

GARDEN CITY RECREATION COMMISSION
(A Component Unit of the City of Garden City, Kansas)

BASIC FINANCIAL STATEMENTS

December 31, 2019

GARDEN CITY RECREATION COMMISSION
(A Component Unit of the City of Garden City, Kansas)

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FOR THE YEAR ENDED December 31, 2019

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Garden City Recreation Commission
Garden City, Kansas 67846

We have audited the accompanying financial statements of the governmental activities and each major fund of the Garden City Recreation Commission, a component unit of the City of Garden City, Kansas, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Garden City Recreation Commission's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Garden City Recreation Commission, as of December 31, 2019, and the respective changes in financial position and the respective budgetary comparison for the general and employee benefit funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

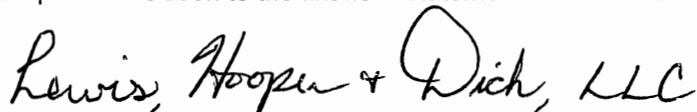
Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Garden City Recreation Commission's basic financial statements. The supplementary information identified in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and the *Kansas Municipal Audit and Accounting Guide*. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



LEWIS, HOOPER & DICK, LLC

March 16, 2020

Management's Discussion and Analysis

As management of the Garden City Recreation Commission, Kansas, we offer readers of the Garden City Recreation Commission's financial statements this narrative overview and analysis of the financial activity of the Garden City Recreation Commission for the fiscal year ended December 31, 2019.

Financial Highlights

- The assets of the Garden City Recreation Commission were more than its liabilities at the close of the most recent fiscal year by \$577,269. The unrestricted portion of net position was a deficit \$20,226, largely as a result of the net pension liability of \$461,790.
- The Commission's total net position during the current year decreased by \$110,895. This decrease was attributable to increased expenses for parks and recreation.
- At the close of the current fiscal year, the Garden City Recreation Commission's governmental funds reported combined fund balances of \$539,850, an increase of \$29,697 in comparison with the prior year. Of this total amount, \$432,173 is available for spending at the Commission's discretion (unassigned fund balance).
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$432,173.
- The Garden City Recreation Commission's long-term debt increased by \$1,089,755 (152.96%) during the current fiscal year. The key factor in this increase was the capital lease entered into during the year for the renovation construction at 90 Fulton Street.

Overview of the Financial Statements

The discussion and analysis is intended to serve as an introduction to the Garden City Recreation Commission's basic financial statements. The Garden City Recreation Commission's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to the financial statements. This report also contains supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Garden City Recreation Commission's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all of the Commission's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether financial position of the Garden City Recreation Commission is improving or deteriorating.

The Statement of Activities presents information showing how the Commission's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements show the operations of the Commission as governmental activities, which are generally supported by taxes.

The government-wide financial statements are for the Garden City Recreation Commission only. The Garden City Recreation Commission is a component unit of the City of Garden City, Kansas. See note 1, in the notes to the financial statements for more details regarding the relationship between the Commission and the City of Garden City, Kansas.

The government-wide financial statements can be found on pages 12 through 13 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Commission, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Commission uses governmental funds to manage its resources.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Commission's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Garden City Recreation Commission maintains two individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and the employee benefit fund.

The Garden City Recreation Commission adopts an annual appropriated budget for its general and employee benefit funds. A budgetary comparison statement has been provided for the general fund and the employee benefit fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 14 through 19 of this report.

Notes to the Financial Statements

The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 20 through 41 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the Garden City Recreation Commission's proportionate share of the net pension liability and contributions for the Kansas Public Employees Retirement System (KPERs). Required supplementary information can be found on pages 42 through 44 of this report.

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Government-wide Financial Analysis

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the Garden City Recreation Commission, assets and deferred outflows of resources were more than liabilities and deferred inflows of resources by \$577,269, at the close of the most recent fiscal year.

Combined net position of the Commission at December 31, 2019 and 2018, were:

Garden City Recreation Commission's Net Position

	Governmental Activities	
	2019	2018
Current and other assets	\$ 602,493	\$ 548,448
Capital assets	2,068,949	1,013,974
Total assets	<u>\$ 2,671,442</u>	<u>\$ 1,562,422</u>
Total deferred outflows of resources	<u>\$ 86,527</u>	<u>\$ 80,118</u>
Current liabilities	\$ 99,517	\$ 45,805
Long-term liabilities	1,995,476	787,242
Total liabilities	<u>\$ 2,094,993</u>	<u>\$ 833,047</u>
Total deferred inflows of resources	<u>\$ 85,707</u>	<u>\$ 121,329</u>
Net position:		
Net investment in capital assets	\$ 597,495	\$ 725,493
Unrestricted	(20,226)	(37,329)
Total net position	<u>\$ 577,269</u>	<u>\$ 688,164</u>

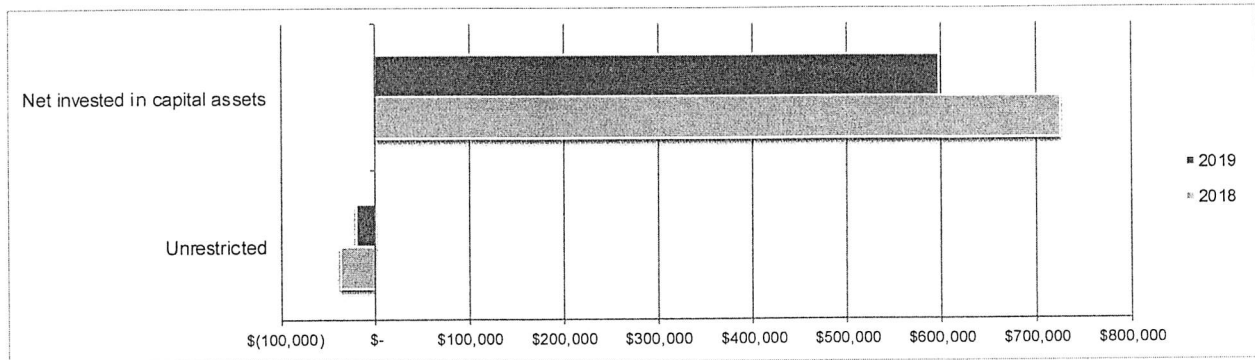
By far, the largest portion of the Commission's net position reflects its investment in capital assets (e.g., building improvements, equipment, and vehicles), less any related outstanding debt that was used to acquire those assets. The Commission uses these capital assets to provide a variety of services to its patrons. Accordingly, these assets are not available for future spending. Although the Commission's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The remaining balance of unrestricted net position is a deficit \$20,226.

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Garden City Recreation Commission's Net Position

December 31, 2019 and 2018



The Commission's net position decreased by \$110,895 during the current fiscal year. The decrease is attributable to increased expenses for parks and recreation during the year.

Governmental Activities

During the current fiscal year, net position for the governmental activities decreased \$110,895 from the prior fiscal year for an ending net position of \$577,269. The decrease is attributable to increased expenses for parks and recreation.

Key elements of the change are as follows:

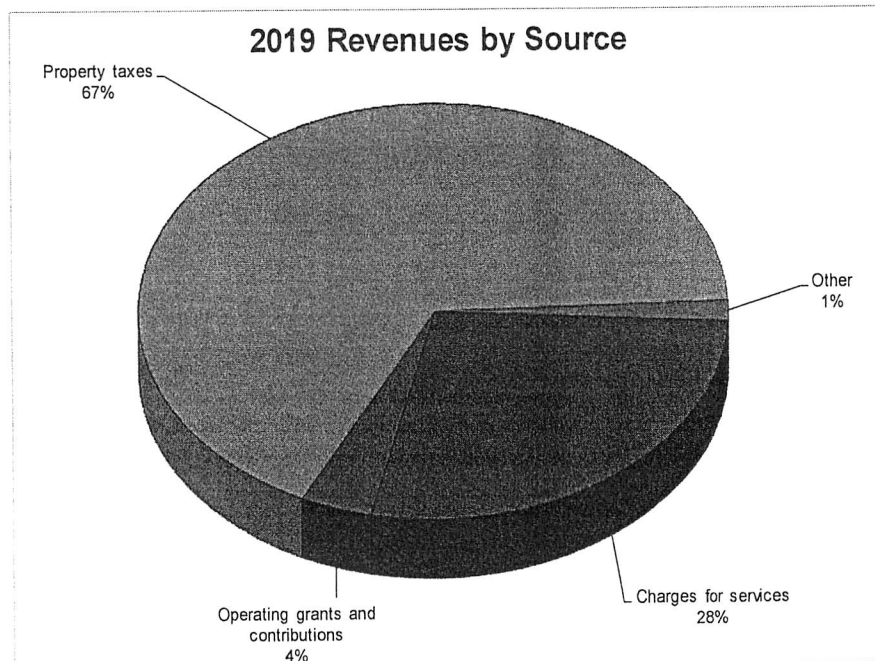
- Charges for services decreased \$38,554, which includes program fees and sponsorships. This was largely a result of decreases in participation for all sport programs during the year.
- Operating grants and contributions increased \$40,236.
- Property taxes flowing through as the City appropriation increased \$148,982 (10.93%) during the year.
- Labor costs for the Commission increased \$27,616, payroll taxes increased \$21,857 and health insurance expense increased \$11,497 over the prior year.
- Equipment expense increased \$120,055 (after taking into account the capital lease proceeds) when compared to the prior year due to additional fixed asset purchases made during 2019.

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Garden City Recreation Commission's Changes in Net Position

	Governmental Activities	
	2019	2018
Revenues:		
Program revenues:		
Charges for services	\$ 625,685	\$ 664,239
Operating grants and contributions	88,461	48,225
General revenues:		
Property taxes	1,511,496	1,362,514
Other	35,567	27,256
Total revenues	<u>2,261,209</u>	<u>2,102,234</u>
Expenses:		
Parks and recreation	<u>2,372,104</u>	<u>1,873,935</u>
Total expenses	<u>2,372,104</u>	<u>1,873,935</u>
Change in net position	(110,895)	228,299
Net position, beginning of year	<u>688,164</u>	<u>459,865</u>
Net position, end of year	<u><u>\$ 577,269</u></u>	<u><u>\$ 688,164</u></u>

The following graph shows the composition of 2019 revenues.



Financial Analysis of the Government's Funds

As noted earlier, the Commission uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the Commission's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Commission's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the Commission itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the Commission's Board.

At December 31, 2019, the Commission's governmental funds reported combined ending fund balances of \$539,850, an increase of \$29,697 in comparison with the prior year. Of this total amount, \$432,173 constitutes unassigned fund balance, which is available for spending at the Commission's discretion. The remainder of the fund balance is either restricted or assigned to indicate that it is 1) restricted for particular purposes (\$89,801), or 2) assigned for particular purposes (\$17,876).

The general fund is the chief operating fund of the Commission. At the end of the current fiscal year, unassigned fund balance of the general fund was 96.03%; assigned fund balance of \$17,876 was reserved for the Arts' Angels.

The fund balance of the Commission's general fund increased by \$10,052 during 2019. Key factors in this increase are as follows:

- Property tax appropriations increased revenues by \$50,640.
- User fees decreased revenues by \$24,501.
- Donations and grants increased revenues by \$40,236.
- Labor increased expenditures by \$27,616.
- Equipment and capital projects increased expenditures by \$120,055, net of capital lease proceeds.

General Fund Budgetary Highlights

The legally adopted budget for the general fund was not amended during 2019. Departments within the Commission are allowed to transfer budget authority between line items and between cost centers within a department. Budget authority may be transferred out of cost centers to reflect insurance savings, budget cuts, etc. As a result of these budget transfers, the original budget and the final budgets may not be the same in some cost centers.

The most significant differences between estimated revenues and actual revenues were as follows:

Revenue Source	Estimated Revenues	Actual Revenues	Difference
City appropriation	\$ 1,159,275	\$ 1,206,154	\$ 46,879
Fees	697,700	578,995	(118,705)
Donations and grants	57,600	86,711	29,111

The amount for City appropriation is budgeted conservatively and actual receipts were more than anticipated. Fees and concessions are also budgeted conservatively, but actual receipts did not increase as much as expected. Donations and grants are budgeted based on prior year activity, and actual receipts came in more than expected.

A review of actual expenditures compared to the appropriations in the final budget yields significant variances as follows:

Expenditures Category	Estimated Expenditures	Actual Expenditures	Difference
Labor	\$ 877,800	\$ 787,333	\$ (90,467)
Professional fees	16,500	136,805	120,305
Repairs and maintenance	63,605	30,112	(33,493)
Transaction fees	85,100	10,725	(74,375)
Equipment and capital projects	226,780	382,271	155,491
Commitment to reserves	396,276	-	(396,276)

Labor expenditures were \$90,467 less than budgeted due to vacancies in authorized personnel. Professional fees were \$120,305 more than budgeted and transaction fees were \$74,375 less than budgeted due to a classification error on the adopted budget. The professional fees budget should have been \$85,100, reflecting a difference of \$35,305. This overage was attributable to additional architectural fees as well as reconstructing the Clint Lightner pitching mount. Repairs and maintenance expenditures were \$33,493 less than budgeted due to new equipment purchased for the maintenance division instead of repairing existing equipment. Equipment and capital projects were \$155,491 more than budgeted due to a new mower purchased which was not included in the budget and the capital lease payment made for the O'Brate Gymnastics Center was more than budgeted. Commitment to reserves was \$396,276 less than budgeted due to this line item being added to the budget to build reserves for future expenditures.

Capital Asset and Debt Administration

Capital Assets

The Garden City Recreation Commission investment in capital assets at December 31, 2019, amounts to \$2,068,949, (net of accumulated depreciation). This investment in capital assets includes buildings and improvements, and equipment. The total increase in capital assets for the current fiscal year was approximately 104.04%.

Garden City Recreation Commission's Capital Assets (net of depreciation)

	Governmental Activities	
	2019	2018
Land	\$ 40,560	\$ 40,560
Construction in progress	1,150,904	48,191
Buildings and improvements	556,678	620,164
Equipment	320,807	305,059
Total capital assets	<u>\$ 2,068,949</u>	<u>\$ 1,013,974</u>

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

2019 TS 4x2 gators	\$ 13,800
Groundmaster mower	66,843
Gymnastics building remodel	1,102,713
Spring floor	12,600
Total	<u>\$ 1,195,956</u>

Additional information about the Commission's capital assets can be found in note 1, item G, and note 4, item C, in the notes to the financial statements.

Long-term Debt

At the end of the current fiscal year, the Garden City Recreation Commission had long-term obligations comprised of capital leases totaling \$1,471,454. This balance represents a 410.07% increase over the 2018 balance. The increase is due to the addition of a new capital lease for the gymnastics' building remodel.

Additional information on the Commission's long-term debt can be found in note 4, item H on page 41 of this report.

Economic Factors and Next Year's Budget and Rates

The following economic factors currently affect the Garden City Recreation Commission and were considered in developing the 2020 fiscal year budget.

- The unemployment rate for the City of Garden City is currently 0.1% which is 1.9% lower than a year ago. It compares favorably to the State's average unemployment rate of 3.2% and the national average of 3.5%.
- Inflationary trends in the region compare favorably to national indices.

During the current fiscal year, the unassigned fund balance in the general fund increased to \$432,173. The Commission appropriated \$386,001 of this amount for spending in the 2020 fiscal year budget. It is intended that this use of available fund balance will avoid the need to raise taxes for future building renovations/projects or charges for programs during the 2020 fiscal year.

Requests for Information

This financial report is a general overview of the Commission's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be directed to the Superintendent, 310 North 6th, Garden City, KS 67846.

Basic Financial Statements

GARDEN CITY RECREATION COMMISSION
Statement of Net Position
December 31, 2019

	<u>Governmental Activities</u>
<u>Assets</u>	
Current assets:	
Cash	\$ 576,031
Accounts receivable	18,700
Prepaid insurance	<u>7,762</u>
Total current assets	<u>602,493</u>
Noncurrent assets:	
Capital assets (net of accumulated depreciation):	
Land	40,560
Construction in progress	1,150,904
Improvements and equipment	<u>877,485</u>
Total noncurrent assets	<u>2,068,949</u>
Total assets	<u>2,671,442</u>
<u>Deferred Outflows of Resources</u>	
Deferred outflows of resources related to pensions	<u>86,527</u>
<u>Liabilities</u>	
Current liabilities:	
Accounts payable	62,643
Accrued interest	<u>36,874</u>
Total current liabilities	<u>99,517</u>
Noncurrent liabilities:	
Current portion of long-term liabilities due within one year	193,257
Long-term liabilities due in more than one year	<u>1,802,219</u>
Total long-term liabilities	<u>1,995,476</u>
Total liabilities	<u>2,094,993</u>
<u>Deferred Inflows of Resources</u>	
Deferred inflows of resources related to pensions	<u>85,707</u>
<u>Net Position</u>	
Net investment in capital assets	597,495
Unrestricted (deficit)	<u>(20,226)</u>
Total net position	<u>\$ 577,269</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

GARDEN CITY RECREATION COMMISSION
Statement of Activities
For the Year Ended December 31, 2019

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Assets
					Governmental Activities
Governmental activities:					
Parks and recreation	\$ 2,325,048	\$ 625,685	\$ 88,461	\$ -	\$ (1,610,902)
Interest on long-term debt	47,056	-	-	-	(47,056)
Total	<u>\$ 2,372,104</u>	<u>\$ 625,685</u>	<u>\$ 88,461</u>	<u>\$ -</u>	<u>(1,657,958)</u>
General revenues:					
Taxes:					
Property taxes levied for general purposes					1,511,496
Investment earnings					14,153
Miscellaneous					<u>21,414</u>
Total general revenues					<u>1,547,063</u>
Change in net position					(110,895)
Net position, beginning of year					<u>688,164</u>
Net position, end of year					<u>\$ 577,269</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

GARDEN CITY RECREATION COMMISSION
Balance Sheet
Governmental Funds
December 31, 2019

<u>Assets</u>	<u>General</u>	<u>Employee Benefit</u>	<u>Total Governmental Funds</u>
Cash	\$ 481,643	\$ 94,388	\$ 576,031
Accounts receivable	8,700	-	8,700
Prepaid expenses	16,156	1,606	17,762
Total assets	<u>\$ 506,499</u>	<u>\$ 95,994</u>	<u>\$ 602,493</u>
 <u>Liabilities and Fund Balances</u>			
Liabilities:			
Accounts payable	\$ 56,450	\$ 6,193	\$ 62,643
Total liabilities	<u>56,450</u>	<u>6,193</u>	<u>62,643</u>
Fund balances:			
Restricted	-	89,801	89,801
Assigned	17,876	-	17,876
Unassigned	432,173	-	432,173
Total fund balances	<u>450,049</u>	<u>89,801</u>	<u>539,850</u>
Total liabilities and fund balances	<u>\$ 506,499</u>	<u>\$ 95,994</u>	<u>\$ 602,493</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

GARDEN CITY RECREATION COMMISSION
Reconciliation of the Balance Sheet to the
Statement of Net Position - Governmental Funds
December 31, 2019

Amounts reported for governmental activities in the statement of net position differ from the fund balances of governmental funds on the preceding balance sheet as shown in the following reconciliation:

Fund balances - total governmental funds	\$	539,850
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Amounts reported for governmental activities in the statement of net assets are different because:

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

Land	\$	40,560	
Construction in progress		1,150,904	
Buildings and improvements		926,879	
Equipment		1,150,937	
Less accumulated depreciation		<u>(1,200,331)</u>	2,068,949

Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the governmental funds.

Difference between expected and actual experience		1,011	
Net difference between projected and actual earnings on Pension Plan investments		10,864	
Change in assumption of the collective net pension liability		14,114	
Change in proportion of the collective net pension liability		29,331	
Pension contributions subsequent to the measurement date		31,207	
Deferred inflows of resources related to pensions		<u>(85,707)</u>	820

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds.

Capital leases payable		(1,471,454)	
Accrued interest payable on long-term debt		(36,874)	
Compensated absences		(62,232)	
Net pension liability		<u>(461,790)</u>	<u>(2,032,350)</u>

Net position of governmental activities	\$	<u>577,269</u>
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GARDEN CITY RECREATION COMMISSION
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2019

	General	Employee Benefit	Total Governmental Funds
Revenues:			
City appropriation	\$ 1,206,154	\$ 305,342	\$ 1,511,496
Other receipts:			
Use of money and property	14,153	-	14,153
Fees	578,771	-	578,771
Concessions	46,914	-	46,914
Donations and grants	88,461	-	88,461
Employee contributions	-	11,389	11,389
Miscellaneous	21,414	-	21,414
Total revenues	<u>1,955,867</u>	<u>316,731</u>	<u>2,272,598</u>
Expenditures:			
Purchases	26,368	-	26,368
Labor	787,333	-	787,333
Contract labor	78,192	-	78,192
Payroll taxes	-	134,753	134,753
Professional fees	136,805	-	136,805
Fuel	11,773	-	11,773
Insurance	27,718	162,333	190,051
Utilities	66,941	-	66,941
Publicity	16,621	-	16,621
Repairs and maintenance	30,112	-	30,112
ActiveNet transaction fees	10,725	-	10,725
Staff development	21,843	-	21,843
Rent	180,412	-	180,412
Supplies	150,905	-	150,905
Postage	786	-	786
Equipment and capital projects	1,763,771	-	1,763,771
Other	17,010	-	17,010
Total expenditures	<u>3,327,315</u>	<u>297,086</u>	<u>3,624,401</u>
Revenue over (under) expenditures	(1,371,448)	19,645	(1,351,803)
Other financing sources:			
Capital lease proceeds	<u>1,381,500</u>	<u>-</u>	<u>1,381,500</u>
Net change in fund balances	10,052	19,645	29,697
Fund balance, beginning of year	<u>439,997</u>	<u>70,156</u>	<u>510,153</u>
Fund balance, end of year	<u>\$ 450,049</u>	<u>\$ 89,801</u>	<u>\$ 539,850</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

GARDEN CITY RECREATION COMMISSION
Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended December 31, 2019

Amounts reported for governmental activities in the statement of revenue, expenditures and changes in fund balances of governmental funds differ from the amounts reported in the government-wide statement of activities as shown in the following reconciliation:

Net change in fund balances - total governmental funds	\$	29,697
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period:

Expenditures for capital assets	\$ 1,222,333		
Less current year depreciation	<u>(167,358)</u>		1,054,975

Governmental funds report pension contributions as expenditures. However, in the statement of activities the cost of pension benefits earned net of employee contributions is reported as pension expense. This is the amount by which costs of benefits earned net of employee contributions exceeded pension contributions from the measurement date to the current year end:

24,470

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

Accrued interest expense on long-term debt, net change	(29,364)		
Change in compensated absences	<u>(7,700)</u>		(37,064)

Capital leases provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of capital leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount by which proceeds exceed payments:

Principal proceeds	(1,381,500)		
Principal payments	<u>198,527</u>		<u>(1,182,973)</u>

Change in net position of governmental activities	\$	<u>(110,895)</u>
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GARDEN CITY RECREATION COMMISSION
Statement of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual
General Fund
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Over/ (Under)
	Original	Final		
Revenues:				
City appropriation	\$ 1,159,275	\$ 1,159,275	\$ 1,206,154	\$ 46,879
Other receipts:				
Interest income	-	-	7,328	7,328
Rents	8,200	8,200	6,825	(1,375)
Fees	697,700	697,700	578,995	(118,705)
Concessions	42,160	42,160	46,914	4,754
Donations and grants	57,600	57,600	86,711	29,111
Miscellaneous	9,000	9,000	22,577	13,577
Total revenues	1,973,935	1,973,935	1,955,504	(18,431)
Expenditures:				
Purchases	20,130	20,130	26,368	6,238
Labor	877,800	877,800	787,333	(90,467)
Contract labor	103,950	103,950	78,192	(25,758)
Professional fees	16,500	16,500	136,805	120,305
Fuel	11,500	11,500	11,773	273
Insurance	32,600	32,600	26,950	(5,650)
Utilities	77,080	77,080	66,941	(10,139)
Publicity	22,150	22,150	16,621	(5,529)
Repairs and maintenance	63,605	63,605	30,112	(33,493)
Transaction fees	85,100	85,100	10,725	(74,375)
Staff development	15,000	15,000	21,843	6,843
Rent	188,900	188,900	180,412	(8,488)
Supplies	178,915	178,915	150,905	(28,010)
Postage	2,860	2,860	786	(2,074)
Equipment and capital projects	226,780	226,780	382,271	155,491
Other	9,550	9,550	17,010	7,460
Commitment to reserves	396,276	396,276	-	(396,276)
Total expenditures	2,328,696	2,328,696	1,945,047	(383,649)
Revenue over (under) expenditures	(354,761)	(354,761)	10,457	365,218
Fund balance, beginning of year	354,761	354,761	420,808	66,047
Fund balance, end of year	\$ -	\$ -	\$ 431,265	\$ 431,265

The accompanying Notes to the Financial Statements are an integral part of this statement.

GARDEN CITY RECREATION COMMISSION
Statement of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual
Employee Benefit Fund
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Over/ (Under)
	Original	Final		
Revenue:				
City appropriation	\$ 311,460	\$ 311,460	\$ 305,342	\$ (6,118)
Employee contribution	15,840	15,840	11,389	(4,451)
Total revenue	327,300	327,300	316,731	(10,569)
Expenditures:				
Payroll taxes	127,300	127,300	134,753	7,453
Insurance	200,000	200,000	162,649	(37,351)
Commitment to reserves	20,300	20,300	-	(20,300)
Total expenditures	347,600	347,600	297,402	(50,198)
Revenue over (under) expenditures	(20,300)	(20,300)	19,329	39,629
Fund balance, beginning of year	20,300	20,300	72,793	52,493
Fund balance, end of year	\$ -	\$ -	\$ 92,122	\$ 92,122

The accompanying Notes to the Financial Statements are an integral part of this statement.

**Notes to the
Financial Statements**

GARDEN CITY RECREATION COMMISSION
Notes to Financial Statements
December 31, 2019

1. Summary of Significant Accounting Policies

The Garden City Recreation Commission is a component unit of the City of Garden City, Kansas, and operates under an appointed board. The Commission provides recreational activities for the community.

The financial statements of the Commission have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Commission's accounting policies are described below.

A. Description of Government-wide Financial Statements

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

B. Reporting Entity

The Commission is governed by an appointed five-member board. The accompanying financial statements present the Commission (a component unit of the City of Garden City, Kansas). The Commission has no organizations, functions or activities which are considered component units of the Commission.

C. Basis of Presentation – Government-wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, when applicable, even though the latter are excluded from the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

D. Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the Commission's funds, including its fiduciary funds and blended component units. Separate statements for each fund category - governmental, proprietary, and fiduciary, when applicable, - are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

GARDEN CITY RECREATION COMMISSION
Notes to Financial Statements
December 31, 2019

1. Summary of Significant Accounting Policies (continued)

D. Basis of Presentation – Fund Financial Statements (continued)

The Garden City Recreation Commission reports the following major governmental funds:

General Fund - the General Fund is the Commission's primary operating fund. It accounts for all financial transactions of the general government, except those required to be accounted for in another fund.

Employee Benefit Fund - the Employee Benefit Fund accounts for the costs of various benefits provided to the Commission's employees and other insurance costs of the Commission.

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

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

E. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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

GARDEN CITY RECREATION COMMISSION
Notes to Financial Statements
December 31, 2019

1. Summary of Significant Accounting Policies (continued)

E. Measurement Focus and Basis of Accounting (continued)

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Commission considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Interest associated with the current fiscal period is considered to be susceptible to accrual and so has been recognized as revenue of the current fiscal period. Property taxes and special assessments are not available as explained in Note 1, item H and result in unavailable revenue. All other revenue items are considered measurable and available only when cash is received by the Commission.

F. Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special revenue funds (unless specifically exempted by statute), debt service funds, enterprise funds, and internal service funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before July 1st.
2. Publication in local newspaper of the proposed budget and notice of public hearing on the budget on or before July 10th.
3. Public hearing on or before July 20th, but at least ten days after publication of notice of hearing.
4. Certify the adopted budget to the City and County Clerk, no later than August 1st.

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. There were no budget amendments made during 2019.

The legal level of budgetary control is the fund level. The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of adopted budget of expenditures of individual funds. The governing body allows management to transfer budgeted amounts between line items within an individual fund without prior approval. Budget comparison statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

GARDEN CITY RECREATION COMMISSION
Notes to Financial Statements
December 31, 2019

1. Summary of Significant Accounting Policies (continued)

F. Budgetary Information (continued)

Budgetary Basis of Accounting

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 measurable and available. Expenditures include disbursements, accounts payable and encumbrances. Encumbrances are commitments by the Commission for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Encumbrances also represent commitments related to unperformed contracts for goods or services. Encumbrance accounting - under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation - is utilized in the governmental funds. Encumbrances outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because commitments will be honored in the subsequent year. All unencumbered appropriations (legal budget expenditure authority) lapse at year end.

Excess of Expenditures over Appropriations

Under Kansas statutes, expenditures are mandated to be controlled, so that no indebtedness is created in excess of budgeted limits. At December 31, 2019, neither the General Fund nor the Employee Benefit fund exceeded its legal budget.

Budgetary Compliance – Non-GAAP Financial Statements

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

	General Fund	Employee Benefit Fund
Revenues (budgetary basis)	\$ 1,955,504	\$ 316,731
Less 2018 accrued revenues	(2,337)	-
Plus 2019 accrued revenues	2,700	-
Revenues (GAAP basis)	<u>\$ 1,955,867</u>	<u>\$ 316,731</u>
Expenditures (budgetary basis)	\$ 1,945,047	\$ 297,402
Capital lease purchases	1,381,500	-
Plus 2018 prepaid expenses	16,924	1,290
Less 2019 prepaid expenses	(16,156)	(1,606)
Plus 2018 accrued reimbursements	6,000	-
Less 2019 accrued reimbursements	(6,000)	-
Expenditures (GAAP basis)	<u>\$ 3,327,315</u>	<u>\$ 297,086</u>

GARDEN CITY RECREATION COMMISSION
Notes to Financial Statements
December 31, 2019

1. Summary of Significant Accounting Policies (continued)

G. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance

Cash and Cash Equivalents

The Commission'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.

Deposits and Investments

Cash resources of the individual funds are combined to form a pool of cash and investments which is managed by the Finance Director. Cash includes amounts in demand deposits. Investments of the pooled accounts consist of certificates of deposit and money market investments backed by U.S. government securities. Interest income earned is allocated among funds based on average monthly cash balances and in accordance with the adopted budget.

State statutes authorize the Commission to invest idle funds in U.S. government securities, temporary notes, no-fund warrants, repurchase agreements and the Kansas Municipal Investment Pool. The Kansas Municipal Investment Pool operates in accordance with appropriate State laws and regulations. The reported value of the investment in the Kansas Municipal Investment Pool is the same as the fair value of its pool shares. Other investments of the Commission are stated at fair value, which equals cost.

Inventories and Prepaid Items

Inventories of governmental funds are recorded as expenditures when purchased. The Commission deems inventory as immaterial to the financial statements. No capitalization or amortization has been recorded in the financial statements.

Certain payments to vendors reflect costs applicable to future accounting periods. Prepaid items of governmental funds are recorded as expenditures when paid. The prepaid items are capitalized and amortized in the government-wide financial statements.

Capital Assets

Capital assets, which include building improvements and equipment, are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the Commission as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of three years.

All such assets that are purchased or constructed are valued at historical cost where records are available and at an estimated historical cost where no such records exist. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at their acquisition value at the date of donation.

Building improvements and equipment of the Commission are depreciated using the straight-line method, with one-half month's depreciation in the month of acquisition, over the following estimated useful lives:

Building improvements	10-20 years
Equipment	3-15 years

GARDEN CITY RECREATION COMMISSION
Notes to Financial Statements
December 31, 2019

1. Summary of Significant Accounting Policies (continued)

G. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance (continued)

Pensions

The Garden City Recreation Commission participates in a cost-sharing multiple-employer pension plan administered by the Kansas Public Employees Retirement System (KPERS). For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Kansas Public Employees Retirement System (KPERS) and additions to/deductions from KPERS' fiduciary net position have been determined on the same basis as they are reported by KPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The Commission reports amounts related to pensions on the government-wide statement of net position as a deferred outflow of resources.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Commission has one type of item that qualifies for reporting in this category. The Commission reports amounts related to pensions on the government-wide statement of net position as a deferred inflow of resources. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available and earned.

Net Position Flow Assumption

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

Fund Balance Flow Assumptions

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

GARDEN CITY RECREATION COMMISSION
Notes to Financial Statements
December 31, 2019

1. Summary of Significant Accounting Policies (continued)

G. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance
(continued)

Fund Balance Policies

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

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

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

H. Revenues and Expenditures/Expenses

Program Revenues

Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Property Taxes

In accordance with governing state statutes, property taxes levied during the current year are a revenue source to be used to finance the budget of the ensuing year. Taxes are assessed on a calendar year basis, are levied and become a lien on the property on November 1st of each year. The County Treasurer is the tax collection agent for all taxing entities within the County. Property owners have the option of paying one-half or the full amount of the taxes levied on or before December 20th during the year levied with the balance to be paid on or before May 10th of the ensuing year. State statutes prohibit the County Treasurer from distributing the taxes collected in the year levied prior to January 1st of the ensuing year. Consequently, for revenue recognition purposes, taxes levied during the current year are not due and receivable until the ensuing year. Delinquent taxes held by the County Treasurer at December 31, 2019, are not significant. The City of Garden City levies taxes for the benefit of the Garden City Recreation Commission and provides the Commission with the appropriation upon the City's receipt of the taxes from the County.

GARDEN CITY RECREATION COMMISSION
Notes to Financial Statements
December 31, 2019

1. Summary of Significant Accounting Policies (continued)

H. Revenues and Expenditures/Expenses (continued)

Compensated Absences

Personal Time Off (PTO)

The Commission's policy regarding personal time off (PTO) provides paid leave for employees for vacations, rest, events, illness, appointments, etc. Paid leave is accrued according to years of service with the Commission, accumulated by the month. An employee can accrue at a maximum rate of 33 days per year up to 50 days. Paid time off is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The Commission has estimated the value of accrued personal time off at December 31, 2019, to be \$62,232.

I. New Pronouncements

The GASB has issued the following statements which will have an impact on the Commission's future financial reporting, although they are not yet required to be implemented by the Commission:

- GASB Statement No. 87, *Leases*, issued June 2017, will be effective for the Commission beginning with its year ending December 31, 2020. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments.
- GASB Statement No. 89, *Accounting for Interest Cost incurred before the end of a Construction Period*, issued June 2018, will be effective for the Commission beginning with its year ending December 31, 2020. The objectives of this Statement are to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for interest cost incurred before the end of a construction period.
- GASB Statement No. 91, *Conduit Debt Obligations*, issued May 2019, will be effective for the Commission beginning with its year ending December 31, 2021. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with commitments extended by issuers, arrangements associated with conduit debt obligations, and related note disclosures.
- GASB Statement No. 92, *Omnibus 2020*, issued January 2020, will be effective for the Commission beginning with its year ending December 31, 2020. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements.

The Commission's management has not yet determined the effect these Statements will have on the Commission's financial statements.

GARDEN CITY RECREATION COMMISSION
Notes to Financial Statements
December 31, 2019

2. Reconciliation of Government-wide and Fund Financial Statements

Certain differences exist between the government-wide and fund financial statements. The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities.

3. Stewardship, Compliance and Accountability

Compliance with finance related legal and contractual provisions

References made herein to the statutes are not intended as interpretation of law, but are offered for consideration of the Kansas Department of Administration's Chief Financial Officer and interpretation by the County Attorney and the legal representative of the Commission.

There are no known material violations of finance related legal and contractual provisions including Kansas statutes, regulations, contracts, debt covenants, or other agreements for the year ended December 31, 2019.

4. Detailed Notes on All Activities and Funds

A. Cash and Investments

A reconciliation of cash and investments as shown on the government-wide statement of net position follows:

Cash on hand	\$ 4,376
Carrying amount of deposits	170,820
Treasury obligations	400,835
Total cash and investments	<u>\$ 576,031</u>

At December 31, 2019, the Commission had the following investments:

Investment Type	Fair Value	Investment Maturities (in Years)		Rating
		Less than 1	1-2	
Treasury obligations	\$ 400,835	\$ 400,835	\$ -	N/A
Total fair value	<u>\$ 400,835</u>	<u>\$ 400,835</u>	<u>\$ -</u>	

Cash Deposits with Financial Institutions

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Commission's deposits may not be returned to it. State statutes require the Commission's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The Commission has no designated "peak periods".

At December 31, 2019, the Commission's carrying amount of deposits was \$170,820 and the bank balance was \$177,838. Of the bank balance, 100% was held by three bank resulting in a concentration of credit risk. Of the bank balance, \$177,838 was covered by federal depository insurance.

GARDEN CITY RECREATION COMMISSION
Notes to Financial Statements
December 31, 2019

4. Detailed Notes on All Activities and Funds (continued)

A. Cash and Investments (continued)

Investments

Credit and Interest Rate Risks

K.S.A. 9-1401 establishes the depositories which may be used by the Commission. The statute requires banks eligible to hold the Commission's funds have a main or branch bank in the county in which the Commission is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The Commission has no other policies that would further limit interest rate risk.

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

The Commission categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets; Level 2 inputs are significant other observable inputs; Level 3 inputs are unobservable inputs.

The Commission had investments in certificates of deposits in the amount of \$152,838 and treasury obligations in the amount of \$400,835 at December 31, 2019, which are both categorized as Level 1 investments.

Concentration of Credit Risk

State statutes place no limit on the amount the Commission may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and K.S.A. 9-1405. The Commission's allocation of investments as of December 31, 2019, is as follows:

<u>Investments</u>	<u>Percentage of Investments</u>
Treasury obligations	100.00%

Custodial Credit Risk – Investments

For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the Commission will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

B. Receivables

Accounts receivable are carried at their estimated collectible amounts. Management determines collectability based upon prior experience and its assessment of specific accounts. At December 31, 2019, accounts receivable are considered fully collectible by management; therefore, no allowance for doubtful accounts is required. If amounts become uncollectible, they are written off at that time.

GARDEN CITY RECREATION COMMISSION
Notes to Financial Statements
December 31, 2019

4. Detailed Notes on All Activities and Funds (continued)

C. Capital Assets

Capital asset activity for the Commission for the year ended December 31, 2019, was as follows:

	Balance 01-01-19	Additions	Deductions	Balance 12-31-19
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 40,560	\$ -	\$ -	\$ 40,560
Construction in progress	48,191	1,102,713	-	1,150,904
Total capital assets not being depreciated	88,751	1,102,713	-	1,191,464
Capital assets being depreciated:				
Buildings and improvements	926,879	-	-	926,879
Equipment	1,038,166	119,620	6,849	1,150,937
Total capital assets being depreciated	1,965,045	119,620	6,849	2,077,816
Less accumulated depreciation for:				
Buildings and improvements	306,715	63,486	-	370,201
Equipment	733,107	103,872	6,849	830,130
Total accumulated depreciation	1,039,822	167,358	6,849	1,200,331
Total capital assets being depreciated, net	925,223	(47,738)	-	877,485
Governmental activities capital assets, net	\$ 1,013,974	\$ 1,054,975	\$ -	\$ 2,068,949

Depreciation expense of \$167,358 was charged to the parks and recreation functions/programs at December 31, 2019.

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GARDEN CITY RECREATION COMMISSION
Notes to Financial Statements
December 31, 2019

4. Detailed Notes on All Activities and Funds (continued)

D. Defined Benefit Pension Plan - Kansas Public Employees Retirement System

General Information About the Pension Plan

Plan Description

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

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

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

Those employees participating in the Pension Plan for the Commission are included in the Public Employees – Local Employees group.

KPERS issues a stand-alone comprehensive annual financial report, which is available on the KPERS website at www.kpers.org.

Benefits Provided

KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Benefits are established by statute and may only be changed by the State's Legislature. Members with ten or more years of credited service, may retire as early as age 55, with an actuarially reduced monthly benefit. Normal retirement is at age 65, age 62 with ten years of credited service, or whenever a member's combined age and years of service equal 85 "points".

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

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

GARDEN CITY RECREATION COMMISSION
Notes to Financial Statements
December 31, 2019

4. Detailed Notes on All Activities and Funds (continued)

D. Defined Benefit Pension Plan - Kansas Public Employees Retirement System (continued)

General Information About the Pension Plan (continued)

Benefits Provided (continued)

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

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

Contributions

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

For fiscal years beginning in 1995, Kansas legislation established statutory limits on increases in contribution rates for KPERS employers. Annual increases in the employer contribution rates related to subsequent benefit enhancements are not subject to these limitations. The statutory cap increase over the prior year contribution rate is 1.20% of total payroll.

The actuarially determined employer contribution rate and the statutory contribution rates for Commission employees are as follows

	Actuarial Employer Rate	Statutory Employer Capped Rate
Local employees	8.89 %	8.89 %

Member contribution rates as a percentage of eligible compensation in fiscal year 2019 are 6.00% for Public Employees.

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GARDEN CITY RECREATION COMMISSION
Notes to Financial Statements
December 31, 2019

4. Detailed Notes on All Activities and Funds (continued)

D. Defined Benefit Pension Plan - Kansas Public Employees Retirement System (continued)

General Information About the Pension Plan (continued)

Employer Allocations

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

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

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

The allocation percentages for the Commission's share of the collective pension amounts as of June 30, 2019, are based on the ratio of its contributions to the total of the employer and nonemployer contributions of the group for the fiscal year ended June 30, 2019.

The contributions used exclude contributions made for prior service, excess benefits and irregular payments. At June 30, 2019, the Commission's proportion was 0.033047%, which was an increase of 0.001175% from its proportion measured at June 30, 2018.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Net Pension Liability

At December 31, 2019, the Commission reported a liability of \$461,790, for its proportionate share of the net pension liability.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of December 31, 2018, which was rolled forward to June 30, 2019. The actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial cost method	Entry age normal
Inflation	2.75%
Salary increase	3.50 to 12.00%, including price inflation
Investment rate of return	7.75% compounded annually, net of investment expense, including price inflation

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

GARDEN CITY RECREATION COMMISSION
Notes to Financial Statements
December 31, 2019

4. Detailed Notes on All Activities and Funds (continued)

D. Defined Benefit Pension Plan - Kansas Public Employees Retirement System (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

Actuarial Assumptions (continued)

The actuarial assumptions used in the December 31, 2018, valuation were based on the results of an actuarial experience study conducted for the period January 1, 2013, through December 31, 2015. The experience study is dated November 18, 2016.

The actuarial assumption changes adopted by the Pension Plan for all groups based on the experience study:

- Price inflation assumption lowered from 3.00% to 2.75%
- Investment return assumption was lowered from 8.00% to 7.75%
- General wage growth assumption was lowered from 4.00% to 3.50%
- Payroll growth assumption was lowered from 4.00% to 3.00%

The long-term expected rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class as of the most recent experience study, dated November 18, 2016, as provided by KPERS' investment consultant, are summarized in the following table:

Asset Class	Long-Term Target Allocation	Long-Term Expected Real Rate of Return
Global equity	47.00%	6.85%
Fixed income	13.00%	1.25%
Yield driven	8.00%	6.55%
Real return	11.00%	1.71%
Real estate	11.00%	5.05%
Alternatives	8.00%	9.85%
Short-term investments	2.00%	-0.25%
Total	100.00%	

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GARDEN CITY RECREATION COMMISSION
Notes to Financial Statements
December 31, 2019

4. Detailed Notes on All Activities and Funds (continued)

D. Defined Benefit Pension Plan - Kansas Public Employees Retirement System (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

Discount rate

The discount rate used to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate was based on member and employer contributions as outlined below:

- In KPERS, the State/School and Local groups do not necessarily contribute the full actuarial determined rate. Based on legislation first passed in 1993 and subsequent legislation, the employer contribution rates certified by the Board may not increase by more than the statutory cap. The statutory cap for fiscal year 2019 was 1.20%.
- In recent years, the Legislature has made several changes to statutory rates that deviate from the scheduled contribution increases set under the caps established in 2012 for the State/School group. Under 2015 SB 4, the previously certified State/School statutory rate for fiscal year 2015 of 11.27% was reduced to 8.65% for the last half of the fiscal year as part of the Governor's allotment. That same session, SB 228 recertified statutory rates for the State/School group to 10.91% for fiscal year 2016 and 10.81% for fiscal year 2017 in anticipation of the issuance of \$1 billion in pension obligation bonds. Legislation in the 2016 session (SB 161) provided for the delay of up to \$100 million in State and School contributions to the Pension Plan. Legislation passed by the 2017 Legislature removed the repayment provisions included in SB 161.
- In addition, 2017 Senate Sub for Sub HB 2052 delayed \$64.1 million in fiscal year 2017 State/School contributions, to be repaid over 20 years in level dollar installments. The first year payment of \$6.4 million was paid in full at the beginning of fiscal year 2018, and appropriations for fiscal year 2018 are intended to fully fund the State/School group statutory contribution rate of 12.01% for the State/School group. Additional legislation in the 2017 Session (Senate Sub for HB 2002) provided for a reduction of \$194 million from the previously certified contribution rate of 13.21% in the State/School contributions for fiscal year 2019. Like the fiscal year 2017 reduction, it is to be paid back over a 20 year period, beginning in fiscal year 2020. Therefore, both reductions will be accounted for as long-term receivables by the Pension Plan. The 2018 Legislature passed House Sub for Sen Bill 109, which directed on behalf payments of \$56 million and \$82 million be made to the System. The \$56 million payment was received by the System on June 30, 2018, and recorded as fiscal year 2018 contributions. The \$82 million was received July 1, 2019, and was recorded as fiscal year 2019 contributions. The 2019 Legislature session passed Senate Bill 9 which authorized a transfer of \$115 million to KPERS, received in March 2019.

Based on employer contribution history as described above, it is a reasonable estimate that the State/School group's contribution rate may not be certified at the statutory rate. It has been assumed that contribution rates will be made within the same range as have been seen in the past few years. Using this assumption actuarial modeling indicates that employer contribution rates for the State/School group are sufficient to avoid a depletion date.

The Local group is contributing at the full actuarial contribution rate.

GARDEN CITY RECREATION COMMISSION
Notes to Financial Statements
December 31, 2019

4. Detailed Notes on All Activities and Funds (continued)

D. Defined Benefit Pension Plan - Kansas Public Employees Retirement System (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

Sensitivity of the Commission's proportionate share of the net pension liability to changes in the discount rate.

The following presents the Commission's proportionate share of the net pension liability calculated using the discount rate of 7.75%, as well as what the Commission's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.75%) or 1-percentage point higher (8.75%) than the current rate:

1% Decrease (6.75%)	Discount rate (7.75%)	1% Increase (8.75%)
\$ 689,692	\$ 461,790	\$ 271,153

Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2019, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions as shown in the following tables. Experience gains/losses and the impact of changes in actuarial assumptions or other inputs, if any, are recognized over the average expected remaining service life of the active and inactive plan members at the beginning of the measurement period. Investment gains and losses are recognized over a fixed five year period.

	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 1,011
Net differences between projected and actual earnings on Pension Plan investments	10,864
Changes of assumptions	14,114
Changes in proportion	29,331
Contributions subsequent to the measurement date	31,207
Total	<u>\$ 86,527</u>
	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 11,630
Changes of assumptions	936
Changes in proportion	73,141
Total	<u>\$ 85,707</u>

GARDEN CITY RECREATION COMMISSION
Notes to Financial Statements
December 31, 2019

4. Detailed Notes on All Activities and Funds (continued)

D. Defined Benefit Pension Plan - Kansas Public Employees Retirement System (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

The net deferred outflows of resources and (deferred inflows) of resources as of June 30, 2019, that will be recognized in pension expense in future years are as follows:

Fiscal Year	Local
2020	\$ (12,603)
2021	(24,928)
2022	(295)
2023	7,228
2024	210
Thereafter	-

Pension Expense

For the year ended December 31, 2019, the Commission recognized pension expense of \$32,757 which includes the changes in the collective net pension liability, projected earnings on pension plan investments, and the amortization of deferred outflows of resources and deferred inflows of resources for the current period.

E. Construction and Other Commitments

Contracts

The Recreation Commission is party to a lease with Stone Development, Inc., for a building to be used as a fitness facility. The term of the lease is for ten years. The original lease was for the sum of \$1,380,000 to be paid in monthly installments of \$11,500 beginning February 2015. A lease amendment was approved in November 2016 reducing the monthly lease payments to \$10,000 for each month October 2016 through September 2019. A verbal agreement was made in 2019 reducing the remainder of the lease payments to \$10,000 per month. The lease payments for 2019 totaled \$120,000. The future payments under this agreement are as follows:

2020	\$ 120,000
2021	120,000
2022	120,000
2023	120,000
2024	120,000
2025	10,000
	<hr/>
Total	\$ 610,000
	<hr/>

GARDEN CITY RECREATION COMMISSION
Notes to Financial Statements
December 31, 2019

4. Detailed Notes on All Activities and Funds (continued)

E. Construction and Other Commitments (continued)

Contracts (continued)

The Recreation Commission is party to a lease with S.C.O. Inc. for a storage facility located at 2925 Mary Street, Garden City, Kansas. The term of the lease is for five years. The lease is for the sum of \$150,000 to be paid in monthly installments of \$2,500 beginning July 2014. A lease amendment was approved in May 2016 increasing the monthly rent payments to \$2,600 for the remainder of the lease agreement. The lease automatically renewed for one additional five year period beginning July 2019. The lease payments for 2019 totaled \$31,200. The future payments under this agreement are as follows:

2020	\$ 31,200
2021	31,200
2022	31,200
2023	31,200
2024	15,600
	<hr/>
Total	\$ 140,400

The Recreation Commission is party to a lease with eTrak-Plus for parks and recreation management software services. The term of the lease is for five years. The lease is for the sum of \$62,000 to be paid in yearly installments of \$11,400 beginning October 2019 with a first year payment of \$16,400 to be paid by the "Go Live" date in 2018. The lease payments for 2019 totaled \$11,400. The future payments under this agreement are as follows:

2020	\$ 11,400
2021	11,400
2022	11,400
	<hr/>
Total	\$ 34,200

Construction Commitments

The Recreation Commission has an active construction project as of December 31, 2019. At year-end, the Commission's commitment with contractors was as follows:

Project	Project Authorization	Expended to 12/31/2019	Committed
Gymnastics building remodel	\$ 1,429,691	\$ 1,150,904	\$ 278,787

F. Risk Management

The Commission is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years.

GARDEN CITY RECREATION COMMISSION
Notes to Financial Statements
December 31, 2019

4. Detailed Notes on All Activities and Funds (continued)

G. Lease Obligations

Capital Leases

The Commission has entered into various lease agreements to finance the acquisition of equipment. These leases qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of inception.

The following is a summary of assets acquired through these capital lease agreements by the Commission at December 31, 2019:

	Governmental Activities
Improvements and equipment	\$ 1,606,469
Less accumulated depreciation	<u>(241,939)</u>
Total	<u><u>\$ 1,364,530</u></u>

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2019, are as follows:

	Governmental Activities
2020	\$ 216,219
2021	216,219
2022	216,219
2023	216,219
2024	216,218
2025 - 2028	<u>652,993</u>
Total minimum lease payments	1,734,087
Less amount representing interest	<u>(262,633)</u>
Present value of future minimum lease payments	<u><u>\$ 1,471,454</u></u>

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GARDEN CITY RECREATION COMMISSION
Notes to Financial Statements
December 31, 2019

4. Detailed Notes on All Activities and Funds (continued)

G. Long-Term Liabilities

Changes in Long-Term Liabilities

The following is a summary of changes in long-term liabilities of the Commission for the year ended December 31, 2019:

	Balance 01-01-19	Additions	Retired	Balance 12-31-19	Due Within One Year
Governmental activities:					
Capital leases	\$ 288,481	\$ 1,381,500	\$ 198,527	\$ 1,471,454	\$ 163,257
Compensated absences	54,532	39,100	31,400	62,232	30,000
Net pension liability	444,229	17,561	-	461,790	-
Total governmental activities long-term liabilities	\$ 787,242	\$ 1,438,161	\$ 229,927	\$ 1,995,476	\$ 193,257

H. Subsequent Events

Subsequent to year end the Board approved a quote of \$10,415 for sports equipment and a bid of \$17,045 for ballfield materials for the upcoming year.

Required Supplementary Information

GARDEN CITY RECREATION COMMISSION
Schedule of the Proportionate Share of the Net Pension Liability
Kansas Public Employees Retirement System (KPERS)
Last Six Fiscal Years *

	2014	2015	2016	2017	2018	2019
Proportion of the net pension liability (asset)	0.042898%	0.041876%	0.040369%	0.029916%	0.031872%	0.033047%
Proportionate share of the net pension liability (asset)	\$ 527,994	\$ 549,850	\$ 624,520	\$ 433,320	\$ 444,229	\$ 461,790
Covered payroll	\$ 693,688	\$ 757,106	\$ 532,729	\$ 571,613	\$ 578,758	\$ 623,936
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	76.11%	72.63%	117.23%	75.81%	76.76%	74.01%
Plan fiduciary net position as a percentage of the total pension liability	66.60%	64.95%	65.10%	67.12%	68.88%	69.88%

* Until a full 10-year trend is compiled, the Commission will present information for those years for which information is available.

GARDEN CITY RECREATION COMMISSION
Schedule of Commission Contributions
Kansas Public Employees Retirement System (KPERS)
Last Six Fiscal Years *

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Contractually required contribution	\$ 59,068	\$ 64,039	\$ 64,574	\$ 46,794	\$ 48,061	\$ 52,788
Contributions in relation to the contractually required contribution	<u>(59,068)</u>	<u>(64,039)</u>	<u>(64,574)</u>	<u>(46,794)</u>	<u>(48,061)</u>	<u>(52,788)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Commission's covered payroll	\$ 693,688	\$ 757,106	\$ 532,729	\$ 571,613	\$ 578,758	\$ 623,936
Contributions as a percentage of covered payroll	8.52%	8.46%	12.12%	8.19%	8.30%	8.46%

* Until a full 10-year trend is compiled, the Commission will present information for those years for which information is available.

Supplementary Information

GARDEN CITY RECREATION COMMISSION
Composition of Cash Balance
December 31, 2019

Commerce Bank, Garden City, Kansas		
Checking	\$ 25,000	
Plus deposits in transit	301	
Less outstanding checks	<u>(7,319)</u>	
Total cash in checking		\$ 17,982
Concession cash		4,376
Investments:		
Certificates of deposit:		
First National Bank	50,568	
Garden City State Bank	102,270	
Repurchase agreements:		
Commerce Bank	<u>400,835</u>	
Total investments		<u>553,673</u>
Total cash		<u>\$ 576,031</u>

GARDEN CITY RECREATION COMMISSION
Schedule of Revenues and Expenditures by Departments - Budgetary Basis -
General Fund
For the Year Ended December 31, 2019

	Administration	Arts	Capital	Concessions
Revenue:				
City appropriation	\$ 403,281	\$ 20,908	\$ 280,628	\$ -
Other receipts:				
Interest income	7,328	-	-	-
Rents	-	-	-	-
Fees	35	4,415	-	-
Concessions	-	-	-	46,914
Donations and grants	-	4,950	38,945	-
Miscellaneous	77	-	14,500	26
Total revenue	<u>410,721</u>	<u>30,273</u>	<u>334,073</u>	<u>46,940</u>
Expenditures:				
Purchases	-	-	-	25,458
Labor	262,561	5,657	-	12,878
Contract labor	-	-	-	-
Professional fees	44,210	6,472	50,593	880
Fuel	-	-	-	-
Insurance	17,496	-	-	-
Utilities	5,427	-	-	1,419
Publicity	12,684	292	-	-
Repairs and maintenance	-	-	-	-
Transaction fees	2,561	37	-	66
Staff development	11,828	-	-	-
Rent	564	-	-	-
Supplies	12,386	612	294	1,297
Postage	572	-	-	-
Equipment and capital projects	21,449	-	342,732	343
Other	9,413	-	-	90
Total expenditures	<u>401,151</u>	<u>13,070</u>	<u>393,619</u>	<u>42,431</u>
Revenue over (under) expenditures	<u>\$ 9,570</u>	<u>\$ 17,203</u>	<u>\$ (59,546)</u>	<u>\$ 4,509</u>

Maintenance	Sports	Wellness Center	Pool	Totals
\$ 443,017	\$ 9,956	\$ 48,364	\$ -	\$ 1,206,154
-	-	-	-	7,328
1,585	5,240	-	-	6,825
2,101	279,086	285,862	7,496	578,995
-	-	-	-	46,914
-	31,750	11,066	-	86,711
3,482	4,237	255	-	22,577
<u>450,185</u>	<u>330,269</u>	<u>345,547</u>	<u>7,496</u>	<u>1,955,504</u>
-	910	-	-	26,368
214,852	140,723	150,662	-	787,333
-	66,837	11,355	-	78,192
12,416	20,135	2,099	-	136,805
11,773	-	-	-	11,773
6,435	1,775	1,244	-	26,950
17,530	7,778	34,787	-	66,941
-	67	3,578	-	16,621
24,505	-	5,607	-	30,112
13	4,701	3,165	182	10,725
3,020	5,279	1,716	-	21,843
33,148	26,700	120,000	-	180,412
48,172	75,006	13,138	-	150,905
-	214	-	-	786
8,803	6,490	2,454	-	382,271
1,673	2,550	3,284	-	17,010
<u>382,340</u>	<u>359,165</u>	<u>353,089</u>	<u>182</u>	<u>1,945,047</u>
<u>\$ 67,845</u>	<u>\$ (28,896)</u>	<u>\$ (7,542)</u>	<u>\$ 7,314</u>	<u>\$ 10,457</u>