City periodically engages professional consultants to assist with the risk management function. The City operates its employees' health insurance and workers' compensation insurance as partially self-funded plans.

CAPITAL PROJECTS

As provided by Kansas statutes, the City finances capital projects, for which the issuance of general obligation bonds has been authorized, with temporary notes. Proceeds of temporary notes issued are accounted for in Capital Project funds until improvements are completed. Completed and uncompleted sanitary sewer lines and water lines are capitalized in the Enterprise Funds. Completed projects for buildings, building improvements and land improvements other than streets, sidewalks, and curbs and gutters are capitalized in the General Fixed Asset Account Group. Streets, sidewalks, and curbs and gutters are not capitalized.

During 2001 capital improvement projects totaling \$14,442,571 were authorized by the City Commission. General fixed asset additions were placed in service with a cost of \$1,803,764. Additions to the Enterprise Funds costing \$3,621,527 were placed in service in 2001.

GENERAL FIXED ASSETS

The general fixed assets of the City are those fixed assets in the performance of general governmental functions and excluded the fixed assets of the Enterprise funds. As of December 31, 2001, the general fixed assets of the City amounted to \$23,485,912. This amount represents the original cost of the assets and is considerably less than their present value. Depreciation of general fixed assets is not recognized in the City's accounting system.

INDEPENDENT AUDIT

State law requires an annual audit of the books of account, financial records and transactions of all administrative departments of the City by independent Certified Public Accountants or Licensed Municipal Public Accountants 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, 2000. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local City 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 sixteen consecutive years (fiscal years 1985 – 2000). 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,



Larry Bucklinger
Director of Administrative Services
March 15, 2002

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Emporia,
Kansas

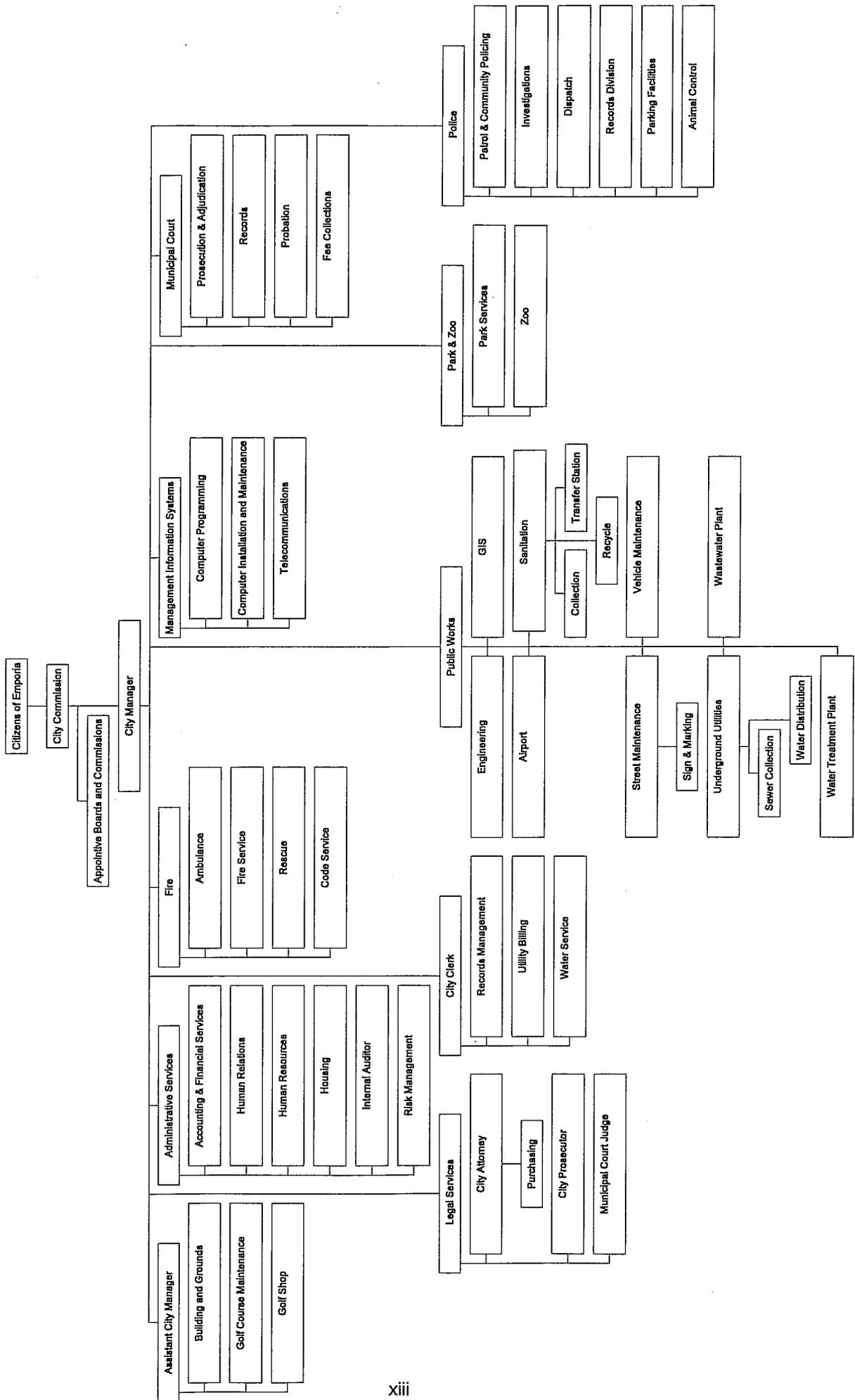
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2000

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.



Imelda Arave
President

Jeffrey L. Esser
Executive Director



City of Emporia, Kansas

GOVERNING BODY
2001

MAYOR	TOM MEYERS
VICE-MAYOR	JULIA JOHNSON
COMMISSIONER	RAYMOND A. TOSO
COMMISSIONER	DALE K. DAVIS
COMMISSIONER	FRANCIS G. WALTERS, JR.

ADMINISTRATIVE OFFICIALS

CITY MANAGER	STEVE COMMONS
ASSISTANT CITY MANAGER	MARK McANARNEY
DIRECTOR OF ADMINISTRATIVE SERVICES	LARRY BUCKLINGER
CITY CLERK	SUSAN MENDOZA
CITY TREASURER	JANET HARROUFF
CITY ATTORNEY / ASSISTANT CITY MANAGER	BLAISE PLUMMER

DEPARTMENT HEADS

PUBLIC WORKS DIRECTOR / CITY ENGINEER	CHARLES SOULES
FIRE CHIEF	JACK TAYLOR
POLICE CHIEF	MIKE HEFFRON
DATA PROCESSING MANAGER	CATHY HOUGH
DIRECTOR OF COMMUNITY SERVICES	DAVID P. TRAYLOR
DIRECTOR OF COURT SERVICES	PHIL MARTIN

FINANCIAL SECTION

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LOWENTHAL SINGLETON WEBB & WILSON
P R O F E S S I O N A L A S S O C I A T I O N

CERTIFIED PUBLIC ACCOUNTANTS

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—
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Audrey M. Odermann, CPA
Stephanie A. Tozier, CPA

—
Members of American Institute
and Kansas Society of
Certified Public Accountants

**INDEPENDENT AUDITOR'S REPORT
ON GENERAL PURPOSE FINANCIAL STATEMENTS**

Mayor and City Commissioners
City of Emporia, Kansas

We have audited the accompanying general purpose financial statements of the City of Emporia, Kansas, (the City) as of and for the year ended December 31, 2001, as listed in the table of contents. These general purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit. We did not audit the financial statements of the Emporia Public Library. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion on the financial statements, insofar as it relates to the amounts for the Emporia Public Library included as a discretely presented component unit, is based solely upon the report of the other auditors.

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

In our opinion the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Emporia, Kansas, as of December 31, 2001, and the results of its operations and the cash flows of its proprietary and similar trust fund types for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with "Government Auditing Standards", we have also issued a report dated March 15, 2002, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with "Government Auditing Standards" and should be read in conjunction with this report in considering the results of our audit.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the City of Emporia, Kansas. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose 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.

Lowenthal, Singleton, Webb & Wilson

Professional Association
March 15, 2002

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GENERAL PURPOSE FINANCIAL STATEMENTS

CITY OF EMPORIA, KANSAS
COMBINED BALANCE SHEET
ALL FUND TYPES, ACCOUNT GROUPS AND
DISCRETELY PRESENTED COMPONENT UNITS
December 31, 2001

	Governmental Fund Types			
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
ASSETS AND OTHER DEBITS				
ASSETS				
Cash and cash equivalents	\$ 117,704	\$ 1,116,012	\$ 247,620	\$ 4,679,823
Investments	-	-	-	-
Receivables (net of allowance for uncollectibles)				
Accounts	190,565	568,575	-	-
Taxes	2,684,064	498,211	1,235,295	-
Notes	-	398,878	-	-
Interest	-	-	-	-
Due from other funds	263,539	32,970	-	482,056
Inventory and prepaid supplies	-	-	-	-
Fixed assets (net of accumulated depreciation where applicable)	-	-	-	-
Deferred charges	-	-	-	-
OTHER DEBITS				
Amount available in debt service funds	-	-	-	-
Amount to be provided for retirement of general long-term debt	-	-	-	-
Total assets and other debits	<u>\$ 3,255,872</u>	<u>\$ 2,614,646</u>	<u>\$ 1,482,915</u>	<u>\$ 5,161,879</u>

Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Total Primary Government (Memoran- dum Only)	Component Unit Emporia Public Library	Total Reporting Entity (Memoran- dum Only)
<u>Enterprise</u>	<u>Internal Service</u>	<u>Trust and Agency</u>	<u>General Fixed Assets</u>	<u>General Long- Term Debt</u>			
\$ 2,843,284	\$ 71,957	\$ 636,904	\$ -	\$ -	\$ 9,713,304	\$ 276,705	\$ 9,990,009
-	1,674,210	-	-	-	1,674,210	867	1,675,077
1,108,327	-	263,539	-	-	2,131,006	-	2,131,006
-	-	-	-	-	4,417,570	-	4,417,570
-	-	226,066	-	-	624,944	-	624,944
-	-	1,033	-	-	1,033	-	1,033
-	-	-	-	-	778,565	-	778,565
219,678	-	-	-	-	219,678	-	219,678
37,102,224	-	-	23,485,912	-	60,588,136	636,769	61,224,905
411,519	-	-	-	-	411,519	-	411,519
-	-	-	-	247,620	247,620	-	247,620
-	-	-	-	21,568,574	21,568,574	10,631	21,579,205
<u>\$ 41,685,032</u>	<u>\$ 1,746,167</u>	<u>\$ 1,127,542</u>	<u>\$23,485,912</u>	<u>\$21,816,194</u>	<u>\$102,376,159</u>	<u>\$ 924,972</u>	<u>\$103,301,131</u>

The accompanying notes are an integral part of this statement.

CITY OF EMPORIA, KANSAS
COMBINED BALANCE SHEET
ALL FUND TYPES, ACCOUNT GROUPS AND
DISCRETELY PRESENTED COMPONENT UNITS
December 31, 2001

	Governmental Fund Types			
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
LIABILITIES, EQUITY AND OTHER CREDITS				
LIABILITIES				
Accounts payable	\$ 154,782	\$ 18,326	\$ -	\$ 676,469
Accrued liabilities	314,753	-	-	-
Accrued compensated absences	38,226	37,425	-	-
Retainage payable	-	-	-	236,121
Unpaid claims	-	-	-	-
Leases payable	-	-	-	-
Accrued interest payable	-	-	-	-
Current portion of long-term debt	-	-	-	-
Current portion of general obligation bonds	-	-	-	-
Due to other funds	-	32,970	-	482,056
Notes payable	-	-	-	-
Accrued landfill postclosure care costs	-	-	-	-
General obligation bonds payable	-	-	-	-
Deferred revenue	2,684,064	498,211	1,235,295	-
Total liabilities	<u>3,191,825</u>	<u>586,932</u>	<u>1,235,295</u>	<u>1,394,646</u>
EQUITY AND OTHER CREDITS				
Investment in general fixed assets	-	-	-	-
Contributed capital	-	-	-	-
Retained earnings				
Unreserved	-	-	-	-
Fund balances				
Reserved for encumbrances	34,748	25,285	-	-
Reserved for economic development	-	1,575,651	-	-
Reserved for endowments	-	-	-	-
Unreserved				
Designated for debt service	-	-	247,620	-
Designated for employee benefits and capital outlay	-	-	-	-
Undesignated	29,299	426,778	-	3,767,233
Total equity and other credits	<u>64,047</u>	<u>2,027,714</u>	<u>247,620</u>	<u>3,767,233</u>
Total liabilities, equity and other credits	<u>\$ 3,255,872</u>	<u>\$ 2,614,646</u>	<u>\$ 1,482,915</u>	<u>\$ 5,161,879</u>

Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Total Primary Government (Memoran- dum Only)	Component Unit Emporia Public Library	Total Reporting Entity (Memoran- dum Only)
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long- Term Debt			
\$ 378,135	\$ 1,687	\$ 23,046	\$ -	\$ -	\$ 1,252,445	\$ -	\$ 1,252,445
128,109	-	-	-	-	442,862	-	442,862
228,708	-	-	-	418,350	722,709	10,631	733,340
-	-	-	-	-	236,121	-	236,121
-	397,945	-	-	-	397,945	-	397,945
-	-	-	-	193,579	193,579	-	193,579
106,582	-	-	-	-	106,582	-	106,582
-	-	-	-	1,569,655	1,569,655	-	1,569,655
805,345	-	-	-	-	805,345	-	805,345
-	-	263,539	-	-	778,565	-	778,565
7,363,719	-	-	-	-	7,363,719	-	7,363,719
253,925	-	-	-	-	253,925	-	253,925
7,525,385	-	-	-	19,634,610	27,159,995	-	27,159,995
-	-	-	-	-	4,417,570	-	4,417,570
<u>16,789,908</u>	<u>399,632</u>	<u>286,585</u>	<u>-</u>	<u>21,816,194</u>	<u>45,701,017</u>	<u>10,631</u>	<u>45,711,648</u>
-	-	-	23,485,912	-	23,485,912	636,769	24,122,681
14,007,202	-	-	-	-	14,007,202	-	14,007,202
10,887,922	1,346,535	-	-	-	12,234,457	-	12,234,457
-	-	-	-	-	60,033	13,608	73,641
-	-	839,072	-	-	2,414,723	-	2,414,723
-	-	-	-	-	-	142,374	142,374
-	-	-	-	-	247,620	-	247,620
-	-	-	-	-	-	49,875	49,875
-	-	1,885	-	-	4,225,195	71,715	4,296,910
<u>24,895,124</u>	<u>1,346,535</u>	<u>840,957</u>	<u>23,485,912</u>	<u>-</u>	<u>56,675,142</u>	<u>914,341</u>	<u>57,589,483</u>
<u>\$ 41,685,032</u>	<u>\$ 1,746,167</u>	<u>\$ 1,127,542</u>	<u>\$23,485,912</u>	<u>\$21,816,194</u>	<u>\$102,376,159</u>	<u>\$ 924,972</u>	<u>\$103,301,131</u>

The accompanying notes are an integral part of this statement.

CITY OF EMPORIA, KANSAS

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
ALL GOVERNMENTAL FUND TYPES, EXPENDABLE TRUST FUNDS
AND DISCRETELY PRESENTED COMPONENT UNITS
For the fiscal year ended December 31, 2001

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Revenues				
Taxes	\$ 7,512,348	\$ 784,840	\$ 1,325,512	\$ -
Special assessments	-	-	397,346	-
Intergovernmental	532,630	1,295,236	-	197,945
Licenses and permits	252,453	-	-	-
Charges for services	944,841	-	-	-
Fines and fees	694,922	-	-	-
Use of money and property	74,913	136,363	29,441	140,915
Reimbursements	937	-	-	-
Donations	-	13,280	-	-
Miscellaneous revenues	81,236	7,565	8,605	72,499
Total revenues	<u>10,094,280</u>	<u>2,237,284</u>	<u>1,760,904</u>	<u>411,359</u>
Expenditures				
Current				
General government	540,565	363,251	-	-
Law enforcement	3,483,951	81,217	-	-
Court services	440,708	-	-	-
Fire and ambulance	2,723,903	-	-	-
Highways and streets	755,464	672,708	-	-
Health and environment	-	63,600	-	-
Culture and recreation	1,308,654	-	-	-
Building maintenance	688,741	-	-	-
Planning and development	385,592	903,013	-	-
Airport operations	370,985	-	-	-
Capital outlay	-	147,816	-	5,835,553
Debt service				
Principal	-	9,791	1,277,485	-
Interest and other charges	-	1,297	550,621	91,414
Total expenditures	<u>10,698,563</u>	<u>2,242,693</u>	<u>1,828,106</u>	<u>5,926,967</u>
Excess [deficiency] of revenues over [under] expenditures	\$ [604,283]	\$ [5,409]	\$ [67,202]	\$ [5,515,608]

<u>Fiduciary Fund Types</u>	<u>Total Primary Government (Memoran- dum Only)</u>	<u>Component Unit Emporia Public Library</u>	<u>Total Reporting Entity (Memoran- dum Only)</u>
\$ -	\$ 9,622,700	\$ -	\$ 9,622,700
-	397,346	-	397,346
-	2,025,811	195,756	2,221,567
-	252,453	-	252,453
-	944,841	8,268	953,109
-	694,922	-	694,922
67	381,699	3,762	385,461
-	937	-	937
600	13,880	20,788	34,668
-	169,905	5,812	175,717
<u>667</u>	<u>14,504,494</u>	<u>234,386</u>	<u>14,738,880</u>
56	903,872	-	903,872
-	3,565,168	-	3,565,168
-	440,708	-	440,708
-	2,723,903	-	2,723,903
-	1,428,172	-	1,428,172
-	63,600	-	63,600
-	1,308,654	801,030	2,109,684
-	688,741	-	688,741
-	1,288,605	-	1,288,605
-	370,985	-	370,985
-	5,983,369	-	5,983,369
-	1,287,276	-	1,287,276
-	643,332	-	643,332
<u>56</u>	<u>20,696,385</u>	<u>801,030</u>	<u>21,497,415</u>
<u>\$ 611</u>	<u>\$ [6,191,891]</u>	<u>\$ [566,644]</u>	<u>\$ [6,758,535]</u>

The accompanying notes are an integral part of this statement.

CITY OF EMPORIA, KANSAS

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
ALL GOVERNMENTAL FUND TYPES, EXPENDABLE TRUST FUNDS
AND DISCRETELY PRESENTED COMPONENT UNITS
For the fiscal year ended December 31, 2001

	<u>Governmental Fund Types</u>			
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
Other financing sources [uses]				
Operating transfers in	\$ 1,603,257	\$ 836,305	\$ 213,906	\$ 792,550
Operating transfers out	[1,005,412]	[219,449]	-	[560,646]
Operating transfers in - primary government	-	-	-	-
Operating transfers out - component unit	-	[545,320]	-	-
Bond proceeds	-	-	-	6,450,000
Total other financing sources [uses]	<u>597,845</u>	<u>71,536</u>	<u>213,906</u>	<u>6,681,904</u>
 Excess [deficiency] of revenues and other sources over [under] expenditures and other uses	 [6,438]	 66,127	 146,704	 1,166,296
 Fund balances, January 1	 <u>70,485</u>	 <u>1,961,587</u>	 <u>100,916</u>	 <u>2,600,937</u>
 Fund balances, December 31	 <u>\$ 64,047</u>	 <u>\$ 2,027,714</u>	 <u>\$ 247,620</u>	 <u>\$ 3,767,233</u>

<u>Fiduciary Fund Types</u>	Total Primary Government (Memoran- dum Only)	<u>Component Unit Emporia Public Library</u>	Total Reporting Entity (Memoran- dum Only)
\$ -	\$ 3,446,018	\$ 7,122	\$ 3,453,140
-	[1,785,507]	[118]	[1,785,675]
-	-	545,320	545,320
-	[545,320]	-	[545,320]
-	6,450,000	-	6,450,000
-	<u>7,565,191</u>	<u>552,274</u>	<u>8,117,465</u>
611	1,373,300	[14,370]	1,358,930
<u>1,274</u>	<u>4,735,199</u>	<u>149,568</u>	<u>4,884,767</u>
<u>\$ 1,885</u>	<u>\$ 6,108,499</u>	<u>\$ 135,198</u>	<u>\$ 6,243,697</u>

The accompanying notes are an integral part of this statement.

CITY OF EMPORIA, KANSAS

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
ACTUAL AND BUDGET - GENERAL, SPECIAL REVENUE AND DEBT SERVICE FUNDS
For the fiscal year ended December 31, 2001

	General Fund		
	Actual	Budget	Variance Positive [Negative]
Revenues			
Taxes	\$ 7,512,348	\$ 7,698,565	\$ [186,217]
Special assessments	-	-	-
Intergovernmental	532,630	530,440	2,190
Licenses and permits	252,453	187,400	65,053
Charges for services	944,841	1,262,500	[317,659]
Fines and fees	694,922	647,100	47,822
Use of money and property	74,913	172,808	[97,895]
Reimbursements	937	59,900	[58,963]
Donations	-	-	-
Miscellaneous revenues	81,236	1,224,700	[1,143,464]
Total revenues	<u>10,094,280</u>	<u>11,783,413</u>	<u>[1,689,133]</u>
Expenditures			
Current			
General government	538,468	728,075	189,607
Public safety	6,669,857	7,050,286	380,429
Highway and streets	755,907	752,148	[3,759]
Culture and recreation	1,311,670	1,502,550	190,880
Building maintenance	689,912	785,232	95,320
Planning and development	299,584	128,864	[170,720]
Airport operations	369,234	404,407	35,173
Appropriations	87,229	52,250	[34,979]
Capital outlay	-	-	-
Debt service			
Principal	-	-	-
Interest and other charges	-	-	-
Total expenditures	<u>10,721,861</u>	<u>11,403,812</u>	<u>681,951</u>
Excess [deficiency] of revenues over [under] expenditures	<u>[627,581]</u>	<u>379,601</u>	<u>[1,007,182]</u>
Other financing sources [uses]			
Operating transfers in	1,603,257	-	1,603,257
Operating transfers out	[1,005,412]	[940,000]	[65,412]
Operating transfers out - component unit	-	-	-
Total other financing sources [uses]	<u>597,845</u>	<u>[940,000]</u>	<u>1,537,845</u>

Budgeted Special Revenue Funds			Debt Service Fund		
<u>Actual</u>	<u>Budget</u>	Variance Positive <u>[Negative]</u>	<u>Actual</u>	<u>Budget</u>	Variance Positive <u>[Negative]</u>
\$ 538,217	\$ 546,097	\$ [7,880]	\$ 1,325,512	\$ 1,359,794	\$ [34,282]
-	-	-	397,346	159,798	237,548
1,254,071	1,241,572	12,499	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
71,919	65,839	6,080	29,441	20,298	9,143
-	-	-	-	-	-
8,500	1,000	7,500	-	-	-
7,565	7,000	565	8,605	5,000	3,605
<u>1,880,272</u>	<u>1,861,508</u>	<u>18,764</u>	<u>1,760,904</u>	<u>1,544,890</u>	<u>216,014</u>
59,685	42,000	[17,685]	-	-	-
7,988	10,580	2,592	-	-	-
690,113	790,048	99,935	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
747,354	1,441,667	694,313	-	-	-
-	-	-	-	-	-
299,600	322,430	22,830	-	-	-
165,556	210,000	44,444	-	-	-
9,791	-	[9,791]	1,277,485	1,327,960	[50,475]
1,297	-	[1,297]	550,621	644,114	[93,493]
<u>1,981,384</u>	<u>2,816,725</u>	<u>835,341</u>	<u>1,828,106</u>	<u>1,972,074</u>	<u>143,968</u>
<u>[101,112]</u>	<u>[955,217]</u>	<u>854,105</u>	<u>[67,202]</u>	<u>[427,184]</u>	<u>359,982</u>
831,606	640,000	191,606	213,906	389,269	[175,363]
[172,890]	[98,528]	[74,362]	-	-	-
<u>[545,320]</u>	<u>[545,320]</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>113,396</u>	<u>[3,848]</u>	<u>117,244</u>	<u>213,906</u>	<u>389,269</u>	<u>[175,363]</u>

The accompanying notes are an integral part of this statement.

CITY OF EMPORIA, KANSAS

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
ACTUAL AND BUDGET - GENERAL, SPECIAL REVENUE AND DEBT SERVICE FUNDS
For the fiscal year ended December 31, 2001

	General Fund		
	<u>Actual</u>	<u>Budget</u>	Variance Positive <u>[Negative]</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other uses	\$ [29,736]	\$ [560,399]	\$ 530,663
Unreserved fund balances, January 1	<u>70,485</u>	<u>560,399</u>	<u>[489,914]</u>
Unreserved fund balances, December 31	40,749	<u>\$ -</u>	<u>\$ 40,749</u>
Current year encumbrances	34,748		
Prior year encumbrances	[11,450]		
Non-budgeted funds	<u>-</u>		
Fund balances, December 31	<u>\$ 64,047</u>		

Budgeted Special Revenue Funds			Debt Service Fund		
<u>Actual</u>	<u>Budget</u>	Variance Positive <u>[Negative]</u>	<u>Actual</u>	<u>Budget</u>	Variance Positive <u>[Negative]</u>
\$ 12,284	\$ [959,065]	\$ 971,349	\$ 146,704	\$ [37,915]	\$ 184,619
<u>1,696,874</u>	<u>1,696,874</u>	<u>-</u>	<u>100,916</u>	<u>100,916</u>	<u>-</u>
1,709,158	<u>\$ 737,809</u>	<u>\$ 971,349</u>	247,620	<u>\$ 63,001</u>	<u>\$ 184,619</u>
25,285			-		
[21,857]			-		
<u>315,128</u>			<u>-</u>		
<u>\$ 2,027,714</u>			<u>\$ 247,620</u>		

The accompanying notes are an integral part of this statement.

CITY OF EMPORIA, KANSAS

COMBINED STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN RETAINED EARNINGS / FUND BALANCES
 ALL PROPRIETARY FUND TYPES, SIMILAR TRUST FUNDS AND
 DISCRETELY PRESENTED COMPONENT UNITS
 For the fiscal year ended December 31, 2001

	<u>Proprietary Fund Types</u>		<u>Fiduciary Fund Type</u>
	<u>Enterprise</u>	<u>Internal Service</u>	<u>Non- expendable Trust</u>
Operating revenues			
Charges for services	\$ 9,094,707	\$ 921,183	\$ -
Use of money and property	-	-	43,053
Miscellaneous	18,858	26,805	-
Total operating revenues	<u>9,113,565</u>	<u>947,988</u>	<u>43,053</u>
Operating expenses			
Personal services	2,332,667	-	-
Contractual services	3,053,487	1,182,546	-
Commodities	1,373,700	-	-
Depreciation	1,592,132	-	-
Other	202,230	-	-
Total operating expenses	<u>8,554,216</u>	<u>1,182,546</u>	<u>-</u>
Operating income [loss]	<u>559,349</u>	<u>[234,558]</u>	<u>43,053</u>
Nonoperating revenues [expenses]			
Interest income	397,669	75,879	-
Rental income	2,451	-	-
Interest expense	[618,838]	-	-
Amortization of bond issue costs	[46,303]	-	-
Gain on disposal of assets	132,878	-	-
Total nonoperating revenues [expenses]	<u>[132,143]</u>	<u>75,879</u>	<u>-</u>
Income [loss] before operating transfers	<u>427,206</u>	<u>[158,679]</u>	<u>43,053</u>
Operating transfers			
Operating transfers in	3,085,462	-	-
Operating transfers out	[4,745,973]	-	-
Total operating transfers	<u>[1,660,511]</u>	<u>-</u>	<u>-</u>
Net income [loss]	[1,233,305]	[158,679]	43,053
Retained earnings / fund balances, January 1	<u>12,121,227</u>	<u>1,505,214</u>	<u>796,019</u>
Retained earnings / fund balances, December 31	<u>\$ 10,887,922</u>	<u>\$ 1,346,535</u>	<u>\$ 839,072</u>

Total Primary Government (Memoran- dum Only)	Component Unit Emporia Public Library	Total Reporting Entity (Memoran- dum Only)
\$ 10,015,890	\$ -	\$ 10,015,890
43,053	7,049	50,102
45,663	3,000	48,663
<u>10,104,606</u>	<u>10,049</u>	<u>10,114,655</u>
2,332,667	-	2,332,667
4,236,033	-	4,236,033
1,373,700	-	1,373,700
1,592,132	-	1,592,132
202,230	-	202,230
<u>9,736,762</u>	<u>-</u>	<u>9,736,762</u>
<u>367,844</u>	<u>10,049</u>	<u>377,893</u>
473,548	-	473,548
2,451	-	2,451
[618,838]	-	[618,838]
[46,303]	-	[46,303]
132,878	-	132,878
<u>[56,264]</u>	<u>-</u>	<u>[56,264]</u>
<u>311,580</u>	<u>10,049</u>	<u>321,629</u>
3,085,462	17	3,085,479
<u>[4,745,973]</u>	<u>[6,971]</u>	<u>[4,752,944]</u>
<u>[1,660,511]</u>	<u>[6,954]</u>	<u>[1,667,465]</u>
[1,348,931]	3,095	[1,345,836]
<u>14,422,460</u>	<u>139,279</u>	<u>14,561,739</u>
<u>\$ 13,073,529</u>	<u>\$ 142,374</u>	<u>\$ 13,215,903</u>

The accompanying notes are an integral part of this statement.

CITY OF EMPORIA, KANSAS

COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES, SIMILAR TRUST FUNDS AND
DISCRETELY PRESENTED COMPONENT UNITS
For the fiscal year ended December 31, 2001

	<u>Proprietary Fund Types</u>	
	<u>Enterprise</u>	<u>Internal Service</u>
Cash flows from operating activities		
Cash received from customers and users	\$ 9,069,842	\$ 930,263
Cash paid to employees for services	[2,187,067]	-
Cash paid to other suppliers of goods or services	[4,435,351]	[1,230,457]
Principal received on loans	-	-
Other operating receipts	18,858	26,805
Net cash provided by [used in] operating activities	<u>2,466,282</u>	<u>[273,389]</u>
Cash flows from noncapital financing activities		
Transfers to other funds	<u>[1,660,511]</u>	-
Net cash used in noncapital financing activities	<u>[1,660,511]</u>	-
Cash flows from capital and related financing activities		
Purchase and construction of fixed assets	[1,372,479]	-
Proceeds from issuance of debt	421,346	-
Principal payments - capital leases	[2,026]	-
Principal payments - bonds	[1,049,026]	-
Interest paid	[728,916]	-
Proceeds from sale of salvage	141,634	-
Net cash used in capital and related financing activities	<u>[2,589,467]</u>	-
Cash flows from investing activities		
Proceeds from sale of investments	-	1,781,167
Purchase of investments	-	[1,674,210]
Interest received	397,669	75,879
Rents received	2,451	-
Net cash provided by investing activities	<u>400,120</u>	<u>182,836</u>
Net increase [decrease] in cash and cash equivalents	[1,383,576]	[90,553]
Cash and cash equivalents, January 1	<u>4,226,860</u>	<u>162,510</u>
Cash and cash equivalents, December 31	<u>\$ 2,843,284</u>	<u>\$ 71,957</u>

Fiduciary Fund Type	Total Primary Government (Memoran- dum Only)	Component Unit Emporia Public Library	Total Reporting Entity (Memoran- dum Only)
\$ -	\$ 10,000,105	\$ -	\$ 10,000,105
-	[2,187,067]	-	[2,187,067]
-	[5,665,808]	-	[5,665,808]
124,798	124,798	-	124,798
-	45,663	3,000	48,663
<u>124,798</u>	<u>2,317,691</u>	<u>3,000</u>	<u>2,320,691</u>
-	[1,660,511]	[2,947]	[1,663,458]
-	[1,660,511]	[2,947]	[1,663,458]
-	[1,372,479]	-	[1,372,479]
-	421,346	-	421,346
-	[2,026]	-	[2,026]
-	[1,049,026]	-	[1,049,026]
-	[728,916]	-	[728,916]
-	141,634	-	141,634
-	[2,589,467]	-	[2,589,467]
-	1,781,167	52,268	1,833,435
-	[1,674,210]	-	[1,674,210]
43,053	516,601	7,049	523,650
-	2,451	-	2,451
<u>43,053</u>	<u>626,009</u>	<u>59,317</u>	<u>685,326</u>
167,851	[1,306,278]	59,370	[1,246,908]
<u>444,122</u>	<u>4,833,492</u>	<u>83,004</u>	<u>4,916,496</u>
<u>\$ 611,973</u>	<u>\$ 3,527,214</u>	<u>\$ 142,374</u>	<u>\$ 3,669,588</u>

The accompanying notes are an integral part of this statement.

CITY OF EMPORIA, KANSAS

COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES, SIMILAR TRUST FUNDS AND
DISCRETELY PRESENTED COMPONENT UNITS
For the fiscal year ended December 31, 2001

	<u>Proprietary Fund Types</u>		<u>Fiduciary</u>
	<u>Enterprise</u>	<u>Internal Service</u>	<u>Fund Type</u> Non-expendable <u>Trust</u>
Reconciliation of operating [loss] income to net cash provided by [used in] operating activities			
Operating income [loss]	\$ 559,349	\$ [234,558]	\$ 43,053
Adjustments to reconcile operating income [loss] to net cash provided by [used in] operating activities			
Depreciation expense	1,592,132	-	-
Interest income reported in operations	-	-	[43,053]
[Decrease] in unpaid claims	-	[49,598]	-
[Increase] decrease in accounts/notes receivable	[24,865]	9,080	124,798
[Increase] decrease in inventory	7,135	-	-
Increase [decrease] in accounts payable	153,798	1,687	-
Increase [decrease] in accrued liabilities	30,480	-	-
Increase [decrease] in accrued compensated absences	159,795	-	-
Increase [decrease] in accrued landfill closure and postclosure care costs	[11,542]	-	-
Net cash provided by [used in] operating activities	<u>\$ 2,466,282</u>	<u>\$ [273,389]</u>	<u>\$ 124,798</u>

Total Primary Government (Memoran- dum Only)	Component Unit Emporia Public Library	Total Reporting Entity (Memoran- dum Only)
\$ 367,844	\$ 10,049	\$ 377,893
1,592,132	-	1,592,132
[43,053]	[7,049]	[50,102]
[49,598]	-	[49,598]
109,013	-	109,013
7,135	-	7,135
155,485	-	155,485
30,480	-	30,480
159,795	-	159,795
<u>[11,542]</u>	<u>-</u>	<u>[11,542]</u>
<u>\$ 2,317,691</u>	<u>\$ 3,000</u>	<u>\$ 2,320,691</u>

The accompanying notes are an integral part of this statement.

CITY OF EMPORIA, KANSAS

NOTES TO FINANCIAL STATEMENTS

December 31, 2001

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 \$545,320 to the Library in 2001. 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.

B. Measurement Focus, Basis of Accounting and Basis of Presentation

The accounts of the City are organized and operated on the basis of funds and account groups. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements. Account groups are a reporting device to account for certain assets and liabilities of the governmental funds not recorded directly in those funds.

The City has the following fund types and account groups:

Governmental Funds are used to account for the City's general government activities. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City considers property taxes as available if they are collected within 60 days after year end. A one-year availability period is used for revenue recognition for all other governmental fund revenues.

Expenditures are recorded when the related fund liability is incurred, except for unmatured principal and interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Property taxes, interest and special assessments are susceptible to accrual. Other receipts and taxes become measurable and available when cash is received by the City and are recognized as revenue at that time.

CITY OF EMPORIA, KANSAS

NOTES TO FINANCIAL STATEMENTS

December 31, 2001

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

B. Measurement Focus, Basis of Accounting and Basis of Presentation - Continued

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 reports deferred revenue on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the City before it has a legal claim to them, as when grant moneys are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

Governmental funds included the following fund types:

The **general fund** is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The **special revenue funds** account for revenue sources that are legally restricted to expenditure for specific purposes (not including expendable trusts or major capital projects).

The **debt service fund** accounts for the servicing of the general long-term debt not being financed by proprietary or nonexpendable trust funds of the City.

The **capital projects funds** account for the acquisition of fixed assets or the construction of major capital projects not being financed by the proprietary or nonexpendable trust funds of the City.

Proprietary funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The City applies all applicable 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 funds include the following fund types:

The **enterprise funds** are used to account for those operations that are financed and operated in a manner similar to private business or where the commission has decided that the determination of revenues earned, costs incurred and / or net income is necessary for management accountability.

The **internal service funds** account for operations that provide services to other departments or agencies of the government, or to other governments, on a cost-reimbursement basis.

Fiduciary funds account for assets held by the City in a trustee capacity or as an agent on behalf of others. Trust funds account for assets held by the City under the terms of a formal trust agreement.

The **nonexpendable trust funds** are accounted for in essentially the same manner as the proprietary funds, using the same measurement focus and basis of accounting. Nonexpendable trust funds account for assets of which the principal may not be spent.

The **agency funds** are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the modified accrual basis of accounting. These funds are used to account for assets that the City holds for others in an agency capacity.

Account groups. The **general fixed assets account group** is used to account for fixed assets of the City. The **general long-term debt account group** is used to account for general long-term debt and certain other liabilities of the City.

CITY OF EMPORIA, KANSAS
NOTES TO FINANCIAL STATEMENTS
December 31, 2001

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

C. Assets, Liabilities and Equity

1. 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). Each fund type's portion of this pool is displayed on the combined balance sheet. The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are stated at fair value.

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

2. 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".

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 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. One-half of the property taxes are due December 20, prior to the fiscal year for which they are budgeted, and the second half is due the following June 20. This procedure eliminates the need to issue tax anticipation notes since funds will be on hand prior to the beginning of each fiscal year. The City Treasurer draws down all available funds from the County Treasurer's office in two-month intervals.

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 2002. 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.

3. 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.

4. Prepaid Items

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

CITY OF EMPORIA, KANSAS
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2001

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

C. Assets, Liabilities and Equity – Continued

5. Restricted Assets

Certain monies in the Economic Development non-expendable trust fund are restricted for re-use in the City's revolving loan program.

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

6. Fixed Assets

Fixed assets used in governmental fund types of the City are recorded in the general fixed assets account group at cost or estimated historical cost if purchased or constructed. Donated fixed assets are recorded at their estimated fair value at the date of donation. Assets in the general fixed assets account group are not depreciated. Interest incurred during construction is not capitalized on general fixed assets.

Public domain (infrastructure) general fixed assets (e.g., roads, bridges, sidewalks and other assets that are immovable and of value only to the government) are not capitalized.

The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend assets' lives are not included in the general fixed assets account group.

Property, plant and equipment in the proprietary funds of the government are recorded at cost. Property, plant and equipment donated to the proprietary fund type operations are recorded at their estimated fair value at the date of donation.

Major outlays for capital assets and improvements are capitalized in proprietary funds as projects are constructed. Interest incurred during the construction phase of proprietary fund fixed assets is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

Property, plant and equipment are depreciated in the proprietary and similar trust funds of the government using the straight line method over the following estimated useful lives:

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

7. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. No liability is reported for unpaid accumulated sick leave. Vacation pay is accrued when incurred in 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. Amounts not expected to be liquidated with expendable available financial resources are reported in the general long-term debt account group. No expenditure is reported for these amounts.

CITY OF EMPORIA, KANSAS
NOTES TO FINANCIAL STATEMENTS
December 31, 2001

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

C. Assets, Liabilities and Equity – Continued

8. Temporary Notes

Upon authorization for the issuance of general obligation bonds for certain improvements, Kansas law permits the temporary financing of such improvements by the issuance of temporary notes. Temporary notes issued may not exceed the aggregate amount of bonds authorized, are interest bearing and have a maturity date not later than four years from the date of issuance of such temporary notes. Temporary notes outstanding are retired from the proceeds of the sale of general obligation bonds. \$260,000 of temporary notes were outstanding at December 31, 2001.

9. Long-Term Obligations

The City reports long-term debt of governmental funds at face value in the general long-term debt account group. Certain other governmental fund obligations not expected to be financed with current available financial resources are also reported in the general long-term debt account group. Long-term debt and other obligations financed by proprietary funds are reported as liabilities in the appropriate funds.

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

10. Fund Equity

Reservations of fund balance represent amounts that are not appropriable or are legally segregated for a specific purpose. Reservations of retained earnings are limited to outside third-party restrictions. Designations of fund balance represent tentative management plans that are subject to change. The proprietary fund's contributed capital represents equity acquired through capital grants and capital contributions from developers, customers or other funds.

11. Interfund Transactions

Quasi-external transactions (i.e. – transactions that would be treated as revenues or expenses if they involved organizations external to the government unit, such as internal service fund billings to departments) are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund are expenditures or expenses in the reimbursing fund and reductions of expenditures or expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transactions are reported as operating transfers.

12. Landfill Post-closure Care Liability

State and federal laws and regulations required the City to place a final cover on its landfill site, which was closed during 1994, and to perform certain maintenance and monitoring activities at the site for thirty years after closure. The amount reported as landfill post-closure care liability at December 31, 2001 represents what it would cost to perform all post-closure care in 2001. The actual costs may be higher due to inflation, changes in technology or changes in regulations. The City intends to fund these costs internally.

CITY OF EMPORIA, KANSAS
NOTES TO FINANCIAL STATEMENTS
December 31, 2001

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

C. Assets, Liabilities and Equity – Continued

13. Memorandum Only – Total Columns

Total columns on the general purpose financial statements are captioned as “memorandum only” because they do not represent consolidated financial information and are presented only to facilitate financial analysis. The columns do not present information that reflects financial position, results of operations or cash flows in accordance with accounting principles generally accepted in the United States of America. Interfund eliminations have not been made in the aggregation of this data.

14. Comparative Data / Reclassifications

Comparative total data for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the government’s financial position and operations. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year’s presentation.

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.

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. The budget for the following fund was amended in 2001: Special Park.

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

All legal annual operating budgets are prepared using the modified accrual basis of accounting, modified further by the encumbrance method of accounting. Revenues are recognized when cash is received. Expenditures include disbursements, accounts payable, and encumbrances. Encumbrances are commitments by the City for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. All encumbered appropriations (legal budget expenditures authority) lapse at year end.

A legal operating budget is not required for capital projects funds, trust funds, and certain special revenue funds. 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.

CITY OF EMPORIA, KANSAS
NOTES TO FINANCIAL STATEMENTS
December 31, 2001

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY - Continued

B. Compliance with Kansas Statutes

The following funds had deficit fund equity at December 31, 2001: Law Enforcement Block Grant - \$32,227, AHP Homebuyer Rehab - \$924, KLINK Projects - \$159,939, 5th Avenue Relief Main - \$10,305 and Candlewood Drive - \$8,285.

The deficits in the special revenue funds will be recovered from grant reimbursements for qualifying expenditures. The other deficits are from capital projects currently financed from other projects pending receipt of bond proceeds and / or grant moneys.

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS

A. Deposits and Investments

Deposits – At year end, the carrying amount of the City's cash was \$64,742 including \$4,845 cash on hand and the bank balance was \$197,264. The difference between the carrying amount and the bank balance is outstanding checks, deposits in transit and cash on hand. Of the bank balance, \$186,615 was covered by federal deposit insurance and the remaining \$10,649 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.

Investments – Kansas statutes authorize the City to invest in US Treasury bills and notes, repurchase agreements, Kansas Municipal Investment Pool, and certain other types of federal and Kansas municipal obligations. All investments must be insured, registered, or held by the City or its agent in the City's name. The City's investments are categorized to give an indication of the level of risk assumed by the City at year-end.

Investments are categorized into these three categories of credit risk:

1. Insured or registered, or securities held by the City or its agent in the City's name.
2. Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the City's name.
3. Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the City's name.

Of the three risk categories, the investments classified in Risk Category 1 have the least risk to the municipality. The investments of the Kansas Municipal Investment Pool are held in the name of the state in the state's account at the Federal Reserve. These investments are reported to the City at fair value on a monthly basis. State statutes established the Pooled Money Investment Board to oversee the activities of the pool.

CITY OF EMPORIA, KANSAS
NOTES TO FINANCIAL STATEMENTS
December 31, 2001

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS - Continued

A. Deposits and Investments - Continued

At December 31, 2001, the City had invested \$2,335,634 in the Kansas Municipal Investment Pool. The City's investment in the Kansas Municipal Investment Pool is not subject to categorization as to risk. The categories of the City's investments are as follows:

	Category			Carrying Amount/ Fair Value
	1	2	3	
U.S. Government Agencies	\$ -	\$ 8,175,138	\$ -	\$ 8,175,138
Repurchase Agreements	-	812,000	-	812,000
Kansas Municipal Investment Pool				<u>2,335,634</u>
Total				<u>\$ 11,322,772</u>

A reconciliation of cash and cash equivalents and investments as shown on the combined Balance Sheet for the primary government follows:

Carrying amount of deposits and cash on hand	\$ 64,742
Carrying amount of investments	<u>11,322,772</u>
Total	<u>\$ 11,387,514</u>
Cash and cash equivalents	\$ 9,713,304
Investments	<u>1,674,210</u>
Total	<u>\$ 11,387,514</u>

Component Unit. At year-end, the carrying amount of the Library's cash, including certificates of deposit and cash on hand, was \$276,705, the bank balance was \$328,104. The difference between the carrying amount and the bank balance was outstanding checks, deposits in transit and cash on hand. Of the bank balance, \$205,415 was covered by federal depository insurance and the remaining \$122,089 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:

	General	Special Revenue	Debt Service	Enterprise	Fiduciary	Total
Receivables:						
Accounts	\$ 190,565	\$ 568,575	\$ -	\$ 1,129,976	\$ 263,539	\$ 2,152,655
Taxes	2,684,064	498,211	1,235,295	-	-	4,417,570
Notes	-	398,878	-	-	226,066	624,944
Interest	-	-	-	-	1,033	1,033
Gross receivables	<u>2,874,629</u>	<u>1,465,664</u>	<u>1,235,295</u>	<u>1,129,976</u>	<u>490,638</u>	<u>7,196,202</u>
Less: allowance for uncollectibles	-	-	-	21,649	-	21,649
Total	<u>\$ 2,874,629</u>	<u>\$ 1,465,664</u>	<u>\$ 1,235,295</u>	<u>\$ 1,108,327</u>	<u>\$ 490,638</u>	<u>\$ 7,174,553</u>

CITY OF EMPORIA, KANSAS
NOTES TO FINANCIAL STATEMENTS
December 31, 2001

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS - Continued

C. Interfund Receivables and Payables

The composition of interfund balances as of December 31, 2001, is as follows:

<u>Fund Types</u>	<u>Due From</u>	<u>Due To</u>
General	\$ 263,539	\$
Special Revenue:		
Housing Cost Analysis Program	32,970	
Law Enforcement Block Grant		32,046
AHP Homebuyer Rehab		924
Capital Projects:		
Main Street Streetscape Projects	482,056	
KLINK Projects		159,939
5th Avenue Relief Main		10,305
Candlewood Drive		311,812
Fiduciary:		
Municipal Court		<u>263,539</u>
	<u>\$ 778,565</u>	<u>\$ 778,565</u>

D. Fixed Assets

The following is a summary of the changes in the general fixed assets account group during the current year.

	Balance January 1, <u>2001</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2001</u>
Land	\$ 1,406,643	\$ -	\$ -	\$ 1,406,643
Buildings and improvements	9,595,391	353,959	4,576	9,944,774
Improvements other than buildings	4,806,284	196,564	-	5,002,848
Machinery and equipment	<u>6,258,165</u>	<u>1,253,241</u>	<u>379,759</u>	<u>7,131,647</u>
Total	<u>\$ 22,066,483</u>	<u>\$ 1,803,764</u>	<u>\$ 384,335</u>	<u>\$ 23,485,912</u>

The following is a summary of proprietary fund-type fixed assets at December 31, 2001:

	<u>Enterprise Funds</u>
Land	\$ 318,379
Buildings and equipment	55,444,855
Construction in progress	<u>225,533</u>
	55,988,767
Less accumulated depreciation	<u>[18,886,543]</u>
Net fixed assets	<u>\$ 37,102,224</u>

CITY OF EMPORIA, KANSAS
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2001

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS - Continued

E. Capital Leases

The City has entered into lease agreements as lessee for financing the acquisition of machinery and equipment. These lease agreements qualify as capital leases for accounting purposes (titles transfer at the end of the lease term) and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of inception.

The following lists the cost of items leased under capital leases as of December 31, 2001:

	Enterprise Fund Fixed <u>Assets</u>	General Fixed <u>Assets</u>
Machinery and equipment	\$ <u>24,556</u>	\$ <u>296,772</u>

Minimum future lease payments under capital leases as of December 31, 2001 are:

	General Long- <u>Term Debt</u>
2002	\$ 60,403
2003	60,403
2004	60,403
2005	<u>33,903</u>
Total minimum lease payments	215,112
Less amount representing interest	<u>21,533</u>
Present value of future minimum lease payments	<u>\$ 193,579</u>

F. General Long-Term Debt

During the year ended December 31, 2001, the following changes occurred in liabilities reported in the general long-term debt account group:

	Balance January 1, <u>2001</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2001</u>
General obligations bonds and notes	\$ 16,031,755	\$ 6,450,000	\$ 1,277,490	\$ 21,204,265
Capital leases	244,686	-	51,107	193,579
Compensated absences	<u>377,804</u>	<u>40,546</u>	<u>-</u>	<u>418,350</u>
	<u>\$ 16,654,245</u>	<u>\$ 6,490,546</u>	<u>\$ 1,328,597</u>	<u>\$ 21,816,194</u>

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.

CITY OF EMPORIA, KANSAS
NOTES TO FINANCIAL STATEMENTS
December 31, 2001

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS - Continued

F. General Long-Term Debt – Continued

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:

	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Bonds Outstanding</u>
<u>General government</u>			
1992 internal improvements	4,110,000	5.09%	\$ 215,000
1993-A internal improvements	1,870,000	4.44%	1,275,000
1994-B internal improvements	2,245,000	5.89%	170,000
1996-A internal improvements	2,750,000	4.60-6.50%	2,370,000
1996-B internal improvements	312,500	4.45-6.20%	170,000
1997-A internal improvements	2,050,000	4.25-6.00%	1,475,000
1998 refunding and improvements	3,375,000	3.875-4.75%	2,999,265
1999 internal improvements	1,770,000	5.25-5.75%	1,705,000
2000 internal improvements	4,375,000	4.55-6.00%	4,375,000
2001-A internal improvements	6,190,000	3.75-5.60%	6,190,000
2001-A temporary note	260,000	2.55%	260,000
<u>Proprietary activities</u>			
1993-B refunding	2,265,000	4.73%	1,320,000
1994-A refunding	1,915,000	4.15%	995,000
1996-B internal improvements	937,500	4.45-6.20%	510,000
1998 refunding and improvements	6,195,000	3.875-4.75%	5,505,730
Total general obligation bonds			<u>\$ 29,534,995</u>

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

<u>Year</u>	<u>Enterprise Funds</u>	<u>General Long-Term Debt Account Group</u>	<u>Interest Due</u>	<u>Total</u>
2002	\$ 805,345	\$ 1,569,655	\$ 1,531,115	\$ 3,906,115
2003	1,083,775	1,181,225	1,223,049	3,488,049
2004	825,480	1,279,520	1,129,283	3,234,283
2005	670,920	1,299,080	1,038,373	3,008,373
2006	694,375	1,375,625	947,341	3,017,341
To maturity	<u>4,250,835</u>	<u>14,499,160</u>	<u>4,289,620</u>	<u>23,039,615</u>
	<u>\$ 8,330,730</u>	<u>\$ 21,204,265</u>	<u>\$ 10,158,781</u>	<u>\$ 39,693,776</u>

CITY OF EMPORIA, KANSAS

NOTES TO FINANCIAL STATEMENTS

December 31, 2001

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS – Continued

F. General Long-Term Debt – Continued

Defeased bonds. In prior years, the City had defeased certain outstanding debt obligations by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust accounts and the defeased bonds are not included in the City's financial statements. At December 31, 2001, the following outstanding bonds are considered defeased:

1978 sewer system refunding revenue bonds	\$ 1,365,000
1989 water system revenue bonds	1,290,000
1990 sewer system revenue bonds	1,080,000
1985 sewer system refunding revenue bonds	115,000
1994-A water system revenue bonds	5,200,000
1994-B general obligation bonds	1,395,000

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. At December 31, 2001, total outstanding conduit debt was \$23,953,349.

Notes Payable. Payments began on February 1, 2000, on a 4.07% interest rate loan agreement with the Kansas Department of Health and Environment (KDHE) to fund water system improvements. The current amount of debt service for this loan is \$4,507,852; however, annual projected debt service requirements, once all draws have been taken, for this loan, which matures August 1, 2020, are as follows:

Year Ending <u>December 31,</u>	Water Utility <u>Fund</u>
2002	\$ 422,902
2003	422,902
2004	422,902
2005	422,902
2006	422,902
Thereafter	<u>5,920,632</u>
Total Principal and interest	8,035,142
Less: Interest	<u>2,476,983</u>
Total	<u>\$ 5,558,159</u>

CITY OF EMPORIA, KANSAS
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2001

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS – Continued

F. General Long-Term Debt – Continued

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 \$2,855,867; however annual projected debt service requirements, once all draws have been taken, for this loan, which matures March 1, 2021, are as follows:

<u>Year Ending December 31,</u>	<u>Sewer Utility Fund</u>
2002	\$ 369,684
2003	369,684
2004	369,684
2005	369,684
2006	369,684
Thereafter	<u>5,360,424</u>
Total Principal and interest	7,208,844
Less: Interest	<u>1,871,998</u>
Total	<u>\$ 5,336,846</u>

G. Reconciliation of Transfers

A reconciliation of interfund transfers follows:

	<u>To</u>	<u>From</u>
General	\$ 1,603,257	\$ 1,005,412
Special Revenue	836,305	219,449
Debt Service	213,906	-
Capital Projects	792,550	560,646
Enterprise	<u>3,085,462</u>	<u>4,745,973</u>
	<u>\$ 6,531,480</u>	<u>\$ 6,531,480</u>

H. Contributed Capital

No changes occurred in proprietary fund contributed capital in 2001.

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 Ave., Topeka, Kansas 66603.

CITY OF EMPORIA, KANSAS

NOTES TO FINANCIAL STATEMENTS

December 31, 2001

IV. OTHER INFORMATION – Continued

A. Defined Benefit Pension Plan – Continued

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 sets a limitation on annual increases in the employer contribution rates. The KPERS employer rate established for calendar year 2001 is 2.77%. The City employer contributions to KPERS for the years ending December 31, 2001, 2000, and 1999 were \$123,175, \$117,236, and \$118,111, respectively, equal to the required contributions for each year. The KP&F employer rate established for fiscal years beginning in 2001 is 6.97%. 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, 2001, 2000, and 1999 were \$407,709, \$412,521, and \$396,637, 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.

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 employees working more than 20 hours per week 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 various insurance and disability 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, 2001, 2000, or 1999.

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. These interfund premiums are used to reduce the amount of claims expenditure reported in the Worker's Compensation Fund. As of December 31, 2001, such interfund premiums did not exceed reimbursable expenditures.

CITY OF EMPORIA, KANSAS
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2001

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:

	<u>2001</u>	<u>2000</u>
Unpaid claims, January 1	\$ 369,693	\$ 285,283
Incurred claims (including IBNRs)	102,769	185,043
Claim payments	<u>[102,878]</u>	<u>[100,633]</u>
Unpaid claims, December 31	<u>\$ 369,584</u>	<u>\$ 369,693</u>

Employee Health Care. Similarly, the City has established a program to pay medical claims of covered current and former City employees and additional health insurance premiums. Liabilities are reported when it is probable that claims have been incurred and the amount of the liability can be reasonably estimated. Claim liabilities are calculated by the plan administrator and are expected to be liquidated with expendable available financial resources.

	<u>2001</u>	<u>2000</u>
Unpaid claims, January 1	\$ 77,850	\$ 114,604
Incurred claims (including IBNRs)	702,671	698,876
Claim payments	<u>[752,160]</u>	<u>[735,630]</u>
Unpaid claims, December 31	<u>\$ 28,361</u>	<u>\$ 77,850</u>

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, 2001.

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.

CITY OF EMPORIA, KANSAS

NOTES TO FINANCIAL STATEMENTS
December 31, 2001

IV. OTHER INFORMATION – Continued

F. Segment Information – Enterprise Funds

The City maintains four enterprise funds which are intended to be self-supporting through user fees charged for services to the public. Financial segment information as of and for the year ended December 31, 2001 is presented below:

	Solid Waste <u>Disposal</u>	Sewer Utility	Parking Facilities	Water Utility	<u>Totals</u>
Operating revenues	\$ 2,370,687	\$ 2,566,219	\$ 36,653	\$ 4,140,006	\$ 9,113,565
Depreciation expense	170,027	600,226	7,156	814,723	1,592,132
Operating income [loss]	[165,223]	132,365	[7,424]	599,631	559,349
Operating transfers [net]	[301,000]	[569,511]	-	[790,000]	[1,660,511]
Net income [loss]	[309,270]	[572,389]	[7,322]	[344,324]	[1,233,305]
Property, plant and equipment additions [net]	264,571	900,638	-	207,270	1,372,479
Net working capital	1,074,089	[119,282]	3,569	1,566,034	2,524,410
Total assets	3,298,305	15,722,303	360,339	22,304,085	41,685,032
Bonds and notes payable	-	3,850,867	-	11,843,582	15,694,449
Total equity	2,864,927	11,567,662	359,656	10,102,879	24,895,124

G. New Governmental Accounting Standards

The Governmental Accounting Standards Board (GASB) has issued the following statements:

Statement No. 34 – “Basic Financial Statements – And Management’s Discussion and Analysis – For State and Local Governments” which establishes a new financial reporting model for state and local governments.

Statement No. 37 – “Basic Financial Statements – And Management’s Discussion and Analysis – For State and Local Governments: Omnibus” which changes the reporting of escheat property to coincide with Statement No. 34, clarifies provisions of Statement No. 34 which are not sufficiently clear, and modifies provisions of Statement No. 34 which have unintended consequences.

Statement No. 38 – “Certain Financial Statement Note Disclosures” which modifies, establishes, and rescinds certain financial statement disclosure requirements.

Statements 34, 37, 38 will become effective for the period beginning January 1, 2003. Management has not yet completed their assessment of these statements, however, they will have a material effect on the overall financial statement for the City.

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CITY OF EMPORIA, KANSAS

GENERAL FUND

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.

CITY OF EMPORIA, KANSAS

GENERAL FUND

COMPARATIVE BALANCE SHEETS

December 31, 2001 and 2000

ASSETS	<u>2001</u>	<u>2000</u>
Cash and cash equivalents	\$ 117,704	\$ 144,327
Receivables		
Accounts	190,565	177,645
Taxes	2,684,064	2,425,650
Due from other funds	<u>263,539</u>	<u>263,539</u>
 Total assets	 <u>\$ 3,255,872</u>	 <u>\$ 3,011,161</u>
 LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable	\$ 154,782	\$ 171,711
Accrued liabilities	314,753	300,417
Accrued compensated absences	38,226	42,898
Deferred revenue	<u>2,684,064</u>	<u>2,425,650</u>
 Total liabilities	 <u>3,191,825</u>	 <u>2,940,676</u>
Fund balances		
Reserved for encumbrances	34,748	11,450
Unreserved		
Undesignated	<u>29,299</u>	<u>59,035</u>
 Total fund balances	 <u>64,047</u>	 <u>70,485</u>
 Total liabilities and fund balances	 <u>\$ 3,255,872</u>	 <u>\$ 3,011,161</u>

See independent auditor's report on the general purpose financial statements.

CITY OF EMPORIA, KANSAS
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
For the fiscal years ended December 31, 2001 and 2000

	<u>2001</u>	<u>2000</u>
Revenues		
Taxes	\$ 7,512,348	\$ 7,320,352
Intergovernmental	532,630	384,867
Licenses and permits	252,453	239,039
Charges for services	944,841	1,030,672
Fines and fees	694,922	662,477
Use of money and property	74,913	122,432
Reimbursements	937	398
Miscellaneous	<u>81,236</u>	<u>66,381</u>
 Total revenues	 <u>10,094,280</u>	 <u>9,826,618</u>
Expenditures		
General government	540,565	676,744
Law enforcement	3,483,951	3,394,362
Court services	440,708	394,084
Fire and ambulance	2,723,903	2,593,257
Highway and streets	755,464	446,257
Culture and recreation	1,308,654	1,259,256
Building maintenance	688,741	613,362
Planning and development	385,592	363,302
Airport operations	<u>370,985</u>	<u>403,835</u>
 Total expenditures	 <u>10,698,563</u>	 <u>10,144,459</u>
 Excess [deficiency] of revenues over [under] expenditures	 <u>[604,283]</u>	 <u>[317,841]</u>
Other financing sources [uses]		
Operating transfers in	1,603,257	1,061,020
Operating transfers out	<u>[1,005,412]</u>	<u>[1,127,078]</u>
 Total other financing sources [uses]	 <u>597,845</u>	 <u>[66,058]</u>
 Excess [deficiency] of revenues and other sources over [under] expenditures and other uses	 <u>[6,438]</u>	 <u>[383,899]</u>
 Fund balances, January 1	 <u>70,485</u>	 <u>454,384</u>
 Fund balances, December 31	 <u>\$ 64,047</u>	 <u>\$ 70,485</u>

See independent auditor's report on the general purpose financial statements.

CITY OF EMPORIA, KANSAS

GENERAL FUND
COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - ACTUAL AND BUDGET
For the fiscal years ended December 31, 2001 and 2000

	2001			2000		
	Actual	Budget	Variance Positive [Negative]	Actual	Budget	Variance Positive [Negative]
Revenues						
Taxes	\$ 7,512,348	\$ 7,698,565	\$ [186,217]	\$ 7,320,352	\$ 7,736,426	\$ [416,074]
Intergovernmental	532,630	530,440	2,190	384,867	305,846	79,021
Licenses and permits	252,453	187,400	65,053	239,039	171,570	67,469
Charges for services	944,841	1,262,500	[317,659]	1,030,672	1,177,650	[146,978]
Fines and fees	694,922	647,100	47,822	662,477	640,150	22,327
Use of money and property	74,913	172,808	[97,895]	122,432	80,000	42,432
Reimbursements	937	59,900	[58,963]	398	1,031,000	[1,030,602]
Miscellaneous	81,236	1,224,700	[1,143,464]	66,381	9,150	57,231
Total revenues	10,094,280	11,783,413	[1,689,133]	9,826,618	11,151,792	[1,325,174]
Expenditures						
Current						
General government	538,468	728,075	189,607	675,999	689,600	13,601
Public safety						
Law enforcement	3,505,630	3,782,948	277,318	3,393,604	3,562,250	168,646
Animal control	-	116,558	116,558	-	71,750	71,750
Court services	440,708	438,242	[2,466]	394,084	372,500	[21,584]
Fire and ambulance						
Fire	1,881,314	2,048,122	166,808	1,724,300	2,160,900	436,600
Ambulance	842,205	664,416	[177,789]	825,867	630,250	[195,617]
Total fire and ambulance	2,723,519	2,712,538	[10,981]	2,550,167	2,791,150	240,983
Total public safety	6,669,857	7,050,286	380,429	6,337,855	6,797,650	459,795
Highways and streets						
Streets						
Maintenance	571,576	562,600	[8,976]	225,192	532,000	306,808
Snow removal	12,551	10,000	[2,551]	13,103	6,000	[7,103]
Total streets	584,127	572,600	[11,527]	238,295	538,000	299,705
Maintenance						
Maintenance shop	3,342	548	[2,794]	[2,644]	1,750	4,394
Street lighting	168,438	179,000	10,562	165,357	178,000	12,643
Total maintenance	171,780	179,548	7,768	162,713	179,750	17,037
Total highways and streets	755,907	752,148	[3,759]	401,008	717,750	316,742

See independent auditor's report on the general purpose financial statements.

CITY OF EMPORIA, KANSAS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - ACTUAL AND BUDGET
For the fiscal years ended December 31, 2001 and 2000

	2001			2000		
	Actual	Budget	Variance Positive [Negative]	Actual	Budget	Variance Positive [Negative]
Expenditures - continued						
Current-continued						
Culture and recreation						
Park	\$ 570,616	\$ 662,525	\$ 91,909	\$ 494,039	\$ 537,175	\$ 43,136
Lake Kahola	185	1,000	815	9,223	1,000	[8,223]
Swimming pool/Peter Pan Park	35,384	35,550	166	33,049	39,300	6,251
Golf course	365,314	385,775	20,461	362,248	390,511	28,263
Golf shop	157,808	196,975	39,167	199,792	219,820	20,028
Zoo	182,363	220,725	38,362	163,405	184,650	21,245
Total culture and recreation	<u>1,311,670</u>	<u>1,502,550</u>	<u>190,880</u>	<u>1,261,756</u>	<u>1,372,456</u>	<u>110,700</u>
Building maintenance						
Engineering	115,294	183,119	67,825	88,411	126,550	38,139
Civic building	523,909	555,503	31,594	474,189	472,700	[1,489]
Library maintenance	50,709	46,610	[4,099]	48,592	39,810	[8,782]
Total building maintenance	<u>689,912</u>	<u>785,232</u>	<u>95,320</u>	<u>611,192</u>	<u>639,060</u>	<u>27,868</u>
Planning and development	<u>299,584</u>	<u>128,864</u>	<u>[170,720]</u>	<u>318,130</u>	<u>141,200</u>	<u>[176,930]</u>
Airport operations	<u>369,234</u>	<u>404,407</u>	<u>35,173</u>	<u>399,110</u>	<u>395,950</u>	<u>[3,160]</u>
Appropriations	<u>87,229</u>	<u>52,250</u>	<u>[34,979]</u>	<u>47,342</u>	<u>54,250</u>	<u>6,908</u>
Total expenditures	<u>10,721,861</u>	<u>11,403,812</u>	<u>681,951</u>	<u>10,052,392</u>	<u>10,807,916</u>	<u>755,524</u>
Excess [deficiency] of revenues over [under] expenditures	<u>[627,581]</u>	<u>379,601</u>	<u>[1,007,182]</u>	<u>[225,774]</u>	<u>343,876</u>	<u>[569,650]</u>
Other financing sources [uses]						
Operating transfer in	1,603,257	-	1,603,257	1,061,020	127,650	933,370
Operating transfer out	<u>[1,005,412]</u>	<u>[940,000]</u>	<u>[65,412]</u>	<u>[1,127,078]</u>	<u>[937,000]</u>	<u>[190,078]</u>
Total other financing sources [uses]	<u>597,845</u>	<u>[940,000]</u>	<u>1,537,845</u>	<u>[66,058]</u>	<u>[809,350]</u>	<u>743,292</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other uses	<u>[29,736]</u>	<u>[560,399]</u>	<u>530,663</u>	<u>[291,832]</u>	<u>[465,474]</u>	<u>173,642</u>
Unreserved fund balance, January 1	<u>70,485</u>	<u>560,399</u>	<u>[489,914]</u>	<u>454,384</u>	<u>465,474</u>	<u>[11,090]</u>
Unreserved fund balances, December 31	40,749	\$ -	\$ 40,749	162,552	\$ -	\$ 162,552
Current year encumbrances	34,748			11,450		
Prior year encumbrances	<u>[11,450]</u>			<u>[103,517]</u>		
Fund balance, December 31	<u>\$ 64,047</u>			<u>\$ 70,485</u>		

See independent auditor's report on the general purpose financial statements.

CITY OF EMPORIA, KANSAS

SPECIAL REVENUE FUNDS

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

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 – To account for the promotion of convention and tourism. Financing is provided by a 2% 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.

Industrial Development Sales Tax Fund – To account for the investment earnings from and expenditures of funds generated by a portion of the City's retail sales tax. Receipts of retail sales taxes are deposited in the General Fund, and the portion related to this activity is then transferred to this fund.

Special Alcohol Program Fund – To account for costs for the purchase, establishment, maintenance 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 areas 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.

Zoo Maintenance Fund – To account for donations and related expenditures for upkeep of the city's zoo.

Emergency Housing Fund – To account for rehabilitation housing expenditures for low to moderate income level home owners when other financial sources cannot be utilized.

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.

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.

Housing Cost Analysis Program Fund – To account for the collection and analysis of the costs associated with the construction of residential homes. The program also provides additional funds for qualified persons to purchase homes.

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

Housing CDBG Repayment Fund – To account for loan repayment funds to be utilized to rehabilitate houses for low to moderate income level home owners.

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

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.

AHP Homebuyer Rehab Fund – To account for funds used in the AHP program.

Menu Building Fund – To account for the loan repayments for the CDBG program which funded the Menu Foods Midwest Corporation Project.

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

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

CITY OF EMPORIA, KANSAS
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
December 31, 2001
(With comparative totals for December 31, 2000)

ASSETS	<u>Library</u>	<u>Library Employee Benefits</u>	<u>Convention and Tourism Promotion</u>	<u>Industrial</u>	<u>Industrial Development Sales Tax</u>
Cash and cash equivalents	\$ 5,598	\$ 539	\$ 46,556	\$ 115,076	\$ 589,268
Receivables					
Accounts	-	-	-	-	473,349
Taxes	475,963	21,218	-	1,030	-
Notes	-	-	-	-	398,878
Due from other funds	-	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 481,561</u>	<u>\$ 21,757</u>	<u>\$ 46,556</u>	<u>\$ 116,106</u>	<u>\$ 1,461,495</u>
 LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 920
Accrued liabilities	-	-	-	-	-
Due to other funds	-	-	-	-	-
Deferred revenue	475,963	21,218	-	1,030	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>475,963</u>	<u>21,218</u>	<u>-</u>	<u>1,030</u>	<u>920</u>
 Fund balances					
Reserved for encumbrances	-	-	-	-	-
Unreserved					
Designated					
For industrial development	-	-	-	115,076	1,460,575
Undesignated [deficit]	5,598	539	46,556	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balances [deficit]	<u>5,598</u>	<u>539</u>	<u>46,556</u>	<u>115,076</u>	<u>1,460,575</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balances	<u>\$ 481,561</u>	<u>\$ 21,757</u>	<u>\$ 46,556</u>	<u>\$ 116,106</u>	<u>\$ 1,461,495</u>

<u>Special Alcohol Program</u>	<u>Special Park and Recreation</u>	<u>Special Street</u>	<u>Drug Money Forfeiture</u>	<u>Zoo Maintenance</u>	<u>Emergency Housing</u>
\$ -	\$ 9	\$ 95,397	\$ 36,428	\$ 47,832	\$ 1,623
-	-	2,443	-	-	3,382
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 9</u>	<u>\$ 97,840</u>	<u>\$ 36,428</u>	<u>\$ 47,832</u>	<u>\$ 5,005</u>
\$ -	\$ -	\$ 12,791	\$ -	\$ -	\$ -
-	-	37,244	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	50,035	-	-	-
-	-	17,405	7,880	-	-
-	-	-	-	-	-
-	9	30,400	28,548	47,832	5,005
-	9	47,805	36,428	47,832	5,005
<u>\$ -</u>	<u>\$ 9</u>	<u>\$ 97,840</u>	<u>\$ 36,428</u>	<u>\$ 47,832</u>	<u>\$ 5,005</u>

See independent auditor's report on the general purpose financial statements.

CITY OF EMPORIA, KANSAS
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
December 31, 2001
(With comparative totals for December 31, 2000)

	<u>Housing CDBG Grant</u>	<u>Housing Study RDA</u>	<u>Housing Cost Analysis Program</u>	<u>Emergency Shelter</u>
ASSETS				
Cash and cash equivalents	\$ 2,448	\$ 1,694	\$ 72,676	\$ 250
Receivables				
Accounts	39,214	-	-	-
Taxes	-	-	-	-
Notes	-	-	-	-
Due from other funds	-	-	32,970	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 41,662</u>	<u>\$ 1,694</u>	<u>\$ 105,646</u>	<u>\$ 250</u>
 LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued compensated absences	-	-	-	-
Due to other funds	-	-	-	-
Deferred revenue	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Fund balances				
Reserved for encumbrances	-	-	-	-
Unreserved				
Designated				
For industrial development	-	-	-	-
Undesignated [deficit]	41,662	1,694	105,646	250
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balances [deficit]	<u>41,662</u>	<u>1,694</u>	<u>105,646</u>	<u>250</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balances	<u>\$ 41,662</u>	<u>\$ 1,694</u>	<u>\$ 105,646</u>	<u>\$ 250</u>

Housing CDBG Repayment	Telephone Tax-911	Law Enforcement Block Grant	AHP Homebuyer Rehab	Menu Building	Home Owners Rehab	DARE Crime Prevention	Totals	
							2001	2000
\$ 2,020	\$ 71,707	\$ -	\$ -	\$ 15,413	\$ 8,809	\$ 2,669	\$ 1,116,012	\$ 1,005,998
3,031	-	-	-	-	47,156	-	568,575	89,915
-	-	-	-	-	-	-	498,211	479,671
-	-	-	-	-	-	-	398,878	898,864
-	-	-	-	-	-	-	32,970	5,545
<u>\$ 5,051</u>	<u>\$ 71,707</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,413</u>	<u>\$ 55,965</u>	<u>\$ 2,669</u>	<u>\$ 2,614,646</u>	<u>\$ 2,479,993</u>
\$ 4,610	\$ -	\$ -	\$ -	\$ -	\$ 5	\$ -	\$ 18,326	\$ 24,865
-	-	181	-	-	-	-	37,425	8,325
-	-	32,046	924	-	-	-	32,970	5,545
-	-	-	-	-	-	-	498,211	479,671
<u>4,610</u>	<u>-</u>	<u>32,227</u>	<u>924</u>	<u>-</u>	<u>5</u>	<u>-</u>	<u>586,932</u>	<u>518,406</u>
-	-	-	-	-	-	-	25,285	21,857
-	-	-	-	-	-	-	1,575,651	1,494,037
<u>441</u>	<u>71,707</u>	<u>[32,227]</u>	<u>[924]</u>	<u>15,413</u>	<u>55,960</u>	<u>2,669</u>	<u>426,778</u>	<u>445,693</u>
<u>441</u>	<u>71,707</u>	<u>[32,227]</u>	<u>[924]</u>	<u>15,413</u>	<u>55,960</u>	<u>2,669</u>	<u>2,027,714</u>	<u>1,961,587</u>
<u>\$ 5,051</u>	<u>\$ 71,707</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,413</u>	<u>\$ 55,965</u>	<u>\$ 2,669</u>	<u>\$ 2,614,646</u>	<u>\$ 2,479,993</u>

See independent auditor's report on the general purpose financial statements.

CITY OF EMPORIA, KANSAS
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
For the fiscal year ended December 31, 2001
(With comparative totals for the fiscal year ended December 31, 2000)

	<u>Library</u>	<u>Library Employee Benefits</u>	<u>Convention and Tourism Promotion</u>	<u>Industrial</u>	<u>Industrial Development Sales Tax</u>
Revenues					
Taxes	\$ 510,224	\$ 26,833	\$ 246,623	\$ 1,160	\$ -
Intergovernmental	-	-	-	-	-
Use of money and property	-	-	2,097	5,470	50,892
Donations	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total revenues	<u>510,224</u>	<u>26,833</u>	<u>248,720</u>	<u>6,630</u>	<u>50,892</u>
Expenditures					
Current					
General government	-	-	236,000	-	-
Law enforcement	-	-	-	-	-
Highways and streets	-	-	-	-	-
Health and environment	-	-	-	-	-
Planning and development	-	-	-	7,414	740,834
Capital outlay	-	-	-	-	-
Debt service					
Principal	-	-	-	-	9,791
Interest and other charges	-	-	-	-	1,297
Total expenditures	<u>-</u>	<u>-</u>	<u>236,000</u>	<u>7,414</u>	<u>751,922</u>
Excess [deficiency] of revenues over [under] expenditures	<u>510,224</u>	<u>26,833</u>	<u>12,720</u>	<u>[784]</u>	<u>[701,030]</u>
Other financing sources [uses]					
Operating transfers in	-	-	-	-	826,742
Operating transfers out	-	-	-	-	[44,208]
Operating transfers out - component unit	<u>[517,320]</u>	<u>[28,000]</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources [uses]	<u>[517,320]</u>	<u>[28,000]</u>	<u>-</u>	<u>-</u>	<u>782,534</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other uses	<u>[7,096]</u>	<u>[1,167]</u>	<u>12,720</u>	<u>[784]</u>	<u>81,504</u>
Fund balances [deficit], January 1	<u>12,694</u>	<u>1,706</u>	<u>33,836</u>	<u>115,860</u>	<u>1,379,071</u>
Fund balances [deficit], December 31	<u>\$ 5,598</u>	<u>\$ 539</u>	<u>\$ 46,556</u>	<u>\$ 115,076</u>	<u>\$ 1,460,575</u>

Special Alcohol Program	Special Park and Recreation	Special Street	Drug Money Forfeiture	Zoo Maintenance	Emergency Housing
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
58,736	59,063	863,685	25,964	-	-
-	729	12,022	709	404	1,121
-	8,500	-	-	-	-
-	-	7,565	-	-	-
<u>58,736</u>	<u>68,292</u>	<u>883,272</u>	<u>26,673</u>	<u>404</u>	<u>1,121</u>
-	98,388	-	-	-	1,797
-	-	-	108	-	-
-	-	672,708	-	-	-
63,600	-	-	-	-	-
-	-	-	-	-	-
-	-	147,816	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>63,600</u>	<u>98,388</u>	<u>820,524</u>	<u>108</u>	<u>-</u>	<u>1,797</u>
<u>[4,864]</u>	<u>[30,096]</u>	<u>62,748</u>	<u>26,565</u>	<u>404</u>	<u>[676]</u>
4,864	-	-	-	-	-
-	-	[127,257]	[1,425]	-	-
-	-	-	-	-	-
<u>4,864</u>	<u>-</u>	<u>[127,257]</u>	<u>[1,425]</u>	<u>-</u>	<u>-</u>
-	[30,096]	[64,509]	25,140	404	[676]
-	30,105	112,314	11,288	47,428	5,681
<u>\$ -</u>	<u>\$ 9</u>	<u>\$ 47,805</u>	<u>\$ 36,428</u>	<u>\$ 47,832</u>	<u>\$ 5,005</u>

CITY OF EMPORIA, KANSAS
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
For the fiscal year ended December 31, 2001
(With comparative totals for the fiscal year ended December 31, 2000)

	Housing CDBG Grant	Housing Study RDA	Housing Cost Analysis Program	Emergency Shelter	Housing CDBG Repayment
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	51,440	11,518	26,471
Use of money and property	9,312	-	-	-	11,056
Donations	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total revenues	<u>9,312</u>	<u>-</u>	<u>51,440</u>	<u>11,518</u>	<u>37,527</u>
Expenditures					
Current					
General government	-	-	505	11,268	-
Law enforcement	-	-	-	-	-
Highways and streets	-	-	-	-	-
Health and environment	-	-	-	-	-
Planning and development	19,384	-	-	-	37,086
Capital outlay	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest and other charges	-	-	-	-	-
Total expenditures	<u>19,384</u>	<u>-</u>	<u>505</u>	<u>11,268</u>	<u>37,086</u>
Excess [deficiency] of revenues over [under] expenditures	<u>[10,072]</u>	<u>-</u>	<u>50,935</u>	<u>250</u>	<u>441</u>
Other financing sources [uses]					
Operating transfers in	-	-	-	-	-
Operating transfers out	-	-	-	-	-
Operating transfers out - component unit	-	-	-	-	-
Total other financing sources [uses]	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other uses	<u>[10,072]</u>	<u>-</u>	<u>50,935</u>	<u>250</u>	<u>441</u>
Fund balances [deficit], January 1	<u>51,734</u>	<u>1,694</u>	<u>54,711</u>	<u>-</u>	<u>-</u>
Fund balances [deficit], December 31	<u>\$ 41,662</u>	<u>\$ 1,694</u>	<u>\$ 105,646</u>	<u>\$ 250</u>	<u>\$ 441</u>

Telephone Tax-911	Law Enforcement Block Grant	AHP Homebuyer Rehab	Menu Building	Home Owners Rehab	DARE Crime Prevention	Totals	
						2001	2000
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 784,840	\$ 731,019
51,553	57,645	74,683	-	14,478	-	1,295,236	1,697,560
2,194	-	42	30,826	9,489	-	136,363	160,142
-	-	400	-	-	4,380	13,280	50,504
-	-	-	-	-	-	7,565	64,106
<u>53,747</u>	<u>57,645</u>	<u>75,125</u>	<u>30,826</u>	<u>23,967</u>	<u>4,380</u>	<u>2,237,284</u>	<u>2,703,331</u>
15,293	-	-	-	-	-	363,251	311,333
-	78,553	-	-	-	2,556	81,217	135,465
-	-	-	-	-	-	672,708	498,924
-	-	-	-	-	-	63,600	63,600
-	-	79,189	-	19,106	-	903,013	1,003,973
-	-	-	-	-	-	147,816	14,533
-	-	-	-	-	-	9,791	383,967
-	-	-	-	-	-	1,297	12,612
<u>15,293</u>	<u>78,553</u>	<u>79,189</u>	<u>-</u>	<u>19,106</u>	<u>2,556</u>	<u>2,242,693</u>	<u>2,424,407</u>
<u>38,454</u>	<u>[20,908]</u>	<u>[4,064]</u>	<u>30,826</u>	<u>4,861</u>	<u>1,824</u>	<u>[5,409]</u>	<u>278,924</u>
-	1,425	3,274	-	-	-	836,305	847,148
-	-	-	[43,285]	[3,274]	-	[219,449]	[574,865]
-	-	-	-	-	-	[545,320]	[526,150]
-	1,425	3,274	[43,285]	[3,274]	-	71,536	[253,867]
38,454	[19,483]	[790]	[12,459]	1,587	1,824	66,127	25,057
<u>33,253</u>	<u>[12,744]</u>	<u>[134]</u>	<u>27,872</u>	<u>54,373</u>	<u>845</u>	<u>1,961,587</u>	<u>1,936,530</u>
<u>\$ 71,707</u>	<u>\$ [32,227]</u>	<u>\$ [924]</u>	<u>\$ 15,413</u>	<u>\$ 55,960</u>	<u>\$ 2,669</u>	<u>\$ 2,027,714</u>	<u>\$ 1,961,587</u>

See independent auditor's report on the general purpose financial statements.

CITY OF EMPORIA, KANSAS

LIBRARY SPECIAL REVENUE FUND
COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - ACTUAL AND BUDGET
For the fiscal years ended December 31, 2001 and 2000

	2001			2000		
	Actual	Budget	Variance Positive [Negative]	Actual	Budget	Variance Positive [Negative]
Revenues						
Taxes	\$ 510,224	\$ 517,372	\$ [7,148]	\$ 497,376	\$ 498,033	\$ [657]
Transfer in	-	-	-	-	15,000	[15,000]
Total revenues	<u>510,224</u>	<u>517,372</u>	<u>[7,148]</u>	<u>497,376</u>	<u>513,033</u>	<u>[15,657]</u>
Expenditures						
Transfer to component unit	<u>517,320</u>	<u>517,320</u>	-	<u>516,150</u>	<u>516,150</u>	-
Excess [deficiency] of revenues over [under] expenditures	[7,096]	52	[7,148]	[18,774]	[3,117]	[15,657]
Unreserved fund balance, January 1	<u>12,694</u>	<u>12,694</u>	-	<u>31,468</u>	<u>31,468</u>	-
Unreserved fund balance, December 31	<u>\$ 5,598</u>	<u>\$ 12,746</u>	<u>\$ [7,148]</u>	<u>\$ 12,694</u>	<u>\$ 28,351</u>	<u>\$ [15,657]</u>

See independent auditor's report on the general purpose financial statements.

CITY OF EMPORIA, KANSAS

LIBRARY EMPLOYEE BENEFITS FUND
COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - ACTUAL AND BUDGET
For the fiscal years ended December 31, 2001 and 2000

	2001			2000		
	Actual	Budget	Variance Positive [Negative]	Actual	Budget	Variance Positive [Negative]
Revenues						
Taxes	\$ 26,833	\$ 27,499	\$ [666]	\$ 9,488	\$ 9,054	\$ 434
Expenditures						
Transfer to component unit	<u>28,000</u>	<u>28,000</u>	<u>-</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Excess [deficiency] of revenues over [under] expenditures	[1,167]	[501]	[666]	[512]	[946]	434
Unreserved fund balance, January 1	<u>1,706</u>	<u>1,706</u>	<u>-</u>	<u>2,218</u>	<u>2,218</u>	<u>-</u>
Unreserved fund balance, December 31	<u>\$ 539</u>	<u>\$ 1,205</u>	<u>\$ [666]</u>	<u>\$ 1,706</u>	<u>\$ 1,272</u>	<u>\$ 434</u>

See independent auditor's report on the general purpose financial statements.

CITY OF EMPORIA, KANSAS

CONVENTION AND TOURISM PROMOTION SPECIAL REVENUE FUND
COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - ACTUAL AND BUDGET
For the fiscal years ended December 31, 2001 and 2000

	2001			2000		
	Actual	Budget	Variance Positive [Negative]	Actual	Budget	Variance Positive [Negative]
Revenues						
Intergovernmental	\$ 246,623	\$ 226,000	\$ 20,623	\$ 223,014	\$ 220,000	\$ 3,014
Use of money and property	<u>2,097</u>	<u>1,005</u>	<u>1,092</u>	<u>2,366</u>	<u>404</u>	<u>1,962</u>
Total revenues	<u>248,720</u>	<u>227,005</u>	<u>21,715</u>	<u>225,380</u>	<u>220,404</u>	<u>4,976</u>
Expenditures						
Current						
General government						
Appropriation	<u>236,000</u>	<u>256,960</u>	<u>20,960</u>	<u>229,195</u>	<u>237,420</u>	<u>8,225</u>
Excess [deficiency] of revenues over [under] expenditures	12,720	[29,955]	42,675	[3,815]	[17,016]	13,201
Unreserved fund balance, January 1	<u>33,836</u>	<u>33,836</u>	-	<u>37,651</u>	<u>37,651</u>	-
Unreserved fund balances, December 31	<u>\$ 46,556</u>	<u>\$ 3,881</u>	<u>\$ 42,675</u>	<u>\$ 33,836</u>	<u>\$ 20,635</u>	<u>\$ 13,201</u>

See independent auditor's report on the general purpose financial statements.

CITY OF EMPORIA, KANSAS

INDUSTRIAL SPECIAL REVENUE FUND
COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - ACTUAL AND BUDGET
For the fiscal years ended December 31, 2001 and 2000

	2001			2000		
	Actual	Budget	Variance Positive [Negative]	Actual	Budget	Variance Positive [Negative]
Revenues						
Taxes	\$ 1,160	\$ 1,226	\$ [66]	\$ 1,141	\$ 1,226	\$ [85]
Use of money and property	<u>5,470</u>	<u>5,032</u>	<u>438</u>	<u>6,382</u>	<u>5,022</u>	<u>1,360</u>
Total revenues	<u>6,630</u>	<u>6,258</u>	<u>372</u>	<u>7,523</u>	<u>6,248</u>	<u>1,275</u>
Expenditures						
Current						
Planning and development						
Contractual services	<u>7,414</u>	<u>102,800</u>	<u>95,386</u>	<u>3,202</u>	<u>103,800</u>	<u>100,598</u>
Excess [deficiency] of revenues over [under] expenditures	[784]	[96,542]	95,758	4,321	[97,552]	101,873
Unreserved fund balance, January 1	<u>115,860</u>	<u>115,860</u>	<u>-</u>	<u>111,539</u>	<u>111,539</u>	<u>-</u>
Unreserved fund balance, December 31	<u>\$ 115,076</u>	<u>\$ 19,318</u>	<u>\$ 95,758</u>	<u>\$ 115,860</u>	<u>\$ 13,987</u>	<u>\$ 101,873</u>

See independent auditor's report on the general purpose financial statements.

CITY OF EMPORIA, KANSAS

INDUSTRIAL DEVELOPMENT SALES TAX SPECIAL REVENUE FUND
COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - ACTUAL AND BUDGET
For the fiscal years ended December 31, 2001 and 2000

	2001			2000		
	Actual	Budget	Variance Positive [Negative]	Actual	Budget	Variance Positive [Negative]
Revenues						
Use of money and property	\$ 50,892	\$ 50,000	\$ 892	\$ 64,351	\$ 45,063	\$ 19,288
Miscellaneous	-	-	-	-	47,583	[47,583]
Total revenues	<u>50,892</u>	<u>50,000</u>	<u>892</u>	<u>64,351</u>	<u>92,646</u>	<u>[28,295]</u>
Expenditures						
Current						
Planning and development						
Contractual services	739,940	1,338,867	598,927	774,371	1,404,720	630,349
Debt service						
Principal	9,791	-	[9,791]	373,003	-	[373,003]
Interest	1,297	-	[1,297]	3,168	-	[3,168]
Total expenditures	<u>751,028</u>	<u>1,338,867</u>	<u>587,839</u>	<u>1,150,542</u>	<u>1,404,720</u>	<u>254,178</u>
Excess [deficiency] of revenues over [under] expenditures	<u>[700,136]</u>	<u>[1,288,867]</u>	<u>588,731</u>	<u>[1,086,191]</u>	<u>[1,312,074]</u>	<u>225,883</u>
Other financing sources [uses]						
Operating transfers in	826,742	640,000	186,742	841,925	937,000	[95,075]
Operating transfers out	[44,208]	[98,528]	54,320	[96,742]	[108,816]	12,074
Total other financing sources [uses]	<u>782,534</u>	<u>541,472</u>	<u>241,062</u>	<u>745,183</u>	<u>828,184</u>	<u>[83,001]</u>
Excess [deficiency] of revenues and other sources over [under] expenditures	<u>82,398</u>	<u>[747,395]</u>	<u>829,793</u>	<u>[341,008]</u>	<u>[483,890]</u>	<u>142,882</u>
Unreserved fund balance, January 1	<u>1,379,071</u>	<u>1,379,071</u>	<u>-</u>	<u>1,719,185</u>	<u>1,719,185</u>	<u>-</u>
Unreserved fund balance, December 31	1,461,469	<u>\$ 631,676</u>	<u>\$ 829,793</u>	1,378,177	<u>\$ 1,235,295</u>	<u>\$ 142,882</u>
Current year encumbrances	-			894		
Prior year encumbrances	[894]			-		
Fund balance, December 31	<u>\$ 1,460,575</u>			<u>\$ 1,379,071</u>		

See independent auditor's report on the general purpose financial statements.

CITY OF EMPORIA, KANSAS

SPECIAL ALCOHOL PROGRAM SPECIAL REVENUE FUND
COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - ACTUAL AND BUDGET
For the fiscal years ended December 31, 2001 and 2000

	2001			2000		
	Actual	Budget	Variance Positive [Negative]	Actual	Budget	Variance Positive [Negative]
Revenues						
Intergovernmental	\$ 58,736	\$ 64,781	\$ [6,045]	\$ 59,225	\$ 62,014	\$ [2,789]
Total revenues	<u>58,736</u>	<u>64,781</u>	<u>[6,045]</u>	<u>59,225</u>	<u>62,014</u>	<u>[2,789]</u>
Expenditures						
Current						
Health and environment Appropriation	<u>63,600</u>	<u>65,470</u>	<u>1,870</u>	<u>63,600</u>	<u>63,600</u>	<u>-</u>
Excess [deficiency] of revenues over [under] expenditures	[4,864]	[689]	[4,175]	[4,375]	[1,586]	[2,789]
Other financing sources [uses]						
Operating transfers in	<u>4,864</u>	<u>-</u>	<u>4,864</u>	<u>2,100</u>	<u>1,186</u>	<u>914</u>
Excess [deficiency] of revenues and other sources over [under] expenditures	-	[689]	689	[2,275]	[400]	[1,875]
Unreserved fund balance, January 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,275</u>	<u>2,275</u>	<u>-</u>
Unreserved fund balance, December 31	<u>\$ -</u>	<u>\$ [689]</u>	<u>\$ 689</u>	<u>\$ -</u>	<u>\$ 1,875</u>	<u>\$ [1,875]</u>

See independent auditor's report on the general purpose financial statements.

CITY OF EMPORIA, KANSAS

SPECIAL PARK AND RECREATION SPECIAL REVENUE FUND
COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - ACTUAL AND BUDGET
For the fiscal years ended December 31, 2001 and 2000

	2001			2000		
	Actual	Budget	Variance Positive [Negative]	Actual	Budget	Variance Positive [Negative]
Revenues						
Intergovernmental	\$ 59,063	\$ 64,781	\$ [5,718]	\$ 59,463	\$ 62,014	\$ [2,551]
Use of money and property	729	700	29	1,255	236	1,019
Donations	8,500	1,000	7,500	3,076	3,000	76
Total revenues	68,292	66,481	1,811	63,794	65,250	[1,456]
Expenditures						
Current						
General government						
Contractual	53,750	62,000	8,250	12,244	-	[12,244]
Commodities	5,935	4,000	[1,935]	3,226	-	[3,226]
Capital outlay	17,740	18,000	260	43,949	68,450	24,501
Total expenditures	77,425	84,000	6,575	59,419	68,450	9,031
Excess [deficiency] of revenues over [under] expenditures	[9,133]	[17,519]	8,386	4,375	[3,200]	7,575
Unreserved fund balance, January 1	30,105	30,105	-	4,767	-	4,767
Unreserved fund balances, December 31	20,972	\$ 12,586	\$ 8,386	9,142	\$ [3,200]	\$ 12,342
Current year encumbrances	-			20,963		
Prior year encumbrances	[20,963]			-		
Fund balance, December 31	\$ 9			\$ 30,105		

See independent auditor's report on the general purpose financial statements.

CITY OF EMPORIA, KANSAS

SPECIAL STREET SPECIAL REVENUE FUND
COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - ACTUAL AND BUDGET
For the fiscal years ended December 31, 2001 and 2000

	2001			2000		
	Actual	Budget	Variance Positive [Negative]	Actual	Budget	Variance Positive [Negative]
Revenues						
Intergovernmental	\$ 863,685	\$ 886,010	\$ [22,325]	\$ 1,048,674	\$ 973,754	\$ 74,920
Use of money and property	12,022	8,840	3,182	18,489	2,352	16,137
Miscellaneous	7,565	7,000	565	9,816	10,000	[184]
Total revenues	<u>883,272</u>	<u>901,850</u>	<u>[18,578]</u>	<u>1,076,979</u>	<u>986,106</u>	<u>90,873</u>
Expenditures						
Current						
Highways and streets						
Personal services	427,122	388,498	[38,624]	318,358	311,984	[6,374]
Contractual services	164,442	234,400	69,958	78,152	214,350	136,198
Commodities	96,044	124,200	28,156	98,723	136,250	37,527
Other charges	2,505	42,950	40,445	271	25,750	25,479
Capital outlay	147,816	185,000	37,184	-	30,400	30,400
Total expenditures	<u>837,929</u>	<u>975,048</u>	<u>137,119</u>	<u>495,504</u>	<u>718,734</u>	<u>223,230</u>
Excess [deficiency] of revenues over [under] expenditures	<u>45,343</u>	<u>[73,198]</u>	<u>118,541</u>	<u>581,475</u>	<u>267,372</u>	<u>314,103</u>
Other financing sources [uses]						
Operating transfer out	<u>[127,257]</u>	<u>-</u>	<u>[127,257]</u>	<u>[475,000]</u>	<u>[279,006]</u>	<u>[195,994]</u>
Total other financing sources [uses]	<u>[127,257]</u>	<u>-</u>	<u>[127,257]</u>	<u>[475,000]</u>	<u>[279,006]</u>	<u>[195,994]</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other uses	<u>[81,914]</u>	<u>[73,198]</u>	<u>[8,716]</u>	<u>106,475</u>	<u>[11,634]</u>	<u>118,109</u>
Unreserved fund balance, January 1	112,314	<u>112,314</u>	<u>-</u>	23,792	<u>23,792</u>	<u>-</u>
Unreserved fund balances, December 31	30,400	<u>\$ 39,116</u>	<u>\$ [8,716]</u>	130,267	<u>\$ 12,158</u>	<u>\$ 118,109</u>
Current year encumbrances	17,405			-		
Prior year encumbrances	-			<u>[17,953]</u>		
Fund balance, December 31	<u>\$ 47,805</u>			<u>\$ 112,314</u>		

See independent auditor's report on the general purpose financial statements.

CITY OF EMPORIA, KANSAS

DRUG MONEY FORFEITURE FUND
COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - ACTUAL AND BUDGET
For the fiscal years ended December 31, 2001 and 2000

	2001			2000		
	Actual	Budget	Variance Positive [Negative]	Actual	Budget	Variance Positive [Negative]
Revenues						
Intergovernmental	\$ 25,964	\$ -	\$ 25,964	\$ 7,432	\$ -	\$ 7,432
Use of money and property	<u>709</u>	<u>262</u>	<u>447</u>	<u>669</u>	<u>259</u>	<u>410</u>
Total revenues	26,673	262	26,411	8,101	259	7,842
Expenditures						
Current						
Law enforcement						
Commodities	<u>7,988</u>	<u>10,580</u>	<u>2,592</u>	<u>4,693</u>	<u>13,200</u>	<u>8,507</u>
Excess [deficiency] of revenues over [under] expenditures	18,685	[10,318]	29,003	3,408	[12,941]	16,349
Other financing sources [uses]						
Operating transfer out	<u>[1,425]</u>	<u>-</u>	<u>[1,425]</u>	<u>[1,298]</u>	<u>-</u>	<u>[1,298]</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other uses	17,260	[10,318]	27,578	2,110	[12,941]	15,051
Unreserved fund balance, January 1	<u>11,288</u>	<u>11,288</u>	<u>-</u>	<u>9,178</u>	<u>9,178</u>	<u>-</u>
Unreserved fund balances, December 31	\$ 28,548	\$ 970	\$ 27,578	\$ 11,288	\$ [3,763]	\$ 15,051
Current year encumbrances	7,880			-		
Prior year encumbrances	<u>-</u>			<u>-</u>		
Fund balance, December 31	<u>\$ 36,428</u>			<u>\$ 11,288</u>		

See independent auditor's report on the general purpose financial statements.

CITY OF EMPORIA, KANSAS

DEBT SERVICE 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 and special assessment bond principal and interest from special assessment levies when the City is obligated in some manner for the payment.

CITY OF EMPORIA, KANSAS
 DEBT SERVICE FUND
 COMPARATIVE BALANCE SHEETS
 December 31, 2001 and 2000

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and cash equivalents	\$ 247,620	\$ 100,916
Cash with fiscal agent	-	27,656
Receivables		
Taxes	<u>1,235,295</u>	<u>1,184,500</u>
Total assets	<u>\$ 1,482,915</u>	<u>\$ 1,313,072</u>
LIABILITIES AND FUND BALANCES		
Liabilities		
Matured bonds and interest payable	\$ -	\$ 27,656
Deferred revenues	<u>1,235,295</u>	<u>1,184,500</u>
Total liabilities	1,235,295	1,212,156
Fund balances		
Unreserved		
Designated for debt service	<u>247,620</u>	<u>100,916</u>
Total liabilities and fund balances	<u>\$ 1,482,915</u>	<u>\$ 1,313,072</u>

CITY OF EMPORIA, KANSAS

DEBT SERVICE FUND
 COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 For the fiscal years ended December 31, 2001 and 2000

	<u>2001</u>	<u>2000</u>
Revenues		
Taxes	\$ 1,325,512	\$ 1,198,267
Special assessments	397,346	283,929
Use of money and property	29,441	35,013
Miscellaneous revenues	<u>8,605</u>	<u>2,420</u>
Total revenues	<u>1,760,904</u>	<u>1,519,629</u>
Expenditures		
Debt service		
Principal	1,277,485	1,187,195
Interest and other charges	<u>550,621</u>	<u>590,213</u>
Total expenditures	<u>1,828,106</u>	<u>1,777,408</u>
Excess [deficiency] of revenues over [under] expenditures	<u>[67,202]</u>	<u>[257,779]</u>
Other financing sources [uses]		
Operating transfers in	<u>213,906</u>	<u>211,295</u>
Total other financing sources	<u>213,906</u>	<u>211,295</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other uses	146,704	[46,484]
Fund balances, January 1	<u>100,916</u>	<u>147,400</u>
Fund balances, December 31	<u>\$ 247,620</u>	<u>\$ 100,916</u>

See independent auditor's report on the general purpose financial statements.

CITY OF EMPORIA, KANSAS

DEBT SERVICE FUND
 COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCES - ACTUAL AND BUDGET
 For the fiscal years ended December 31, 2001 and 2000

	2001			2000		
	Actual	Budget	Variance Positive [Negative]	Actual	Budget	Variance Positive [Negative]
Revenues						
Taxes	\$1,325,512	\$1,359,794	\$ [34,282]	\$1,198,267	\$1,043,200	\$155,067
Special assessments	397,346	159,798	237,548	283,929	149,700	134,229
Use of money and property	29,441	20,298	9,143	35,013	30,000	5,013
Miscellaneous revenues	<u>8,605</u>	<u>5,000</u>	<u>3,605</u>	<u>2,420</u>	<u>5,000</u>	<u>[2,580]</u>
Total revenues	<u>1,760,904</u>	<u>1,544,890</u>	<u>216,014</u>	<u>1,519,629</u>	<u>1,227,900</u>	<u>291,729</u>
Expenditures						
Debt service						
Principal	1,277,485	1,327,960	50,475	1,187,195	1,187,171	[24]
Interest	550,567	644,014	93,447	590,167	592,614	2,447
Commission and postage	<u>54</u>	<u>100</u>	<u>46</u>	<u>46</u>	<u>100</u>	<u>54</u>
Total expenditures	<u>1,828,106</u>	<u>1,972,074</u>	<u>143,968</u>	<u>1,777,408</u>	<u>1,779,885</u>	<u>2,477</u>
Excess [deficiency] of revenues over [under] expenditures	<u>[67,202]</u>	<u>[427,184]</u>	<u>359,982</u>	<u>[257,779]</u>	<u>[551,985]</u>	<u>294,206</u>
Other financing sources						
Operating transfer in	<u>213,906</u>	<u>389,269</u>	<u>[175,363]</u>	<u>211,295</u>	<u>474,524</u>	<u>[263,229]</u>
Total other financing sources	<u>213,906</u>	<u>389,269</u>	<u>[175,363]</u>	<u>211,295</u>	<u>474,524</u>	<u>[263,229]</u>
Excess [deficiency] of revenues and other sources over [under] expenditures	146,704	[37,915]	184,619	[46,484]	[77,461]	30,977
Unreserved fund balance, January 1	<u>100,916</u>	<u>100,916</u>	-	<u>147,400</u>	<u>147,400</u>	-
Unreserved fund balances, December 31	<u>\$ 247,620</u>	<u>\$ 63,001</u>	<u>\$184,619</u>	<u>\$ 100,916</u>	<u>\$ 69,939</u>	<u>\$ 30,977</u>

See independent auditor's report on the general purpose financial statements.

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CITY OF EMPORIA, KANSAS

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.

KLINK Projects – To account for resurfacing projects financed through the State KLINK program. The State participates in funding up to 50% of eligible items.

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

Ball Diamonds – To account for the costs to improve existing ball diamond facilities.

Penny Lane Extension Paving – To account for costs of developing a new street in the Industrial Development Park III. Financing is to be provided through CDBG money and the issuance of general obligation bonds.

5th Avenue Relief Main – To account for the improvement of the sanitary sewer from 5th Avenue to the Cottonwood River. Financing is to be provided through CDBG money.

South Avenue Paving – To account for the costs to improve and pave an existing street. Financing is to be provided through CDBG money and the issuance of general obligation bonds.

Handicap Park Grant – To account for the costs of handicap accessible dock and playground equipment and new sidewalk at Jones Park. Financing is to be provided through the issuance of general obligation bonds and a \$35,000 grant from the Jones Trust Fund.

Americus Rd US50 to 18th – To account for the improvement of an existing road. To be financed with grant money and the issuance of general obligation bonds.

Paving Logan – Railroad to Lenza – To account for the costs of improving and paving an existing street. Financing to be provided by the issuance of general obligation bonds.

Family Aquatic Center – To account for costs of a new swimming pool complex.

Civic Auditorium Improvement – To account for the purchase of new seating, emergency lighting generator and basketball court in the civic auditorium which will be funded through the issuance of general obligation bonds.

Logan Ave. Wild Turkey to Weaver – To account for the costs of improving and paving an existing street. To be financed with CDBG money and the issuance of general obligation bonds.

Main Street Streetscape Project – To account for improvements to enhance downtown Emporia. Financing is to be provided through the issuance of general obligation bonds.

Penny Lane Industrial Park III – To account for the costs of developing and paving a new street. The project is financed by CDBG money and the issuance of general obligation bonds.

Animal Shelter – To account for the costs that have been incurred to construct a new animal shelter.

Storm Sewer 3rd & Lincoln – To account for costs of a new storm sewer in the 3rd and Lincoln area. Financing is to be provided through the issuance of general obligation bonds.

Oaks Drive Paving – To account for the costs of extending an existing street. To be financed with the industrial sales tax fund.

Library Bond Project – To account for improvements to the Emporia Public Library funded through the issuance of general obligation bonds.

Rec Center Roof Project – To account for repair of the roof at the recreation center. Financing will be provided through the issuance of general obligation bonds, which will be repaid by the recreation center in semi-annual installments through the year 2004.

South Ave. Weaver to East St – To account for the costs of improving and paving an existing street.

Prairie Pedestrian Bridge – To account for the cost of the construction of a pedestrian bridge over I35. A KDOT grant will pay for 50% of the cost and general obligation bonds will be issued for the remainder.

Southwest Highway Loop K99 – To account for the cost of development of a new road around the south side of the City.

Stormwater Improvement Project – To account for the costs for the stormwater improvements in various areas throughout the city.

Crestview 4th Addition Paving – To account for the costs of developing and paving new streets within a new subdivision. The project is to be paid with special assessments.

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

Crestview 6 – To account for the costs of development within a new subdivision. The project is to be paid with special assessments.

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

Construction Projects – To account for the costs of construction of new City facilities.

Candlewood Drive – To account for the costs of development within a new subdivision.

CITY OF EMPORIA, KANSAS
CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEETS
December 31, 2001
(With comparative totals for December 31, 2000)

	<u>KLINK Projects</u>	<u>Internal Improvements</u>	<u>Ball Diamonds</u>	<u>Penny Lane Extension Paving</u>	<u>5th Avenue Relief Main</u>
ASSETS					
Cash and investments	\$ -	\$ -	\$ 23,562	\$ -	\$ -
Due from other funds	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,562</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ -	\$ -	\$ 15,386	\$ -	\$ -
Retainage payable	-	-	-	-	-
Due to other funds	<u>159,939</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,305</u>
Total liabilities	<u>159,939</u>	<u>-</u>	<u>15,386</u>	<u>-</u>	<u>10,305</u>
Fund balances					
Unreserved					
Undesignated [deficit]	<u>[159,939]</u>	<u>-</u>	<u>8,176</u>	<u>-</u>	<u>[10,305]</u>
Total fund balances [deficit]	<u>[159,939]</u>	<u>-</u>	<u>8,176</u>	<u>-</u>	<u>[10,305]</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,562</u>	<u>\$ -</u>	<u>\$ -</u>

South Avenue Paving	Handicap Park Grant	Americus Rd US50 to 18th	Paving Logan-Railroad to Lenza	Family Aquatic Center	Civic Auditorium Improvement	Logan Ave. Wild Turkey to Weaver
\$ -	\$ 23,552	\$ 453,161	\$ -	\$ 1,061,019	\$ 295,527	\$ -
-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 23,552</u>	<u>\$ 453,161</u>	<u>\$ -</u>	<u>\$ 1,061,019</u>	<u>\$ 295,527</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ 527,788	\$ 25,650	\$ -
-	-	-	-	218,403	-	-
-	-	-	-	-	-	-
-	-	-	-	746,191	25,650	-
-	23,552	453,161	-	314,828	269,877	-
-	23,552	453,161	-	314,828	269,877	-
<u>\$ -</u>	<u>\$ 23,552</u>	<u>\$ 453,161</u>	<u>\$ -</u>	<u>\$ 1,061,019</u>	<u>\$ 295,527</u>	<u>\$ -</u>

See independent auditor's report on the general purpose financial statements.

CITY OF EMPORIA, KANSAS

CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEETS
December 31, 2001
(With comparative totals for December 31, 2000)

	Main Street Streetscape Projects	Penny Lane Industrial Park III	Animal Shelter	Storm Sewer 3rd & Lincoln
ASSETS				
Cash and investments	\$ 742,584	\$ -	\$ 542,181	\$ -
Due from other funds	482,056	-	-	-
Total assets	<u>\$ 1,224,640</u>	<u>\$ -</u>	<u>\$ 542,181</u>	<u>\$ -</u>
 LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 68,504	\$ -	\$ -	\$ -
Retainage payable	17,718	-	-	-
Due to other funds	-	-	-	-
Total liabilities	<u>86,222</u>	-	-	-
 Fund balances				
Unreserved				
Undesignated [deficit]	<u>1,138,418</u>	-	<u>542,181</u>	-
Total fund balances [deficit]	<u>1,138,418</u>	-	<u>542,181</u>	-
Total liabilities and fund balances	<u>\$ 1,224,640</u>	<u>\$ -</u>	<u>\$ 542,181</u>	<u>\$ -</u>

Oaks Drive Paving	Library Bond Project	Rec Center Roof Project	South Ave. Weaver to East St.	Prairie Pedestrian Bridge
\$ -	\$ 133,603	\$ -	\$ -	\$ 283,775
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ -</u>	<u>\$ 133,603</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 283,775</u>
\$ -	\$ -	\$ -	\$ -	\$ 84
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>84</u>
-	133,603	-	-	283,691
<u>-</u>	<u>133,603</u>	<u>-</u>	<u>-</u>	<u>283,691</u>
<u>\$ -</u>	<u>\$ 133,603</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 283,775</u>

See independent auditor's report on the general purpose financial statements.

CITY OF EMPORIA, KANSAS

CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEETS
December 31, 2001
(With comparative totals for December 31, 2000)

	Southwest Highway Loop K99	Stormwater Improvement Project	Crestview 4th Addition Paving	Traffic Signals
ASSETS				
Cash and investments	\$ -	\$ 105,325	\$ -	\$ 59,610
Due from other funds	-	-	-	-
	-	-	-	-
Total assets	\$ -	\$ 105,325	\$ -	\$ 59,610
 LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Retainage payable	-	-	-	-
Due to other funds	-	-	-	-
	-	-	-	-
Total liabilities	-	-	-	-
Fund balances				
Unreserved				
Undesignated [deficit]	-	105,325	-	59,610
	-	105,325	-	59,610
Total fund balances [deficit]	-	105,325	-	59,610
Total liabilities and fund balances	\$ -	\$ 105,325	\$ -	\$ 59,610

Crestview 6	Paving Projects	Construction Projects	Candlewood Drive	Totals	
				2001	2000
\$ -	\$ 569,270	\$ 83,127	\$ 303,527	\$ 4,679,823	\$ 2,891,551
-	-	-	-	482,056	987,581
<u>\$ -</u>	<u>\$ 569,270</u>	<u>\$ 83,127</u>	<u>\$ 303,527</u>	<u>\$ 5,161,879</u>	<u>\$ 3,879,132</u>
\$ -	\$ -	\$ 39,057	\$ -	\$ 676,469	\$ 290,614
-	-	-	-	236,121	-
-	-	-	311,812	482,056	987,581
-	-	39,057	311,812	1,394,646	1,278,195
-	569,270	44,070	[8,285]	3,767,233	2,600,937
-	569,270	44,070	[8,285]	3,767,233	2,600,937
<u>\$ -</u>	<u>\$ 569,270</u>	<u>\$ 83,127</u>	<u>\$ 303,527</u>	<u>\$ 5,161,879</u>	<u>\$ 3,879,132</u>

See independent auditor's report on the general purpose financial statements.

CITY OF EMPORIA, KANSAS

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

For the fiscal year ended December 31, 2001

(With comparative totals for the fiscal year ended December 31, 2000)

	KLINK Projects	Internal Improvements	Ball Diamonds	Penny Lane Extension Paving	5th Avenue Relief Main
Revenues					
Intergovernmental	\$ 149,500	\$ -	\$ -	\$ -	\$ -
Use of money and property	-	14,453	312	-	-
Miscellaneous	-	-	-	-	-
Total revenues	<u>149,500</u>	<u>14,453</u>	<u>312</u>	<u>-</u>	<u>-</u>
Expenditures					
Capital outlay					
Contract costs	263,019	414,478	131,439	-	-
Miscellaneous	-	-	-	-	-
Debt service					
Interest expense	6,136	-	-	8,330	-
Bond Issuance costs	-	-	697	2,239	-
Total expenditures	<u>269,155</u>	<u>414,478</u>	<u>132,136</u>	<u>10,569</u>	<u>-</u>
Excess [deficiency] of revenues over [under] expenditures	<u>[119,655]</u>	<u>[400,025]</u>	<u>[131,824]</u>	<u>[10,569]</u>	<u>-</u>
Other financing sources [uses]					
Operating transfers in	-	-	-	-	-
Operating transfers out	[815]	[42,863]	-	[10,634]	[10,305]
Proceeds from sale of bonds	-	-	140,000	220,000	-
Total other financing sources [uses]	<u>[815]</u>	<u>[42,863]</u>	<u>140,000</u>	<u>209,366</u>	<u>[10,305]</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other uses	<u>[120,470]</u>	<u>[442,888]</u>	<u>8,176</u>	<u>198,797</u>	<u>[10,305]</u>
Fund balances [deficit], January 1	<u>[39,469]</u>	<u>442,888</u>	<u>-</u>	<u>[198,797]</u>	<u>-</u>
Fund balances [deficit], December 31	<u>\$ [159,939]</u>	<u>\$ -</u>	<u>\$ 8,176</u>	<u>\$ -</u>	<u>\$ [10,305]</u>

South Avenue Paving	Handicap Park Grant	Americus Rd US50 to 18th	Paving Logan- Railroad to Lenza	Family Aquatic Center	Civic Auditorium Improvement
\$ -	\$ -	\$ -	\$ 23,445	\$ -	\$ -
-	2,829	18,967	8,241	1,069	9,119
-	<u>68,248</u>	-	-	-	-
-	<u>71,077</u>	<u>18,967</u>	<u>31,686</u>	<u>1,069</u>	<u>9,119</u>
-	93,870	21,461	1,353	2,823,660	43,904
-	16,209	-	-	-	252,685
17,449	-	-	-	-	-
<u>1,045</u>	-	-	-	<u>15,925</u>	<u>1,244</u>
<u>18,494</u>	<u>110,079</u>	<u>21,461</u>	<u>1,353</u>	<u>2,839,585</u>	<u>297,833</u>
<u>[18,494]</u>	<u>[39,002]</u>	<u>[2,494]</u>	<u>30,333</u>	<u>[2,838,516]</u>	<u>[288,714]</u>
-	-	-	-	-	29,313
[5,090]	-	-	[189,291]	-	-
<u>440,000</u>	-	-	-	<u>3,200,000</u>	<u>250,000</u>
<u>434,910</u>	-	-	<u>[189,291]</u>	<u>3,200,000</u>	<u>279,313</u>
416,416	[39,002]	[2,494]	[158,958]	361,484	[9,401]
<u>[416,416]</u>	<u>62,554</u>	<u>455,655</u>	<u>158,958</u>	<u>[46,656]</u>	<u>279,278</u>
<u>\$ -</u>	<u>\$ 23,552</u>	<u>\$ 453,161</u>	<u>\$ -</u>	<u>\$ 314,828</u>	<u>\$ 269,877</u>

See independent auditor's report on the general purpose financial statements.

CITY OF EMPORIA, KANSAS

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

For the fiscal year ended December 31, 2001

(With comparative totals for the fiscal year ended December 31, 2000)

	Logan Ave. Wild Turkey to Weaver	Main Street Streetscape Projects	Penny Lane Industrial Park III	Animal Shelter
Revenues				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Use of money and property	7,887	47,610	-	1,684
Miscellaneous	-	-	-	-
Total revenues	<u>7,887</u>	<u>47,610</u>	<u>-</u>	<u>1,684</u>
Expenditures				
Capital outlay				
Contract costs	7,375	198,378	-	8,490
Miscellaneous	-	-	-	-
Debt service				
Interest expense	-	-	53	-
Bond Issuance costs	-	921	-	2,737
Total expenditures	<u>7,375</u>	<u>199,299</u>	<u>53</u>	<u>11,227</u>
Excess [deficiency] of revenues over [under] expenditures	<u>512</u>	<u>[151,689]</u>	<u>[53]</u>	<u>[9,543]</u>
Other financing sources [uses]				
Operating transfers in	-	-	53	-
Operating transfers out	[171,322]	-	-	-
Proceeds from sale of bonds	-	185,000	-	550,000
Total other financing sources [uses]	<u>[171,322]</u>	<u>185,000</u>	<u>53</u>	<u>550,000</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other uses	<u>[170,810]</u>	<u>33,311</u>	<u>-</u>	<u>540,457</u>
Fund balances [deficit], January 1	<u>170,810</u>	<u>1,105,107</u>	<u>-</u>	<u>1,724</u>
Fund balances [deficit], December 31	<u>\$ -</u>	<u>\$ 1,138,418</u>	<u>\$ -</u>	<u>\$ 542,181</u>

Storm Sewer 3rd & Lincoln	Oaks Drive Paving	Library Bond Project	Rec Center Roof Project	South Ave. Weaver to East St.	Prairie Pedestrian Bridge
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1,475	-	6,692	3	-	13,090
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>1,475</u>	<u>-</u>	<u>6,692</u>	<u>3</u>	<u>-</u>	<u>13,090</u>
-	-	71,460	-	-	1,644
-	-	-	-	-	84
-	3	-	-	1,325	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>3</u>	<u>71,460</u>	<u>-</u>	<u>1,325</u>	<u>1,728</u>
<u>1,475</u>	<u>[3]</u>	<u>[64,768]</u>	<u>3</u>	<u>[1,325]</u>	<u>11,362</u>
-	3	-	-	32,938	-
[33,405]	-	-	[3]	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>[33,405]</u>	<u>3</u>	<u>-</u>	<u>[3]</u>	<u>32,938</u>	<u>-</u>
[31,930]	-	[64,768]	-	31,613	11,362
<u>31,930</u>	<u>-</u>	<u>198,371</u>	<u>-</u>	<u>[31,613]</u>	<u>272,329</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 133,603</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 283,691</u>

See independent auditor's report on the general purpose financial statements.

CITY OF EMPORIA, KANSAS
CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
For the fiscal year ended December 31, 2001
(With comparative totals for the fiscal year ended December 31, 2000)

	Southwest Highway Loop K99	Stormwater Improvement Project	Crestview 4th Addition Paving	Traffic Signals	Crestview 6
Revenues					
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -
Use of money and property	57	2,559	-	3,930	-
Miscellaneous	-	-	-	-	-
Total revenues	<u>57</u>	<u>2,559</u>	<u>-</u>	<u>3,930</u>	<u>-</u>
Expenditures					
Capital outlay					
Contract costs	-	263,097	-	230,735	-
Miscellaneous	-	163	-	5	-
Debt service					
Interest expense	-	-	335	-	469
Bond Issuance costs	-	-	-	299	-
Total expenditures	<u>-</u>	<u>263,260</u>	<u>335</u>	<u>231,039</u>	<u>469</u>
Excess [deficiency] of revenues over [under] expenditures	<u>57</u>	<u>[260,701]</u>	<u>[335]</u>	<u>[227,109]</u>	<u>[469]</u>
Other financing sources [uses]					
Operating transfers in	-	182,704	8,326	30,120	-
Operating transfers out	[57]	-	-	-	[34,071]
Proceeds from sale of bonds	-	-	-	60,000	-
Total other financing sources [uses]	<u>[57]</u>	<u>182,704</u>	<u>8,326</u>	<u>90,120</u>	<u>[34,071]</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other uses	-	[77,997]	7,991	[136,989]	[34,540]
Fund balances [deficit], January 1	<u>-</u>	<u>183,322</u>	<u>[7,991]</u>	<u>196,599</u>	<u>34,540</u>
Fund balances [deficit], December 31	<u>\$ -</u>	<u>\$ 105,325</u>	<u>\$ -</u>	<u>\$ 59,610</u>	<u>\$ -</u>

Paving Projects	Construction Projects	Candlewood Drive	Totals	
			2001	2000
\$ -	\$ 25,000	\$ -	\$ 197,945	\$ 84,653
-	-	938	140,915	196,979
-	4,251	-	72,499	2,053
-	29,251	938	411,359	283,685
190,513	498,328	299,594	5,562,798	2,295,559
39	3,550	20	272,755	349,383
13,532	3,753	7,113	58,498	98,886
4,728	746	2,335	32,916	-
208,812	506,377	309,062	5,926,967	2,743,828
[208,812]	[477,126]	[308,124]	[5,515,608]	[2,460,143]
155,148	353,945	-	792,550	711,550
[21,855]	[40,935]	-	[560,646]	[32,489]
950,000	150,000	305,000	6,450,000	4,328,687
1,083,293	463,010	305,000	6,681,904	5,007,748
874,481	[14,116]	[3,124]	1,166,296	2,547,605
[305,211]	58,186	[5,161]	2,600,937	53,332
\$ 569,270	\$ 44,070	\$ [8,285]	\$ 3,767,233	\$ 2,600,937

See independent auditor's report on the general purpose financial statements.

CITY OF EMPORIA, KANSAS

CAPITAL PROJECTS FUNDS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -

AUTHORIZED AND ACTUAL - FROM INCEPTION

For the year ended December 31, 2001

	<u>Project Authorization</u>	<u>Revenues and other sources</u>	<u>Expenditures and other uses</u>	<u>Fund Balances [Deficits] December 31, 2001</u>
KLINK Projects	\$ 593,301	\$ 559,419	\$ 719,358	\$ [159,939]
Internal Improvements	412,121	431,486	431,486	-
Ball Diamonds	140,000	140,312	132,136	8,176
Penny Lane Extension Paving	184,494	196,476	196,476	-
5th Avenue Relief Main	-	-	10,305	[10,305]
South Avenue Paving	390,399	392,396	392,396	-
Handicap Park Grant	279,754	204,559	181,007	23,552
Americus Rd US 50 to 18th	25,261	512,208	59,047	453,161
Paving Logan-Railroad to Lenza	252,775	566,233	566,233	-
Family Aquatic Center	4,388,145	3,224,927	2,910,099	314,828
Civic Auditorium Improvement	466,322	883,932	614,055	269,877
Logan Ave. Wild Turkey to Weaver	637,000	171,322	171,322	-
Main Street Streetscape Projects	2,099,500	1,703,291	564,873	1,138,418
Animal Shelter	54,500	688,958	146,777	542,181
Storm Sewer 3rd & Lincoln	516,407	44,780	44,780	-
Library Bond Project	97,923	205,063	71,460	133,603
Williby Detention Pond	-	46	46	-
Prairie Pedestrian Bridge	453,514	378,438	94,747	283,691
Stormwater Improvement Project	435,965	477,761	372,436	105,325
Crestview 4th Addition Paving	183,936	22,469	22,469	-
Traffic Signals	328,325	396,105	336,495	59,610
Crestview 6	684,773	582,730	582,730	-
Paving Projects	1,220,644	1,361,599	792,329	569,270
Construction Projects	291,651	399,368	355,298	44,070
Candlewood Drive	305,861	298,718	307,003	[8,285]
Totals	<u>\$ 14,442,571</u>	<u>\$ 13,842,596</u>	<u>\$ 10,075,363</u>	<u>\$ 3,767,233</u>

See independent auditor's report on the general purpose financial statements.

CITY OF EMPORIA, KANSAS

ENTERPRISE FUNDS

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprise – where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the governing body has decided that periodic determination of net income is appropriate for accountability purposes.

Solid Waste Disposal Fund – Monies for this fund are 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 – To account for all sewer operations including administration, maintenance, 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.

Parking Facilities Fund – To account for the financing, operation and maintenance of City-owned parking lots.

Water Utility Fund – 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.

CITY OF EMPORIA, KANSAS
 ENTERPRISE FUNDS
 COMBINING BALANCE SHEETS
 December 31, 2001
 (With comparative totals for December 31, 2000)

ASSETS	<u>Solid Waste Disposal</u>	<u>Sewer Utility</u>
Cash and cash equivalents	\$ 962,443	\$ 170,792
Receivables (net of allowance for uncollectibles)	291,099	343,700
Inventories	-	-
Utility plant		
Land	102,625	4,702
Building and equipment	2,962,258	24,679,269
Construction in progress	-	211,064
Accumulated depreciation	[1,020,120]	[9,687,224]
Deferred charges	-	-
Total assets	<u>\$ 3,298,305</u>	<u>\$ 15,722,303</u>
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable	\$ 63,178	\$ 174,872
Accrued liabilities	31,289	63,019
Accrued compensated absences	84,986	54,908
Current portion leases payable	-	-
Accrued interest payable	-	10,975
Current portion of general obligation bonds payable	-	330,000
Accrued landfill post-closure care liabilities	253,925	-
Notes payable	-	2,855,867
General obligation bonds payable	-	665,000
Total liabilities	<u>433,378</u>	<u>4,154,641</u>
Equity		
Contributed capital	<u>1,451,592</u>	<u>11,531,017</u>
Retained Earnings		
Unreserved	<u>1,413,335</u>	<u>36,645</u>
Total retained earnings	<u>1,413,335</u>	<u>36,645</u>
Total equity	<u>2,864,927</u>	<u>11,567,662</u>
Total liabilities and equity	<u>\$ 3,298,305</u>	<u>\$ 15,722,303</u>

Parking Facilities	Water Utility	Totals	
		2001	2000
\$ 3,394	\$ 1,706,655	\$ 2,843,284	\$ 4,226,860
858	472,670	1,108,327	1,083,462
-	219,678	219,678	226,813
110,854	100,198	318,379	318,379
366,248	27,437,080	55,444,855	51,823,328
-	14,469	225,533	2,771,185
[121,015]	[8,058,184]	[18,886,543]	[17,582,257]
-	411,519	411,519	457,822
<u>\$ 360,339</u>	<u>\$ 22,304,085</u>	<u>\$ 41,685,032</u>	<u>\$ 43,325,592</u>
\$ 546	\$ 139,539	\$ 378,135	\$ 224,337
137	33,664	128,109	97,629
-	88,814	228,708	68,913
-	-	-	2,026
-	95,607	106,582	216,660
-	475,345	805,345	672,405
-	-	253,925	265,467
-	4,507,852	7,363,719	7,318,886
-	6,860,385	7,525,385	8,330,840
<u>683</u>	<u>12,201,206</u>	<u>16,789,908</u>	<u>17,197,163</u>
<u>192,183</u>	<u>832,410</u>	<u>14,007,202</u>	<u>14,007,202</u>
<u>167,473</u>	<u>9,270,469</u>	<u>10,887,922</u>	<u>12,121,227</u>
<u>167,473</u>	<u>9,270,469</u>	<u>10,887,922</u>	<u>12,121,227</u>
<u>359,656</u>	<u>10,102,879</u>	<u>24,895,124</u>	<u>26,128,429</u>
<u>\$ 360,339</u>	<u>\$ 22,304,085</u>	<u>\$ 41,685,032</u>	<u>\$ 43,325,592</u>

See independent auditor's report on the general purpose financial statements.

CITY OF EMPORIA, KANSAS

ENTERPRISE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN RETAINED EARNINGS
 For the fiscal year ended December 31, 2001
 (With comparative totals for the fiscal year ended December 31, 2000)

	Solid Waste <u>Disposal</u>	Sewer <u>Utility</u>
Operating revenues		
Charges for services	\$ 2,362,077	\$ 2,564,959
Miscellaneous	<u>8,610</u>	<u>1,260</u>
Total operating revenues	<u>2,370,687</u>	<u>2,566,219</u>
Operating expenses		
Personal services	933,184	585,973
Contractual services	1,051,049	640,990
Commodities	331,684	475,261
Depreciation	170,027	600,226
Other	<u>49,966</u>	<u>131,404</u>
Total operating expenses	<u>2,535,910</u>	<u>2,433,854</u>
Operating income [loss]	<u>[165,223]</u>	<u>132,365</u>
Nonoperating revenues [expenses]		
Interest income	63,048	27,991
Rental income	2,451	-
Interest expense	[179]	[163,201]
Amortization of bond issue costs	-	-
Gain [loss] on disposal of assets	<u>91,633</u>	<u>[33]</u>
Total nonoperating revenues [expenses]	<u>156,953</u>	<u>[135,243]</u>
Income [loss] before operating transfers	<u>[8,270]</u>	<u>[2,878]</u>
Transfers from [to] other funds and account groups		
Operating transfers in	-	3,085,462
Operating transfers out	<u>[301,000]</u>	<u>[3,654,973]</u>
Total transfers	<u>[301,000]</u>	<u>[569,511]</u>
Net income [loss]	[309,270]	[572,389]
Retained earnings, January 1	<u>1,722,605</u>	<u>609,034</u>
Retained earnings, December 31	<u>\$ 1,413,335</u>	<u>\$ 36,645</u>

Parking Facilities	Water Utility	Totals	
		2001	2000
\$ 34,233	\$ 4,133,438	\$ 9,094,707	\$ 8,654,506
<u>2,420</u>	<u>6,568</u>	<u>18,858</u>	<u>27,407</u>
<u>36,653</u>	<u>4,140,006</u>	<u>9,113,565</u>	<u>8,681,913</u>
4,621	808,889	2,332,667	2,171,639
28,687	1,332,761	3,053,487	2,908,835
13	566,742	1,373,700	695,403
7,156	814,723	1,592,132	1,363,152
<u>3,600</u>	<u>17,260</u>	<u>202,230</u>	<u>91,624</u>
<u>44,077</u>	<u>3,540,375</u>	<u>8,554,216</u>	<u>7,230,653</u>
<u>[7,424]</u>	<u>599,631</u>	<u>559,349</u>	<u>1,451,260</u>
102	306,528	397,669	522,244
-	-	2,451	4,436
-	[455,458]	[618,838]	[631,872]
-	[46,303]	[46,303]	[33,636]
<u>-</u>	<u>41,278</u>	<u>132,878</u>	<u>128,800</u>
<u>102</u>	<u>[153,955]</u>	<u>[132,143]</u>	<u>[10,028]</u>
<u>[7,322]</u>	<u>445,676</u>	<u>427,206</u>	<u>1,441,232</u>
-	-	3,085,462	10,000
<u>-</u>	<u>[790,000]</u>	<u>[4,745,973]</u>	<u>[1,106,581]</u>
-	[790,000]	[1,660,511]	[1,096,581]
<u>[7,322]</u>	<u>[344,324]</u>	<u>[1,233,305]</u>	<u>344,651</u>
<u>174,795</u>	<u>9,614,793</u>	<u>12,121,227</u>	<u>11,776,576</u>
<u>\$ 167,473</u>	<u>\$ 9,270,469</u>	<u>\$ 10,887,922</u>	<u>\$ 12,121,227</u>

See independent auditor's report on the general purpose financial statements.

CITY OF EMPORIA, KANSAS

ENTERPRISE FUNDS

COMBINING STATEMENT OF CASH FLOWS

For the fiscal year ended December 31, 2001

(With comparative total for the fiscal year ended December 31, 2000)

	Solid Waste Disposal	Sewer Utility
Cash flows from operating activities		
Cash received from customers and users	\$ 2,354,043	\$ 2,544,827
Cash payments to employees for services	[860,780]	[550,990]
Cash payments to other suppliers of goods or services	[1,444,440]	[1,118,505]
Other operating receipts	<u>8,610</u>	<u>1,260</u>
Net cash provided by [used for] operating activities	<u>57,433</u>	<u>876,592</u>
Cash flows from noncapital financing activities		
Transfers from [to] other funds	<u>[301,000]</u>	<u>[569,511]</u>
Net cash used for noncapital financing activities	<u>[301,000]</u>	<u>[569,511]</u>
Cash flows from capital and related financing activities		
Purchase and construction of fixed assets	[264,571]	[900,638]
Proceeds from issuance of debt	-	364,648
Principal payments - capital leases	[290]	[289]
Principal payments - bonds and notes	-	[357,829]
Increase [decrease] in accounts payable due to construction	-	-
Interest paid	[179]	[181,333]
Proceeds from sale of salvage	<u>91,633</u>	<u>-</u>
Net cash used in capital and related financing activities	<u>[173,407]</u>	<u>[1,075,441]</u>
Cash flows from investing activities		
Interest received	63,048	27,991
Rents received	<u>2,451</u>	<u>-</u>
Net cash provided by investing activities	<u>65,499</u>	<u>27,991</u>
Net increase [decrease] in cash and cash equivalents	[351,475]	[740,369]
Cash and cash equivalents, January 1	<u>1,313,918</u>	<u>911,161</u>
Cash and cash equivalents, December 31	<u>\$ 962,443</u>	<u>\$ 170,792</u>

Parking Facilities	Water Utility	Totals	
		2001	2000
\$ 34,233	\$ 4,136,739	\$ 9,069,842	\$ 8,598,262
[4,628]	[770,669]	[2,187,067]	[2,140,317]
[32,851]	[1,839,555]	[4,435,351]	[3,960,718]
<u>2,420</u>	<u>6,568</u>	<u>18,858</u>	<u>27,407</u>
<u>[826]</u>	<u>1,533,083</u>	<u>2,466,282</u>	<u>2,524,634</u>
-	[790,000]	[1,660,511]	[1,096,581]
-	[790,000]	[1,660,511]	[1,096,581]
-	[207,270]	[1,372,479]	[4,997,683]
-	56,698	421,346	4,863,858
-	[1,447]	[2,026]	[5,835]
-	[691,197]	[1,049,026]	[852,700]
-	-	-	[452,884]
-	[547,404]	[728,916]	[544,197]
-	<u>50,001</u>	<u>141,634</u>	<u>158,321</u>
-	[1,340,619]	[2,589,467]	[1,831,120]
102	306,528	397,669	522,244
-	-	<u>2,451</u>	<u>4,436</u>
<u>102</u>	<u>306,528</u>	<u>400,120</u>	<u>526,680</u>
[724]	[291,008]	[1,383,576]	123,613
<u>4,118</u>	<u>1,997,663</u>	<u>4,226,860</u>	<u>4,103,247</u>
<u>\$ 3,394</u>	<u>\$ 1,706,655</u>	<u>\$ 2,843,284</u>	<u>\$ 4,226,860</u>

See independent auditor's report on the general purpose financial statements.

CITY OF EMPORIA, KANSAS

ENTERPRISE FUNDS

COMBINING STATEMENT OF CASH FLOWS

For the fiscal year ended December 31, 2001

(With comparative totals for the fiscal year ended December 31, 2000)

	Solid Waste <u>Disposal</u>	Sewer <u>Utility</u>
Reconciliation of operating income [loss] to net cash provided by [used in] operating activities		
Operating income [loss]	\$ [165,223]	\$ 132,365
Adjustments to reconcile operating income [loss] to net cash provided by [used in] operating activities		
Depreciation expense	170,027	600,226
[Increase] decrease in accounts receivable	[8,034]	[20,132]
[Increase] decrease in inventory	-	-
Increase [decrease] in accounts payable	[199]	84,475
Increase [decrease] in accrued liabilities	2,359	44,497
Increase [decrease] in accrued compensated absences	70,045	35,161
Increase [decrease] in landfill closure and postclosure care costs	<u>[11,542]</u>	<u>-</u>
Net cash provided by [used in] operating activities	<u>\$ 57,433</u>	<u>\$ 876,592</u>

<u>Parking Facilities</u>	<u>Water Utility</u>	<u>Totals</u>	
		<u>2001</u>	<u>2000</u>
\$ [7,424]	\$ 599,631	\$ 559,349	\$ 1,451,260
7,156	814,723	1,592,132	1,363,152
-	3,301	[24,865]	[56,244]
-	7,135	7,135	[15,296]
[551]	70,073	153,798	[264,151]
[7]	[16,369]	30,480	25,902
-	54,589	159,795	31,553
-	-	[11,542]	[11,542]
<u>\$ [826]</u>	<u>\$ 1,533,083</u>	<u>\$ 2,466,282</u>	<u>\$ 2,524,634</u>

CITY OF EMPORIA, KANSAS

SOLID WASTE DISPOSAL ENTERPRISE FUND
COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - ACTUAL AND BUDGET
For the fiscal year ended December 31, 2001

	<u>Actual</u>	<u>Budget</u>	Variance Positive [Negative]
Revenues			
Charges for services	\$ 2,362,077	\$ 2,487,000	\$ [124,923]
Use of money and property	65,499	50,000	15,499
Reimbursements	-	12,000	[12,000]
Miscellaneous	<u>8,610</u>	<u>6,000</u>	<u>2,610</u>
Total revenues	<u>2,436,186</u>	<u>2,555,000</u>	<u>[118,814]</u>
Expenditures			
Personal services	933,184	982,714	49,530
Contractual services	1,052,702	1,230,550	177,848
Commodities	334,824	221,750	[113,074]
Capital outlay	282,882	317,000	34,118
Debt service	179	43,251	43,072
Miscellaneous	<u>49,966</u>	<u>266,100</u>	<u>216,134</u>
Total expenditures	<u>2,653,737</u>	<u>3,061,365</u>	<u>407,628</u>
Excess [deficiency] of revenues over [under] expenditures	<u>[217,551]</u>	<u>[506,365]</u>	<u>288,814</u>
Other financing sources [uses]			
Operating transfer out	[301,000]	-	[301,000]
Sale of salvage	<u>91,633</u>	<u>-</u>	<u>91,633</u>
Total other financing sources [uses]	<u>[209,367]</u>	<u>-</u>	<u>[209,367]</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other uses	<u>[426,918]</u>	<u>[506,365]</u>	<u>79,447</u>
Unreserved fund balances, January 1	<u>1,465,943</u>	<u>1,465,943</u>	<u>-</u>
Unreserved fund balances, December 31	<u>\$ 1,039,025</u>	<u>\$ 959,578</u>	<u>\$ 79,447</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other uses	\$ [426,918]		
Reconciliation to net income - GAAP basis:			
Depreciation	[170,027]		
Prior year encumbrances	[5,399]		
Current year encumbrances	28,502		
Fixed asset transactions	<u>264,572</u>		
Net income [loss] - GAAP basis	<u>\$ [309,270]</u>		

See independent auditor's report on the general purpose financial statements.

CITY OF EMPORIA, KANSAS
SEWER UTILITY ENTERPRISE FUND
COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - ACTUAL AND BUDGET
For the fiscal year ended December 31, 2001

	<u>Actual</u>	<u>Budget</u>	Variance Positive [Negative]
Revenues			
Charges for services	\$ 2,564,959	\$ 2,638,000	\$ [73,041]
Use of money and property	27,991	50,000	[22,009]
Miscellaneous	<u>1,260</u>	<u>4,000</u>	<u>[2,740]</u>
Total revenues	<u>2,594,210</u>	<u>2,692,000</u>	<u>[97,790]</u>
Expenditures			
Personal services	585,973	604,658	18,685
Contractual services	658,094	1,028,450	370,356
Commodities	475,084	106,300	[368,784]
Capital outlay	905,016	448,500	[456,516]
Debt service	521,030	98,082	[422,948]
Miscellaneous	<u>131,404</u>	<u>711,095</u>	<u>579,691</u>
Total expenditures	<u>3,276,601</u>	<u>2,997,085</u>	<u>[279,516]</u>
Excess [deficiency] of revenues over [under] expenditures	<u>[682,391]</u>	<u>[305,085]</u>	<u>[377,306]</u>
Other financing sources [uses]			
Sale of salvage	[33]	-	[33]
Operating transfer in	3,085,462	-	3,085,462
Operating transfer out	<u>[3,654,973]</u>	<u>-</u>	<u>[3,654,973]</u>
Total other financing sources	<u>[569,544]</u>	<u>-</u>	<u>[569,544]</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other uses	<u>[1,251,935]</u>	<u>[305,085]</u>	<u>[946,850]</u>
Unreserved fund balances, January 1	<u>1,384,906</u>	<u>1,384,906</u>	<u>-</u>
Unreserved fund balances, December 31	<u>\$ 132,971</u>	<u>\$ 1,079,821</u>	<u>\$ [946,850]</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other uses	<u>\$ [1,251,935]</u>		
Reconciliation to net income - GAAP basis:			
Debt principal payments	357,829		
Depreciation	[600,226]		
Prior year encumbrances	[171,366]		
Current year encumbrances	192,640		
Fixed asset transactions	<u>900,669</u>		
Net income [loss] - GAAP basis	<u>\$ [572,389]</u>		

See independent auditor's report on the general purpose financial statements.

CITY OF EMPORIA, KANSAS

PARKING FACILITIES ENTERPRISE FUND
COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - ACTUAL AND BUDGET
For the fiscal year ended December 31, 2001

	<u>Actual</u>	<u>Budget</u>	Variance Positive [Negative]
Revenues			
Charges for services	\$ 34,233	\$ 36,500	\$ [2,267]
Use of money and property	102	150	[48]
Miscellaneous	<u>2,420</u>	<u>-</u>	<u>2,420</u>
Total revenues	<u>36,755</u>	<u>36,650</u>	<u>105</u>
Expenditures			
Personal services	4,621	4,760	139
Contractual services	28,687	16,400	[12,287]
Commodities	13	900	887
Miscellaneous	<u>3,600</u>	<u>25,850</u>	<u>22,250</u>
Total expenditures	36,921	47,910	10,989
Excess [deficiency] of revenues over [under] expenditures	[166]	[11,260]	11,094
Other financing sources [uses]			
Operating transfer in	<u>-</u>	<u>4,500</u>	<u>[4,500]</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other uses	[166]	[6,760]	6,594
Unreserved fund balances, January 1	<u>3,735</u>	<u>3,735</u>	<u>-</u>
Unreserved fund balances, December 31	<u>\$ 3,569</u>	<u>\$ [3,025]</u>	<u>\$ 6,594</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other uses	\$ [166]		
Reconciliation to net income - GAAP basis:			
Depreciation	<u>[7,156]</u>		
Net income [loss] - GAAP basis	<u>\$ [7,322]</u>		

See independent auditor's report on the general purpose financial statements.

CITY OF EMPORIA, KANSAS
WATER UTILITY ENTERPRISE FUND
COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - ACTUAL AND BUDGET
For the fiscal year ended December 31, 2001

	<u>Actual</u>	<u>Budget</u>	Variance Positive [Negative]
Revenues			
Charges for services	\$ 4,133,438	\$ 4,151,000	\$ [17,562]
Use of money and property	308,498	50,000	258,498
Reimbursements	-	8,000	[8,000]
Miscellaneous	<u>4,598</u>	<u>6,000</u>	<u>[1,402]</u>
Total revenues	<u>4,446,534</u>	<u>4,215,000</u>	<u>231,534</u>
Expenditures			
Personal services	808,889	803,679	[5,210]
Contractual services	1,328,198	1,598,900	270,702
Commodities	539,488	471,400	[68,088]
Capital outlay	207,270	428,000	220,730
Debt service	1,146,655	577,581	[569,074]
Miscellaneous	<u>29,927</u>	<u>991,780</u>	<u>961,853</u>
Total expenditures	<u>4,060,427</u>	<u>4,871,340</u>	<u>810,913</u>
Excess [deficiency] of revenues over [under] expenditures	386,107	[656,340]	1,042,447
Other financing sources [uses]			
Operating transfers in [out]	[790,000]	-	[790,000]
Sale of salvage	<u>41,278</u>	<u>-</u>	<u>41,278</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other uses	[362,615]	[656,340]	293,725
Unreserved fund balances, January 1	<u>2,161,336</u>	<u>2,161,336</u>	-
Unreserved fund balances, December 31	<u>\$ 1,798,721</u>	<u>\$ 1,504,996</u>	<u>\$ 293,725</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other uses	\$ [362,615]		
Reconciliation to net income - GAAP basis:			
Debt principal payments	691,197		
Bond discount amortization	[33,636]		
Depreciation	[814,723]		
Prior year encumbrances	[74,525]		
Current year encumbrances	42,708		
Fixed asset transactions	<u>207,270</u>		
Net income [loss] - GAAP basis	<u>\$ [344,324]</u>		

See independent auditor's report on the general purpose financial statements.

CITY OF EMPORIA, KANSAS

INTERNAL SERVICE FUNDS

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 participants and additional health insurance premiums.

CITY OF EMPORIA, KANSAS
INTERNAL SERVICE FUNDS
COMBINING BALANCE SHEETS
December 31, 2001
(With comparative totals for December 31, 2000)

	<u>Workers'</u> <u>Compensation</u>	<u>Employee</u> <u>Health</u> <u>Care</u>	<u>Totals</u>	
			<u>2001</u>	<u>2000</u>
ASSETS				
Cash and cash equivalents	\$ 38,933	\$ 33,024	\$ 71,957	\$ 162,510
Investments	999,732	674,478	1,674,210	1,781,167
Accounts receivable	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,080</u>
 Total assets	 <u>\$ 1,038,665</u>	 <u>\$ 707,502</u>	 <u>\$ 1,746,167</u>	 <u>\$ 1,952,757</u>
LIABILITIES AND EQUITY				
Liabilities				
Accounts payable	\$ 1,687	\$ -	\$ 1,687	\$ -
Unpaid claims	<u>369,584</u>	<u>28,361</u>	<u>397,945</u>	<u>447,543</u>
 Total liabilities	 371,271	 28,361	 399,632	 447,543
Equity				
Retained earnings Unreserved	 <u>667,394</u>	 <u>679,141</u>	 <u>1,346,535</u>	 <u>1,505,214</u>
 Total liabilities and equity	 <u>\$ 1,038,665</u>	 <u>\$ 707,502</u>	 <u>\$ 1,746,167</u>	 <u>\$ 1,952,757</u>

See independent auditor's report on the general purpose financial statements.

CITY OF EMPORIA, KANSAS

INTERNAL SERVICE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
 Year ended December 31, 2001
 (With comparative totals for year ended December 31, 2000)

	<u>Workers'</u> <u>Compensation</u>	<u>Employee</u> <u>Health</u> <u>Care</u>	<u>Totals</u>	
			<u>2001</u>	<u>2000</u>
Operating revenues				
Charges for services	\$ 141,761	\$ 779,422	\$ 921,183	\$ 902,910
Miscellaneous	<u>533</u>	<u>26,272</u>	<u>26,805</u>	<u>15,203</u>
Total operating revenues	<u>142,294</u>	<u>805,694</u>	<u>947,988</u>	<u>918,113</u>
Operating expenses				
Cost of services	<u>191,294</u>	<u>991,252</u>	<u>1,182,546</u>	<u>1,157,895</u>
Total operating expenses	<u>191,294</u>	<u>991,252</u>	<u>1,182,546</u>	<u>1,157,895</u>
Operating income [loss]	[49,000]	[185,558]	[234,558]	[239,782]
Nonoperating revenues [expenses]				
Interest income	<u>41,940</u>	<u>33,939</u>	<u>75,879</u>	<u>99,085</u>
Net income [loss]	[7,060]	[151,619]	[158,679]	[140,697]
Retained earnings, January 1	<u>674,454</u>	<u>830,760</u>	<u>1,505,214</u>	<u>1,645,911</u>
Retained earnings, December 31	<u>\$ 667,394</u>	<u>\$ 679,141</u>	<u>\$ 1,346,535</u>	<u>\$ 1,505,214</u>

See independent auditor's report on the general purpose financial statements.

CITY OF EMPORIA, KANSAS

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS

Year ended December 31, 2001

(With comparative totals for year ended December 31, 2000)

	Workers' Compensation	Employee Health Care	Totals	
			2001	2000
Cash flows from operating activities				
Cash received from participants	\$ 150,841	\$ 779,422	\$ 930,263	\$ 897,870
Cash paid to suppliers	[189,716]	[1,040,741]	[1,230,457]	[1,110,239]
Other operating receipts	533	26,272	26,805	15,203
Net cash provided by [used for] operating activities	[38,342]	[235,047]	[273,389]	[197,166]
Cash flows from investing activities				
Proceeds from sale of investments	1,014,417	766,750	1,781,167	1,916,802
Purchase of investments	[999,732]	[674,478]	[1,674,210]	[1,781,167]
Interest received	41,940	33,939	75,879	99,085
Net cash provided by [used for] investing activities	56,625	126,211	182,836	234,720
Net increase in cash and cash equivalents	18,283	[108,836]	[90,553]	37,554
Cash and cash equivalents, January 1	20,650	141,860	162,510	124,956
Cash and cash equivalents, December 31	\$ 38,933	\$ 33,024	\$ 71,957	\$ 162,510
Reconciliation of operating income				
[loss] to net cash provided by [used for] operating activities				
Operating income [loss]	\$ [49,000]	\$ [185,558]	\$ [234,558]	\$ [239,782]
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	[109]	[49,489]	[49,598]	47,656
Increase [decrease] in accounts payable	1,687	-	1,687	-
[Increase] decrease in accounts receivable	9,080	-	9,080	[5,040]
Net cash provided by [used for] operating activities	\$ [38,342]	\$ [235,047]	\$ [273,389]	\$ [197,166]

See independent auditor's report on the general purpose financial statements.

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CITY OF EMPORIA, KANSAS

TRUST AND AGENCY FUNDS

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

Fremont Park Expendable 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 Expendable Trust Fund – To account for monies provided by private donors to finance improvements to the Las Casitas Park.

Economic Development Nonexpendable 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. The fund was created with money generated by a Chamber of Commerce fund drive and money repaid to the City for state and federal grants.

Municipal Court Agency Fund – To account for the collection and payment of court fines and fees.

Fire Insurance Proceeds – 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.

Non-Expendable Trust Fund	Agency Funds		Totals	
	Economic Development	Municipal Court	Fire Insurance Proceeds	2001
\$ 611,973	\$ -	\$ 23,046	\$ 636,904	\$ 447,535
-	-	-	-	19,391
-	263,539	-	263,539	263,539
1,033	-	-	1,033	1,580
<u>226,066</u>	<u>-</u>	<u>-</u>	<u>226,066</u>	<u>350,317</u>
<u>\$ 839,072</u>	<u>\$ 263,539</u>	<u>\$ 23,046</u>	<u>\$ 1,127,542</u>	<u>\$ 1,082,362</u>
\$ -	\$ 263,539	\$ -	\$ 263,539	\$ 263,539
-	-	23,046	23,046	21,530
-	263,539	23,046	286,585	285,069
839,072	-	-	839,072	796,019
-	-	-	1,885	1,274
<u>\$ 839,072</u>	<u>\$ 263,539</u>	<u>\$ 23,046</u>	<u>\$ 1,127,542</u>	<u>\$ 1,082,362</u>

See independent auditor's report on the general purpose financial statements.

CITY OF EMPORIA, KANSAS
 EXPENDABLE TRUST FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 Year ended December 31, 2001
 (With comparative totals for year ended December 31, 2000)

	<u>Tree</u>	<u>Fremont Park</u>	<u>Las Casitas Park</u>	<u>Totals</u>	
				<u>2001</u>	<u>2000</u>
Revenues					
Contributions and grants	\$ -	\$ -	\$ 600	\$ 600	\$ 395
Expenditures					
General government	<u>56</u>	<u>-</u>	<u>-</u>	<u>56</u>	<u>827</u>
Excess [deficiency] of revenues over [under] expenditure	[56]	-	600	544	[432]
Other financing sources					
Interest income	59	3	5	67	-
Fund balances, January 1	<u>1,267</u>	<u>7</u>	<u>-</u>	<u>1,274</u>	<u>1,706</u>
Fund balances, December 31	<u>\$ 1,270</u>	<u>\$ 10</u>	<u>\$ 605</u>	<u>\$ 1,885</u>	<u>\$ 1,274</u>

CITY OF EMPORIA, KANSAS
 NONEXPENDABLE TRUST FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES
 Year ended December 31, 2001
 (With comparative totals for year ended December 31, 2000)

	Economic Development	Totals	
		2001	2000
Operating revenues			
Interest Income	\$ 43,053	\$ 43,053	\$ 45,970
Total operating revenues	<u>43,053</u>	<u>43,053</u>	<u>45,970</u>
Operating expenses	<u>-</u>	<u>-</u>	<u>36,597</u>
Operating income [loss]	<u>43,053</u>	<u>43,053</u>	<u>9,373</u>
Fund balances, January 1	<u>796,019</u>	<u>796,019</u>	<u>786,646</u>
Fund balances, December 31	<u>\$ 839,072</u>	<u>\$ 839,072</u>	<u>\$ 796,019</u>

See independent auditor's report on the general purpose financial statements.

CITY OF EMPORIA, KANSAS
 NONEXPENDABLE TRUST FUNDS
 COMBINING STATEMENT OF CASH FLOWS
 Year ended December 31, 2001
 (With comparative totals for year ended December 31, 2000)

	Economic Development	Totals	
		2001	2000
Cash flows from operating activities			
Principal received on loans	\$ 124,798	\$ 124,798	\$ 29,250
Cash paid to suppliers	-	-	[37,595]
Principal advanced on new loans	-	-	[234,360]
Net cash provided by [used in] operating activities	<u>124,798</u>	<u>124,798</u>	<u>[242,705]</u>
Cash flows from investing activities			
Interest received	<u>43,053</u>	<u>43,053</u>	<u>44,838</u>
Net increase [decrease] in cash and cash equivalents	167,851	167,851	[197,867]
Cash and cash equivalents, January 1	<u>444,122</u>	<u>444,122</u>	<u>641,989</u>
Cash and cash equivalents, December 31	<u>\$ 611,973</u>	<u>\$ 611,973</u>	<u>\$ 444,122</u>
Reconciliation of operating income [loss] to net cash provided by [used in] operating activities			
Operating income [loss]	\$ 43,053	\$ 43,053	\$ 9,373
Adjustments to reconcile operating income [loss] to net cash provided by [used in] operating activities			
Interest income reported in operations	[43,053]	[43,053]	[45,970]
[Increase] decrease in receivables	124,798	124,798	[205,110]
Increase [decrease] in payables	-	-	[998]
Net cash provided by [used in] operating activities	<u>\$ 124,798</u>	<u>\$ 124,798</u>	<u>\$ [242,705]</u>

See independent auditor's report on the general purpose financial statements.

CITY OF EMPORIA, KANSAS

AGENCY FUNDS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For the fiscal year ended December 31, 2001

	Balance January 1, <u>2001</u>	<u>Additions</u>	<u>Deductions</u>	Balance December 31, <u>2001</u>
<hr/> Municipal Court <hr/>				
ASSETS				
Cash and cash equivalents	\$ -	\$ 621,713	\$ 621,713	\$ -
Receivables (net of allowance for uncollectibles)	<u>263,539</u>	<u>483,677</u>	<u>483,677</u>	<u>263,539</u>
Total assets	<u>\$ 263,539</u>	<u>\$ 1,105,390</u>	<u>\$ 1,105,390</u>	<u>\$ 263,539</u>
LIABILITIES				
Due to General Fund	<u>\$ 263,539</u>	<u>\$ 1,105,390</u>	<u>\$ 1,105,390</u>	<u>\$ 263,539</u>
<hr/> Fire Insurance Proceeds <hr/>				
ASSETS				
Cash and cash equivalents	<u>\$ 21,530</u>	<u>\$ 1,516</u>	<u>\$ -</u>	<u>\$ 23,046</u>
LIABILITIES				
Due to others	<u>\$ 21,530</u>	<u>\$ 1,516</u>	<u>\$ -</u>	<u>\$ 23,046</u>
<hr/> Total - Agency Funds <hr/>				
ASSETS				
Cash and cash equivalents	\$ 21,530	\$ 623,229	\$ 621,713	\$ 23,046
Receivables (net of allowance for uncollectibles)	<u>263,539</u>	<u>483,677</u>	<u>483,677</u>	<u>263,539</u>
Total assets	<u>\$ 285,069</u>	<u>\$ 1,106,906</u>	<u>\$ 1,105,390</u>	<u>\$ 286,585</u>
LIABILITIES				
Due to general fund	\$ 263,539	\$ 1,105,390	\$ 1,105,390	\$ 263,539
Due to others	<u>21,530</u>	<u>1,516</u>	<u>-</u>	<u>23,046</u>
Due to General Fund	<u>\$ 285,069</u>	<u>\$ 1,106,906</u>	<u>\$ 1,105,390</u>	<u>\$ 286,585</u>

See independent auditor's report on the general purpose financial statements.

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CITY OF EMPORIA, KANSAS
GENERAL FIXED ASSETS ACCOUNT GROUP

CITY OF EMPORIA, KANSAS
 COMPARATIVE SCHEDULE OF GENERAL FIXED ASSETS
 BY SOURCE
 December 31, 2001 and 2000

	<u>2001</u>	<u>2000</u>
General fixed assets		
Land	\$ 1,406,643	\$ 1,406,643
Land improvements	5,002,848	4,806,283
Buildings	6,248,935	6,248,935
Buildings improvements	3,695,839	3,346,455
Machinery - light	2,481,692	2,085,420
Machinery - heavy	1,542,534	1,476,266
Vehicles	2,330,344	1,978,269
Office equipment	<u>777,077</u>	<u>718,212</u>
 Total general fixed assets	 <u>\$ 23,485,912</u>	 <u>\$ 22,066,483</u>
 Investment in general fixed assets		
Investment in property acquired prior to December 31, 1982	\$ 5,847,857	\$ 5,847,857
 Investment in property acquired after December 31, 1982, from		
Current revenues	10,772,471	9,353,042
Federal funds	3,107,474	3,107,474
General obligation bonds	2,320,305	2,320,305
Installment purchase	314,300	314,300
Lease purchase	3,391	3,391
Contributions	<u>1,120,114</u>	<u>1,120,114</u>
 Total investment in general fixed assets	 <u>\$ 23,485,912</u>	 <u>\$ 22,066,483</u>

See independent auditor's report on the general purpose financial statements.

CITY OF EMPORIA, KANSAS

SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS -
BY FUNCTION AND ACTIVITY

For the fiscal year ended December 31, 2001

<u>Function and Activity</u>	General Fixed Assets January 1, <u>2001</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	General Fixed Assets December 31, <u>2001</u>
General government	\$ 1,905,536	\$ 93,020	\$ 15,373	\$ -	\$ 1,983,183
Public safety					
Law enforcement	2,569,253	150,508	48,594	-	2,671,167
Fire and ambulance	<u>2,067,437</u>	<u>447,203</u>	<u>155,158</u>	-	<u>2,359,482</u>
Total public safety	<u>4,636,690</u>	<u>597,711</u>	<u>203,752</u>	-	<u>5,030,649</u>
Highways and streets	<u>1,451,887</u>	<u>511,032</u>	<u>112,962</u>	-	<u>1,849,957</u>
Culture and recreation	<u>7,991,651</u>	<u>217,224</u>	<u>15,399</u>	-	<u>8,193,476</u>
Building maintenance					
Public works	880,882	18,649	-	1,500	901,031
Civic building operations	<u>932,769</u>	<u>338,128</u>	<u>2,781</u>	-	<u>1,268,116</u>
Total building maintenance	<u>1,813,651</u>	<u>356,777</u>	<u>2,781</u>	<u>1,500</u>	<u>2,169,147</u>
Planning and development	<u>99,482</u>	-	<u>17,031</u>	-	<u>82,451</u>
Airport operations	<u>4,167,586</u>	<u>26,500</u>	<u>17,037</u>	-	<u>4,177,049</u>
Total general fixed assets	<u>\$ 22,066,483</u>	<u>\$ 1,802,264</u>	<u>\$ 384,335</u>	<u>\$ 1,500</u>	<u>\$ 23,485,912</u>

See independent auditor's report on the general purpose financial statements.

CITY OF EMPORIA, KANSAS
 SCHEDULE OF GENERAL FIXED ASSETS -
 BY FUNCTION AND ACTIVITY
 December 31, 2001
 (With comparative totals for December 31, 2000)

<u>Function and Activity</u>	<u>Land</u>	<u>Land Improvements</u>	<u>Buildings</u>	<u>Buildings Improvements</u>	<u>Light Machinery/ Equipment</u>
General government	\$ 278,314	\$ 73,684	\$ 600,000	\$ 595,415	\$ 99,734
Public safety					
Law enforcement	-	178,440	6,021	1,155,271	403,787
Fire and ambulance	<u>1,000</u>	<u>965</u>	<u>611,148</u>	<u>155,963</u>	<u>258,714</u>
Total public safety	<u>1,000</u>	<u>179,405</u>	<u>617,169</u>	<u>1,311,234</u>	<u>662,501</u>
Highways and streets	<u>50,000</u>	<u>-</u>	<u>20,173</u>	<u>-</u>	<u>824,007</u>
Culture and recreation	<u>783,218</u>	<u>1,810,706</u>	<u>3,994,355</u>	<u>211,678</u>	<u>598,064</u>
Building and maintenance					
Public works	255,000	3,337	268,868	169,961	86,534
Civic building operations	<u>-</u>	<u>-</u>	<u>4,253</u>	<u>1,161,475</u>	<u>93,675</u>
Total building maintenance	<u>255,000</u>	<u>3,337</u>	<u>273,121</u>	<u>1,331,436</u>	<u>180,209</u>
Planning and development	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,306</u>	<u>16,187</u>
Airport operations	<u>39,111</u>	<u>2,935,716</u>	<u>744,117</u>	<u>239,770</u>	<u>100,990</u>
Total general fixed assets	<u>\$ 1,406,643</u>	<u>\$ 5,002,848</u>	<u>\$ 6,248,935</u>	<u>\$ 3,695,839</u>	<u>\$ 2,481,692</u>

Heavy Machinery/ Equipment	Vehicles	Office Equipment	Totals	
			2001	2000
\$ 55,544	\$ 80,846	\$ 199,646	\$ 1,983,183	\$ 1,905,536
4,934	520,837	401,877	2,671,167	2,569,253
<u>389,543</u>	<u>898,689</u>	<u>43,460</u>	<u>2,359,482</u>	<u>2,067,437</u>
<u>394,477</u>	<u>1,419,526</u>	<u>445,337</u>	<u>5,030,649</u>	<u>4,636,690</u>
<u>435,684</u>	<u>471,008</u>	<u>49,085</u>	<u>1,849,957</u>	<u>1,451,887</u>
<u>597,961</u>	<u>190,409</u>	<u>7,085</u>	<u>8,193,476</u>	<u>7,991,651</u>
-	56,353	60,978	901,031	880,882
<u>-</u>	<u>-</u>	<u>8,713</u>	<u>1,268,116</u>	<u>932,769</u>
<u>-</u>	<u>56,353</u>	<u>69,691</u>	<u>2,169,147</u>	<u>1,813,651</u>
<u>-</u>	<u>55,044</u>	<u>4,914</u>	<u>82,451</u>	<u>99,482</u>
<u>58,868</u>	<u>57,158</u>	<u>1,319</u>	<u>4,177,049</u>	<u>4,167,586</u>
<u>\$ 1,542,534</u>	<u>\$ 2,330,344</u>	<u>\$ 777,077</u>	<u>\$ 23,485,912</u>	<u>\$ 22,066,483</u>

See independent auditor's report on the general purpose financial statements.

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STATISTICAL SECTION

Table 1

CITY OF EMPORIA, KANSAS
 GENERAL GOVERNMENTAL EXPENDITURES
 AND OTHER USES BY FUNCTION - BUDGETARY BASIS [1]
 Last ten fiscal years
 (Unaudited)

	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>
General government	\$ 2,587,804	\$ 2,020,869	\$ 2,220,015	\$ 2,212,598
Public safety	6,614,245	6,342,548	6,119,047	5,980,764
Public health	63,600	63,600	63,729	63,600
Public works	584,127	235,678	453,346	589,435
Culture and recreation	1,856,990	2,025,921	1,923,260	1,782,498
Community and industrial planning and development	299,584	1,095,703	1,175,926	471,000
Public transportation	693,455	97,755	103,899	98,303
Street lighting	168,438	165,357	163,480	172,323
Airport operations	369,234	399,110	342,067	360,471
Debt service	1,839,194	2,175,500	1,785,018	1,013,750
Interfund transfers	<u>1,178,302</u>	<u>1,700,118</u>	<u>1,210,951</u>	<u>[2,131,241]</u>
	<u>\$ 16,254,973</u>	<u>\$ 16,322,159</u>	<u>\$ 15,560,738</u>	<u>\$ 10,613,501</u>

[1] Includes General, Special Revenue and Debt Service Funds.

Table 1

<u>1997</u>	<u>1996</u>	<u>1995</u>	<u>1994</u>	<u>1993</u>	<u>1992</u>
\$ 3,986,801	\$ 3,509,204	\$ 2,105,266	\$ 2,198,853	\$ 1,835,086	\$ 1,664,805
5,487,770	5,238,289	5,010,082	4,704,705	4,491,389	4,397,920
67,867	66,300	60,300	58,961	54,300	54,300
613,342	550,680	558,414	563,288	502,823	451,174
1,651,418	2,171,457	1,577,619	1,814,551	1,789,311	1,688,721
257,596	254,406	413,111	278,162	345,690	354,053
98,176	104,337	91,683	89,364	82,197	88,770
159,476	162,078	160,762	158,971	154,883	161,005
324,244	337,078	311,677	329,802	310,830	300,164
1,325,267	2,873,814	1,140,054	912,922	905,281	986,411
<u>945,182</u>	<u>159,224</u>	<u>124,449</u>	<u>107,257</u>	<u>170,225</u>	<u>194,476</u>
<u>\$ 14,917,139</u>	<u>\$ 15,426,867</u>	<u>\$ 11,553,417</u>	<u>\$ 11,216,836</u>	<u>\$ 10,642,015</u>	<u>\$ 10,341,799</u>

Table 2

CITY OF EMPORIA, KANSAS
 GENERAL GOVERNMENTAL EXPENDITURES
 AND OTHER USES BY FUNCTION - MODIFIED ACCRUAL BASIS [1]
 Last ten fiscal years
 (Unaudited)

	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>
General government	\$ 2,331,773	\$ 2,062,363	\$ 2,212,786	\$ 2,222,278
Public safety	6,729,779	6,517,168	6,174,744	5,940,174
Public health	63,600	63,600	146,564	139,527
Public works	584,127	235,678	468,081	589,435
Culture and recreation	1,853,974	1,763,485	1,968,810	2,331,356
Community and industrial planning and development	1,288,605	1,367,275	1,432,011	609,081
Public transportation	84,207	97,755	103,899	98,303
Street lighting	168,438	165,357	163,480	159,476
Airport operations	370,985	403,835	337,579	360,471
Debt service	1,839,194	2,195,908	1,807,977	1,572,925
Interfund transfers	<u>1,224,861</u>	<u>1,701,943</u>	<u>1,212,802</u>	<u>955,561</u>
	<u>\$ 16,539,543</u>	<u>\$ 16,574,367</u>	<u>\$ 16,028,733</u>	<u>\$ 14,978,587</u>

[1] Includes General, Special Revenue and Debt Service Funds.

Table 2

<u>1997</u>	<u>1996</u>	<u>1995</u>	<u>1994</u>	<u>1993</u>	<u>1992</u>
\$ 2,413,091	\$ 2,581,410	\$ 1,972,628	\$ 2,161,300	\$ 1,834,958	\$ 1,673,644
5,485,494	5,235,960	5,009,537	4,695,118	4,476,706	4,398,446
104,732	111,977	60,300	58,961	54,300	54,300
444,774	550,965	552,519	563,288	502,823	451,239
2,314,554	2,117,714	1,551,100	1,868,324	1,795,121	1,627,375
2,261,564	1,273,380	391,027	278,162	345,690	354,053
104,337	104,337	91,683	89,364	82,197	88,770
162,078	162,078	160,762	158,971	154,883	161,005
324,244	337,078	311,677	329,333	310,830	300,654
1,325,267	2,873,814	1,140,054	912,922	905,281	986,411
<u>991,284</u>	<u>1,069,350</u>	<u>66,889</u>	<u>107,257</u>	<u>154,999</u>	<u>194,476</u>
<u>\$ 15,931,419</u>	<u>\$ 16,418,063</u>	<u>\$ 11,308,176</u>	<u>\$ 11,223,000</u>	<u>\$ 10,617,788</u>	<u>\$ 10,290,373</u>

Table 3

CITY OF EMPORIA, KANSAS
 GENERAL GOVERNMENTAL REVENUES
 AND OTHER FINANCING SOURCES BY SOURCE [1]
 Last ten fiscal years
 (Unaudited)

	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>
Taxes	\$ 9,622,700	\$ 9,249,638	\$ 8,693,691	\$ 8,511,816
Special assessments	397,346	283,929	178,408	200,285
Intergovernmental	1,827,866	2,197,255	2,636,096	3,089,123
Licenses, permits and fees	252,453	239,039	244,057	150,950
Charges for services	944,841	1,041,456	956,462	981,497
Fines and fees	694,922	662,477	575,612	663,722
Use of money and property	240,717	333,827	242,667	161,660
Interfund transfers	2,653,468	2,128,096	2,624,526	2,334,730
Other [2]	<u>111,623</u>	<u>214,560</u>	<u>160,641</u>	<u>291,468</u>
	<u>\$ 16,745,936</u>	<u>\$ 16,350,277</u>	<u>\$ 16,312,160</u>	<u>\$ 16,385,251</u>

[1] Includes General, Special Revenue and Debt Service Funds.

[2] Includes contributions, temporary note proceeds, bonds issued and miscellaneous.

Table 3

<u>1997</u>	<u>1996</u>	<u>1995</u>	<u>1994</u>	<u>1993</u>	<u>1992</u>
\$ 7,886,345	\$ 8,464,993	\$ 8,653,544	\$ 7,042,887	\$ 6,668,317	\$ 6,064,825
214,847	207,454	195,617	182,369	206,738	249,607
2,490,794	1,776,541	1,661,426	1,694,803	1,619,762	1,697,194
150,857	153,124	130,859	146,529	159,384	121,409
861,055	821,329	865,920	863,558	731,801	751,419
661,329	641,358	518,949	428,939	356,538	467,401
134,335	139,399	221,042	70,891	81,571	130,413
1,859,648	1,832,044	794,097	787,752	752,464	730,531
<u>311,090</u>	<u>825,227</u>	<u>168,767</u>	<u>297,124</u>	<u>246,751</u>	<u>207,339</u>
<u>\$ 14,570,300</u>	<u>\$ 14,861,469</u>	<u>\$ 13,210,221</u>	<u>\$ 11,514,852</u>	<u>\$ 10,823,326</u>	<u>\$ 10,420,138</u>

Table 4

CITY OF EMPORIA, KANSAS
PROPERTY TAX LEVIES AND COLLECTIONS
Last ten fiscal years
(Unaudited)

<u>Year</u>	<u>Total Tax Levied</u>	<u>Current Tax Collected</u>	<u>Percent of Levy Collected</u>	<u>Delinquent Tax Collected</u>	<u>Total Tax Collected</u>	<u>Percent of Total Collections to Levy</u>
1992	\$ 3,301,659	\$ 3,217,148	97.440%	\$ 22,697	\$ 3,239,845	98.128%
1993	3,548,794	3,408,741	96.054%	83,636	3,492,377	98.410%
1994	3,754,386	3,638,618	96.916%	94,291	3,732,909	99.428%
1995	4,058,795	3,751,997	92.441%	38,817	3,790,814	93.398%
1996	3,383,620	3,058,392	90.388%	40,228	3,098,620	91.577%
1997	3,298,036	3,205,126	97.183%	[16,113] [1]	3,189,013	96.694%
1998	3,549,552	3,431,328	96.669%	55,294	3,486,622	98.227%
1999	3,937,947	3,521,189	89.417%	59,357	3,580,546	90.924%
2000	4,099,136	3,841,308	93.710%	41,556	3,882,864	94.724%
2001	4,417,433	3,956,498	89.566%	42,829	3,999,327	90.535%

[1] Taxes paid under protest in prior years that were refunded to taxpayers during the current year.

CITY OF EMPORIA, KANSAS
 ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 Last ten fiscal years
 (Unaudited)

<u>Year</u>	<u>Assessed Value Real Estate [1]</u>	<u>Assessed Value Tangible Personal Property [1]</u>	<u>Assessed Value State Appraised Public Service Companies [1]</u>	<u>Total Assessed Value</u>	<u>Total Estimated Appraised Value</u>		<u>Ratio of Total Assessed Value to Total Estimated Actual Value</u>		<u>Assessed Value of Motor Vehicles</u>
1992	\$ 69,076.4	\$ 7,855.4	\$ 5,642.1	\$ 82,573.9	\$ 492,884.9	[2]	16.8%	[2]	\$ 17,537.8
1993	62,770.9	10,873.9	6,343.9	79,988.7	497,522.3	[2]	16.1%	[2]	16,428.5
1994	62,718.3	10,951.4	6,347.2	80,016.9	536,131.8	[2]	14.9%	[2]	16,249.7
1995	67,384.6	11,981.9	6,772.4	86,138.9	597,962.3	[2]	14.4%	[2]	18,819.0
1996	76,393.5	13,517.9	6,614.8	96,526.2	602,876.2	[2]	16.0%	[2]	19,076.0
1997	80,074.7	12,685.2	7,353.4	100,113.3	581,828.3	[2]	17.2%	[2]	19,847.5
1998	80,780.9	13,519.5	7,037.0	101,337.4	562,339.0	[2]	18.0%	[2]	19,806.5
1999	83,478.4	17,181.8	7,935.4	108,595.6	605,629.7	[2]	17.9%	[2]	19,986.0
2000	89,299.5	15,760.1	7,974.6	113,034.2	590,850.5	[2]	19.1%	[2]	19,989.3
2001	92,214.7	17,874.9	8,104.4	118,994.0	663,678.0	[2]	17.9%	[2]	19,517.8

(All figures are in thousands of dollars.)

[1] From Abstract of the Valuation of Taxable Property prepared by the Lyon County Clerk.

[2] From Lyon County Appraiser's Office.

Table 6

CITY OF EMPORIA, KANSAS

PROPERTY TAX RATES - ALL DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$100 OF ASSESSED VALUE)Last ten fiscal years
(Unaudited)

<u>Year</u>	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Debt Service Funds</u>	<u>Total</u>	<u>Unified School District</u>	<u>State and County</u>	<u>Total</u>
1992	2.9913	0.3703	0.7433	4.1049	7.5390	4.5966	16.2405
1993	3.1564	0.3699	0.7760	4.3023	5.3030	4.7626	14.3679
1994	3.4179	0.3999	0.8303	4.6481	4.5691	5.2667	14.4839
1995	3.2577	0.5282	0.6958	4.4817	4.7441	4.9945	14.2203
1996	2.2302	0.4225	0.7789	3.4316	4.9187	4.9488	13.2991
1997	2.3212	0.4218	0.6807	3.4237	4.8911	4.7161	13.0309
1998	2.3826	0.4218	0.7285	3.5329	4.5199	4.5500	12.6028
1999	2.2138	0.4067	1.0078	3.6283	4.5103	4.9273	13.0659
2000	2.1425	0.4237	1.0462	3.6124	4.7444	4.0481	12.4049
2001	2.1802	0.4046	1.0034	3.5882	6.1109	4.7092	14.4083

Source: Tax Levy Rates, Lyon County Treasurer

CITY OF EMPORIA, KANSAS
 SPECIAL ASSESSMENTS - BILLINGS AND COLLECTIONS
 Last ten fiscal years
 (Unaudited)

<u>Year</u>	<u>Current Assessments Due</u>	<u>Current Assessments Collected [1]</u>	<u>Ratio of Collections to Amount Due</u>	<u>Back Tax Collected</u>	<u>Total Tax Collected</u>	<u>Percent of Total Collections to Levy</u>
1992	\$ 279,631	\$ 256,668	91.788%	\$ 3,316	\$ 259,984	92.974%
1993	223,874	206,738	92.346%	15,677	222,415	99.348%
1994	186,644	182,369	97.710%	11,518	193,887	103.881%
1995	200,000	195,617	97.809%	7,294	202,911	101.456%
1996	179,000	207,454	115.896%	7,102	214,556	119.864%
1997	212,682	214,847	101.018%	[2,639]	212,208	99.777%
1998	166,500	200,285	120.291%	11,109	211,394	126.963%
1999	159,541	178,408	111.826%	12,000	190,408	119.347%
2000	149,700	181,587	121.301%	9,000	190,587	127.313%
2001	159,798	226,289	141.609%	10,619	236,908	148.255%

[1] Includes special assessments paid by taxpayers directly to city clerk, some prematurely.

Table 8

CITY OF EMPORIA, KANSAS

RATIO OF NET GENERAL OBLIGATION BONDED DEBT TO ASSESSED VALUE
AND NET GENERAL OBLIGATION BONDED DEBT PER CAPITALast ten fiscal years
(Unaudited)

<u>Year</u>	<u>Population</u>	<u>Assessed Value (in thousands)</u>	<u>Gross Bonded Debt [1]</u>	<u>Debt Service Monies Available</u>	<u>Debt Payable from Enterprise Revenues</u>	<u>Net Bonded Debt</u>	<u>Ratio of Net Bonded Debt to Assessed Value</u>	<u>Net Bonded Debt Per Capita</u>
1992	25,512 [2]	\$ 82,574	\$ 11,100,000	\$ 6,518	\$ 5,695,000	\$ 5,398,482	6.538%	\$ 212
1993	25,512 [2]	79,989	12,350,000	141,263	5,685,000	6,523,737	8.156%	256
1994	25,512 [2]	80,017	20,385,000	337,078	8,125,000	11,922,922	14.900%	467
1995	25,512 [2]	86,139	20,735,000	206,435	7,795,000	12,733,565	14.783%	499
1996	25,512 [2]	96,528	21,775,000	218,669	7,440,000	14,116,331	14.624%	553
1997	25,512 [2]	100,113	22,135,000	286,362	6,000,000	15,848,638	15.831%	621
1998	25,512 [2]	101,337	24,135,000	238,518	-	23,896,482	23.581%	937
1999	25,512 [2]	108,596	22,700,000	147,400	-	22,552,600	20.767%	884
2000	26,760 [3]	113,034	25,035,000	100,916	-	24,934,084	22.059%	932
2001	26,760 [3]	118,994	29,275,000	247,620	-	29,027,380	24.394%	1,085

[1] Includes all long-term debt.

[2] U.S. Census 1990.

[3] U.S. Census 2000.

CITY OF EMPORIA, KANSAS
 COMPUTATION OF DIRECT AND OVERLAPPING DEBT
 December 31, 2001
 (Unaudited)

<u>Jurisdiction</u>	<u>Net Debt Outstanding</u>	<u>Percentage Applicable to City of Emporia</u>	<u>Amount Applicable to City of Emporia</u>
City of Emporia, Kansas	\$ 29,275,000	100.000%	\$ 29,275,000
Unified School District #253	27,100,000	87.197%	23,630,387
Lyon County, Kansas	18,530,000	63.085%	<u>11,689,651</u>
Total			<u>\$ 64,595,038</u>

Table 10

CITY OF EMPORIA, KANSAS

RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL OBLIGATION
BONDED DEBT [1] TO TOTAL GENERAL GOVERNMENTAL EXPENDITURESLast ten fiscal years
(Unaudited)

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Total General Expenditures [2]</u>	<u>Ratio of Debt Service to Total General Expenditures</u>
1992	\$ 805,000	\$ 179,871	\$ 984,871	\$ 10,290,373	9.571%
1993	610,000	315,616	925,616	10,617,788	8.718%
1994	610,000	302,922	912,922	11,223,000	8.134%
1995	730,000	409,995	1,139,995	11,308,176	10.081%
1996	2,390,000	483,814	2,873,814	16,418,063	17.504%
1997	812,500	512,725	1,325,225	15,931,419	8.318%
1998	1,013,750	559,112	1,572,862	14,978,587	10.501%
1999	1,152,195	621,682	1,773,877	16,028,733	11.067%
2000	1,187,195	590,167	1,777,362	16,574,367	10.724%
2001	1,277,486	550,567	1,828,053	16,539,543	11.053%

[1] Does not include defeased debt.

[2] Includes General, Special Revenue and Debt Service Funds.

CITY OF EMPORIA, KANSAS
 REVENUE BOND COVERAGE
 WATER AND SEWER BONDS
 Last ten fiscal years
 (Unaudited)

<u>Year</u>	<u>Gross Revenue</u>	<u>Direct Operating Expenses [1]</u>	<u>Net Revenue Available for Debt Service</u>	<u>Debt Service Requirements</u>			<u>Coverage</u>
				<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
1992	\$ 4,157,339	\$ 3,009,015	\$ 1,148,324	\$ 120,000	\$ 442,694	\$ 562,694	2.0408
1993 [2]	1,612,550	1,199,147	413,403	215,000	278,943	493,943	0.8369 [3]
1994	4,956,372	3,110,713	1,845,659	415,000	377,758	792,758	2.3281
1995	5,007,990	3,106,527	1,901,463	530,000	328,741	858,741	2.2142
1996	3,853,167	2,632,447	1,220,720	570,000	327,259	897,259	1.3605
1997 [4]	3,337,956	2,109,170	1,228,786	372,500	476,016	848,516	1.4482
1998 [5]	-	-	-	-	-	-	-
1999 [5]	-	-	-	-	-	-	-
2000 [5]	-	-	-	-	-	-	-
2001 [5]	-	-	-	-	-	-	-

[1] Total expenses exclusive of depreciation and debt service.

[2] Sewer only, as all water revenue bonds were defeased during 1993.

[3] Debt service requirement greater than net revenue available for debt service.

[4] Water only, as all sewer revenue bonds were defeased during 1997.

[5] No debt service requirements as all revenue bonds were defeased during 1998.

Table 12

CITY OF EMPORIA, KANSAS
 DEMOGRAPHIC STATISTICS
 Last ten fiscal years
 (Unaudited)

<u>Year</u>	<u>Population [1]</u>	<u>Per Capita Income [2]</u>	<u>Employment [3]</u>	<u>School Enrollment [4]</u>	<u>Retail Sales [5] in Hundreds</u>
1992	25,512	\$ 16,117	15,653	4,953	\$ 255,940.8
1993	25,512	16,409	13,088	4,845	287,036.4
1994	25,512	17,454	13,280	4,741	296,632.6
1995	25,512	18,069	13,842	4,940	282,029.1
1996	25,512	18,611	13,837	5,005	310,455.5
1997	25,512	19,169	18,633	4,920	319,388.9
1998	25,512	19,728	19,618	4,968	334,166.9
1999	25,512	20,280	19,444	5,035	351,761.4
2000	26,760	20,844	19,316	5,026	368,640.0
2001	26,760	21,403	19,336	5,070	356,917.4

[1] U.S. Census (1991 - 1999 amounts are from 1990 census and 2000 amount is from 2000 census).

[2] Lyon County per capita income from Bureau of Economic Analysis (1995 and 1996 estimated based on 3% annual inflation).

[3] State of Kansas, Division of Employment.

[4] Annual school census.

[5] City sales tax collections.

CITY OF EMPORIA, KANSAS
PROPERTY VALUE OF CONSTRUCTION
Last ten fiscal years
(Unaudited)

Year	New Single Family Dwellings	Total Value New Single Family Dwellings	Total Permits [1]	Total Construction Valuation [1]	
1992	10	\$ 764,263	665	\$ 13,727,729	[2]
1993	36	3,041,369	740	14,372,318	
1994	18	1,503,383	687	22,774,763	[3]
1995	18	1,735,201	614	13,805,187	
1996	30	2,914,249	829	15,229,107	
1997	18	1,544,859	658	14,839,473	[4]
1998	23	2,016,467	627	23,285,937	[5]
1999	28	2,558,457	788	35,983,712	[6]
2000	21	2,070,293	653	38,565,007	[7]
2001	34	3,665,594	767	42,661,270	[8]

Source: City of Emporia Planning and Development Department.

[1] Includes single and multiple family dwellings and commercial, industrial and institutional construction.

[2] Includes new middle school.

[3] Includes new county jail.

[4] Includes new ariation basins for IBP.

[5] Includes Menu Foods

[6] Includes Menu Foods expansion, Flying J Travel Plaza and Caterpillar Plant.

[7] Includes new Courthouse, Wastewater plant renovation, Hopkins expansion & Menu addition.

[8] Includes Norfolk Steel, IBP, Newman Hospital expansion, Aquatic Center, Safeway Pet Food expansion, & Emporia Surgical Center.

Table 14

CITY OF EMPORIA, KANSAS

PRINCIPAL TAXPAYERS

December 31, 2001

(Unaudited)

<u>Business Name</u>	<u>Type of Business</u>		<u>2001 Aggregate Tax Liability</u>
Western Resources, Inc.	Electric utility		\$ 645,806
Iowa Beef Processors	Livestock processor		556,217
Southwestern Bell Telephone Company	Telephone		405,570
Bunge Corporation	Grain processor		331,714
Didde Corporation	Graphics equipment manufacturer		224,140
Flint Hills Mall L.L.C.	Mall Ownership		191,746
Modine Manufacturing	Automotive parts manufacturer		190,953
Hopkins Manufacturing	Automotive parts manufacturer		186,603
Interstate Brands Corporation	Baked goods production		164,783
Kansas Gas Service	Gas utility		<u>163,367</u>
			3,060,899
Total City and County levy		\$	24,547,914
City total levy			4,099,136
			<u>16.699%</u>
Estimated city tax revenues from top 10 taxpayers			511,124
Total taxes levied by city for 2001*			4,099,136
Portion of 2001 city tax revenues paid by top 10 taxpayers			12.469%

* includes property tax liability from all sources.

Source: Lyon County Treasurer.

CITY OF EMPORIA, KANSAS
 MISCELLANEOUS STATISTICS
 December 31, 2001
 (Unaudited)

Date of incorporation		1857
Form of government		Commission - Manager
Area		10.49 square miles
Miles of paved streets		127
Fire protection:	Number of stations	2
	Number of firefighters	49
Police protection:	Number of stations	1
	Number of commissioned officers	49
Education:	Attendance centers (elementary)	11
	Number of students	2667
	Attendance centers (middle)	1
	Number of students	749
	Attendance centers (secondary)	1
	Number of students	1654
	Vocational / technical	1
	Number of students	397
	Colleges and universities	1
	Number of students	5823
Municipal water department:	Number of consumers	8853
	Average daily consumption	8.061 million gallons
	Miles of water mains	148
Building permits issued		653
Recreation and culture:	Number of parks	20 with 357.279 acres
	Number of libraries	1
	Number of volumes	90,578
Employees:	Classified service	290 full and part-time

Table 16

CITY OF EMPORIA, KANSAS
 PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSITS
 Last ten fiscal years
 (Unaudited)

<u>Year</u>	<u>Property Value [1]</u>	<u>Total Construction Valuation</u>	<u>Bank Deposits [1]</u>
1992	\$ 492,884.9	\$ 13,727,729	\$ 131,312 [2]
1993	497,522.3	14,372,318	218,337 [2]
1994	536,132.0	22,774,763	212,333 [2]
1995	597,962.0	13,805,187	340,306 [2]
1996	602,876.2	15,229,107	337,296 [2]
1997	581,628.3	14,839,473	363,007 [2]
1998	562,339.0	23,285,937	346,737 [3]
1999	605,629.7	35,983,712	350,669 [3]
2000	590,850.5	38,565,007	364,400 [3]
2001	663,678.0	42,661,270	366,372 [3]

[1] in thousands of dollars.

[2] Omits largest institution, Bank of America, now branch of Intra-state bank. Separate figures not available.

[3] Omits 2 institutions, Bank of America and Intrust Bank, now branches of Intra-state banks. Separate figures not available.

CITY OF EMPORIA, KANSAS
 COMPUTATION OF LEGAL DEBT MARGIN
 December 31, 2001
 (Unaudited)

Assessed valuation at August 25, 2001		<u>\$ 118,994,000</u>
Debt limit - 30% of assessed valuation (KSA 10-308)		\$ 35,698,200
Bonded indebtedness	\$ 29,275,000	
Less: exempt revenue bonds per KSA 10-311	<u>None</u>	<u>29,275,000</u>
Legal debt margin		<u>\$ 6,423,200</u>

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GOVERNMENTAL AUDIT SECTION

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LOWENTHAL SINGLETON WEBB & WILSON
P R O F E S S I O N A L A S S O C I A T I O N

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

Mayor and City Commissioners
City of Emporia, Kansas

We have audited the general purpose financial statements of City of Emporia, Kansas, as of and for the year ended December 31, 2001, and have issued our report thereon dated March 15, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in "Government Auditing Standards", issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

However, we noted certain other matters involving the internal control over financial reporting and its operation that we have reported to the management in a separate letter dated March 15, 2002.

This report is intended for the information of the Mayor and City Commission, management and awarding agencies and should not be used by anyone other than these specified parties.

Lowenthal, Singleton, Webb & Wilson

Professional Association
March 15, 2002