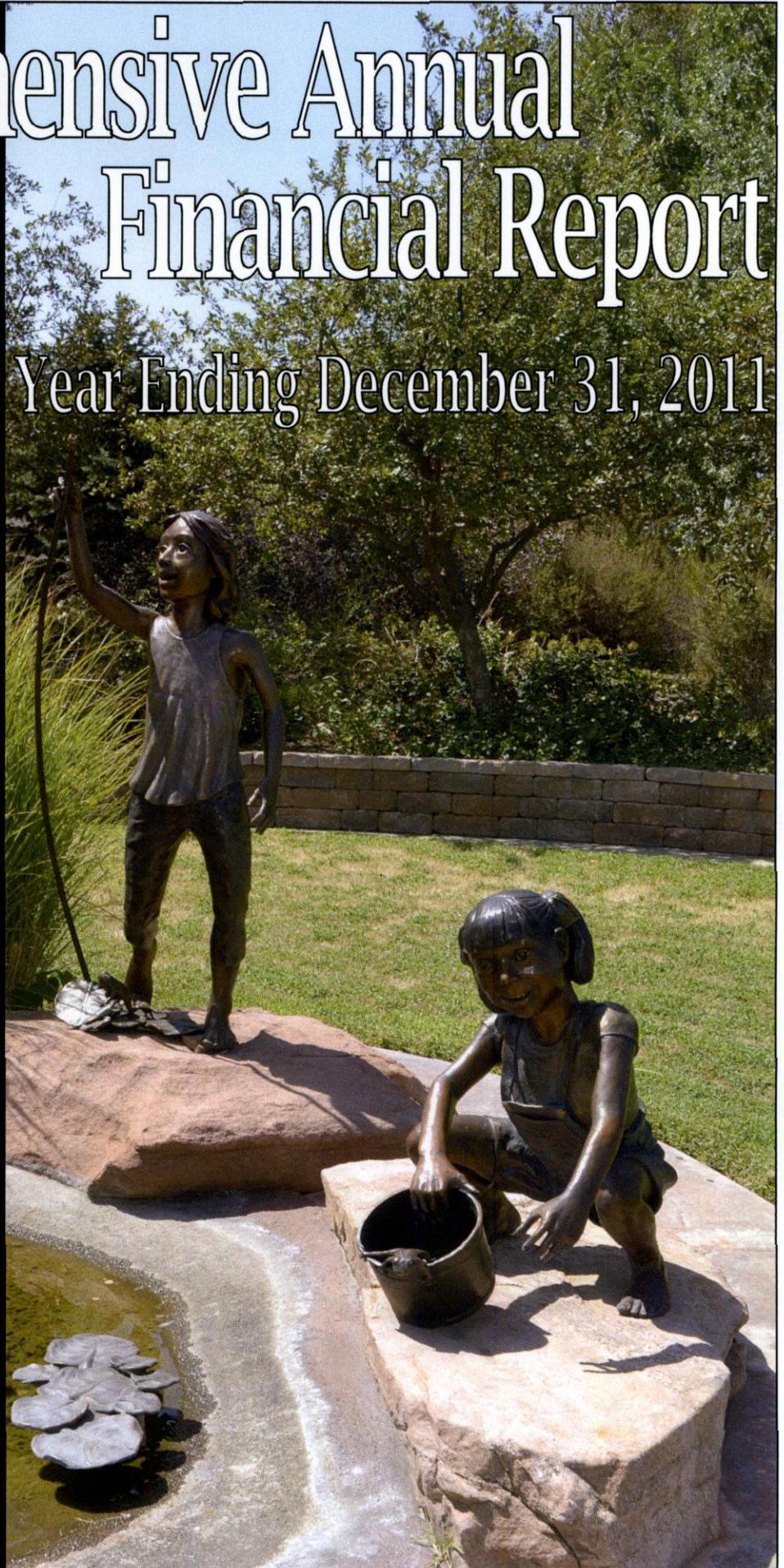
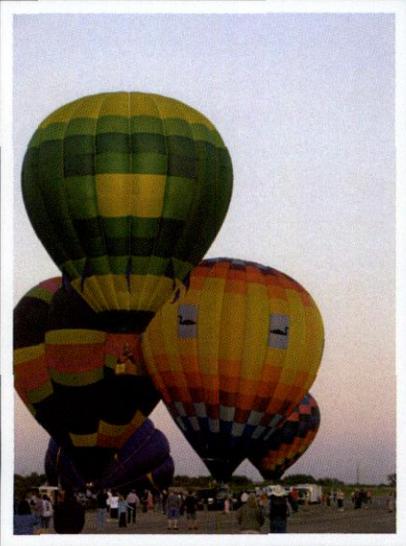


Comprehensive Annual Financial Report

Year Ending December 31, 2011



State of Kansas

CITY OF GARDEN CITY, KANSAS

Comprehensive Annual Financial Report

Year Ended
December 31, 2011

Prepared by:

Melinda A. Hitz
Finance Director

INTRODUCTORY SECTION

CITY OF GARDEN CITY, KANSAS
 Comprehensive Annual Financial Report
 Year ended December 31, 2011

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May 2, 2012

The Honorable Mayor,
City Commissioners and Citizens
of the City of Garden City
Garden City, Kansas 67846

CITY COMMISSION

JOHN DOLL,

Mayor

ROY CESSNA

DAVID D. CRASE

DAN FANKHAUSER

CHRIS LAW

This is the Comprehensive Annual Financial Report (CAFR) of the City of Garden City, Kansas, (the City) for the calendar year ended December 31, 2011. This report was prepared by the City's Service and Finance Department. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Within that framework and because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Independent Audit

Kansas Statutes Annotated 75-1122 requires an annual audit of the books of account, financial records, and transactions of all administration departments of the City by independent certified public accountants selected by the City Commission. This report is published to fulfill that requirement for the fiscal year ended December 31, 2011.

Lewis, Hooper & Dick, LLC, Certified Public Accountants, have issued an unqualified ("clean") opinion on the City of Garden City's financial statements for the year ended December 31, 2011. The independent auditors' report is located at the front of the financial section of this report.

MATTHEW C. ALLEN
City Manager

MELINDA A. HITZ, CPA
Finance Director

RANDALL D. GRISELL
City Counselor

Management's Discussion and Analysis

Management's discussion and analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A compliments this letter of transmittal and should be read in conjunction with it.

Profile of the Government

The City of Garden City, incorporated in 1883, is located in the southwest part of the state. It currently occupies 8.71 square miles and serves a population of 28,855. The City is empowered to levy a property tax on both real and personal property located within its boundaries. It is also empowered by state statute to extend its corporate limits by annexation, which it has done from time to time.

The City operates under the commission-manager form of government. Policy-making and legislative authority are vested in a governing commission (Governing Body) consisting of five members, all elected on a non-partisan basis. The Governing Body appoints a City Manager, who in turn appoints the heads of the various departments. Members of the Governing Body serve four-year or two-year terms, with three members elected every two years. The Governing Body appoints the mayor annually from its members for the purposes of chairing the meetings and informally serving as the spokesperson for the Governing Body.

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Governmental Services

The City provides its citizens with various municipal services commonly associated with municipalities. The public safety area provides police, fire and emergency dispatch services. Construction and maintenance of the City's street and highway network is the responsibility of the public works department. The community development department has the responsibility of maintaining the structural standards of the community through the planning and enforcement of the City's building codes and comprehensive land use plan. The development and maintenance of the City's parks, zoo and recreation programs and facilities is the responsibility of the parks, zoo and recreation departments. The finance and administration departments are responsible for the general and financial administration of the City and includes the courts, the prosecution of violations of City codes and ordinances, general counsel, human resource administration and information technology. Additionally, the City provides utility functions for water, wastewater, solid waste, drainage, and electric utilities. More specialized areas include cemetery, airport, golf course, and GIS.

The City is also accountable for two legally separate entities, which are reported separately within the City's financial statements. These component units are the Garden City Recreation Commission and Garden City Housing Authority. Additional information on these entities can be found in the notes to the financial statements (see Note 1, item A).

Budgetary Controls

The City's budget is prepared on the modified accrual basis which is modified further by an encumbrance system of accounting as required by applicable state statutes. The City Manager annually presents a proposed budget to the City Commission for their review and consideration. The City Manager's proposed budget sets forth the proposed funding level of the City's various operating and public service programs. A series of public meetings are held by the City Commission to review the proposed budget, as well as alternative spending proposals the staff or Commissioners may also wish the City Commission to consider. After a public hearing to solicit citizens' comments on the proposed budget and amendments made by the City Commission, the City Commission adopts the final budget. The final budget is appropriately controlled through an accounting system to ensure effective fiscal management and accountability.

Local Economy

Major industries located within the City's boundaries or in close proximity are agricultural and ag-industrial based. In addition, the City is a regional center for southwest Kansas resulting in several financial institutions, medical facilities, and retail centers.

Unemployment is relatively stable. During the past ten years, the unemployment rate rose from an initial rate of 2.8% in 1999, to a decade high of 10.59% in 2001, and to remain at the current rate of 4.2%. The 2001 high resulted from a fire and the resulting facility shutdown of ConAgra Beef Processors, Inc.'s facility and loss of its 2,300 jobs. The unemployment rate is expected to either remain stable or decrease in the near term as new economic development and job opportunity occurs.

Economic development is obviously a very important concern of cities in Kansas, and particularly as a strategy to counter an uncertain national economy. In 2011, the community continued to see a marked increase in the number of inquiries and meetings with clients that indicated potential for additional development in the area. The City is involved with the other partner agencies which form the Finney County Economic Development Corporation in the recruitment of new employers and expansion of existing industry.

Long-term Financial Planning

The City of Garden City has been steadily growing over the last two decades. As a result, the need to provide for sound and appropriate growth must not overshadow the need to maintain the existing infrastructure – the backbone of our future. Since 1989, the City has had a long-term capital improvement program, looking at not just the immediate needs, but also at the ensuing five-year period. The Capital Improvement Plan (CIP) is one of the more critical policy statements adopted by the Governing Body. The primary funding sources for capital projects include regular departmental operating budgets, bonding and partnering with the Community College, School District, County, State and Federal agencies.

One of the City Commission goals has been to increase citizen involvement in their City government. The CIP process, for both the 2011 and 2012 programs, again stepped to the front in the area of citizen involvement. Citizen input was actively sought through the opportunity to suggest capital projects; a citizen committee then reviewed all the proposed projects before the CIP was reviewed by the Governing Body or any projects were submitted for approval in the budget. The Citizen's Committee was very cognizant of the project costs and the effect on the City's mill levy.

Relevant Financial Policies

In 2011, City management and staff continued to review current budgeting policies, purchasing practices, debt policies, cost savings, efficiency alternatives, options for privatizing and consolidation of services, revenue enhancement, improved inventory management systems, and cash management practices with the thought in mind of providing a proper use of assets based on need. In 2011, the City adopted a new comprehensive Purchasing and Contracting Manual, to ensure consistent purchasing and contracting practices. As the State continues to see the State revenues decline, the City is required to manage the combined burden of lost statutory revenues from the State and the assumption of mandated responsibilities from State and Federal agencies. With guidance by the elected City Commission, the City is committed to continuing to provide both a high level and quality of service while simultaneously taking a conservative approach to the capital planning necessary to meet projected growth.

Another City Commission goal was to develop a financial forecasting model for the City's tax supported funds. This forecast model provides the City Commission and staff with the ability to test the impact of different scenarios on Garden City's financial future. This model has been developed and in use for the 2013 budget preparation.

Major Initiatives for the Year

In 2011, the City of Garden City continued a Citizen-based Capital Improvement Planning process. This is the sixth year for the City using this technique that precedes the annual budget season with a blend of citizen input tools, commission goal setting, multi-year financial forecasting and multi-year debt management analysis. Within this framework, the City Commission authorized capital investment of \$6.4 million. Major capital improvement projects in 2011 were the reconstruction of a segment of Mary Street from Third Street to Campus Drive, a traffic signal at Mary Street and Buffalo Way Boulevard (the entrance road to the new High School), and the \$3.7 million reconstruction and realignment of the intersections of Mary Street and Jennie Barker Road with Kansas Avenue (K-156 Highway).

As referenced previously, increased citizen involvement in City government is a goal of the Governing Body. 2011 saw the fourth session of the Citizen's Academy, an up-close and personal view of City government taught by City Staff. In months with five Tuesdays, the City Commission holds Town Hall meetings, with no set agenda, other than to hear comments from the citizens. These meetings are held around the community, or take place as virtual meetings from the City Administrative Center via the internet, cable TV, and our social media venues.

The Planning and Community Development Department is continuing to re-structure processes and implement changes begun in fiscal year 2006 at the request of the City Commission in an effort to

improve customer service. The department is preparing to meet the demands of pending population growth, along with residual growth in the commercial sector while actively implementing the City Comprehensive Plan that was completed in 2009.

Quality of life issues remain a focus of City government. The City's new Animal Shelter, opened in February, 2010, allowed the City to convert the old animal shelter into a new Household Hazardous Waste Facility during 2011.

Other 2011 initiatives were geared towards enhancing our standing as the regional center of southwest Kansas. Improvements at Garden City Regional Airport improve our opportunities for better commercial air service. Great Lakes Aviation provided service to Denver; enplanements again exceeded the 10,000 passenger level required to maintain our primary airport status. Expansion of the security room, in 2011, at the Garden City Regional Airport Terminal, for seating up to 70 passengers, will better serve our business and pleasure travelers on both the frequent casino charters and our new American Eagle service to Dallas- Ft. Worth which begins in April, 2012.

Awards

The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year ended December 31, 2010. This was the sixteenth year that the City has achieved this prestigious award since the first award was granted for the CAFR for the year ended December 31, 1994. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both accounting principles generally accepted in the United States and applicable legal requirements.

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

Acknowledgments

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Service and Finance Department. In addition several members of the Management team contributed to the preparation of this transmittal letter. We truly appreciate all contributions to the preparation of this report. Credit also must be given to the Mayor and City Commission for their unfailing support of City staff as we take necessary steps to ensure the highest standards of professionalism in the management of the City of Garden City.

Respectfully submitted,



Matthew C. Allen
City Manager



Melinda A. Hitz
Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Garden City
Kansas

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

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



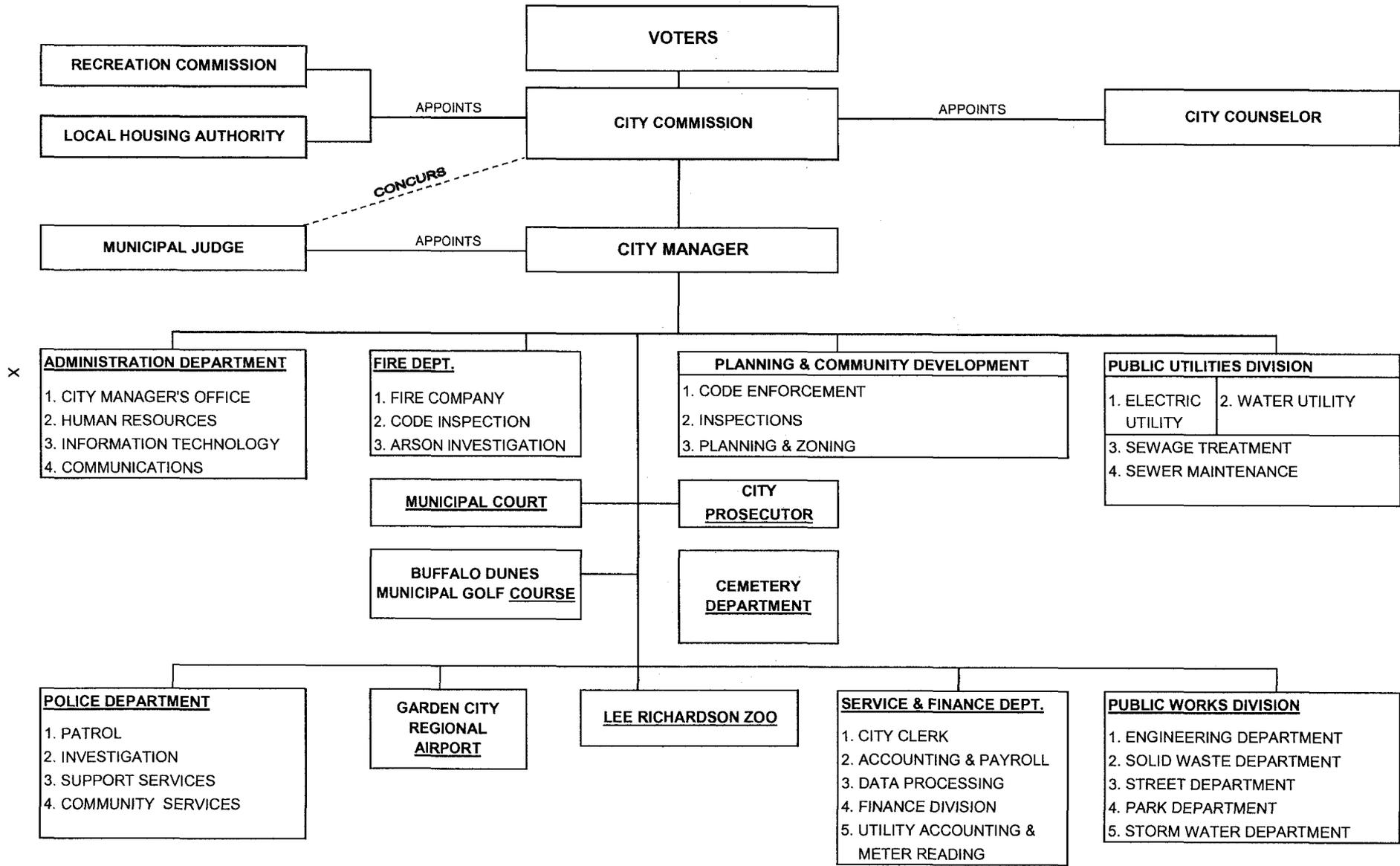
Linda C. Danson

President

Jeffrey R. Erner

Executive Director

CITY OF GARDEN CITY, KANSAS ORGANIZATIONAL CHART



CITY OF GARDEN CITY, KANSAS

List of Principal Officials
December 31, 2011

Mayor

John Doll

City Commissioners

Roy Cessna
David D. Crase
Dan Fankhauser
Chris Law

City Administration

Matthew C. Allen, City Manager
Melinda A. Hitz, CPA, Finance Director
Randall D. Grisell, City Counselor

**FINANCIAL
SECTION**



INDEPENDENT AUDITORS' REPORT

The Honorable Mayor,
City Commissioners and City Manager
Garden City, Kansas 67846

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Garden City, Kansas, as of December 31, 2011, and for the year then ended which, collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Garden City's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Garden City Housing Authority, which represents 70.9% and 21.9%, respectively, of the assets and revenues of the component units of the City of Garden City, Kansas. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Garden City Housing Authority, is based solely on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the Kansas Municipal Audit Guide, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the Garden City Recreation Commission were not audited in accordance with Government Auditing Standards. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of the other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Garden City, Kansas, as of December 31, 2011, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated May 2, 2012, on our consideration of the primary government of the City of Garden City, Kansas, internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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CPAs

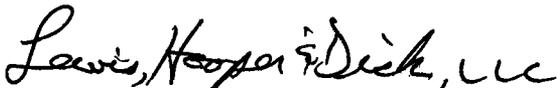
Charles H. Claar, Jr, CPA
Theresa Dasenbrock, CPA, CFE
David L. Hetrick, CPA
Steven D. Jossierand, CPA
Gary A. Schlappe, CPA
Rodney Van Norden, CPA

Lisa L. Axman, CPA
Sue A. Bradley, CPA
Susan A. Burgardt, CPA
Shannon N. Euliss, CPA
Tracey Homm, CPA, CSEP
Kimberly A. Roth, CPA
Kristin J. Sekavec, CPA
Monica J. Wilson, CPA

The Honorable Mayor,
City Commissioners and City Manager
Page 2

Accounting principles generally accepted in the United States of America require the management's discussion and analysis, and schedule of funding progress on pages 3 through 12 and page 65 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with evidence sufficient to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Garden City, Kansas, basic financial statements. The introductory section; combining and individual nonmajor fund financial statements, including the budgetary comparison schedules; supplementary information and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is also not a required part of the basic financial statements of the City of Garden City, Kansas. 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 combining and individual nonmajor fund financial statements, including the budgetary comparison schedules; supplementary information and schedule of expenditures of federal awards has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or provide any assurance on them.


LEWIS, HOOPER & DICK, LLC

May 2, 2012

Management's Discussion and Analysis

As management of the City of Garden City, Kansas, we offer readers of the City of Garden City's financial statements this narrative overview and analysis of the financial activity of the City of Garden City for the fiscal year ended December 31, 2011. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages v through viii of this report.

Financial Highlights

- The assets of the City of Garden City exceeded its liabilities at the close of the most recent fiscal year by \$109,297,048 (net assets). Of this amount, \$19,635,407 (unrestricted net assets) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net assets increased by \$3,232,172. Approximately 80.5% of this increase was attributable to the investment in fixed assets and infrastructure in the City's departmental operations.
- As of the close of the current fiscal year, the City of Garden City's governmental funds reported combined ending fund balances of \$11,365,027, an increase of \$1,087,232 in comparison with the prior year. Approximately 47.9% of this total amount is available for spending at the City's discretion (unassigned fund balance).
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$5,443,223, or 30.0% of total general fund expenditures.
- The City of Garden City's total debt decreased by \$645,000 (2.6%) during the current fiscal year. The key factor in this decrease was the payment of \$1,439,500 on general obligation bonds for internal improvements in the utility funds.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Garden City's basic financial statements. The City of Garden City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to 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 City of Garden City's finances, in a manner similar to a private-sector business.

The Statement of Net Assets presents information on all of the City's assets and liabilities, with the differences between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether financial position of the City of Garden City is improving or deteriorating.

The Statement of Activities presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets 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 distinguish functions of the City of Garden City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, public works, parks and recreation. The business-type activities of the City include the electric utility, water and sewer utility, airport, solid waste utility, golf course operation and drainage utility.

The government-wide financial statements include not only the City of Garden City itself (known as the primary government), but also a legally separate recreation commission and a legally separate housing authority for which the City is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself. See Note 1, item A, in the notes to the financial statements for more details regarding the relationship between these entities and the City.

The government-wide financial statements can be found on pages 15 through 17 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 City of Garden City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Garden City can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

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 City'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 City of Garden City maintains twenty-four 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 debt service fund, which are considered to be major funds. Data from the other twenty-two governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City of Garden City adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental financial statements can be found on pages 18 through 23 of this report.

Proprietary Funds

The City of Garden City maintains two different types of proprietary funds: enterprise funds and internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its electric utility fund, water and sewer utility fund, airport fund, solid waste utility fund, recreation fund and drainage utility fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its self-insurance activities: the health insurance fund and the workers compensation fund. Because both of these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide statements.

Proprietary funds provide the same type of information at the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the electric utility fund, water and sewer utility fund, and airport fund, all of which are considered to be major funds of

the City of Garden City. Conversely, the other three enterprise funds are combined into a single, aggregated presentation, as are the two internal service funds. Individual fund data for each of these nonmajor enterprise funds and internal service funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 24 through 29 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the City of Garden City. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary funds financial statements can be found on page 30 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to 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 31 through 63 of this report.

Other Information

The combining statements referred to earlier in connection with nonmajor governmental funds, nonmajor enterprise funds and internal service funds are presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules can be found on pages 70 through 117 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of Garden City, assets exceeded liabilities by \$109,297,048 at the close of the most recent fiscal year.

By far the largest portion of the City of Garden City's net assets (80.5%) reflects its investment in capital assets (e.g., land, property, plant and equipment); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other resources, since the capital assets themselves cannot be used to liquidate these liabilities.

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Combined net assets of the City at December 31, 2011 and 2010, were:

City of Garden City's Net Assets

	2011			2010		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Current and other assets	\$ 18,596,563	\$ 15,533,942	\$ 34,130,505	\$ 17,217,227	\$ 13,717,671	\$ 30,934,898
Capital assets	41,719,848	69,514,673	111,234,521	41,406,500	68,984,657	110,391,157
Total assets	\$ 60,316,411	\$ 85,048,615	\$ 145,365,026	\$ 58,623,727	\$ 82,702,328	\$ 141,326,055
Long-term liabilities	10,626,915	12,643,909	\$ 23,270,824	\$ 9,536,794	\$ 14,111,866	\$ 23,648,660
Other liabilities	8,469,156	4,327,998	12,797,154	8,694,305	3,761,578	12,455,883
Total liabilities	\$ 19,096,071	\$ 16,971,907	\$ 36,067,978	\$ 18,231,099	\$ 17,873,444	\$ 36,104,543
Net assets:						
Invested in capital assets, net of related debt	\$ 32,574,980	\$ 55,402,807	\$ 87,977,787	\$ 31,975,036	\$ 53,353,800	\$ 85,328,836
Restricted for:						
Debt service	239,073	1,444,781	1,683,854	189,267	1,484,641	1,673,908
Unrestricted	8,406,287	11,229,120	19,635,407	8,541,673	10,520,459	19,062,132
Total net assets	\$ 41,220,340	\$ 68,076,708	\$ 109,297,048	\$ 40,705,976	\$ 65,358,900	\$ 106,064,876

An additional portion of the City of Garden City's net assets (1.5%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$19,635,407) may be used to meet the City's ongoing obligations to citizens and creditors.

At the end of both the current and prior fiscal years, the City of Garden City is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

There was a decrease of \$39,860 in restricted net assets reported in connection with the City of Garden City's business-type activities. This decrease is a result of increases in expenses.

The City's net assets increased by \$3,232,172 during the current fiscal year. About 80.5% of this increase was attributable to the investment in capital assets and infrastructure in the City's departmental operations. The remainder of this growth largely reflects an increase in revenues.

Governmental Activities

Governmental activities increased the City of Garden City's net assets by \$514,364. Key elements of this increase are as follows:

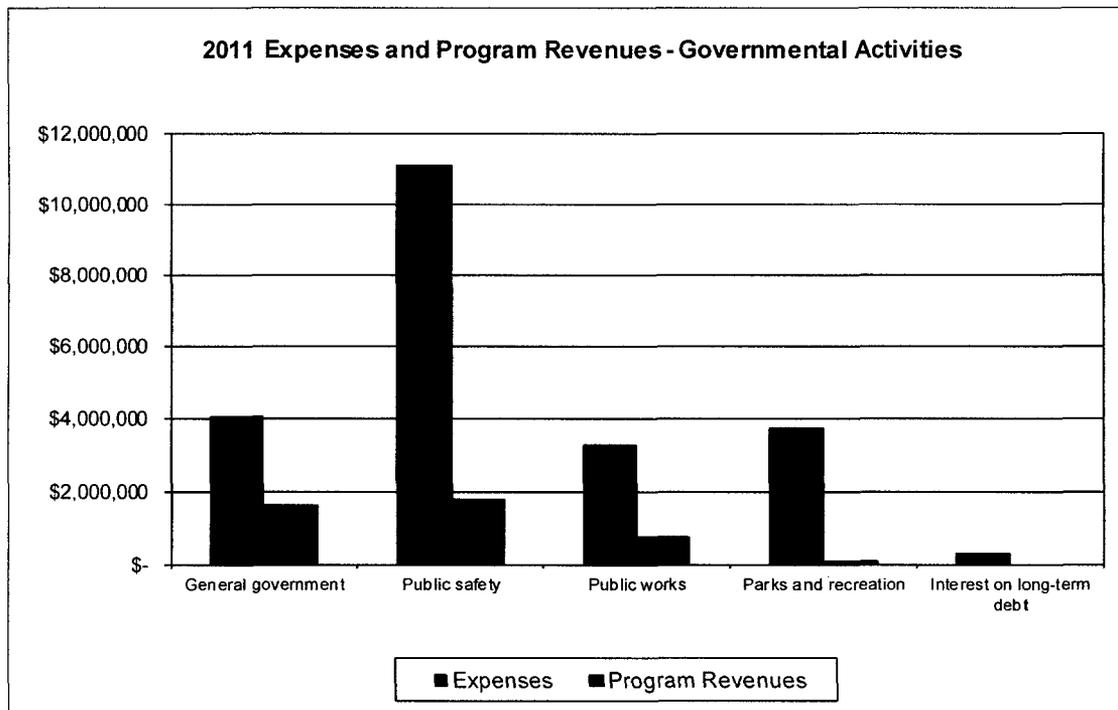
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City of Garden City's Changes in Net Assets

	2011			2010		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Revenues:						
Program revenues:						
Charges for services	\$ 2,096,641	\$ 35,470,442	\$ 37,567,083	\$ 2,060,687	\$ 33,839,842	\$ 35,900,529
Operating grants and contributions	1,320,230	811,252	2,131,482	1,657,675	1,629,530	3,287,205
Capital grants and contributions	846,951	-	846,951	837,029	-	837,029
General revenues:						
Property taxes	5,588,035	468,849	6,056,884	5,193,216	471,787	5,665,003
Sales taxes	9,055,986	-	9,055,986	8,505,990	-	8,505,990
Other taxes	1,424,118	-	1,424,118	1,469,234	-	1,469,234
Other	897,396	296,068	1,193,464	476,264	478,313	954,577
Total revenues	21,229,357	37,046,611	58,275,968	20,200,095	36,419,472	56,619,567
Expenses:						
General government	\$ 4,009,461	-	4,009,461	4,698,266	-	4,698,266
Public safety	11,122,229	-	11,122,229	10,520,505	-	10,520,505
Public works	3,237,551	31,544,642	34,782,193	3,997,877	29,939,161	33,937,038
Parks and recreation	3,714,687	820,835	4,535,522	2,766,802	763,293	3,530,095
Interest on long-term debt	265,565	328,826	594,391	400,611	454,884	855,495
Total expenses	22,349,493	32,694,303	55,043,796	22,384,061	31,157,338	53,541,399
Increase (decrease) in net assets before transfers:						
	(1,120,136)	4,352,308	3,232,172	(2,183,966)	5,262,134	3,078,168
Transfers	1,634,500	(1,634,500)	-	1,678,500	(1,678,500)	-
Change in net assets	514,364	2,717,808	3,232,172	(505,466)	3,583,634	3,078,168
Net assets, beginning of year	40,705,976	65,358,900	106,064,876	41,211,442	61,775,266	102,986,708
Net assets, end of year	\$ 41,220,340	\$ 68,076,708	\$ 109,297,048	\$ 40,705,976	\$ 65,358,900	\$ 106,064,876

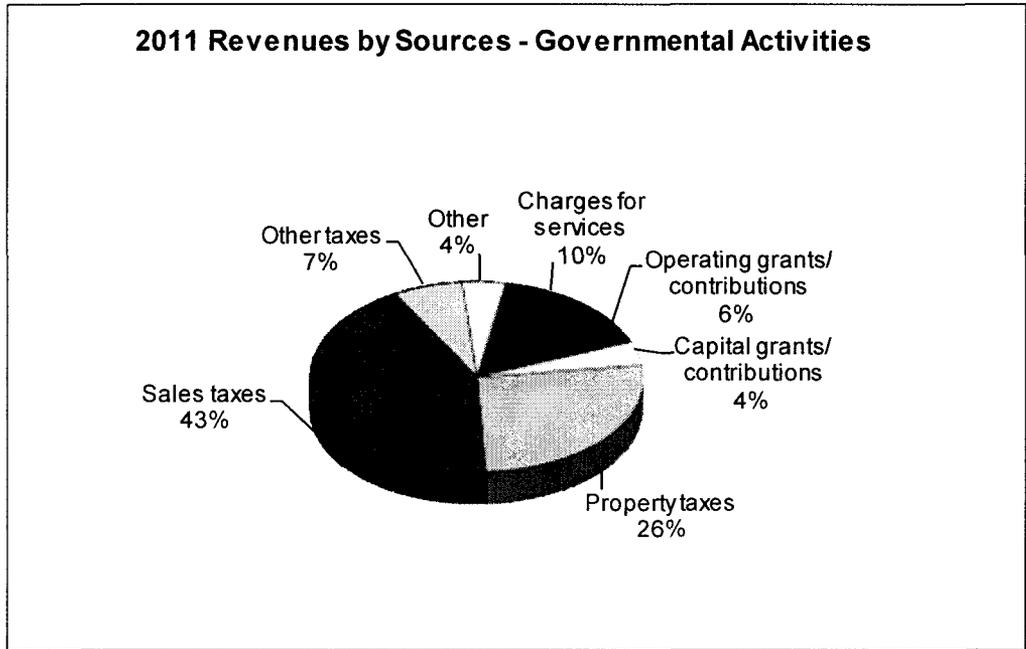
- Property taxes of the governmental activities increased \$394,819 (7.0%) during the year. This increase is primarily due to property valuation increases over 2010.
- Sales tax collections increased \$549,996 during the year, a 6.5% increase from 2010 sales tax collections. The City's total sales tax collections were \$9,055,986.

The following chart compares expenses with program revenues for the various governmental activities of the City.



For the most part, changes in expenses for general government and public safety closely paralleled inflation and changes in the demand for services. Expenses in public works and parks and recreation changed as projects changed during the current fiscal year.

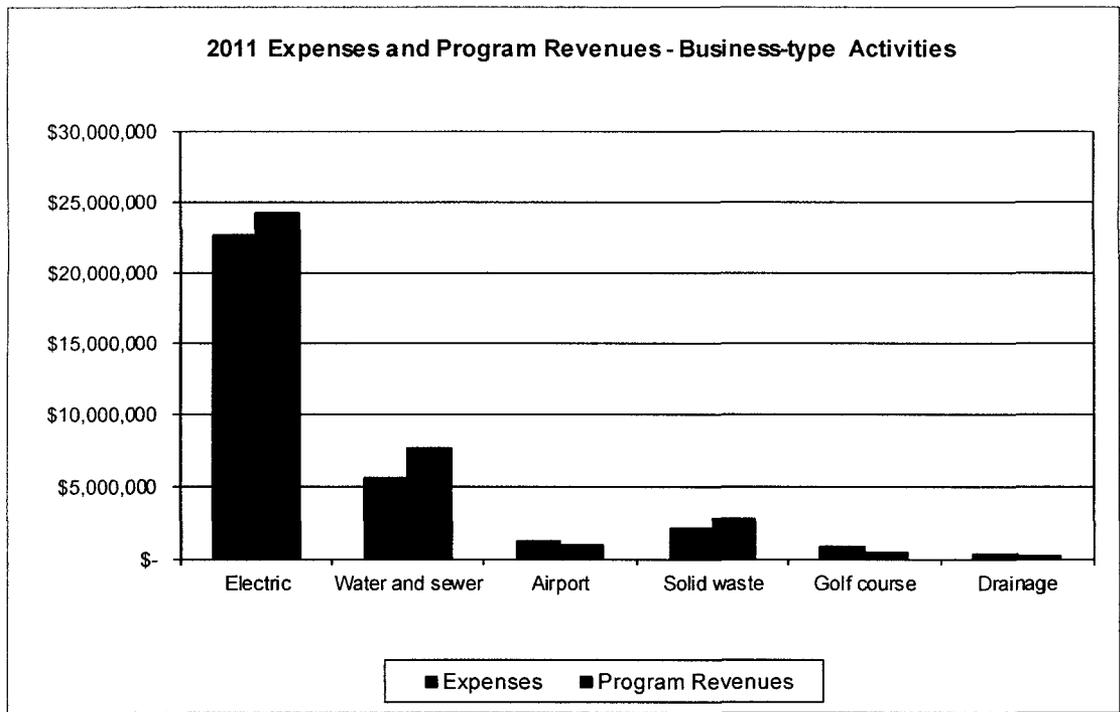
The following graph shows the composition of 2011 revenues by sources for the governmental activities.



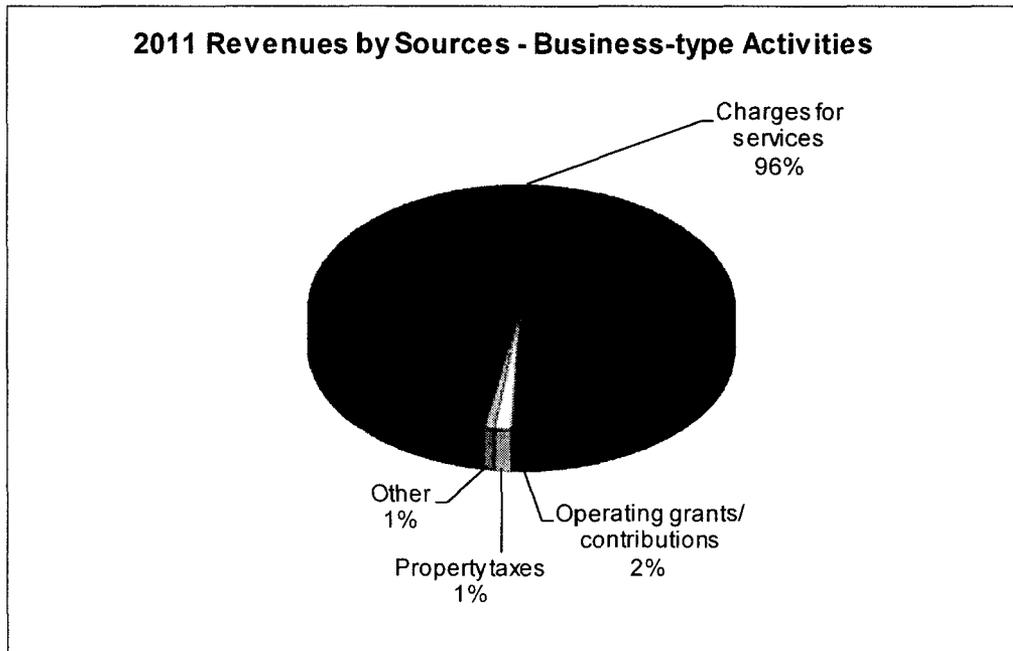
Business-type Activities

Business-type activities increased the City of Garden City's net assets by \$2,717,808, accounting for 84.1% of the total growth in the City's net assets. The key element of this increase was the ability of the utility funds to operate at a profit by monitoring rates charged for services and expenses incurred.

The following chart compares expenses with program revenues for the various business-type activities of the City.



The following graph shows the composition of 2011 revenues by sources for the business-type activities.



Financial Analysis of the Government's Funds

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

Governmental Funds

The focus of the City of Garden City's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City of Garden City's governmental funds reported combined ending fund balances of \$11,365,027, an increase of \$1,087,232 in comparison with the prior year. Approximately 47.9% of this total amount (\$5,443,223) constitutes unassigned fund balance, which is available for spending at the City's discretion. A portion of the fund balance is restricted, committed or assigned (\$5,682,731) for specific purposes by external and internal limitations. The remainder of the fund balance is restricted to indicate that it is not available for new spending because it has already been committed to pay debt service (\$239,073).

The general fund is the chief operating fund of the City of Garden City. At the end of the current fiscal year, unassigned fund balance of the general fund was \$5,443,223, equal to the total fund balance. As a measure of the general fund's liquidity, it may be useful to compare the unreserved fund balance to total fund expenditures. The unassigned fund balance represents 30.0% of total general fund expenditures.

The fund balance of the City of Garden City's general fund increased by \$342,803 during the current fiscal year. Key factors in this increase are as follows:

- Taxes increased \$758,179.
- Police and municipal court revenues increased \$62,036.
- Expenditures for general government increased \$462,725.
- Expenditures for public safety increased \$130,278.
- Expenditures for public works increased \$426,847.

- Expenditures for parks and recreation increased \$93,324.
- Transfers in increased \$120,500.
- Transfers out decreased \$150,595.

The debt service fund has a total fund balance of \$239,073, all of which is restricted for the payment of debt service. The net increase in the fund balance during the current year in the debt service fund was \$49,806. This resulted from an increase in the amount of taxes and special assessments received for the year.

Proprietary Funds

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

Unrestricted net assets of the electric utility at the end of the year amounted to \$6,826,331, and those for the water and sewer utility amounted to \$2,440,992. In addition, the airport fund’s unrestricted net assets at the end of the year amounted to \$204,784; the other enterprise funds’ unrestricted net assets at the end of the year totaled \$1,757,013. The total growth in net assets for all of the City’s enterprise funds was \$2,717,808. This total includes growth in net assets of the electric utility of \$149,880 and a growth in net assets of the water and sewer utility of \$1,736,881. In addition, the airport experienced a growth in net assets of \$277,920. Other factors concerning the finances of these funds have already been addressed in the discussion of the City of Garden City’s business-type activities.

General Fund Budgetary Highlights

The legally adopted budget for the general fund was not amended by the City Commission during 2011. However, departments within the City are allowed to transfer budget authority between line items and between cost centers within a department. In addition, 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 following revenue and expenditure categories experienced significant differences between the final budget amount and the actual amount. The explanation of the difference is also included.

CATEGORY	EXPLANATION
Licenses and permits	Licenses and permits were budgeted conservatively due to the uncertain economy, but actual collections increased.
Use of money and property	Use of money and property was less than budgeted due to decreased investment rates and reimbursements were reported against expenditures.
General administration and capital improvements expenditures	General administration expenditures were \$676,827 less than budgeted and capital improvements were \$1,781,309 less than budgeted due to the budget process which requires an overstatement of expenditures to allow for cash carryovers.
Police expenditures	Police expenditures were \$299,592 less than budgeted due to vacancies in personnel throughout the year in all departments.
Fire	Fire expenditures were \$150,952 less than budgeted due to unfilled positions and employee benefits for positions not hired.
Parks and zoo expenditures	Parks and zoo expenditures were \$78,711 less than budgeted due to vacancies in personnel.

Capital Asset and Debt Administration

Capital Assets

The City of Garden City's investment in capital assets for its governmental and business-type activities as of December 31, 2011, was \$111,234,521 (net of accumulated depreciation). This investment in capital assets includes land; buildings and system; improvements; machinery and equipment; park, zoo and recreational facilities; and streets and bridges. The total increase in the City's investment in capital assets for the current fiscal year was 0.8% over the 2010 total (a 0.8% increase for governmental activities and a 0.8% increase for business-type activities).

The following chart breaks down the City's capital assets balance into the various categories of assets.

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

	2011			2010		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Land	\$ 1,183,776	\$ 361,870	\$ 1,545,646	\$ 1,183,776	\$ 361,870	\$ 1,545,646
Construction in progress	68,743	-	68,743	328,639	-	328,639
Buildings and improvements	8,692,400	67,463,280	76,155,680	8,464,583	66,913,850	75,378,433
Vehicles and equipment	3,144,270	1,689,523	4,833,793	3,302,808	1,708,937	5,011,745
Infrastructure	28,630,659	-	28,630,659	28,126,694	-	28,126,694
Total capital assets	\$ 41,719,848	\$ 69,514,673	\$ 111,234,521	\$ 41,406,500	\$ 68,984,657	\$ 110,391,157

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

American Legion building	\$ 667,540
Tekvet buildings	275,000
Street sweeper	174,986
Terminal security room expansion	167,232
Airport improvements	817,015
Electrical infrastructure	663,290
Household hazardous waste facility	331,071
Trash containers	105,575
Polycart collection truck	132,407
Water infrastructure	500,746
Total	\$ 3,834,862

Additional information on the City of Garden City's capital assets can be found in Note 1, item D on page 37-38, and Note 3, item C on pages 46 through 50 of this report.

Long-term Debt

At the end of the current fiscal year, the City of Garden City had total bonded debt outstanding of \$25,100,000, which was backed by the full faith and credit of the City.

City of Garden City's Outstanding Debt General Obligation and Revenue Bonds/Loans

	2011			2010		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
General obligation bonds	\$ 10,617,500	\$ 13,837,500	\$ 24,455,000	\$ 9,823,000	\$ 15,277,000	\$ 25,100,000
Total	\$ 10,617,500	\$ 13,837,500	\$ 24,455,000	\$ 9,823,000	\$ 15,277,000	\$ 25,100,000

The City's total bonded debt decreased by \$645,000 (2.6%) during the current fiscal year. The key factor in this decrease was payment of \$1,439,500 of general obligation bonds for internal improvements in the utility funds during 2011.

For the past 11 years, the City has received a credit rating of A2 from Moody's Investors Service.

State statutes limit the amount of general obligation debt the City may issue to 30% of its total assessed valuation. The current debt limitation for the City of Garden City is \$46,155,620, which is significantly in excess of the City's outstanding general obligation debt.

Additional information about the City's long-term debt can be found in Note 1, item D on page 39 and Note 3, item F on pages 54 through 56 of this report.

Economic Factors and Next Year's Budget and Rates

- The unemployment rate for the City of Garden City is currently 4.2%, which is the same as a year ago. It compares favorably to the State's average unemployment rate of 6.4% and the national average rate of 8.5%.
- The occupancy rate of the City's central business district is at 91.5%, which is an increase of 2.5% from one year ago.
- Inflationary trends in the region compare favorably to national indices.

All of these factors were considered in preparing the City of Garden City's budget for the 2011 fiscal year.

During the current fiscal year, the unassigned fund balance in the general fund increased \$272,128, to \$3,583,099. The City has appropriated \$3,349,527 of the unassigned fund balance for spending in the 2012 fiscal year budget. It is intended that this use of available fund balance will avoid the need to raise taxes or charges during the 2012 fiscal year. It also is intended to obviate the need for the transfer of additional resources to the general fund from the utility operations.

Requests for Information

This financial report is designed to provide a general overview of the City of Garden City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance, 301 North 8th, PO Box 998, Garden City, KS 67846.

Basic Financial Statements

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CITY OF GARDEN CITY, KANSAS
Statement of Net Assets
December 31, 2011

Assets	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Garden City Recreation Commission	Garden City Housing Authority
Cash	\$ 9,430,169	\$ 8,960,925	\$ 18,391,094	\$ 646,714	\$ 77,734
Investments	1,673,599	300,000	1,973,599	-	177,370
Restricted assets:					
Cash	-	180,224	180,224	-	-
Investments	-	100,000	100,000	-	-
Receivables (net of allowances for uncollectibles):					
Taxes	7,101,737	605,897	7,707,634	-	-
Accounts and interest	291,733	1,466,376	1,758,109	-	2,159
Other	28,351	-	28,351	-	14,136
Internal balances	(25,000)	25,000	-	-	-
Prepaid expenses	-	-	-	2,884	22,618
Inventory	-	2,476,780	2,476,780	-	8,953
Deferred bond costs	95,974	-	95,974	-	-
Restricted assets:					
Cash	-	1,252,081	1,252,081	-	-
Deferred bond costs	-	166,659	166,659	-	-
Capital assets (net of accumulated depreciation):					
Land	1,183,776	361,870	1,545,646	-	426,144
Property, plant and equipment	40,467,329	69,152,803	109,620,132	350,298	1,643,618
Construction in progress	68,743	-	68,743	-	61,116
Total assets	\$ 60,316,411	\$ 85,048,615	\$ 145,365,026	\$ 999,896	\$ 2,433,848
Liabilities					
Accounts payable and accrued liabilities	\$ 813,363	\$ 1,903,843	\$ 2,717,206	\$ 47,974	\$ 43,354
Unearned revenue	5,236,859	605,897	5,842,756	-	6,737
Accrued interest	59,638	96,118	155,756	-	-
Current portion of long-term liabilities	2,359,296	1,467,957	3,827,253	39,182	1,555
Payable from restricted assets:					
Customer deposits and refunds	-	254,183	254,183	-	23,476
Noncurrent liabilities:					
Long-term liabilities due in more than one year	10,626,915	12,643,909	23,270,824	79,336	13,997
Total liabilities	\$ 19,096,071	\$ 16,971,907	\$ 36,067,978	\$ 166,492	\$ 89,119
Net Assets					
Invested in capital assets, net of related debt	\$ 32,574,980	\$ 55,402,807	\$ 87,977,787	\$ 274,597	\$ 2,130,878
Restricted for:					
Debt service	239,073	1,444,781	1,683,854	-	-
Other purposes	-	-	-	(7,873)	-
Unrestricted	8,406,287	11,229,120	19,635,407	566,680	213,851
Total net assets	\$ 41,220,340	\$ 68,076,708	\$ 109,297,048	\$ 833,404	\$ 2,344,729

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

CITY OF GARDEN CITY, KANSAS
Statement of Activities
For the Year Ended December 31, 2011

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 4,009,461	\$ 352,233	\$ 448,852	\$ 821,951
Public safety	11,122,229	1,702,490	86,514	-
Public works	3,237,551	17,873	710,568	25,000
Parks and recreation	3,714,687	24,045	74,296	-
Interest on long-term debt	265,565	-	-	-
Total governmental activities	22,349,493	2,096,641	1,320,230	846,951
Business-type activities:				
Electric	22,620,827	24,206,117	-	-
Water and sewer	5,553,692	7,602,554	35,000	-
Airport	1,248,706	236,487	776,252	-
Solid waste	2,178,135	2,767,614	-	-
Golf course	820,835	451,342	-	-
Drainage	272,108	206,328	-	-
Total business-type activities	32,694,303	35,470,442	811,252	-
Total primary government	\$ 55,043,796	\$ 37,567,083	\$ 2,131,482	\$ 846,951
Component units:				
Garden City Recreation Commission	\$ 1,826,891	\$ 380,240	\$ 169,122	\$ -
Garden City Housing Authority	687,311	296,691	174,738	14,010
Total component units	\$ 2,514,202	\$ 676,931	\$ 343,860	\$ 14,010
General revenues:				
Taxes:				
Property taxes levied for general purposes				
Property taxes levied for debt service				
Property taxes levied for contributed capital purposes				
Sales taxes				
Franchise taxes				
Other taxes				
Investment earnings				
Miscellaneous				
Gain on disposal of capital assets				
Transfers				
Total general revenues and transfers				
Change in net assets				
Net assets, beginning of year				
Net assets, end of year				

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

Net (Expense) Revenue and Changes in Net Assets				
Primary Government			Component Units	
Governmental Activities	Business-type Activities	Total	Garden City Recreation Commission	Garden City Housing Authority
\$ (2,386,425)	\$ -	\$ (2,386,425)	\$ -	\$ -
(9,333,225)	-	(9,333,225)	-	-
(2,484,110)	-	(2,484,110)	-	-
(3,616,346)	-	(3,616,346)	-	-
(265,565)	-	(265,565)	-	-
<u>(18,085,671)</u>	<u>-</u>	<u>(18,085,671)</u>	<u>-</u>	<u>-</u>
-	1,585,290	1,585,290	-	-
-	2,083,862	2,083,862	-	-
-	(235,967)	(235,967)	-	-
-	589,479	589,479	-	-
-	(369,493)	(369,493)	-	-
-	(65,780)	(65,780)	-	-
-	<u>3,587,391</u>	<u>3,587,391</u>	<u>-</u>	<u>-</u>
<u>(18,085,671)</u>	<u>3,587,391</u>	<u>(14,498,280)</u>	<u>-</u>	<u>-</u>
-	-	-	(1,277,529)	-
-	-	-	-	(201,872)
-	-	-	<u>(1,277,529)</u>	<u>(201,872)</u>
4,073,136	-	4,073,136	1,158,495	-
1,514,899	-	1,514,899	-	-
-	468,849	468,849	-	-
9,055,986	-	9,055,986	-	-
670,290	-	670,290	-	-
753,828	-	753,828	5,000	3,127
240,453	15,714	256,167	13,346	-
638,986	256,500	895,486	13,395	-
17,957	23,854	41,811	-	-
1,634,500	(1,634,500)	-	-	-
<u>18,600,035</u>	<u>(869,583)</u>	<u>17,730,452</u>	<u>1,190,236</u>	<u>3,127</u>
514,364	2,717,808	3,232,172	(87,293)	(198,745)
<u>40,705,976</u>	<u>65,358,900</u>	<u>106,064,876</u>	<u>920,697</u>	<u>2,543,474</u>
<u>\$ 41,220,340</u>	<u>\$ 68,076,708</u>	<u>\$ 109,297,048</u>	<u>\$ 833,404</u>	<u>\$ 2,344,729</u>

CITY OF GARDEN CITY, KANSAS
Balance Sheet
Governmental Funds
December 31, 2011

	<u>General</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>Assets</u>				
Cash	\$ 3,985,790	\$ 239,073	\$ 4,030,752	\$ 8,255,615
Investments	-	-	1,548,599	1,548,599
Receivables (net of allowances for uncollectibles):				
Taxes	4,958,672	1,217,407	925,658	7,101,737
Special assessments	-	1,862,566	-	1,862,566
Accounts and interest	291,733	-	-	291,733
Other	-	-	28,351	28,351
Interfund receivable	1,162	-	-	1,162
	<u>1,162</u>	<u>-</u>	<u>-</u>	<u>1,162</u>
Total assets	<u>\$ 9,237,357</u>	<u>\$ 3,319,046</u>	<u>\$ 6,533,360</u>	<u>\$ 19,089,763</u>
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Accounts payable and accrued liabilities	\$ 525,637	\$ -	\$ 73,512	\$ 599,149
Interfund payable	-	-	1,162	1,162
Deferred revenue	3,268,497	3,079,973	750,955	7,099,425
Temporary notes payable	-	-	25,000	25,000
	<u>-</u>	<u>-</u>	<u>25,000</u>	<u>25,000</u>
Total liabilities	<u>3,794,134</u>	<u>3,079,973</u>	<u>850,629</u>	<u>7,724,736</u>
Fund balances:				
Restricted	-	239,073	3,300,257	3,539,330
Committed	-	-	1,650,217	1,650,217
Assigned	-	-	732,257	732,257
Unassigned	5,443,223	-	-	5,443,223
	<u>5,443,223</u>	<u>-</u>	<u>-</u>	<u>5,443,223</u>
Total fund balances	<u>5,443,223</u>	<u>239,073</u>	<u>5,682,731</u>	<u>11,365,027</u>
Total liabilities and fund balances	<u>\$ 9,237,357</u>	<u>\$ 3,319,046</u>	<u>\$ 6,533,360</u>	<u>\$ 19,089,763</u>

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

CITY OF GARDEN CITY, KANSAS
 Reconciliation of the Balance Sheet to the
 Statement of Net Assets - Governmental Funds
 December 31, 2011

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

Fund balances - total governmental funds		\$ 11,365,027
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.		41,719,848
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		95,974
Long-term liabilities, including bonds payables, are not due and payable in the current period and therefore are not reported in the governmental funds.		
Governmental bonds payable	\$ (10,617,500)	
Capital leases payable	(694,026)	
Accrued interest payable on long-term debt	(59,638)	
Compensated absences	<u>(942,069)</u>	(12,313,233)
Internal service funds are used by management to charge the costs of certain activities, such as health insurance and workers compensation, to individual funds. The assets and liabilities of the internal service funds have not been included in the balance sheet.		<u>352,724</u>
Net assets of governmental activities		<u>\$ 41,220,340</u>

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

CITY OF GARDEN CITY, KANSAS
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2011

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	\$ 13,002,505	\$ 1,514,899	\$ 880,445	\$ 15,397,849
Special assessment taxes	-	389,521	-	389,521
Intergovernmental revenue	206,460	25,000	1,113,770	1,345,230
Franchises	670,290	-	-	670,290
Licenses and permits	237,266	-	-	237,266
Use of money and property	170,509	-	69,409	239,918
Miscellaneous	341,107	-	297,879	638,986
Donations	315,270	-	117,160	432,430
Cemetery	106,930	-	3,400	110,330
Police and municipal court	1,324,361	-	-	1,324,361
Fire	192,882	-	-	192,882
Engineering	17,873	-	-	17,873
Inspection	185,247	-	-	185,247
Planning and zoning	4,637	-	-	4,637
Parks and zoo	24,045	-	-	24,045
	<u>16,799,382</u>	<u>1,929,420</u>	<u>2,482,063</u>	<u>21,210,865</u>
Total revenues				
Expenditures:				
Current:				
General government	3,917,536	-	377,606	4,295,142
Public safety	10,280,855	-	46,786	10,327,641
Public works	1,568,649	-	402,810	1,971,459
Parks and recreation	2,333,039	-	923,155	3,256,194
Capital outlay and capital projects	-	-	2,572,033	2,572,033
Debt service:				
Principal	-	1,565,500	-	1,565,500
Interest and fiscal charges	-	314,114	-	314,114
Bond issuance costs	-	-	36,007	36,007
	<u>18,100,079</u>	<u>1,879,614</u>	<u>4,358,397</u>	<u>24,338,090</u>
Total expenditures				
Revenues under expenditures	<u>(1,300,697)</u>	<u>49,806</u>	<u>(1,876,334)</u>	<u>(3,127,225)</u>
Other financing sources (uses):				
Transfers in	1,769,000	-	352,500	2,121,500
Transfers out	(225,000)	-	(262,000)	(487,000)
Bonds issued	-	-	2,360,000	2,360,000
Issuance of capital leases	99,500	-	102,500	202,000
Sale of capital assets	-	-	17,957	17,957
	<u>1,643,500</u>	<u>-</u>	<u>2,570,957</u>	<u>4,214,457</u>
Total other financing sources (uses)				
Net change in fund balances	342,803	49,806	694,623	1,087,232
Fund balance, beginning of year	<u>5,100,420</u>	<u>189,267</u>	<u>4,988,108</u>	<u>10,277,795</u>
Fund balance, end of year	<u>\$ 5,443,223</u>	<u>\$ 239,073</u>	<u>\$ 5,682,731</u>	<u>\$ 11,365,027</u>

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

CITY OF GARDEN CITY, KANSAS
 Reconciliation of the Statement of Revenues, Expenditures and
 Changes in Fund Balances of Governmental Funds
 to the Statement of Activities
 For the Year Ended December 31, 2011

Amounts reported for governmental activities in the statement of revenues, 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 \$ 1,087,232

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

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

Expenditures for capital assets	\$ 2,716,701	
Less current year depreciation	(2,070,858)	
Less current year disposals (net of depreciation)	<u>(332,495)</u>	313,348

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

Accrued interest expense on long-term debt, net change	55,765	
Change in compensated absences	<u>14,529</u>	70,294

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. Also, governmental funds report the effect of issuance costs when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt and related items:

Bonds issued	(2,360,000)	
Bond issuance costs, net of amortization	28,791	
Principal payments	<u>1,565,500</u>	(765,709)

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

Capital leases issued	(202,000)	
Principal payments	<u>252,507</u>	50,507

Internal service funds are used by management to charge the costs of certain activities, such as health insurance and workers compensation, to individual funds. The net revenues (expenses) of the internal service funds are reported with governmental activities.

(241,308)

Changes in net assets of governmental activities \$ 514,364

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CITY OF GARDEN CITY, KANSAS
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
General Fund
For the Year Ended December 31, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	Budgetary Basis	
Revenues:				
Administration:				
Taxes	\$ 12,491,030	\$ 12,491,030	\$ 12,921,961	\$ 430,931
Intergovernmental revenue	145,000	145,000	206,460	61,460
Franchises	797,000	797,000	680,159	(116,841)
Licenses and permits	302,350	302,350	237,266	(65,084)
Use of money and property	283,200	882,859	170,509	(712,350)
Reimbursements	599,659	-	-	-
Miscellaneous	19,754	19,754	341,107	321,353
Total administration	<u>14,637,993</u>	<u>14,637,993</u>	<u>14,557,462</u>	<u>(80,531)</u>
Cemetery	109,250	109,250	106,930	(2,320)
Police and municipal court	1,329,000	1,329,000	1,324,361	(4,639)
Fire	190,000	190,000	192,882	2,882
Inspection	-	-	185,247	185,247
Planning and zoning	142,296	142,296	4,637	(137,659)
Parks and zoo	20,000	20,000	24,045	4,045
Total revenues	<u>16,434,539</u>	<u>16,434,539</u>	<u>16,413,437</u>	<u>(21,102)</u>
Expenditures:				
Current:				
General government:				
General administration	1,536,050	1,536,050	859,223	676,827
Human resources	141,000	141,000	141,943	(943)
Cemetery	476,200	476,200	464,641	11,559
Development services	253,700	253,700	306,901	(53,201)
Capital improvements	3,457,356	3,457,356	1,676,047	1,781,309
Employee benefits	153,511	153,511	153,511	-
Public safety:				
Police	6,732,600	6,732,600	6,433,008	299,592
Fire	2,700,300	2,700,300	2,549,348	150,952
Inspection	297,650	297,650	223,784	73,866
Municipal court	1,039,000	1,039,000	1,074,715	(35,715)
Highways and streets:				
Engineering	268,250	268,250	236,755	31,495
Street	1,351,200	1,351,200	1,331,894	19,306
Recreation:				
Parks and zoo	2,411,750	2,411,750	2,333,039	78,711
Total expenditures	<u>20,818,567</u>	<u>20,818,567</u>	<u>17,784,809</u>	<u>3,033,758</u>
Revenues over (under) expenditures	(4,384,028)	(4,384,028)	(1,371,372)	3,012,656
Other financing sources (uses):				
Transfers in	1,693,350	1,693,350	1,769,000	75,650
Transfers out	(285,000)	(285,000)	(225,000)	60,000
Capital lease proceeds	-	-	99,500	99,500
Net change in fund balances	(2,975,678)	(2,975,678)	272,128	3,247,806
Fund balance, beginning of year	<u>2,981,925</u>	<u>2,981,925</u>	<u>3,310,971</u>	<u>329,046</u>
Fund balance, end of year	<u>\$ 6,247</u>	<u>\$ 6,247</u>	<u>\$ 3,583,099</u>	<u>\$ 3,576,852</u>

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

CITY OF GARDEN CITY, KANSAS
Balance Sheet
Proprietary Funds
December 31, 2011

	Business-type Activities - Enterprise					
	Electric Utility	Electric Utility	Water and Sewer Utility	Water and Sewer Utility	Airport	Airport
	Current Year	Prior Year	Current Year	Prior Year	Current Year	Prior Year
Assets						
Current assets:						
Cash	\$ 5,201,494	\$ 4,828,608	\$ 1,976,685	\$ 1,120,011	\$ 278,461	\$ 521,655
Investments, at fair value	-	-	-	-	-	-
Temporary notes receivable	25,000	250,000	-	-	-	-
Restricted assets:						
Cash	154,183	148,034	-	-	-	-
Investments	100,000	100,000	-	-	-	-
Taxes receivable	-	-	-	-	605,897	389,860
Accounts receivable	979,764	996,884	304,075	303,723	5,442	13,597
Inventory	2,038,690	2,035,542	438,090	297,969	-	-
Total current assets	8,499,131	8,359,068	2,718,850	1,721,703	889,800	925,112
Noncurrent assets:						
Restricted assets:						
Cash	-	-	1,252,081	1,295,313	-	-
Deferred bond costs	17,648	19,083	149,011	164,985	-	-
Total restricted assets	17,648	19,083	1,401,092	1,460,298	-	-
Capital assets:						
Land	103,041	103,041	120,329	120,329	-	-
Production, storage and distribution equipment	28,193,062	27,529,772	46,406,815	45,876,424	-	-
Less accumulated depreciation	(10,666,752)	(10,035,990)	(18,874,810)	(17,877,680)	-	-
Golf course, club house and equipment	-	-	-	-	-	-
Less accumulated depreciation	-	-	-	-	-	-
Vehicles and equipment	994,331	970,448	1,057,879	1,029,024	1,146,812	1,147,512
Less accumulated depreciation	(832,308)	(808,045)	(998,376)	(921,814)	(227,413)	(237,383)
Containers	-	-	-	-	-	-
Less accumulated depreciation	-	-	-	-	-	-
Airport improvement	-	-	-	-	27,356,658	26,372,411
Less accumulated depreciation	-	-	-	-	(7,480,361)	(7,055,807)
Total capital assets	17,791,374	17,759,226	27,711,837	28,226,283	20,795,696	20,226,733
Total noncurrent assets	17,809,022	17,778,309	29,112,929	29,686,581	20,795,696	20,226,733
Total assets	\$ 26,308,153	\$ 26,137,377	\$ 31,831,779	\$ 31,408,284	\$ 21,685,496	\$ 21,151,845
Liabilities						
Current liabilities:						
Accounts payable and accrued liabilities	\$ 1,413,397	\$ 1,272,461	\$ 186,960	\$ 203,662	\$ 79,119	\$ 39,425
Unearned revenue	-	-	-	-	605,897	389,860
Accrued interest	5,220	6,909	90,898	42,222	-	-
Current portion of revenue bonds payable	146,250	124,500	1,321,707	1,345,360	-	-
Payable from restricted assets:						
Customer deposits	254,183	248,034	-	-	-	-
Total current liabilities	1,819,050	1,651,904	1,599,565	1,591,244	685,016	429,285
Noncurrent liabilities:						
Net OPEB obligation	-	-	-	-	-	-
Revenue bonds payable	1,384,250	1,530,500	11,259,659	12,581,366	-	-
Total noncurrent liabilities	1,384,250	1,530,500	11,259,659	12,581,366	-	-
Total liabilities	3,203,300	3,182,404	12,859,224	14,172,610	685,016	429,285
Net Assets						
Invested in capital assets, net of related debt	16,260,874	16,104,226	15,130,471	14,299,557	20,795,696	20,226,733
Restricted for debt service	17,648	19,083	1,401,092	1,460,298	-	-
Restricted for health insurance	-	-	-	-	-	-
Restricted for workers compensation	-	-	-	-	-	-
Unrestricted	6,826,331	6,831,664	2,440,992	1,475,819	204,784	495,827
Total net assets	23,104,853	22,954,973	18,972,555	17,235,674	21,000,480	20,722,560
Total liabilities and net assets	\$ 26,308,153	\$ 26,137,377	\$ 31,831,779	\$ 31,408,284	\$ 21,685,496	\$ 21,151,845

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

Funds				Governmental Activities
Other Enterprise Funds	Other Enterprise Funds	Totals	Totals	Internal Service Funds
Current Year	Prior Year	Current Year	Prior Year	
\$ 1,504,285	\$ 1,281,516	\$ 8,960,925	\$ 7,751,790	\$ 1,174,554
300,000	300,000	300,000	300,000	125,000
-	-	25,000	250,000	-
26,041	5,260	180,224	153,294	-
-	-	100,000	100,000	-
-	-	605,897	389,860	-
177,095	175,647	1,466,376	1,489,851	-
-	-	2,476,780	2,333,511	-
<u>2,007,421</u>	<u>1,762,423</u>	<u>14,115,202</u>	<u>12,768,306</u>	<u>1,299,554</u>
-	-	1,252,081	1,295,313	-
-	-	166,659	184,068	-
-	-	1,418,740	1,479,381	-
138,500	138,500	361,870	361,870	-
337,232	337,232	74,937,109	73,743,428	-
(28,194)	(8,520)	(29,569,756)	(27,922,190)	-
1,712,660	1,675,157	1,712,660	1,675,157	-
(978,805)	(944,592)	(978,805)	(944,592)	-
1,789,513	1,720,859	4,988,535	4,867,843	-
(1,240,915)	(1,191,664)	(3,299,012)	(3,158,906)	-
3,696,766	3,175,803	3,696,766	3,175,803	-
(2,210,991)	(2,130,360)	(2,210,991)	(2,130,360)	-
-	-	27,356,658	26,372,411	-
-	-	(7,480,361)	(7,055,807)	-
<u>3,215,766</u>	<u>2,772,415</u>	<u>69,514,673</u>	<u>68,984,657</u>	<u>-</u>
<u>3,215,766</u>	<u>2,772,415</u>	<u>70,933,413</u>	<u>70,464,038</u>	<u>-</u>
<u>\$ 5,223,187</u>	<u>\$ 4,534,838</u>	<u>\$ 85,048,615</u>	<u>\$ 83,232,344</u>	<u>\$ 1,299,554</u>
\$ 224,367	\$ 89,145	\$ 1,903,843	\$ 1,604,693	\$ 214,214
-	-	605,897	389,860	-
-	-	96,118	49,131	-
-	-	1,467,957	1,469,860	-
-	-	254,183	248,034	-
<u>224,367</u>	<u>89,145</u>	<u>4,327,998</u>	<u>3,761,578</u>	<u>214,214</u>
-	-	-	-	732,616
-	-	12,643,909	14,111,866	-
-	-	12,643,909	14,111,866	732,616
<u>224,367</u>	<u>89,145</u>	<u>16,971,907</u>	<u>17,873,444</u>	<u>946,830</u>
3,215,766	2,772,415	55,402,807	53,402,931	-
26,041	5,260	1,444,781	1,484,641	-
-	-	-	-	(115,546)
-	-	-	-	468,270
<u>1,757,013</u>	<u>1,668,018</u>	<u>11,229,120</u>	<u>10,471,328</u>	<u>-</u>
<u>4,998,820</u>	<u>4,445,693</u>	<u>68,076,708</u>	<u>65,358,900</u>	<u>352,724</u>
<u>\$ 5,223,187</u>	<u>\$ 4,534,838</u>	<u>\$ 85,048,615</u>	<u>\$ 83,232,344</u>	<u>\$ 1,299,554</u>

CITY OF GARDEN CITY, KANSAS
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended December 31, 2011

	Business-type Activities - Enterprise					
	Electric Utility	Electric Utility	Water and Sewer Utility	Water and Sewer Utility	Airport	Airport
	Current Year	Prior Year	Current Year	Prior Year	Current Year	Prior Year
Operating revenues:						
Charges for services	\$ 24,206,117	\$ 23,072,844	\$ 7,602,554	\$ 7,092,827	\$ -	\$ -
Reimbursements	-	-	-	-	-	-
Rents and utilities	-	-	-	-	236,487	286,326
Miscellaneous	4,860	4,664	20,342	2,096	383	1,039
Membership and fees	-	-	-	-	-	-
Concessions	-	-	-	-	-	-
Total operating revenues	24,210,977	23,077,508	7,622,896	7,094,923	236,870	287,365
Operating expenses:						
Personnel services	-	-	-	-	303,939	252,457
Contractual services	-	-	-	-	282,252	244,067
Commodities	43,424	23,857	-	-	212,231	161,196
Depreciation	675,812	573,769	1,081,732	992,532	450,284	450,214
Production expense	18,957,131	17,698,105	3,135,649	3,135,225	-	-
Distribution expense	1,442,147	1,239,878	460,241	463,569	-	-
Commercial and general expense	696,307	761,519	442,469	489,406	-	-
Sundry expenses	764,308	852,201	138,785	130,913	-	-
Total operating expenses	22,579,129	21,149,329	5,258,876	5,211,645	1,248,706	1,107,934
Operating income (loss)	1,631,848	1,928,179	2,364,020	1,883,278	(1,011,836)	(820,569)
Nonoperating revenues (expenses):						
Intergovernmental revenue	-	-	-	-	776,252	1,629,530
Donations	-	-	-	-	-	-
Interest income	12,365	68	-	790	-	-
Rent and royalties	-	-	-	-	7,655	10,550
Sale of materials	33,865	321,285	45,177	34,310	-	-
Interest expense	(41,201)	(6,909)	(287,625)	(447,975)	-	-
Gain (loss) on disposal of assets	(497)	(1,268)	(7,191)	(6,536)	-	-
Total nonoperating revenues (expenses)	4,532	313,176	(249,639)	(419,411)	783,907	1,640,080
Income (loss) before operating transfers	1,636,380	2,241,355	2,114,381	1,463,867	(227,929)	819,511
Capital contributions	-	-	-	-	468,849	471,787
Transfers in	-	-	-	-	37,000	-
Transfers out	(1,486,500)	(1,485,000)	(377,500)	(366,000)	-	-
Change in net assets	149,880	756,355	1,736,881	1,097,867	277,920	1,291,298
Total net assets, beginning of year	22,954,973	22,198,618	17,235,674	16,137,807	20,722,560	19,431,262
Total net assets, end of year	\$ 23,104,853	\$ 22,954,973	\$ 18,972,555	\$ 17,235,674	\$ 21,000,480	\$ 20,722,560

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

Funds				Governmental Activities
Other Enterprise Funds	Other Enterprise Funds	Totals	Totals	Internal Service Funds
Current Year	Prior Year	Current Year	Prior Year	
\$ 2,973,942	\$ 2,939,155	\$ 34,782,613	\$ 33,104,826	\$ -
-	-	-	-	3,178,517
-	-	236,487	286,326	-
3,084	8,162	28,669	15,961	-
379,058	383,846	379,058	383,846	-
72,284	64,844	72,284	64,844	-
<u>3,428,368</u>	<u>3,396,007</u>	<u>35,499,111</u>	<u>33,855,803</u>	<u>3,178,517</u>
1,679,777	1,481,896	1,983,716	1,734,353	-
880,825	1,077,658	1,163,077	1,321,725	3,420,360
437,502	384,977	693,157	570,030	-
272,974	265,792	2,480,802	2,282,307	-
-	-	22,092,780	20,833,330	-
-	-	1,902,388	1,703,447	-
-	-	1,138,776	1,250,925	-
-	-	903,093	983,114	-
<u>3,271,078</u>	<u>3,210,323</u>	<u>32,357,789</u>	<u>30,679,231</u>	<u>3,420,360</u>
<u>157,290</u>	<u>185,684</u>	<u>3,141,322</u>	<u>3,176,572</u>	<u>(241,843)</u>
-	-	776,252	1,629,530	-
35,000	-	35,000	-	-
3,349	5,071	15,714	5,929	535
8,950	4,500	16,605	15,050	-
132,184	84,510	211,226	440,105	-
-	-	(328,826)	(454,884)	-
23,854	(14,151)	16,166	(21,955)	-
<u>203,337</u>	<u>79,930</u>	<u>742,137</u>	<u>1,613,775</u>	<u>535</u>
360,627	265,614	3,883,459	4,790,347	(241,308)
-	-	468,849	471,787	-
325,000	325,000	362,000	325,000	-
(132,500)	(152,500)	(1,996,500)	(2,003,500)	-
553,127	438,114	2,717,808	3,583,634	(241,308)
<u>4,445,693</u>	<u>4,007,579</u>	<u>65,358,900</u>	<u>61,775,266</u>	<u>594,032</u>
<u>\$ 4,998,820</u>	<u>\$ 4,445,693</u>	<u>\$ 68,076,708</u>	<u>\$ 65,358,900</u>	<u>\$ 352,724</u>

CITY OF GARDEN CITY, KANSAS
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2011

	Business-type Activities - Enterprise					
	Electric Utility	Electric Utility	Water and Sewer Utility	Water and Sewer Utility	Airport	Airport
	Current Year	Prior Year	Current Year	Prior Year	Current Year	Prior Year
Cash flows from operating activities:						
Receipts from customers	\$ 24,223,237	\$ 22,977,455	\$ 7,602,202	\$ 7,050,466	\$ 244,642	\$ 279,549
Other receipts	4,860	4,664	20,342	2,096	383	1,039
Payments to suppliers	(20,025,735)	(18,978,654)	(2,866,002)	(2,829,404)	(454,789)	(395,188)
Payments for personnel services	(1,739,794)	(1,542,866)	(1,467,965)	(1,438,475)	(303,939)	(252,457)
Claims paid	-	-	-	-	-	-
Net cash provided (used) by operating activities	2,462,568	2,460,599	3,288,577	2,784,683	(513,703)	(367,057)
Cash flows from noncapital financing activities:						
Customer deposits	6,149	2,490	-	-	-	-
Subsidy from federal grants	-	-	-	-	776,252	1,629,530
Subsidy from donations	-	-	-	-	-	-
Transfers in	-	-	-	-	37,000	-
Transfers out	(1,486,500)	(1,485,000)	(377,500)	(366,000)	-	-
Net cash provided (used) by noncapital financing activities	(1,480,351)	(1,482,510)	(377,500)	(366,000)	813,252	1,629,530
Cash flows from capital and related financing activities:						
Receipts from sale of materials	33,865	321,285	45,177	34,310	-	-
Purchases of capital assets	(708,457)	(2,755,584)	(574,477)	(2,031,245)	(1,019,247)	(1,732,543)
Capital contributions	-	-	-	-	468,849	471,787
Proceeds from issuance of long-term debt	-	1,655,000	-	13,622,000	-	-
Premium from issuance of long-term debt	-	-	-	304,726	-	-
Payment of long-term debt	(124,500)	-	(1,315,000)	(12,927,595)	-	-
Interest paid on long-term debt	(41,455)	-	(253,335)	(578,827)	-	-
Bond issuance costs	-	(19,083)	-	(164,985)	-	-
Net cash provided (used) by capital and related financing activities	(840,547)	(798,382)	(2,097,635)	(1,741,616)	(550,398)	(1,260,756)
Cash flows from investing activities:						
Interest income	12,365	68	-	790	-	-
Proceeds from sale of investments	350,000	100,000	-	-	-	-
Purchase of investments	(125,000)	(400,000)	-	-	-	-
Rents and royalties	-	-	-	-	7,655	10,550
Net cash provided (used) by investing activities	237,365	(299,932)	-	790	7,655	10,550
Net increase (decrease) in cash	379,035	(120,225)	813,442	677,857	(243,194)	12,267
Cash, beginning of year	4,976,642	5,096,867	2,415,324	1,737,467	521,655	509,388
Cash, end of year	\$ 5,355,677	\$ 4,976,642	\$ 3,228,766	\$ 2,415,324	\$ 278,461	\$ 521,655
Balance sheet classification:						
Current assets	\$ 5,201,494	\$ 4,828,608	\$ 1,976,685	\$ 1,120,011	\$ 278,461	\$ 521,655
Restricted assets	154,183	148,034	1,252,081	1,295,313	-	-
Total cash, end of year	\$ 5,355,677	\$ 4,976,642	\$ 3,228,766	\$ 2,415,324	\$ 278,461	\$ 521,655
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
Operating income (loss)	\$ 1,631,848	\$ 1,928,179	\$ 2,364,020	\$ 1,883,278	\$ (1,011,836)	\$ (820,569)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:						
Depreciation	675,812	573,769	1,081,732	992,532	450,284	450,214
Change in assets and liabilities:						
(Increase) decrease in receivables	17,120	(95,389)	(352)	(42,361)	8,155	(6,777)
(Increase) decrease in inventory	(3,148)	66,689	(140,121)	(84,963)	-	-
Increase (decrease) in accounts payable	140,936	(12,649)	(16,702)	36,197	39,694	10,075
Increase in net OPEB obligations	-	-	-	-	-	-
Net cash provided (used) by operating activities	\$ 2,462,568	\$ 2,460,599	\$ 3,288,577	\$ 2,784,683	\$ (513,703)	\$ (367,057)

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

Funds				Governmental Activities
Other Enterprise Funds	Other Enterprise Funds	Totals	Totals	Internal Service Funds
Current Year	Prior Year	Current Year	Prior Year	
\$ 3,423,836	\$ 3,349,406	\$ 35,493,917	\$ 33,656,876	\$ -
3,084	8,162	28,669	15,961	3,178,517
(1,183,105)	(1,400,092)	(24,529,631)	(23,603,338)	-
(1,679,777)	(1,481,896)	(5,191,475)	(4,715,694)	-
-	-	-	-	(3,118,606)
<u>564,038</u>	<u>475,580</u>	<u>5,801,480</u>	<u>5,353,805</u>	<u>59,911</u>
-	-	6,149	2,490	-
-	-	776,252	1,629,530	-
35,000	-	35,000	-	-
325,000	325,000	362,000	325,000	-
(132,500)	(152,500)	(1,996,500)	(2,003,500)	-
<u>227,500</u>	<u>172,500</u>	<u>(817,099)</u>	<u>(46,480)</u>	<u>-</u>
132,184	84,510	211,226	440,105	-
(692,471)	(614,887)	(2,994,652)	(7,134,259)	-
-	-	468,849	471,787	-
-	-	-	15,277,000	-
-	-	-	304,726	-
-	-	(1,439,500)	(12,927,595)	-
-	-	(294,790)	(578,827)	-
-	-	-	(184,068)	-
<u>(560,287)</u>	<u>(530,377)</u>	<u>(4,048,867)</u>	<u>(4,331,131)</u>	<u>-</u>
3,349	5,071	15,714	5,929	535
300,000	300,000	650,000	400,000	-
(300,000)	(300,000)	(425,000)	(700,000)	-
8,950	4,500	16,605	15,050	-
<u>12,299</u>	<u>9,571</u>	<u>257,319</u>	<u>(279,021)</u>	<u>535</u>
243,550	127,274	1,192,833	697,173	60,446
1,286,776	1,159,502	9,200,397	8,503,224	1,114,108
<u>\$ 1,530,326</u>	<u>\$ 1,286,776</u>	<u>\$ 10,393,230</u>	<u>\$ 9,200,397</u>	<u>\$ 1,174,554</u>
\$ 1,504,285	\$ 1,281,516	\$ 8,960,925	\$ 7,751,790	\$ 1,174,554
26,041	5,260	1,432,305	1,448,607	-
<u>\$ 1,530,326</u>	<u>\$ 1,286,776</u>	<u>\$ 10,393,230</u>	<u>\$ 9,200,397</u>	<u>\$ 1,174,554</u>
\$ 157,290	\$ 185,684	\$ 3,141,322	\$ 3,176,572	\$ (241,843)
272,974	265,792	2,480,802	2,282,307	-
(1,448)	(38,439)	23,475	(182,966)	-
-	-	(143,269)	(18,274)	-
135,222	62,543	299,150	96,166	19,332
-	-	-	-	282,422
<u>\$ 564,038</u>	<u>\$ 475,580</u>	<u>\$ 5,801,480</u>	<u>\$ 5,353,805</u>	<u>\$ 59,911</u>

CITY OF GARDEN CITY, KANSAS
Statement of Fiduciary Net Assets
Fiduciary Funds
December 31, 2011

	<u>Agency Accounts</u>
<u>Assets</u>	
Cash	<u>\$ 117,822</u>
Total assets	<u><u>\$ 117,822</u></u>
<u>Liabilities</u>	
Accounts payable	<u>\$ 117,822</u>
Total liabilities	<u><u>\$ 117,822</u></u>

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

**Notes to the
Financial Statements**

CITY OF GARDEN CITY, KANSAS
Notes to the Financial Statements
December 31, 2011

1. Summary of Significant Accounting Policies

The City of Garden City, Kansas (the City) was incorporated under the provisions of the State of Kansas. The City operates under a Commission-Manager form of government and provides the following services as authorized by its charter: public safety (police and fire), streets, sanitation, health and social services, culture-recreation, public improvements, planning and zoning, and general administrative services. Other services include utilities and airport operations.

The financial statements of the City 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 City's accounting policies are described below.

A. Financial Reporting Entity

The City is a municipal corporation governed by an elected four-member commission and a mayor. The accompanying financial statements present the City (the primary government) and its component units, entities for which the City is considered to be financially accountable. Each discretely presented component unit is reported in a separate column in the government-wide financial statements (see note below for description) to emphasize that it is legally separate from the City.

The governing bodies of these discretely presented component units are appointed by the City Commission. Each discretely presented component unit has a December 31st year end.

The Garden City Recreation Commission operates the City's recreational programs. The Recreation Commission is a separate, legal municipality that now prepares and publishes its own budget. The taxes budgeted by the Recreation Commission are appropriated by the City and are required to be distributed to the Recreation Commission. The Board of Directors is responsible for the management and fiscal accountability of the Recreation Commission. The Recreation Commission is presented as a governmental fund type.

The Garden City Housing Authority operates the City's housing projects. It has its own Board of Directors, who operates independently from the City. The Board of Directors is responsible for the management and fiscal accountability of the Housing Authority. The Board is appointed by the City Commission, who also has the authority to remove appointed Board members. The Housing Authority is presented as an enterprise fund type.

Complete financial statements of the individual component units can be obtained from the City Clerk's office at the City Administrative Building or from their respective administrative offices.

Garden City Recreation Commission
310 North 6th
Garden City, KS 67846

Garden City Housing Authority
606 Pershing
Garden City, KS 67846

CITY OF GARDEN CITY, KANSAS
Notes to the Financial Statements
December 31, 2011

1. Summary of Significant Accounting Policies (continued)

B. Government-wide and Fund Financial Statements

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. 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. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

Franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Property taxes and special assessments are not available as explained in Note 1, item D and result in unearned revenue. All other revenue items and taxes are considered measurable and available only when cash is received by the City.

CITY OF GARDEN CITY, KANSAS
Notes to the Financial Statements
December 31, 2011

1. Summary of Significant Accounting Policies (continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)

The City of Garden City reports the following major governmental funds:

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

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

The City reports the following nonmajor governmental funds:

Special Revenue Funds - the special revenue funds account for revenue sources that are legally restricted to expenditures for specific purposes (not including major capital projects).

Capital Project Funds - the capital project funds account for the acquisition of fixed assets or construction of major capital projects not being financed by proprietary funds.

The City reports the following major proprietary funds:

Electric Utility - this fund is used to account for the activities of the City's electric utility department while operating the City owned generating and distribution system.

Water and Sewer Utility - this fund is used to account for the activities of the City's operations of the City owned waterworks distribution system, sanitary sewer and wastewater treatment operations. Additional funds maintained within the water and sewer utility department include Water and Sewage Maintenance Reserve, and Water and Sewage Surplus.

Airport - this fund is used to account for the operations of the Garden City Regional Airport. This department includes the Airport Improvement Fund which is used to account for the federal grants and required City matching shares for the ongoing airport improvement projects.

Additionally, the City reports the following nonmajor proprietary and other fund types:

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

Internal Service Funds - internal service funds account for health insurance and workers compensation benefits provided to other departments or agencies of the City, or to other governmental units, on a cost-reimbursement basis.

CITY OF GARDEN CITY, KANSAS
Notes to the Financial Statements
December 31, 2011

1. Summary of Significant Accounting Policies (continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)

Fiduciary Funds – agency accounts are used to account for assets held by the City as an agent on behalf of others. Agency accounts are custodial in nature and do not present results of operation or have a measurement focus. The agency accounts used by the City include:

- Payroll clearing account used to account for employee earnings and related benefits after distribution from the corresponding City departments.
- Bail bonds account used to account for monies held as bail bonds by the police department.
- Special investigations account used to account for monies received by the police department all of which are to be expended for drug control and special investigation type expenditures.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City of Garden City has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the City's enterprise activities and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds and the City's internal service funds are charges to customers for sales and services. The City also recognizes as operating revenue the portion of connection fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

CITY OF GARDEN CITY, KANSAS
Notes to the Financial Statements
December 31, 2011

1. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities, and Net Assets or Equity

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.

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the City 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 City and its component units are stated at fair value, which equals cost. The aggregate value of the investments, including certificates of deposit, at December 31, 2011, is \$2,073,599.

Receivables and Payables

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

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade and property tax receivables are shown net of an allowance for uncollectibles. Trade accounts receivable in excess of 90 days comprise the trade accounts receivable allowance for uncollectibles. The property tax receivable allowance is equal to 4.94% of outstanding property taxes at December 31, 2011.

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. At December 31, 2011, such taxes are a lien on the property and are recorded as taxes receivable, net of anticipated delinquencies of \$303,506, with a corresponding amount recorded as unearned revenue on the balance sheets of the appropriate funds. Delinquent taxes held by the County Treasurer at December 31, 2011, are not significant.

CITY OF GARDEN CITY, KANSAS
Notes to the Financial Statements
December 31, 2011

1. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities, and Net Assets or Equity (continued)

Receivables and Payables (continued)

Kansas statutes require projects financed in part by special assessments to be financed through the issuance of general obligation bonds which are secured by the full faith and credit of the City. Special assessments received prior to or after the issuance of general obligation bonds are recorded as revenue in the appropriate project fund. Further, state statutes require levying additional general ad valorem property taxes in the Debt Service Fund to finance delinquent special assessments receivable. Accordingly, special assessments receivable are accounted for within the Debt Service Fund and no provision is made for potentially delinquent receivables. Special assessments are levied over a ten or fifteen year period and annual installments are due and payable with annual ad valorem property taxes. The City may foreclose liens against property benefited by special assessments when delinquent assessments are two years in arrears. At December 31, 2011, the special assessment taxes levied are a lien on the property and are recorded as special assessments receivable in the applicable fund with a corresponding amount recorded as unearned revenue.

Inventories and Prepaid Items

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

Certain payments to vendors reflect costs applicable to future accounting periods. The City deems prepaid expenses as immaterial to the financial statements. No capitalization or amortization has been recorded in the financial statements of the primary government. The Garden City Recreation Commission and Garden City Housing Authority record certain payments to vendors that reflect costs applicable to future accounting periods as prepaid items in their financial statements.

Restricted Assets

Certain resources set aside for the repayment of the City's enterprise funds' revenue bonds are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. The "maintenance reserve" account and "repair and replacement" account are used to report resources set aside to meet unexpected contingencies or to fund asset renewals and replacements.

Capital Assets

Capital assets, which include property, plant, equipment, infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), and intangible assets (e.g., water rights), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets, other than infrastructure assets, are defined by the City as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. The City reports infrastructure assets on a network and subsystem basis. Accordingly, the amounts spent for the construction or acquisition of infrastructure assets are capitalized and reported in the government-wide financial statements regardless of their amount.

CITY OF GARDEN CITY, KANSAS
Notes to the Financial Statements
December 31, 2011

1. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities, and Net Assets or Equity (continued)

Capital Assets (continued)

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities) the City chose to include all such items regardless of their acquisition date or amount. The City was able to estimate the historical cost for the initial reporting of these assets through engineering records. As the City constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. 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 extend its useful life beyond the original estimate. In the case of donations the City values these capital assets at the estimated fair value of the item at the date of its donation.

Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. Construction in connection with the business-type activities was completed in previous years so none of the interest expense in the current year was included as part of the cost of capital assets.

Property, plant and equipment, and intangible assets of the City, as well as the component units, are depreciated/amortized using the straight-line method, with one-half year's depreciation/amortization in the year of acquisition, over the following estimated useful lives:

Buildings	40 years
Street infrastructure	40 years
Storm sewer infrastructure	50 years
Water rights	Contractual life
Improvements	20 years
Equipment and vehicles	3-10 years

Compensated Absences

The City's policy regarding vacation leave pay permits employees to accumulate leave days at a maximum rate of 22 days per year up to 40 days. Vacation leave pay is accrued when incurred in the government-wide and proprietary funds' 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 City has estimated the value of accrued vacation leave pay at December 31, 2011, to be \$942,069 of which \$660,681 is expected to be used in 2012.

The City's policy regarding sick leave pay permits employees to accumulate leave days at a maximum rate of 12 days per year up to 60 days. Leave may be used for sick leave, bereavement leave and personal leave. Payment for leave time in lieu of time off is computed at November 30th each year so that no more than 60 days are accumulated for any one individual. The City's policy is to recognize the costs of sick leave when actually paid since employees are not reimbursed for unused sick leave when they leave the City's employ.

CITY OF GARDEN CITY, KANSAS
Notes to the Financial Statements
December 31, 2011

1. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities, and Net Assets or Equity (continued)

Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the bonds outstanding method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Net Assets

In the government-wide financial statements, net assets of the City are classified in three components. *Net assets invested in capital assets net of related debt* consist of property and equipment net of accumulated depreciation and reduced by the current balances of any outstanding borrowings used to finance the purchase or construction of those assets. *Restricted net assets* are noncapital net assets that must be used for a particular purpose, as specified by creditors, grantors, contributors, or laws or regulations. *Unrestricted net assets* are remaining net assets that do not meet the definition of *invested in capital assets net of related debt* or *restricted*.

Fund Balances

In the governmental funds, equity is shown as fund balance and classified into five components.

- Nonspendable – inherently nonspendable. Assets are legally or contractually required to be maintained or are not in spendable form. Such constraint is binding until the legal requirement is repealed or amounts become spendable.
- Restricted – externally enforceable limitations on use. Assets have externally imposed constraints which are binding unless modified or rescinded by the applicable external body, laws or regulations.
- Committed – self-imposed limitations set in place prior to the end of the period at the highest level of decision making. Assets have a purpose formally imposed by resolution by the Governing Body which is binding unless modified or rescinded by the Governing Body.
- Assigned – limitation resulting from intended use. Assets are constrained by the expressed written intent of the Governing Body, City Manager or the City Finance Director.
- Unassigned – residual net resources. All amounts not included in the other fund balance classifications.

CITY OF GARDEN CITY, KANSAS
Notes to the Financial Statements
December 31, 2011

1. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities, and Net Assets or Equity (continued)

Comparative Date

Comparative total data for the prior year have been presented only for individual enterprise funds in the fund financial statements in order to provide an understanding of the changes in the financial position and operations of these funds.

2. Stewardship, Compliance and Accountability

A. Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special revenue funds (unless specifically exempted 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 August 1st.
2. Publication in local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5th.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time.

Amendments to the original budget, including qualifying budget adjustments for bond issuances and refunding, and grant revenue, were approved by the governing body, resulting in additional budget authority as follows:

Fund	Increase
Special Recreation and Parks Fund	\$ 71,000
Finnup Trust Fund	71,784
DEA Forfeiture Fund	23,900
Airport Fund	201,500
Solid Waste Utility Fund	1,144,800
Golf Course Building Fund	28,400
Health Insurance Fund	327,500
Workers Compensation Fund	75,070

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.

CITY OF GARDEN CITY, KANSAS
Notes to the Financial Statements
December 31, 2011

2. Stewardship, Compliance and Accountability (continued)

A. Budgetary Information (continued)

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 City 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.

A legal operating budget is not required for certain special revenue funds and capital projects funds. Spending in funds which are not subject to the legal annual operating budget requirement are controlled by federal regulations, other statutes or by the use of internal spending limits established by the governing body. Special revenue funds of the City controlled by federal regulations and state statutes include the COPS Grant Technology fund. Capital projects controlled by spending limits established by the governing body include the 2011 GO Bond Projects, 2011-A Temporary Note Projects, 2010-A GO Bond Projects, 2010 Temporary Note Projects, 2009 GO Bond Projects, and 2008-A GO Bond Projects funds.

The Garden City Housing Authority is exempt from the Kansas budget laws.

B. 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. Management is not aware of any statutory violations.

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CITY OF GARDEN CITY, KANSAS
Notes to the Financial Statements
December 31, 2011

2. Stewardship, Compliance and Accountability (continued)

C. Budgetary Compliance – Non-GAAP Financial Statements

By statute, the City prepares its annual budget on a non-GAAP basis of accounting as described in Note 2, item A. A reconciliation of these budgetary basis statements to the GAAP statements is as follows:

	General Fund	Debt Service Fund
Revenues (budgetary basis)	\$ 16,413,437	\$ 1,929,420
Less 2010 accrued revenues	(1,789,449)	-
Plus 2011 accrued revenues	1,860,124	-
Capital asset donation considered revenue for GAAP purposes	315,270	-
Revenues (GAAP basis)	\$ 16,799,382	\$ 1,929,420
Expenditures (budgetary basis)	\$ 17,784,809	\$ 1,879,614
Capital asset donation considered expense for GAAP purposes	315,270	-
Expenditures (GAAP basis)	\$ 18,100,079	\$ 1,879,614

D. Deficit Fund Equity

The COPS Grant Technology special revenue fund had a deficit fund balance of \$2,838 as of December 31, 2011. The fund incurred expenditures in anticipation of receipt of grant proceeds.

The 2011-A Temporary Note Projects capital project fund had a deficit fund balance of \$2,399 as of December 31, 2011. The fund incurred expenditures paid through the issuance of temporary notes. The City plans to issue bonds to finance the Projects in 2012.

E. Compliance with Kansas Statutes

References made herein to the statutes are not intended as interpretation of law, but are offered for consideration of the Director of Accounts and Reports and interpretation by the County Attorney and the legal representative of the City. No material violations were noted; however, the following immaterial violations were noted:

- Kansas statute 9-1402 requires the City's deposits in financial institutions to be adequately 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". At December 31, 2011, the City had \$213,918 in unsecured funds at Commerce Bank and \$3,904 in unsecured funds at Western State Bank.
- A deficit cash balance per Kansas statutes 10-1113 and 10-1121 occurred in the COPS Grant Technology fund at December 31, 2011, due to the expending of monies in excess of available cash by \$1,162. This was a result of the program requiring the City to expend the funds on a reimbursement basis. The City received the balance of monies due in 2012.

CITY OF GARDEN CITY, KANSAS
Notes to the Financial Statements
December 31, 2011

3. Detailed Notes on All Funds

A. Deposits and Investments

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

Cash	\$	18,391,094
Investments, at fair value		1,973,599
Restricted assets:		
Cash		1,432,305
Investments, at fair value		100,000
Total cash and investments	\$	21,896,998
Cash on hand	\$	450
Carrying amount of deposits		22,014,370
Less agency funds		(117,822)
Total cash and investments	\$	21,896,998

Investments

K.S.A. 9-1401 establishes the depositories which may be used by the City. The statute requires banks eligible to hold the City's funds have a main or branch bank in the county in which the City 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 City has no other policies that would further limit interest rate risk.

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

At year end, the City of Garden City had no investments of this type.

At year end, the Garden City Recreation Commission had no investments of this type.

At year end, the Garden City Housing Authority had no investments of this type.

Concentration of Credit Risk

State statutes place no limit on the amount the City may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

CITY OF GARDEN CITY, KANSAS
Notes to the Financial Statements
December 31, 2011

3. Detailed Notes on All Funds (continued)

A. Deposits and Investments (continued)

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City'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 City's designated "peak periods" are with Commerce Bank from January 6 to March 7 and June 6 to August 5.

At year end, the City's carrying amount of deposits was \$22,014,370 and the bank balance was \$22,220,977. Ninety-seven percent of the bank balance was held by four banks resulting in a concentration of credit risk. Of the bank balance, \$7,248,080 was covered by federal depository insurance; \$14,755,075 was collateralized with securities held by the pledging financial institutions' agents in the City's name. The balance of \$217,822 was unsecured. The City's cash deposits by financial institution at year end are shown below.

	Bank balance covered by			Total bank balance
	FDIC coverage	Pledged securities at market value	Unsecured	
Commerce Bank	\$ 4,238,986	\$ 8,500,000	\$ 213,918	\$ 12,952,904
Western State Bank	250,000	1,232,662	3,904	1,486,566
First National Bank	2,259,094	854,946	-	3,114,040
American State Bank	250,000	3,880,613	-	4,130,613
Garden City State Bank	250,000	286,854	-	536,854
Total	\$ 7,248,080	\$ 14,755,075	\$ 217,822	\$ 22,220,977

The carrying amount of deposits for the Garden City Recreation Commission, a discretely presented component unit, was \$646,714 and the bank balance was \$669,503. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, \$310,622 was covered by federal depository insurance and \$586,881 was collateralized with securities held by the pledging financial institutions' agents in the Recreation Commission's name.

The carrying amount of deposits for the Garden City Housing Authority, a discretely presented component unit, was \$254,904 and the bank balance was \$256,335. All of the bank balance was covered by federal depository insurance.

Custodial Credit Risk - Investments

For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the Government 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.

CITY OF GARDEN CITY, KANSAS
Notes to the Financial Statements
December 31, 2011

3. Detailed Notes on All Funds (continued)

B. Receivables

Receivables as of year-end for the City's individual major and nonmajor funds, and internal service funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General	Debt Service	Electric Utility	Water and Sewer Utility	Airport	Nonmajor and Other Funds	Total
Receivables:							
Taxes	\$ 5,130,672	\$ 1,277,407	\$ -	\$ -	\$ 637,897	\$ 965,164	\$ 8,011,140
Special assessments	-	1,862,566	-	-	-	-	1,862,566
Accounts and interest	291,733	-	1,098,862	343,330	5,442	201,993	1,941,360
Other	-	-	-	-	-	28,351	28,351
Gross receivables	5,422,405	3,139,973	1,098,862	343,330	643,339	1,195,508	11,843,417
Less allowance for uncollectibles	(172,000)	(60,000)	(119,098)	(39,255)	(32,000)	(64,404)	(486,757)
Net total receivables	<u>\$ 5,250,405</u>	<u>\$ 3,079,973</u>	<u>\$ 979,764</u>	<u>\$ 304,075</u>	<u>\$ 611,339</u>	<u>\$ 1,131,104</u>	<u>\$ 11,356,660</u>

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CITY OF GARDEN CITY, KANSAS
Notes to the Financial Statements
December 31, 2011

3. Detailed Notes on All Funds (continued)

C. Capital Assets

Capital asset activity for the primary government for the year ended December 31, 2011, was as follows:

	Balance 01-01-11	Additions	Deductions	Balance 12-31-11
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 1,183,776	\$ -	\$ -	\$ 1,183,776
Construction in progress	328,639	1,287,493	1,547,389	68,743
Total capital assets not being depreciated	1,512,415	1,287,493	1,547,389	1,252,519
Capital assets being depreciated:				
Buildings and improvements	14,622,542	962,540	402,270	15,182,812
Equipment	4,039,759	193,218	100,993	4,131,984
Vehicles	4,869,163	273,450	150,120	4,992,493
Furniture and fixtures	15,463	-	-	15,463
Infrastructure	50,408,371	1,652,672	-	52,061,043
Total capital assets being depreciated	73,955,298	3,081,880	653,383	76,383,795
Less accumulated depreciation for:				
Buildings and improvements	6,157,959	358,599	26,146	6,490,412
Equipment	2,032,578	278,316	43,170	2,267,724
Vehicles	3,573,674	285,236	146,289	3,712,621
Furniture and fixtures	15,325	-	-	15,325
Infrastructure	22,281,677	1,148,707	-	23,430,384
Total accumulated depreciation	34,061,213	2,070,858	215,605	35,916,466
Total capital assets being depreciated, net	39,894,085	1,011,022	437,778	40,467,329
Governmental activities capital assets, net	\$ 41,406,500	\$ 2,298,515	\$ 1,985,167	\$ 41,719,848

CITY OF GARDEN CITY, KANSAS
Notes to the Financial Statements
December 31, 2011

3. Detailed Notes on All Funds (continued)

C. Capital Assets (continued)

	Balance 01-01-11	Additions	Deductions	Balance 12-31-11
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 361,870	\$ -	\$ -	\$ 361,870
Total capital assets not being depreciated	<u>361,870</u>	<u>-</u>	<u>-</u>	<u>361,870</u>
Capital assets being depreciated:				
Production, storage and distribution equipment	73,743,428	1,193,681	-	74,937,109
Golf course, club house and equipment	1,675,157	37,503	-	1,712,660
Vehicles and equipment	4,867,843	380,147	259,455	4,988,535
Containers and equipment	3,175,803	520,963	-	3,696,766
Airport improvements	26,372,411	984,247	-	27,356,658
Total capital assets being depreciated	<u>109,834,642</u>	<u>3,116,541</u>	<u>259,455</u>	<u>112,691,728</u>
Less accumulated depreciation for:				
Production, storage and distribution equipment	27,922,190	1,647,566	-	29,569,756
Golf course, club house and equipment	944,592	34,213	-	978,805
Vehicles and equipment	3,158,906	319,984	179,878	3,299,012
Containers and equipment	2,130,360	80,631	-	2,210,991
Airport improvements	7,055,807	424,554	-	7,480,361
Total accumulated depreciation	<u>41,211,855</u>	<u>2,506,948</u>	<u>179,878</u>	<u>43,538,925</u>
Total capital assets being depreciated, net	<u>68,622,787</u>	<u>609,593</u>	<u>79,577</u>	<u>69,152,803</u>
Business-type activities capital assets, net	<u>\$ 68,984,657</u>	<u>\$ 609,593</u>	<u>\$ 79,577</u>	<u>\$ 69,514,673</u>

CITY OF GARDEN CITY, KANSAS
Notes to the Financial Statements
December 31, 2011

3. Detailed Notes on All Funds (continued)

C. Capital Assets (continued)

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

Governmental activities:	
General government	\$ 125,443
Public safety	351,221
Public works	1,286,948
Parks and recreation	<u>307,246</u>
Total additions to accumulated depreciation - governmental activities	<u>\$ 2,070,858</u>
Business-type activities:	
Electric	\$ 675,812
Water and sewer	1,081,732
Airport	450,284
Solid waste	197,218
Golf course	56,082
Drainage	<u>19,674</u>
Total depreciation expense - business-type activities	2,480,802
Accumulated depreciation on transferred assets	<u>26,146</u>
Total additions to accumulated depreciation - business-type activities	<u>\$ 2,506,948</u>

Capital Projects and Commitments

The City had several capital projects in progress at December 31, 2011. At year-end, the City's open project expenditures and remaining commitments with contractors, by category were as follows:

	Project Authorization	Expended to 12-31-11	Committed
Airport Master Plan update	\$ 583,660	\$ 271,402	\$ 312,258
Airport wildlife fence construction	905,020	310,001	595,019
Household hazardous waste project	16,050	11,896	4,154
Windsor Hotel project	88,000	-	88,000
2010 street improvement projects	57,757	55,056	2,701
2011 street improvement projects	576,773	186,749	390,024
Wiley Park walking trail phase 2	29,272	-	29,272
Aviary flight cage	78,694	39,347	39,347
Grow Well Center	43,225	10,000	33,225
Advanced metering infrastructure	<u>3,603,579</u>	<u>3,483,978</u>	<u>119,601</u>
Total	<u>\$ 5,982,030</u>	<u>\$ 4,368,429</u>	<u>\$ 1,613,601</u>

CITY OF GARDEN CITY, KANSAS
Notes to the Financial Statements
December 31, 2011

3. Detailed Notes on All Funds (continued)

C. Capital Assets (continued)

Capital Projects and Commitments (continued)

Subsequent to year end, the City entered into capital projects with commitments to contractors, by category, as follows:

	Project Authorization
Sprayground improvements	\$ 273,958
Roadway engineering services	552,901
2013 KLINK street improvement project	385,145
2012 street sealing	350,938
Total	\$ 1,562,942

Discretely Presented Component Units

Capital asset activity for the Garden City Recreation Commission for the year ended December 31, 2011, was as follows:

	Balance 01-01-11	Additions	Deductions	Balance 12-31-11
Governmental activities:				
Capital assets being depreciated:				
Buildings and improvements	\$ 282,865	\$ -	\$ 221,624	\$ 61,241
Equipment	1,320,320	62,502	550,792	832,030
Total capital assets being depreciated	1,603,185	62,502	772,416	893,271
Less accumulated depreciation for:				
Buildings and improvements	225,892	6,993	203,894	28,991
Equipment	936,366	103,072	525,456	513,982
Total accumulated depreciation	1,162,258	110,065	729,350	542,973
Recreation Commission capital assets, net	\$ 440,927	\$ (47,563)	\$ 43,066	\$ 350,298

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CITY OF GARDEN CITY, KANSAS
Notes to the Financial Statements
December 31, 2011

3. Detailed Notes on All Funds (continued)

C. Capital Assets (continued)

Discretely Presented Component Units (continued)

Capital asset activity for the Garden City Housing Authority for the year ended December 31, 2011, was as follows:

	Balance 01-01-11	Additions	Deductions	Balance 12-31-11
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 426,144	\$ -	\$ -	\$ 426,144
Construction in progress	212,333	14,010	165,227	61,116
Total capital assets not being depreciated	638,477	14,010	165,227	487,260
Capital assets being depreciated:				
Buildings and improvements	3,790,234	165,227	-	3,955,461
Equipment	404,945	12,122	13,754	403,313
Total capital assets being depreciated	4,195,179	177,349	13,754	4,358,774
Less accumulated depreciation	2,579,866	149,044	13,754	2,715,156
Total capital assets being depreciated, net	1,615,313	28,305	-	1,643,618
Housing Authority capital assets, net	\$ 2,253,790	\$ 42,315	\$ 165,227	\$ 2,130,878

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CITY OF GARDEN CITY, KANSAS
Notes to the Financial Statements
December 31, 2011

3. Detailed Notes on All Funds (continued)

D. Interfund Receivables, Payables and Transfers

The composition of interfund balances as of December 31, 2011, is as follows:

Receivable Fund	Payable Fund	Amount
Temporary notes:		
Electric Utility	Nonmajor capital projects fund	\$ 25,000
Total		\$ 25,000

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Kansas statutes permit the issuance of temporary notes to finance certain capital improvement projects which will be refinanced with general obligation bonds. These temporary notes are interfund loans for internal improvements and are to be retired with bond proceeds.

A summary of interfund transfers by fund type is as follows:

	Transfers in:						Total
	General	Debt Service	Airport	Nonmajor Governmental Funds	Nonmajor Proprietary Funds	Internal Service Funds	
Transfers out:							
General	\$ -	\$ -	\$ -	\$ 125,000	\$ 100,000	\$ -	\$ 225,000
Electric Utility	1,274,000	-	-	212,500	-	-	1,486,500
Water and Sewer Utility	362,500	-	-	15,000	-	-	377,500
Nonmajor Governmental Funds	-	-	37,000	-	225,000	-	262,000
Nonmajor Proprietary Funds	132,500	-	-	-	-	-	132,500
Total	\$ 1,769,000	\$ -	\$ 37,000	\$ 352,500	\$ 325,000	\$ -	\$ 2,483,500

Transfers are used to (1) move revenues from the fund with collection authorization to the debt service fund as debt service principal and interest payments become due, (2) move restricted amounts from borrowings to the debt service fund to establish mandatory reserve accounts, and (3) move unrestricted general fund revenues to finance various programs that the City must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs.

In the government-wide financial statements, transfers in and out of the internal service funds are not reflected.

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CITY OF GARDEN CITY, KANSAS
Notes to the Financial Statements
December 31, 2011

3. Detailed Notes on All Funds (continued)

E. Leases

Capital Leases

The City has entered into various lease agreements to finance the acquisition of fire and police department vehicles and equipment, street department equipment, and a copier for the planning and community development department. 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 their inception.

The following is a summary of assets acquired through these capital lease agreements by the City at December 31, 2011:

	Governmental Activities
Vehicles and equipment	\$ 915,529
Less accumulated depreciation	(226,993)
Total	\$ 688,536

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2011, are as follows:

	Governmental Activities
2012	\$ 218,815
2013	251,255
2014	134,747
2015	99,284
2016	39,642
Total minimum lease payments	743,743
Less amount representing interest	(49,717)
Present value of future minimum lease payments	\$ 694,026

Subsequent to year end, the City Commissioners authorized staff to enter into a lease agreement for the acquisition of four police vehicles at a cost of \$96,636. The future minimum lease obligation and the net present value of the minimum lease payments are as follows:

	Governmental Activities
2012	\$ 33,083
2013	33,083
2014	33,084
Total minimum lease payments	99,250
Less amount representing interest	(2,614)
Present value of future minimum lease payments	\$ 96,636

CITY OF GARDEN CITY, KANSAS
Notes to the Financial Statements
December 31, 2011

3. Detailed Notes on All Funds (continued)

E. Leases (continued)

Capital Leases (continued)

The Garden City Recreation Commission has entered into 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 Garden City Recreation Commission at December 31, 2011:

	Governmental Activities
Vehicles and equipment	\$ 257,646
Less accumulated depreciation	(117,538)
Total	\$ 140,108

The future minimum lease obligations and the net present value of these minimum lease payments for the Garden City Recreation Commission as of December 31, 2011, are as follows:

	Governmental Activities
2012	\$ 42,113
2013	15,698
2014	7,865
2015	7,865
2016	7,865
Total minimum lease payments	81,406
Less amount representing interest	(5,705)
Present value of future minimum lease payments	\$ 75,701

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CITY OF GARDEN CITY, KANSAS
Notes to the Financial Statements
December 31, 2011

3. Detailed Notes on All Funds (continued)

F. Long-Term Debt

General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction or improvement of major capital assets. General obligation bonds have been issued for both governmental and business-type activities. The original principal amount of general obligation bonds issued in prior years was \$16,136,000. During the year, general obligation bonds totaling \$2,360,000 were issued.

General obligation bonds are direct obligations and the full faith and credit of the City is pledged to their repayment. These bonds generally are issued as 5 to 15-year serial bonds with nearly equal amounts of principal maturing each year. General obligation bonds currently outstanding are as follows:

<u>Purpose</u>	<u>Date of Issue</u>	<u>Maturity Date</u>	<u>Outstanding Interest Rates</u>	<u>Balance 12-31-11</u>
Governmental activities:				
Refunding	12-01-03	11-01-13	3.25 to 3.60%	\$ 80,000
Internal Improvement	12-01-03	11-01-14	3.35 to 3.75%	215,000
Internal Improvement	09-01-05	11-01-15	3.45 to 3.80%	620,000
Internal Improvement	05-01-06	11-01-16	3.75 to 4.00%	770,000
Internal Improvement	04-01-07	11-01-17	3.50 to 3.65%	1,160,000
Internal Improvement	09-01-08	11-01-18	2.75 to 3.70%	2,345,000
Internal Improvement	07-01-09	11-01-19	2.00 to 3.30%	1,845,000
Internal Improvement	08-01-10	11-01-20	1.50 to 2.75%	1,112,500
Refunding	12-01-10	09-01-24	2.00 to 3.25%	110,000
Internal Improvement	08-01-11	11-01-21	1.00 to 2.50%	2,360,000
Business-type activities:				
Internal Improvement	08-01-10	11-01-20	1.50 to 2.75%	3,127,500
Refunding	12-01-10	09-01-24	2.00 to 3.25%	10,710,000
Total general obligation bonds payable				<u>\$ 24,455,000</u>

Subsequent to year end, the City Commissioners authorized staff to proceed with a \$6,000,000 bond sale for economic development and welfare of the City, and for \$5,750,000 for 2012 and 2013 projects.

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CITY OF GARDEN CITY, KANSAS
Notes to the Financial Statements
December 31, 2011

3. Detailed Notes on All Funds (continued)

F. Long-Term Debt (continued)

General Obligation Bonds (continued)

The annual debt service requirements to maturity for general obligation bonds outstanding at December 31, 2011, including interest payments, are as follows:

Year ending December 31,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2012	\$ 1,501,250	\$ 306,636	\$ 1,438,750	\$ 320,338
2013	1,461,500	256,289	1,473,500	293,056
2014	1,474,000	216,290	1,506,000	265,018
2015	1,453,050	174,687	1,541,950	236,165
2016	1,343,500	132,865	1,576,500	206,129
2017-2021	3,384,200	201,616	5,885,800	456,563
2022-2024	-	-	415,000	23,965
Total	\$ 10,617,500	\$ 1,288,383	\$ 13,837,500	\$ 1,801,234

Bond Covenants

There are a number of limitations and restrictions contained in the various bond indentures. The City appears to be in compliance with all significant limitations and restrictions.

Changes in Long-Term Liabilities

Long-term liability activity for the City for the year ended December 31, 2011, was as follows:

	Balance 01-01-11	Additions	Retired	Balance 12-31-11	Due Within One Year
Governmental activities:					
General obligation bonds	\$ 9,823,000	\$ 2,360,000	\$ 1,565,500	\$ 10,617,500	\$ 1,501,250
Capital leases	744,533	202,000	252,507	694,026	197,365
Compensated absences	956,598	634,279	648,808	942,069	660,681
Net OPEB obligation	450,194	282,422	18,000	732,616	-
Total governmental activities long-term liabilities	<u>\$ 11,974,325</u>	<u>\$ 3,478,701</u>	<u>\$ 2,484,815</u>	<u>\$ 12,986,211</u>	<u>\$ 2,359,296</u>
Business-type activities:					
General obligation bonds	\$ 15,277,000	\$ -	\$ 1,439,500	\$ 13,837,500	1,438,750
Plus bond premium	304,726	-	30,360	274,366	29,207
Total business-type activities long-term liabilities	<u>\$ 15,581,726</u>	<u>\$ -</u>	<u>\$ 1,469,860</u>	<u>\$ 14,111,866</u>	<u>\$ 1,467,957</u>

For the governmental activities, compensated absences are generally liquidated by the general fund and net OPEB obligations are generally liquidated by the health insurance fund.

CITY OF GARDEN CITY, KANSAS
Notes to the Financial Statements
December 31, 2011

3. Detailed Notes on All Funds (continued)

F. Long-Term Debt (continued)

Changes in Long-Term Liabilities (continued)

Long-term liability activity for the Garden City Recreation Commission for the year ended December 31, 2011, was as follows:

	Balance 01-01-11	Additions	Retired	Balance 12-31-11	Due Within One Year
Governmental activities:					
Capital leases	\$ 83,864	\$ 43,488	\$ 51,651	\$ 75,701	\$ 39,182
Compensated absences	35,805	38,360	31,348	42,817	-
Total governmental activities					
long-term liabilities	<u>\$ 119,669</u>	<u>\$ 81,848</u>	<u>\$ 82,999</u>	<u>\$ 118,518</u>	<u>\$ 39,182</u>

Long-term liability activity for the Garden City Housing Authority for the year ended December 31, 2011, was as follows:

	Balance 01-01-11	Additions	Retired	Balance 12-31-11	Due Within One Year
Governmental activities:					
Compensated absences	\$ 17,720	\$ -	\$ 2,168	\$ 15,552	\$ 1,555

Conduit Debt Obligations

From time to time, the City has issued Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of December 31, 2011, there were 5 series of Industrial Revenue Bonds outstanding, with an aggregate principal amount payable of \$17,695,266.

Subsequent Events

Subsequent to year end, the City Commissioners authorized staff to issue \$11,750,000 in temporary note financing for certain capital improvements, property acquisition and improvements of such property, with the intent to issue general obligation bonds to ultimately fund the improvements.

G. Segment Information

The City issued general obligation bonds to finance its electric utility and water and sewer utility, which operate the City's electrical system and water system and sewage treatment plant. The electric utility and water and sewer utility are accounted for as separate activities. Financial information for the electric utility fund water and sewer utility fund is shown on pages 24 through 29 of this report.

CITY OF GARDEN CITY, KANSAS
Notes to the Financial Statements
December 31, 2011

3. Detailed Notes on All Funds (continued)

H. Restricted Assets

The balances of the restricted asset accounts in the enterprise funds are as follows:

Cash:	
Maintenance reserve	\$ 732,350
Repair and replacement	519,731
Building	26,041
Security deposits	154,183
Investments:	
Security deposits	100,000
Deferred bond costs	166,659
	166,659
Total restricted assets	\$ 1,698,964

4. Other Information

A. Risk Management and Self-Insurance

The City 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 for which the City carries commercial insurance. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years. In addition, the City has established, through ordinances, the following risk management and self-insurance funds:

The Health Insurance Fund (an internal service fund) accounts for the City's payments on self-insured medical costs. The City remits amounts from funds paying salaries and benefits for the City employees to this fund based upon projected premium costs if a third party insurance carrier was used. Claims are then paid out of this fund for medical costs as they are filed or incurred. Retired employees are also covered by the program provided that they pay an annual premium to the City. Since the City began self-insuring, claims liability has not exceeded departmental billings. Net assets represent equity designated to pay for future catastrophic losses.

The Workers Compensation Fund (an internal service fund) accounts for the City's payments on self-insured workers compensation and employer's liability insurance costs. The City transfers amounts from funds paying salaries and benefits for the City employees to this fund based upon projected costs. Claims are then paid out of this fund for workers' claims as they are filed or incurred. Net assets represent equity designated to pay for future catastrophic losses.

Liabilities of the funds are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example from subrogation, are another component of the claims liability estimate.

CITY OF GARDEN CITY, KANSAS
Notes to the Financial Statements
December 31, 2011

4. Other Information (continued)

A. Risk Management and Self-Insurance (continued)

The City's self-insurance coverage for workers compensation applies up to \$400,000 per accident on electrical employees and up to \$300,000 per accident on all other employees. The City carries additional commercial insurance to cover risk above the preceding limits up to \$1,000,000 per accident. The City's self-insurance policy for medical insurance contains a stop/loss clause of \$100,000 per individual and an aggregate stop/loss clause that covers claims above \$2,214,274. Since the City became self-insured in these areas, payments from City departments have exceeded claims.

Changes in the funds' claims liability amount in fiscal years 2010 and 2011 were:

	<u>Health Insurance Fund</u>		<u>Workers Compensation Fund</u>	
	<u>12-31-10</u>	<u>12-31-11</u>	<u>12-31-10</u>	<u>12-31-11</u>
Beginning of fiscal year liability	\$ 198,853	\$ 189,065	\$ 7,450	\$ 5,817
Current year claims and changes in estimates	2,850,643	3,157,156	320,418	263,204
Claim payments	<u>(2,860,431)</u>	<u>(3,133,484)</u>	<u>(322,051)</u>	<u>(267,544)</u>
Balance at fiscal year end	<u>\$ 189,065</u>	<u>\$ 212,737</u>	<u>\$ 5,817</u>	<u>\$ 1,477</u>

B. Related Party Transactions

Various departments and funds within the City provide goods and services to other operating departments. Charges for these services are billed in the same manner such services would be billed to the general public and are handled as arms length transactions in the normal course of business.

The City purchased services from a business operated by a City Commissioner. The City paid the business \$11,000 during the year ended December 31, 2011.

C. Commitments and Contingencies

Contracts

The City has entered into an operating agreement for the airport air traffic control tower. This is an annual agreement with fees totaling \$52,827 for the year ended December 31, 2011.

The City has entered into an operating agreement for an employee wellness center. This is a three year agreement with fees totaling \$150,902 for the year ended December 31, 2011. Future fees under this agreement are as follows:

2012	\$ 276,158
2013	286,832
2014	<u>167,858</u>
Total	<u>\$ 730,848</u>

CITY OF GARDEN CITY, KANSAS
Notes to the Financial Statements
December 31, 2011

4. Other Information (continued)

C. Commitments and Contingencies (continued)

Contracts (continued)

The City has entered into an interlocal agreement with Finney County for the repayment of a \$1,000,000 promissory note with the Secretary of Transportation of the State of Kansas, to be used to facilitate the construction of a railroad spur and provide for economic development. The interlocal agreement provides the City will provide Finney County with one-half of the annual loan payment amount with the County being responsible for the disbursement of the repayment proceeds to the Secretary of Transportation. During the year ended December 31, 2011, the City paid \$64,511 under this agreement. Future minimum payments under this agreement are as follows:

2012	\$	110,416
2013		110,416
2014		110,416
2015		110,416
2016		110,416
2017-2021		487,671
Total minimum payments	\$	1,039,751

Subsequent to year end Finney County sold the land and railroad spur with the intent to pay-off the promissory note.

Litigation

The City is named as a party in various lawsuits. These lawsuits are in the discovery stages and the effect, if any, on the City is not determinable at this time. In the opinion of management, the ultimate outcome of these lawsuits will not have a material adverse effect on the financial condition of the City.

Grant Audits

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

Subsequent Events

Subsequent to year end the City accepted bids for the purchase of vehicles and equipment totaling \$348,034, and real property totaling \$134,200.

CITY OF GARDEN CITY, KANSAS
Notes to the Financial Statements
December 31, 2011

4. Other Information (continued)

D. Airport Fund

Other expenses are included in this fund other than the grant expenses shown on the Schedule of Expenditures of Federal Awards.

E. Jointly Governed Organization

The following organization is a jointly governed organization in which the City participates and is not included in the basic financial statements of the City:

Garden City Information Technologies Cooperative is a jointly governed organization between the City of Garden City, Kansas; the County of Finney, Kansas; Unified School District No. 457; Garden City Community College; and St. Catherine Hospital, created under KSA 12-2901. Garden City Information Technologies Cooperative is governed by a board appointed by the participating parties. The purpose of Garden City Information Technologies Cooperative is to enhance the coordination and technology sharing among the members of the Cooperative, address the long term goals of the Cooperative that provide an enhanced community and regional telecommunications and integrated community network, and to seek out the opportunities that are identified by the Cooperative that provide services to local and regional interests and lead to the use of the Cooperative as a tool for economic development. This is accomplished by coordinating technology purchases and training, development of communication networks within Garden City and southwest Kansas, and providing videoconferencing, telecommuting and office access within the community. The primary source of funding for Garden City Information Technologies Cooperative is from the general funds of the participating parties and through procuring grants. The City of Garden City, Kansas, contributed \$-0- to the operations of Garden City Information Technologies Cooperative during the year ended December 31, 2011. The City of Garden City, Kansas, has no equity interest nor does the City materially contribute to the continued existence of Garden City Information Technologies Cooperative. Garden City Information Technologies Cooperative has a December 31st year end.

F. Postemployment Health Care Benefits

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the City makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured. This program is offered for a duration of 18 months after the employee's termination date. There is no cost to the City under this program, and there were four participants in the program at December 31, 2011.

G. Other Postemployment Healthcare Benefits

Description

Kansas statute provides that postemployment healthcare benefits be extended to retired employees who have met the age and/or service eligibility requirements. The health insurance benefit generally provides the same coverage for retirees and their dependents as for active employees and their dependents. The health insurance benefit plan is a single employer defined benefit plan administered by the City. The benefit is available for selection at retirement and is extended to retirees and their dependents until the age of 65. Grandfathered retirees may continue coverage until death. The benefits renew on a calendar year basis. The accounting for the health insurance for retirees is included in the City's health insurance fund, with the subsidy provided from the general and enterprise funds.

CITY OF GARDEN CITY, KANSAS
Notes to the Financial Statements
December 31, 2011

4. Other Information (continued)

G. Other Postemployment Healthcare Benefits (continued)

Funding policy

The City provides health insurance benefits to qualifying retirees and their dependents in accordance with Kansas law. Kansas statute, which may be amended by the State legislature, established that participating retirees may remain in the City's health insurance plan by paying the entire premium.

Currently, eligible retirees receive no direct contribution from the City for their medical, prescription drug and dental premium rates as established annually by the City. The required retiree contribution rate equals the carrier-charged premium. The carrier-charged premium for the year ended December 31, 2011, ranged from \$206 to \$654 per month per retiree participant. The City appropriates funds annually for the costs associated with the retirement benefit and provides funding for the expenditures on a pay-as-you-go basis.

Annual OPEB cost and net OPEB obligation

The City's annual OPEB (Other Postemployment Benefits) cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The following table presents the components of the City's annual OPEB cost for the year, the contribution to the plan, and changes in the City's net OPEB obligation.

Normal cost	\$	194,614
Amortization of unfunded actuarial accrued liability		108,689
Annual required contribution		303,303
Interest on net OPEB obligation		18,008
Adjustment to annual required contribution		(20,889)
Annual OPEB cost (expense)		300,422
Contributions made		18,000
Increase in net OPEB obligation		282,422
Net OPEB Obligation, January 1		450,194
Net OPEB Obligation, December 31	\$	732,616

Fiscal Year	Annual OPEB Cost	Employer Contributions	Percentage Contributed	Net OPEB Obligation
2009	\$ 266,097	\$ 41,000	15.4 %	\$ 225,097
2010	266,097	41,000	15.4	450,194
2011	300,422	18,000	6.0	732,616

Funded Status and Funding Progress

As of January 1, 2011, the most recent actuarial valuation date, the actuarial accrued liability for benefits was \$2,252,352. The City's policy is to fund the benefits on a pay as you go basis, resulting in an unfunded actuarial accrued liability (UAAL) of \$2,252,352. The covered payroll (annual payroll of active employees covered by the plan) was \$10,611,304 and the ratio of the UAAL to the covered payroll was 21.2%.

CITY OF GARDEN CITY, KANSAS
Notes to the Financial Statements
December 31, 2011

4. Other information (continued)

G. Other Postemployment Healthcare Benefits (continued)

Funded Status and Funding Progress (continued)

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. The valuation includes, for example, assumptions about future employment, mortality and the healthcare cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of employer are subject to continual revision as actual results are compared with the past expectations and new estimates are made about the future. The schedule of funding progress will present in time, multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions

Projections of benefits for reporting purposes are based on the substantive plan and include the types of benefits provided at the time of valuation and the historical pattern of sharing of benefit cost between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and actuarial value of assets, consistent with the long-term perspective of the calculations.

In the December 31, 2011, actuarial valuation, the projection unit credit method was applied. The actuarial assumptions included a 4.0% investment rate of return which is based on long term return experience of asset classes stipulated in the investment policy underlying applicable funds and on recent return experience of the City. The valuation assumed annual healthcare cost trend rates of 8% to 7% in the first three years and an ultimate rate of 5% after three years. The valuation followed generally accepted actuarial methods and included tests as considered necessary to assure the accuracy of the results. The UAAL is being amortized over a 30 year open period in level dollar amounts.

H. Defined Benefit Pension Plan

Plan description: The City of Garden City, Kansas, contributes to the Kansas Public Employees Retirement System ("KPERS") and the Kansas Police and Firemen's Retirement System (KP&F). Both are cost sharing, multiple-employer defined benefit pension plans as provided by K.S.A. 74-4901, *et seq.* KPERS and KP&F provide retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS and KP&F issue a publicly available financial report that includes financial statements and required supplementary information. Those reports may be obtained by writing to KPERS (611 S Kansas, Suite 100; Topeka, KS 66603-3869) or by calling 1-888-275-5737.

Funding policy: K.S.A. 74-4919 establishes the KPERS member-employee contribution rate at up to 6% of covered salary. K.S.A. 74-4975 establishes KP&F member-employee contribution rate at up to 7% of covered salary. The employer collects and remits member-employee contributions according to the provisions of section 414(h) of the Internal Revenue Code. State law provides that the employer contribution rates be determined annually based on the results of an annual actuarial valuation. KPERS and KP&F are funded on an actuarial reserve basis. State law sets a limitation on annual increases in the contribution rates. The KPERS employer rate established by statute for calendar year 2011 is 7.74%. The City of Garden City, Kansas, contributions to KPERS for the years ending December 31, 2011, 2010 and 2009, were \$633,949, \$561,262, and \$448,232, respectively, equal to the statutory required contributions for each year. The KP&F employer rate established by statute for fiscal years beginning in 2011 is 14.57%. Employers participating in KP&F also make contributions to amortize the liability for past service costs, if any, which is determined separately for each participating employer.

CITY OF GARDEN CITY, KANSAS
Notes to the Financial Statements
December 31, 2011

4. Other information (continued)

H. Defined Benefit Pension Plan (continued)

The City of Garden City, Kansas, contributions to KP&F for the year ending December 31, 2011, 2010 and 2009, were \$622,725, \$551,548, and \$594,483, respectively, equal to the statutory required contributions for each year as set forth by the legislature.

Employees of the discretely presented component units also contribute to the Kansas Public Employees Retirement System. All contribution requirements were met by the component units and their employees.

I. New Pronouncements

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

- GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, issued June, 2011, will be effective for the City beginning with its year ending December 31, 2012. This Statement is intended to improve financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effects on a government's net position. It alleviates uncertainty about reporting those financial statement elements by providing guidance where none previously existed.
- GASB Statement No. 61, *The Financial Reporting Entity: Omnibus, An Amendment of GASB Statements No. 14 and No. 34*, issued November, 2010, will be effective for the City beginning with its year ending December 31, 2012. This Statement is intended to improve guidance for including, presenting, and disclosing information about component units and equity interest transactions of a financial reporting entity.

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

J. Prior Period Adjustments

The net assets invested in capital assets, net of related debt for the business-type activities at December 31, 2010, in the government-wide financial statements were increased by \$49,131 to correct errors in reporting accrued interest payable on long-term debt in the proprietary funds. The unrestricted net assets decreased by \$49,131. The effect on the City's business-type activities in the proprietary funds financial statements is summarized as follows:

Change to Net Assets	Electric Utility	Water and Sewer Utility	Total
Invested in capital assets, net of related debt	\$ 6,909	\$ 42,222	\$ 49,131
Unrestricted	(6,909)	(42,222)	(49,131)
 Total change	 \$ -	 \$ -	 \$ -

Required Supplementary Information

CITY OF GARDEN CITY, KANSAS
 Schedule of Funding Progress –
 Other Postemployment Benefits
 December 31, 2011

As of January 1, 2011, the most recent actuarial valuation date, the actuarial accrued liability for benefits was \$2,252,352. The City's policy is to fund the benefits on a pay as you go basis, resulting in an unfunded actuarial accrued liability (UAAL) of \$2,252,352. The covered payroll (annual payroll of active employees covered by the plan) was \$10,611,304 and the ratio of the UAAL to the covered payroll was 21.2%.

Actuarial Valuation Date	Actuarial Value of Assets (a)	Net Actuarial Accrued Liability (AAL) (b)	Unfunded (AAL) (UAAL) (b-a)	Funded Ratio	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/(c)
1/1/2009	\$ -	\$ 1,939,286	\$ 1,939,286	0.0%	\$ 10,384,185	18.7%
1/1/2011	-	2,252,352	2,252,352	0.0%	10,611,304	21.2%

**Combining and Individual Fund
Statements and Schedules**

Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes. The Special Revenue Funds used by the City of Garden City, Kansas, are:

Community Trust:

This fund was created from monies remaining in a bond reserve fund when the bond issue was retired. Loans for capital improvements are made through and repaid through this fund. In addition, the fund accounts for the operating transfers to the golf course.

Capital Improvements:

This fund is used to account for monies transferred in from various City funds for capital projects that were authorized but not completed in that year. By transferring the monies to this fund, the projects can be completed with funds which were previously authorized for that purpose.

Recreation:

This fund is used to account for monies received from the annual tax levy which are then distributed to the Recreation Commission.

Special Trafficway:

This fund is used to account for monies levied by the State of Kansas (i.e.: motor fuels tax) which produces revenues the City can use to defray in whole or in part the cost of constructing, altering, reconstructing, maintaining and repairing streets and highways. A portion of this fund is reserved by the motor fuels tax revenue bond - series 1993 ordinance which requires a cash reserve for the revenue bond issue. In addition, the fund is used to account for monies dedicated to repay the principal and interest costs on the motor fuels tax revenue bond - series 1993.

Special Improvements:

This fund is used to account for monies received on insurance claims which are then paid out in accordance with the claim. The fund also accounts for expenses involved in property nuisance complaints which are then reimbursed by the property owner.

Cemetery Endowment:

This fund was established to provide monies for maintenance and upkeep of the cemetery by providing that six percent of the cemetery space proceeds be accounted for in this fund.

Special Recreation and Parks:

This fund is used to account for monies provided by a state liquor tax on private clubs which are to be expended for the purchase, establishment, maintenance or expansion of park and recreational services, programs and facilities.

Special Alcohol Programs:

This fund is used to account for monies provided by a state liquor tax on private clubs which are to be expended for the purchase, establishment, maintenance or expansion of services or programs for alcoholism prevention and education.

Nonmajor Governmental Funds

Special Revenue Funds

Finnup Trust Fund:

This fund is used to account for monies received from the Finnup Foundation and expended on specified projects for Finnup Park.

Special Liability:

This fund is used to account for monies reserved for the purpose of paying nondeductible claims and related costs arising from legal actions and settlements.

Drug Enforcement:

This fund is used to account for revenues passed through from the State Department of Justice which are matched with a percentage of City monies, all of which are to be expended for drug control type expenditures.

DEA Forfeiture:

This fund is used to account for monies from DEA drug forfeitures which are to be expended for drug control type expenditures.

Community Development Loan Fund:

This fund is used to account for housing rehabilitation loan repayments and expenditures for qualified housing rehabilitation loans.

Economic Development:

This fund is used to account for loan repayments and new loan authorizations of monies available and set aside for economic development activities within the City.

Enhanced Wireless 911:

This fund is used to account for the activities of the City's E911 emergency communications system funded by a special telephone use fee imposed on all wireless user accounts.

Community Development Grant:

This fund is used to account for a federal grant received and expenditures made for the benefit of the Emmaus House.

COPS Grant Technology:

This fund is used to account for a federal grant received and expenditures made for technology equipment for local law enforcement.

Project Development:

This fund is used to account for all resources received and expenditures made for project development within the City.

Nonmajor Governmental Funds

Capital Projects Funds

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

The following funds are used to account for the financing and construction of various street, storm drainage, sewer, wastewater and water distribution improvements within the City. Interim financing is provided by temporary notes until the projects are completed and included in subsequent general and limited obligation bond issues.

- 2011 GO Bond Projects
- 2011-A Temporary Note Projects
- 2010-A GO Bond Projects
- 2010 Temporary Note Projects
- 2009 GO Bond Projects
- 2008-A GO Bond Projects

CITY OF GARDEN CITY, KANSAS
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2011

<u>Assets</u>	<u>Community Trust</u>	<u>Capital Improvements</u>	<u>Recreation</u>	<u>Special Trafficway</u>
Cash	\$ 643,140	\$ 273,095	\$ 10,355	\$ 699,808
Investments, at fair value	1,000,000	100,000	-	309,289
Receivables (net of allowances for uncollectibles):				
Taxes	-	-	750,955	174,703
Other	-	-	-	85
 Total assets	 <u>\$ 1,643,140</u>	 <u>\$ 373,095</u>	 <u>\$ 761,310</u>	 <u>\$ 1,183,885</u>
 <u>Liabilities and Fund Balances</u>				
Liabilities:				
Accounts payable	\$ -	\$ 9,187	\$ -	\$ 31,558
Interfund payable	-	-	-	-
Deferred revenue	-	-	750,955	-
Temporary notes payable	-	-	-	-
 Total liabilities	 <u>-</u>	 <u>9,187</u>	 <u>750,955</u>	 <u>31,558</u>
Fund balances:				
Restricted	-	-	10,355	1,152,327
Committed	1,643,140	-	-	-
Assigned	-	363,908	-	-
 Total fund balances	 <u>1,643,140</u>	 <u>363,908</u>	 <u>10,355</u>	 <u>1,152,327</u>
 Total liabilities and fund balances	 <u>\$ 1,643,140</u>	 <u>\$ 373,095</u>	 <u>\$ 761,310</u>	 <u>\$ 1,183,885</u>

(continued)

Special Revenues					
Special Improvements	Cemetery Endowment	Special Recreation and Parks	Special Alcohol Programs	Finnup Trust Fund	Special Liability
\$ 198,057	\$ 6,352	\$ 83,361	\$ 18,484	\$ 49,289	\$ 160,043
-	14,310	-	-	-	-
-	-	-	-	-	-
17,595	-	-	-	-	-
<u>\$ 215,652</u>	<u>\$ 20,662</u>	<u>\$ 83,361</u>	<u>\$ 18,484</u>	<u>\$ 49,289</u>	<u>\$ 160,043</u>
\$ 1,546	\$ -	\$ -	\$ -	\$ 1,772	\$ 5,800
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,546	-	-	-	1,772	5,800
-	20,662	83,361	18,484	47,517	-
-	-	-	-	-	-
214,106	-	-	-	-	154,243
<u>214,106</u>	<u>20,662</u>	<u>83,361</u>	<u>18,484</u>	<u>47,517</u>	<u>154,243</u>
<u>\$ 215,652</u>	<u>\$ 20,662</u>	<u>\$ 83,361</u>	<u>\$ 18,484</u>	<u>\$ 49,289</u>	<u>\$ 160,043</u>

CITY OF GARDEN CITY, KANSAS
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2011

	Drug Enforcement	DEA Forfeiture	Community Development Loan Fund
<u>Assets</u>			
Cash	\$ 31,294	\$ 27,230	\$ 11,901
Investments, at fair value	-	-	-
Receivables (net of allowances for uncollectibles):			
Taxes	-	-	-
Other	-	-	-
Total assets	<u>\$ 31,294</u>	<u>\$ 27,230</u>	<u>\$ 11,901</u>
<u>Liabilities and Fund Balances</u>			
Liabilities:			
Accounts payable	\$ 91	\$ 949	\$ 2,425
Interfund payable	-	-	-
Deferred revenue	-	-	-
Temporary notes payable	-	-	-
Total liabilities	<u>91</u>	<u>949</u>	<u>2,425</u>
Fund balances:			
Restricted	31,203	26,281	-
Committed	-	-	9,476
Assigned	-	-	-
Total fund balances	<u>31,203</u>	<u>26,281</u>	<u>9,476</u>
Total liabilities and fund balances	<u>\$ 31,294</u>	<u>\$ 27,230</u>	<u>\$ 11,901</u>

Special Revenues					
Economic Development	Enhanced Wireless 911 Fund	Community Development Grant	COPS Grant Technology	Project Development	Totals
\$ 99,928	\$ 91,272	\$ 16,508	\$ -	\$ 174,033	\$ 2,594,150
125,000	-	-	-	-	1,548,599
-	-	-	-	-	925,658
-	10,671	-	-	-	28,351
<u>\$ 224,928</u>	<u>\$ 101,943</u>	<u>\$ 16,508</u>	<u>\$ -</u>	<u>\$ 174,033</u>	<u>\$ 5,096,758</u>
\$ -	\$ -	\$ 16,508	\$ 1,676	\$ -	\$ 71,512
-	-	-	1,162	-	1,162
-	-	-	-	-	750,955
-	-	-	-	-	-
-	-	16,508	2,838	-	823,629
224,928	101,943	-	(2,838)	174,033	1,888,256
-	-	-	-	-	1,652,616
-	-	-	-	-	732,257
<u>224,928</u>	<u>101,943</u>	<u>-</u>	<u>(2,838)</u>	<u>174,033</u>	<u>4,273,129</u>
<u>\$ 224,928</u>	<u>\$ 101,943</u>	<u>\$ 16,508</u>	<u>\$ -</u>	<u>\$ 174,033</u>	<u>\$ 5,096,758</u>

CITY OF GARDEN CITY, KANSAS
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2011

	2011 GO Bond Projects	2011-A Temporary Note Projects	2010-A GO Bond Projects	Capital Projects 2010 Temporary Note Projects
<u>Assets</u>				
Cash	\$ 1,414,001	\$ 22,601	\$ -	\$ -
Investments, at fair value	-	-	-	-
Receivables (net of allowances for uncollectibles):				
Taxes	-	-	-	-
Other	-	-	-	-
Total assets	\$ 1,414,001	\$ 22,601	\$ -	\$ -
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Accounts payable	\$ 2,000	\$ -	\$ -	\$ -
Interfund payable	-	-	-	-
Deferred revenue	-	-	-	-
Temporary notes payable	-	25,000	-	-
Total liabilities	2,000	25,000	-	-
Fund balances:				
Restricted	1,412,001	-	-	-
Committed	-	(2,399)	-	-
Assigned	-	-	-	-
Total fund balances	1,412,001	(2,399)	-	-
Total liabilities and fund balances	\$ 1,414,001	\$ 22,601	\$ -	\$ -

2009 GO Bond Projects	2008-A GO Bond Projects	Totals	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ 1,436,602	\$ 4,030,752
-	-	-	1,548,599
-	-	-	925,658
-	-	-	28,351
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,436,602</u>	<u>\$ 6,533,360</u>
\$ -	\$ -	\$ 2,000	\$ 73,512
-	-	-	1,162
-	-	-	750,955
-	-	25,000	25,000
-	-	27,000	850,629
-	-	1,412,001	3,300,257
-	-	(2,399)	1,650,217
-	-	-	732,257
-	-	1,409,602	5,682,731
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,436,602</u>	<u>\$ 6,533,360</u>

CITY OF GARDEN CITY, KANSAS
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2011

	Community Trust	Capital Improvements	Recreation	Special Trafficway
Revenues:				
Taxes	\$ -	\$ -	\$ 880,445	\$ -
Intergovernmental revenue	161,397	-	-	710,568
Use of money and property	2,862	-	-	771
Miscellaneous	-	-	-	2,573
Donations	-	3,160	-	-
Sale of spaces	-	-	-	-
Total revenues	164,259	3,160	880,445	713,912
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	402,810
Parks and recreation	-	-	875,566	-
Capital outlay	351,851	78,830	-	201,668
Debt service:				
Bond issuance costs	-	-	-	-
Total expenditures	351,851	78,830	875,566	604,478
Revenues over (under) expenditures	(187,592)	(75,670)	4,879	109,434
Other financing sources (uses):				
Transfers in	200,000	125,000	-	-
Transfers out	(200,000)	-	-	-
Bonds issued	-	-	-	-
Issuance of capital leases	-	-	-	102,500
Sale of capital assets	-	17,957	-	-
Net change in fund balances	(187,592)	67,287	4,879	211,934
Fund balances (deficit), beginning of year	1,830,732	296,621	5,476	940,393
Fund balances (deficit), end of year	\$ 1,643,140	\$ 363,908	\$ 10,355	\$ 1,152,327

Special Revenues

<u>Special Improvements</u>	<u>Cemetery Endowment</u>	<u>Special Recreation and Parks</u>	<u>Special Alcohol Programs</u>	<u>Finnup Trust Fund</u>	<u>Special Liability</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	74,296	74,296	-	-
-	975	12,300	-	-	-
200,377	-	-	-	-	-
-	-	-	-	114,000	-
-	3,400	-	-	-	-
<u>200,377</u>	<u>4,375</u>	<u>86,596</u>	<u>74,296</u>	<u>114,000</u>	<u>-</u>
41,470	5,215	-	82,246	5,865	14,077
-	-	-	-	-	-
-	-	-	-	-	-
-	-	47,589	-	-	-
36,000	-	7,919	-	111,402	-
-	-	-	-	-	-
<u>77,470</u>	<u>5,215</u>	<u>55,508</u>	<u>82,246</u>	<u>117,267</u>	<u>14,077</u>
122,907	(840)	31,088	(7,950)	(3,267)	(14,077)
-	-	-	-	-	27,500
-	-	(25,000)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>122,907</u>	<u>(840)</u>	<u>6,088</u>	<u>(7,950)</u>	<u>(3,267)</u>	<u>13,423</u>
<u>91,199</u>	<u>21,502</u>	<u>77,273</u>	<u>26,434</u>	<u>50,784</u>	<u>140,820</u>
<u>\$ 214,106</u>	<u>\$ 20,662</u>	<u>\$ 83,361</u>	<u>\$ 18,484</u>	<u>\$ 47,517</u>	<u>\$ 154,243</u>

CITY OF GARDEN CITY, KANSAS
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2011

	Drug Enforcement	DEA Forfeiture	Community Development Loan Fund
Revenues:			
Taxes	\$ -	\$ -	\$ -
Intergovernmental revenue	2,688	-	-
Use of money and property	37	108	13,252
Miscellaneous	7,557	26,850	-
Donations	-	-	-
Sale of spaces	-	-	-
	<hr/>	<hr/>	<hr/>
Total revenues	10,282	26,958	13,252
Expenditures:			
Current:			
General government	-	-	9,529
Public safety	6,225	40,561	-
Public works	-	-	-
Parks and recreation	-	-	-
Capital outlay	-	-	-
Debt service:			
Bond issuance costs	-	-	-
	<hr/>	<hr/>	<hr/>
Total expenditures	6,225	40,561	9,529
Revenues over (under) expenditures	4,057	(13,603)	3,723
Other financing sources (uses):			
Transfers in	-	-	-
Transfers out	-	-	-
Bonds issued	-	-	-
Issuance of capital leases	-	-	-
Sale of capital assets	-	-	-
	<hr/>	<hr/>	<hr/>
Net change in fund balances	4,057	(13,603)	3,723
Fund balances (deficit), beginning of year	27,146	39,884	5,753
	<hr/>	<hr/>	<hr/>
Fund balances (deficit), end of year	\$ 31,203	\$ 26,281	\$ 9,476

(continued)

Special Revenues

<u>Economic Development</u>	<u>Enhanced Wireless 911</u>	<u>Community Development Grant</u>	<u>COPS Grant Technology</u>	<u>Project Development</u>	<u>Totals</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 880,445
-	-	51,428	9,530	29,567	1,113,770
35,894	-	-	-	792	66,991
-	60,522	-	-	-	297,879
-	-	-	-	-	117,160
-	-	-	-	-	3,400
<u>35,894</u>	<u>60,522</u>	<u>51,428</u>	<u>9,530</u>	<u>30,359</u>	<u>2,479,645</u>
123,956	43,820	51,428	-	-	377,606
-	-	-	-	-	46,786
-	-	-	-	-	402,810
-	-	-	-	-	923,155
-	-	-	8,388	106,326	902,384
-	-	-	-	-	-
<u>123,956</u>	<u>43,820</u>	<u>51,428</u>	<u>8,388</u>	<u>106,326</u>	<u>2,652,741</u>
(88,062)	16,702	-	1,142	(75,967)	(173,096)
-	-	-	-	-	352,500
-	-	-	-	-	(225,000)
-	-	-	-	-	-
-	-	-	-	-	102,500
-	-	-	-	-	17,957
(88,062)	16,702	-	1,142	(75,967)	74,861
<u>312,990</u>	<u>85,241</u>	<u>-</u>	<u>(3,980)</u>	<u>250,000</u>	<u>4,198,268</u>
<u>\$ 224,928</u>	<u>\$ 101,943</u>	<u>\$ -</u>	<u>\$ (2,838)</u>	<u>\$ 174,033</u>	<u>\$ 4,273,129</u>

CITY OF GARDEN CITY, KANSAS
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2011

	Capital Projects			
	2011 GO Bond Projects	2011-A Temporary Note Projects	2010-A GO Bond Projects	2010 Temporary Note Projects
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue	-	-	-	-
Use of money and property	2,418	-	-	-
Miscellaneous	-	-	-	-
Donations	-	-	-	-
Sale of spaces	-	-	-	-
Total revenues	2,418	-	-	-
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Parks and recreation	-	-	-	-
Capital outlay	251,847	2,399	784,108	396,678
Debt service:				
Bond issuance costs	36,007	-	-	-
Total expenditures	287,854	2,399	784,108	396,678
Revenues over (under) expenditures	(285,436)	(2,399)	(784,108)	(396,678)
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	(37,000)	-	-	-
Bonds issued	1,734,437	-	-	625,563
Issuance of capital leases	-	-	-	-
Sale of capital assets	-	-	-	-
Net change in fund balances	1,412,001	(2,399)	(784,108)	228,885
Fund balances (deficit), beginning of year	-	-	784,108	(228,885)
Fund balances (deficit), end of year	\$ 1,412,001	\$ (2,399)	\$ -	\$ -

2009 GO Bond Projects	2008-A GO Bond Projects	Totals	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ 880,445
-	-	-	1,113,770
-	-	2,418	69,409
-	-	-	297,879
-	-	-	117,160
-	-	-	3,400
-	-	2,418	2,482,063
-	-	-	377,606
-	-	-	46,786
-	-	-	402,810
-	-	-	923,155
225,989	8,628	1,669,649	2,572,033
-	-	36,007	36,007
225,989	8,628	1,705,656	4,358,397
(225,989)	(8,628)	(1,703,238)	(1,876,334)
-	-	-	352,500
-	-	(37,000)	(262,000)
-	-	2,360,000	2,360,000
-	-	-	102,500
-	-	-	17,957
(225,989)	(8,628)	619,762	694,623
225,989	8,628	789,840	4,988,108
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,409,602</u>	<u>\$ 5,682,731</u>

CITY OF GARDEN CITY, KANSAS
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Debt Service Fund
For the Year Ended December 31, 2011

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 1,511,236	\$ 1,511,236	\$ 1,514,899	\$ 3,663
Special assessment taxes	310,310	310,310	389,521	79,211
Intergovernmental revenue	25,000	25,000	25,000	-
Interest	2,000	2,000	-	(2,000)
Total revenues	<u>1,848,546</u>	<u>1,848,546</u>	<u>1,929,420</u>	<u>80,874</u>
Expenditures:				
Bond principal	1,820,000	1,820,000	1,565,500	254,500
Bond interest	402,778	402,778	314,114	88,664
Fiscal and bond rating fees	167,822	167,822	-	167,822
Total expenditures	<u>2,390,600</u>	<u>2,390,600</u>	<u>1,879,614</u>	<u>510,986</u>
Revenues over (under) expenditures	(542,054)	(542,054)	49,806	591,860
Fund balance, beginning of year	<u>125,100</u>	<u>125,100</u>	<u>189,267</u>	<u>64,167</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 239,073</u>	<u>\$ 239,073</u>

CITY OF GARDEN CITY, KANSAS
Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
Community Trust Fund
For the Year Ended December 31, 2011

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental revenue	\$ 500,000	\$ 500,000	\$ 161,397	\$ (338,603)
Use of money and property	15,000	15,000	2,862	(12,138)
Total revenues	<u>515,000</u>	<u>515,000</u>	<u>164,259</u>	<u>(350,741)</u>
Expenditures:				
Capital outlay	<u>2,658,000</u>	<u>2,658,000</u>	<u>351,851</u>	<u>2,306,149</u>
Total expenditures	<u>2,658,000</u>	<u>2,658,000</u>	<u>351,851</u>	<u>2,306,149</u>
Revenues over (under) expenditures	(2,143,000)	(2,143,000)	(187,592)	1,955,408
Other financing sources (uses):				
Transfers in	200,000	200,000	200,000	-
Transfers out	<u>(200,000)</u>	<u>(200,000)</u>	<u>(200,000)</u>	<u>-</u>
Net change in fund balance	(2,143,000)	(2,143,000)	(187,592)	1,955,408
Fund balance, beginning of year	<u>2,143,000</u>	<u>2,143,000</u>	<u>1,830,732</u>	<u>(312,268)</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,643,140</u>	<u>\$ 1,643,140</u>

CITY OF GARDEN CITY, KANSAS
Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
Capital Improvements Fund
For the Year Ended December 31, 2011

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Use of money and property	\$ 1,000	\$ 1,000	\$ -	\$ (1,000)
Reimbursements	156,162	156,162	-	(156,162)
Donations	-	-	3,160	3,160
Total revenues	<u>157,162</u>	<u>157,162</u>	<u>3,160</u>	<u>(154,002)</u>
Expenditures:				
Capital outlay	<u>314,000</u>	<u>314,000</u>	<u>78,830</u>	<u>235,170</u>
Total expenditures	<u>314,000</u>	<u>314,000</u>	<u>78,830</u>	<u>235,170</u>
Revenues over (under) expenditures	(156,838)	(156,838)	(75,670)	81,168
Other financing sources (uses):				
Transfers in	-	-	125,000	125,000
Sale of capital assets	-	-	17,957	(17,957)
Net change in fund balance	(156,838)	(156,838)	67,287	188,211
Fund balance, beginning of year	<u>156,838</u>	<u>156,838</u>	<u>296,621</u>	<u>139,783</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 363,908</u>	<u>\$ 327,994</u>

CITY OF GARDEN CITY, KANSAS
Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
Recreation Fund
For the Year Ended December 31, 2011

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 875,566	\$ 875,566	\$ 880,445	\$ 4,879
Total revenues	<u>875,566</u>	<u>875,566</u>	<u>880,445</u>	<u>4,879</u>
Expenditures:				
Distribution to organization's treasurer	<u>875,566</u>	<u>875,566</u>	<u>875,566</u>	<u>-</u>
Total expenditures	<u>875,566</u>	<u>875,566</u>	<u>875,566</u>	<u>-</u>
Revenues under expenditures	-	-	4,879	4,879
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>5,476</u>	<u>5,476</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,355</u>	<u>\$ 10,355</u>

CITY OF GARDEN CITY, KANSAS
Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
Special Trafficway Fund
For the Year Ended December 31, 2011

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental revenue	\$ 660,000	\$ 660,000	\$ 731,624	\$ 71,624
Use of money and property	1,500	1,500	771	(729)
Reimbursements	11,700	11,700	-	(11,700)
Miscellaneous	-	-	2,573	2,573
Total revenues	673,200	673,200	734,968	61,768
Expenditures:				
Current:				
Contractual services	155,450	155,450	87,475	67,975
Commodities	102,950	102,950	315,335	(212,385)
Capital outlay	1,023,300	1,023,300	201,668	821,632
Total expenditures	1,281,700	1,281,700	604,478	677,222
Revenues over (under) expenditures	(608,500)	(608,500)	130,490	738,990
Fund balance, beginning of year	608,500	608,500	744,634	136,134
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 977,624</u>	<u>\$ 977,624</u>

CITY OF GARDEN CITY, KANSAS
Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
Special Improvements Fund
For the Year Ended December 31, 2011

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Miscellaneous	\$ 26,000	\$ 26,000	\$ 164,377	\$ 138,377
Total revenues	<u>26,000</u>	<u>26,000</u>	<u>164,377</u>	<u>138,377</u>
Expenditures:				
Current:				
Contractual services	<u>46,000</u>	<u>46,000</u>	<u>41,470</u>	<u>4,530</u>
Total expenditures	<u>46,000</u>	<u>46,000</u>	<u>41,470</u>	<u>4,530</u>
Revenues over (under) expenditures	(20,000)	(20,000)	122,907	142,907
Fund balance, beginning of year	<u>20,000</u>	<u>20,000</u>	<u>91,199</u>	<u>71,199</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 214,106</u>	<u>\$ 214,106</u>

CITY OF GARDEN CITY, KANSAS
Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
Cemetery Endowment Fund
For the Year Ended December 31, 2011

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Use of money and property	\$ 1,000	\$ 1,000	\$ 975	\$ (25)
Sale of spaces	5,000	5,000	3,400	(1,600)
Total revenues	<u>6,000</u>	<u>6,000</u>	<u>4,375</u>	<u>(1,625)</u>
Expenditures:				
Current:				
Commodities	-	-	5,215	(5,215)
Capital outlay	28,000	28,000	-	28,000
Total expenditures	<u>28,000</u>	<u>28,000</u>	<u>5,215</u>	<u>22,785</u>
Revenues over (under) expenditures	(22,000)	(22,000)	(840)	21,160
Fund balance, beginning of year	<u>22,000</u>	<u>22,000</u>	<u>21,502</u>	<u>(498)</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,662</u>	<u>\$ 20,662</u>

CITY OF GARDEN CITY, KANSAS
Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
Special Recreation and Parks Fund
For the Year Ended December 31, 2011

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental revenue	\$ 70,000	\$ 70,000	\$ 74,296	\$ 4,296
Use of money and property	-	-	12,300	12,300
Reimbursements	8,000	8,727	-	(8,727)
Total revenues	78,000	78,727	86,596	7,869
Expenditures:				
Current:				
Contractual services	47,500	110,899	47,589	63,310
Capital outlay	12,500	20,101	7,919	12,182
Total expenditures	60,000	131,000	55,508	75,492
Revenues over expenditures	18,000	(52,273)	31,088	83,361
Other financing sources (uses):				
Transfers out	(25,000)	(25,000)	(25,000)	-
Net change in fund balance	(7,000)	(77,273)	6,088	83,361
Fund balance, beginning of year	7,000	77,273	77,273	-
Fund balance, end of year	\$ -	\$ -	\$ 83,361	\$ 83,361

CITY OF GARDEN CITY, KANSAS
Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
Special Alcohol Programs Fund
For the Year Ended December 31, 2011

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental revenue	\$ 70,000	\$ 70,000	\$ 74,296	\$ 4,296
Total revenues	<u>70,000</u>	<u>70,000</u>	<u>74,296</u>	<u>4,296</u>
Expenditures:				
Current:				
Contractual services	<u>92,000</u>	<u>92,000</u>	<u>82,246</u>	<u>9,754</u>
Total expenditures	<u>92,000</u>	<u>92,000</u>	<u>82,246</u>	<u>9,754</u>
Revenues over (under) expenditures	(22,000)	(22,000)	(7,950)	14,050
Fund balance, beginning of year	<u>22,000</u>	<u>22,000</u>	<u>26,434</u>	<u>4,434</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,484</u>	<u>\$ 18,484</u>

CITY OF GARDEN CITY, KANSAS
Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
Finnup Trust Fund
For the Year Ended December 31, 2011

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Reimbursements	\$ 8,000	\$ 10,400	\$ -	\$ (10,400)
Donations	85,000	103,600	114,000	10,400
Total revenues	<u>93,000</u>	<u>114,000</u>	<u>114,000</u>	<u>-</u>
Expenditures:				
Current:				
Personnel services	-	-	5,865	(5,865)
Capital outlay	93,000	164,784	111,402	53,382
Total expenditures	<u>93,000</u>	<u>164,784</u>	<u>117,267</u>	<u>47,517</u>
Revenues over (under) expenditures	-	(50,784)	(3,267)	47,517
Fund balance, beginning of year	<u>-</u>	<u>50,784</u>	<u>50,784</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 47,517</u>	<u>\$ 47,517</u>

CITY OF GARDEN CITY, KANSAS
Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
Special Liability Fund
For the Year Ended December 31, 2011

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Reimbursements	\$ 25,500	\$ 25,500	\$ -	(25,500)
Total revenues	<u>25,500</u>	<u>25,500</u>	<u>-</u>	<u>(25,500)</u>
Expenditures:				
Current:				
Contractual services	<u>90,000</u>	<u>90,000</u>	<u>14,077</u>	<u>75,923</u>
Total expenditures	<u>90,000</u>	<u>90,000</u>	<u>14,077</u>	<u>75,923</u>
Revenues over (under) expenditures	(64,500)	(64,500)	(14,077)	50,423
Other financing sources (uses):				
Transfers in	<u>-</u>	<u>-</u>	<u>27,500</u>	<u>27,500</u>
Net change in fund balance	(64,500)	(64,500)	13,423	77,923
Fund balance, beginning of year	<u>64,500</u>	<u>64,500</u>	<u>140,820</u>	<u>76,320</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 154,243</u>	<u>\$ 154,243</u>

CITY OF GARDEN CITY, KANSAS
Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
Drug Enforcement Fund
For the Year Ended December 31, 2011

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental revenue	\$ -	\$ -	\$ 2,688	\$ 2,688
Use of money and property	250	250	37	(213)
Miscellaneous	28,500	28,500	7,557	(20,943)
Total revenues	28,750	28,750	10,282	(18,468)
Expenditures:				
Current:				
Contractual services	80,750	80,750	6,225	74,525
Total expenditures	80,750	80,750	6,225	74,525
Revenues over (under) expenditures	(52,000)	(52,000)	4,057	56,057
Fund balance, beginning of year	52,000	52,000	27,146	(24,854)
Fund balance, end of year	\$ -	\$ -	\$ 31,203	\$ 31,203

CITY OF GARDEN CITY, KANSAS
Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
DEA Forfeiture Fund
For the Year Ended December 31, 2011

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Use of money and property	\$ 100	\$ 116	\$ 108	\$ (8)
Miscellaneous	15,000	12,000	26,850	14,850
Total revenues	<u>15,100</u>	<u>12,116</u>	<u>26,958</u>	<u>14,842</u>
Expenditures:				
Current:				
Contractual services	28,100	52,000	40,561	11,439
Total expenditures	<u>28,100</u>	<u>52,000</u>	<u>40,561</u>	<u>11,439</u>
Revenues over (under) expenditures	(13,000)	(39,884)	(13,603)	26,281
Fund balance, beginning of year	13,000	39,884	39,884	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,281</u>	<u>\$ 26,281</u>

CITY OF GARDEN CITY, KANSAS
Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
Community Development Loan Fund
For the Year Ended December 31, 2011

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Use of money and property	\$ 16,000	\$ 16,000	\$ 13,252	\$ (2,748)
Total revenues	<u>16,000</u>	<u>16,000</u>	<u>13,252</u>	<u>(2,748)</u>
Expenditures:				
Current:				
Contractual services	<u>21,000</u>	<u>21,000</u>	<u>9,529</u>	<u>11,471</u>
Total expenditures	<u>21,000</u>	<u>21,000</u>	<u>9,529</u>	<u>11,471</u>
Revenues over (under) expenditures	(5,000)	(5,000)	3,723	8,723
Fund balance, beginning of year	<u>5,000</u>	<u>5,000</u>	<u>5,753</u>	<u>753</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,476</u>	<u>\$ 9,476</u>

CITY OF GARDEN CITY, KANSAS
Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
Economic Development Fund
For the Year Ended December 31, 2011

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Use of money and property	\$ 44,500	\$ 44,500	\$ 35,894	\$ (8,606)
Total revenues	<u>44,500</u>	<u>44,500</u>	<u>35,894</u>	<u>(8,606)</u>
Expenditures:				
Current:				
Contractual	<u>237,500</u>	<u>237,500</u>	<u>123,956</u>	<u>113,544</u>
Total expenditures	<u>237,500</u>	<u>237,500</u>	<u>123,956</u>	<u>113,544</u>
Revenues over (under) expenditures	(193,000)	(193,000)	(88,062)	104,938
Fund balance, beginning of year	<u>193,000</u>	<u>193,000</u>	<u>312,990</u>	<u>119,990</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 224,928</u>	<u>\$ 224,928</u>

CITY OF GARDEN CITY, KANSAS
Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
Enhanced Wireless 911 Fund
For the Year Ended December 31, 2011

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Miscellaneous	\$ 60,000	\$ 60,000	\$ 59,133	\$ (867)
Total revenues	<u>60,000</u>	<u>60,000</u>	<u>59,133</u>	<u>(867)</u>
Expenditures:				
Capital outlay	148,000	148,000	43,820	104,180
Total expenditures	<u>148,000</u>	<u>148,000</u>	<u>43,820</u>	<u>104,180</u>
Revenues over (under) expenditures	(88,000)	(88,000)	15,313	103,313
Fund balance, beginning of year	<u>88,000</u>	<u>88,000</u>	<u>75,959</u>	<u>(12,041)</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 91,272</u>	<u>\$ 91,272</u>

CITY OF GARDEN CITY, KANSAS
Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
Community Development Grant Fund
For the Year Ended December 31, 2011

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental revenue	\$ 100,000	\$ 100,000	\$ 51,428	\$ (48,572)
Total revenues	<u>100,000</u>	<u>100,000</u>	<u>51,428</u>	<u>(48,572)</u>
Expenditures:				
Current:				
Contractual	<u>100,000</u>	<u>100,000</u>	<u>51,428</u>	<u>48,572</u>
Total expenditures	<u>100,000</u>	<u>100,000</u>	<u>51,428</u>	<u>48,572</u>
Revenues over expenditures	-	-	-	-
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF GARDEN CITY, KANSAS
Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
Project Development Fund
For the Year Ended December 31, 2011

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental revenue	\$ -	\$ -	\$ 29,567	\$ 29,567
Use of money and property	-	-	792	792
Total revenues	-	-	30,359	30,359
Expenditures:				
Current:				
Contractual	250,000	250,000	-	250,000
Capital outlay	-	-	106,326	(106,326)
Total expenditures	250,000	250,000	106,326	143,674
Revenues over (under) expenditures	(250,000)	(250,000)	(75,967)	174,033
Fund balance, beginning of year	250,000	250,000	250,000	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 174,033</u>	<u>\$ 174,033</u>

CITY OF GARDEN CITY, KANSAS
Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
2011 GO Bond Projects
From Inception and For the Year Ended December 31, 2011

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Project Authorization</u>
Revenues:				
Use of money and property	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Capital outlay:				
Construction contracts	-	251,847	251,847	1,637,400
Debt service:				
Bond issuance costs	<u>-</u>	<u>36,007</u>	<u>36,007</u>	<u>30,700</u>
Total expenditures	<u>-</u>	<u>287,854</u>	<u>287,854</u>	<u>1,668,100</u>
Revenues over (under) expenditures	-	(287,854)	(287,854)	(1,668,100)
Other financing sources (uses):				
Bonds issued	-	1,736,855	1,736,855	2,360,000
Transfers out	<u>-</u>	<u>(37,000)</u>	<u>(37,000)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	1,412,001	<u>\$ 1,412,001</u>	<u>\$ 691,900</u>
Fund balance, beginning of year		<u>-</u>		
Fund balance, end of year		<u>\$ 1,412,001</u>		

CITY OF GARDEN CITY, KANSAS
Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
2011-A Temporary Note Projects
From Inception and For the Year Ended December 31, 2011

	Prior Years	Current Year	Total to Date	Project Authorization
Revenues:				
Use of money and property	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
Expenditures:				
Capital outlay:				
Construction contracts	-	194	194	163,400
Engineering and other	-	2,205	2,205	-
Total expenditures	-	2,399	2,399	163,400
Revenues over (under) expenditures	-	(2,399)	(2,399)	(163,400)
Other financing sources (uses):				
Bonds issued	-	-	-	163,400
Net change in fund balance	<u>\$ -</u>	<u>(2,399)</u>	<u>\$ (2,399)</u>	<u>\$ -</u>
Fund balance, beginning of year		-		
Fund balance (deficit), end of year		<u>\$ (2,399)</u>		

CITY OF GARDEN CITY, KANSAS
Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
2010-A GO Bond Projects
From Inception and For the Year Ended December 31, 2011

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Project Authorization</u>
Revenues:				
Use of money and property	\$ 2,756	\$ -	\$ 2,756	\$ -
Total revenues	<u>2,756</u>	<u>-</u>	<u>2,756</u>	<u>-</u>
Expenditures:				
Capital outlay:				
Construction contracts	417,307	784,108	1,201,415	4,505,000
Debt service:				
Bond issuance costs	<u>4,341</u>	<u>-</u>	<u>4,341</u>	<u>81,200</u>
Total expenditures	<u>421,648</u>	<u>784,108</u>	<u>1,205,756</u>	<u>4,586,200</u>
Revenues over expenditures	(418,892)	(784,108)	(1,203,000)	(4,586,200)
Other financing sources (uses):				
Bonds issued	<u>1,203,000</u>	<u>-</u>	<u>1,203,000</u>	<u>4,586,200</u>
Net change in fund balance	<u>\$ 784,108</u>	(784,108)	<u>\$ -</u>	<u>\$ -</u>
Fund balance, beginning of year		<u>784,108</u>		
Fund balance, end of year		<u>\$ -</u>		

CITY OF GARDEN CITY, KANSAS
Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
2010 Temporary Note Projects
From Inception and For the Year Ended December 31, 2011

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Project Authorization</u>
Revenues:				
Use of money and property	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Capital outlay:				
Construction contracts	227,101	354,831	581,932	786,150
Engineering and other	<u>1,784</u>	<u>41,847</u>	<u>43,631</u>	<u>-</u>
Total expenditures	<u>228,885</u>	<u>396,678</u>	<u>625,563</u>	<u>786,150</u>
Revenues over expenditures	(228,885)	(396,678)	(625,563)	(786,150)
Other financing sources (uses):				
Bonds issued	<u>-</u>	<u>625,563</u>	<u>625,563</u>	<u>786,150</u>
Net change in fund balance	<u>\$ (228,885)</u>	228,885	<u>\$ -</u>	<u>\$ -</u>
Fund balance (deficit), beginning of year		<u>(228,885)</u>		
Fund balance, end of year		<u>\$ -</u>		

CITY OF GARDEN CITY, KANSAS
Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
2009 GO Bond Projects
From Inception and For the Year Ended December 31, 2011

	Prior Years	Current Year	Total to Date	Project Authorization
Revenues:				
Use of money and property	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
Expenditures:				
Capital outlay:				
Construction contracts	1,591,657	225,989	1,817,646	2,073,199
Engineering and other	369,000	-	369,000	369,000
Debt service:				
Bond issuance costs	28,253	-	28,253	40,000
Total expenditures	1,988,910	225,989	2,214,899	2,482,199
Revenues under expenditures	(1,988,910)	(225,989)	(2,214,899)	(2,482,199)
Other financing sources (uses):				
Bonds issued	2,173,700	-	2,173,700	2,173,700
Transfers in	308,299	-	308,299	308,499
Transfers out	(267,100)	-	(267,100)	-
Net change in fund balance	<u>\$ 225,989</u>	(225,989)	<u>\$ -</u>	<u>\$ -</u>
Fund balance, beginning of year		<u>225,989</u>		
Fund balance, end of year		<u>\$ -</u>		

CITY OF GARDEN CITY, KANSAS
Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
2008-A GO Bond Projects
From Inception and For the Year Ended December 31, 2011

	Prior Years	Current Year	Total to Date	Project Authorization
Revenues:				
Use of money and property	\$ 9,140	\$ -	\$ 9,140	\$ -
Intergovernmental revenue	405,888	-	405,888	405,888
Total revenues	415,028	-	415,028	405,888
Expenditures:				
Capital outlay:				
Construction contracts	2,487,082	8,628	2,495,710	2,507,088
Debt service:				
Bond issuance costs	12,830	-	12,830	70,800
Total expenditures	2,499,912	8,628	2,508,540	2,577,888
Revenues under expenditures	(2,084,884)	(8,628)	(2,093,512)	(2,172,000)
Other financing sources (uses):				
Bonds issued	2,191,512	-	2,191,512	2,172,000
Transfers out	(98,000)	-	(98,000)	-
Net change in fund balance	\$ 8,628	(8,628)	\$ -	\$ -
Fund balance, beginning of year		8,628		
Fund balance, end of year		<u>\$ -</u>		

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Proprietary Funds

Nonmajor Enterprise Funds

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

The nonmajor enterprise funds used by the City of Garden City, Kansas, are:

Solid Waste Utility:

This fund is used to account for the revenues generated and costs incurred in operating the City owned solid waste disposal and recycling operations.

Recreation Area:

This fund is used to account for the fees generated and expenditures incurred in the operation of the City-owned municipal golf course. The recreation area department includes the Golf Course Building Fund which is used to account for a portion of the fees collected that are dedicated to the repayment of the golf course club house.

Drainage Utility:

This fund is used to account for the revenues generated and costs incurred in operating the City's drainage utility.

CITY OF GARDEN CITY, KANSAS
 Combining Balance Sheet
 Nonmajor Proprietary Funds
 December 31, 2011

	Business-type Activities -			
	Solid Waste Utility	Solid Waste Utility	Recreation Area	Recreation Area
	Current Year	Prior Year	Current Year	Prior Year
<u>Assets</u>				
Current assets:				
Cash	\$ 1,287,414	\$ 981,301	\$ 115,387	\$ 149,838
Investments, at fair value	200,000	200,000	-	-
Restricted assets:				
Cash	-	-	26,041	5,260
Accounts receivable	163,469	162,831	600	-
Total current assets	<u>1,650,883</u>	<u>1,344,132</u>	<u>142,028</u>	<u>155,098</u>
Capital assets:				
Land	68,500	68,500	-	-
Production, storage and distribution equipment	-	-	-	-
Less accumulated depreciation	-	-	-	-
Golf course, club house and equipment	-	-	1,712,660	1,675,157
Less accumulated depreciation	-	-	(978,805)	(944,592)
Vehicles and equipment	1,546,512	1,505,118	243,001	215,741
Less accumulated depreciation	(1,033,575)	(993,306)	(207,340)	(198,358)
Containers	3,696,766	3,175,803	-	-
Less accumulated depreciation	(2,210,991)	(2,130,360)	-	-
Total capital assets	<u>2,067,212</u>	<u>1,625,755</u>	<u>769,516</u>	<u>747,948</u>
Total assets	<u>\$ 3,718,095</u>	<u>\$ 2,969,887</u>	<u>\$ 911,544</u>	<u>\$ 903,046</u>
<u>Liabilities</u>				
Current liabilities:				
Accounts payable and accrued liabilities	\$ 208,023	\$ 76,713	\$ 15,903	\$ 5,814
Total liabilities	<u>208,023</u>	<u>76,713</u>	<u>15,903</u>	<u>5,814</u>
<u>Net Assets</u>				
Invested in capital assets, net of related debt	2,067,212	1,625,755	769,516	747,948
Restricted for debt service	-	-	26,041	5,260
Unrestricted	1,442,860	1,267,419	100,084	144,024
Total net assets	<u>3,510,072</u>	<u>2,893,174</u>	<u>895,641</u>	<u>897,232</u>
Total liabilities and net assets	<u>\$ 3,718,095</u>	<u>\$ 2,969,887</u>	<u>\$ 911,544</u>	<u>\$ 903,046</u>

Enterprise Funds

Drainage Utility		Drainage Utility		Totals		Totals	
Current Year	Prior Year	Current Year	Prior Year	Current Year	Prior Year	Current Year	Prior Year
\$ 101,484	\$ 150,377	\$ 1,504,285	\$ 1,281,516				
100,000	100,000	300,000	300,000				
-	-	26,041	5,260				
13,026	12,816	177,095	175,647				
<u>214,510</u>	<u>263,193</u>	<u>2,007,421</u>	<u>1,762,423</u>				
70,000	70,000	138,500	138,500				
337,232	337,232	337,232	337,232				
(28,194)	(8,520)	(28,194)	(8,520)				
-	-	1,712,660	1,675,157				
-	-	(978,805)	(944,592)				
-	-	1,789,513	1,720,859				
-	-	(1,240,915)	(1,191,664)				
-	-	3,696,766	3,175,803				
-	-	(2,210,991)	(2,130,360)				
<u>379,038</u>	<u>398,712</u>	<u>3,215,766</u>	<u>2,772,415</u>				
<u>\$ 593,548</u>	<u>\$ 661,905</u>	<u>\$ 5,223,187</u>	<u>\$ 4,534,838</u>				
\$ 441	\$ 6,618	\$ 224,367	\$ 89,145				
441	6,618	224,367	89,145				
379,038	398,712	3,215,766	2,772,415				
-	-	26,041	5,260				
<u>214,069</u>	<u>256,575</u>	<u>1,757,013</u>	<u>1,668,018</u>				
<u>593,107</u>	<u>655,287</u>	<u>4,998,820</u>	<u>4,445,693</u>				
<u>\$ 593,548</u>	<u>\$ 661,905</u>	<u>\$ 5,223,187</u>	<u>\$ 4,534,838</u>				

CITY OF GARDEN CITY, KANSAS
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Nonmajor Proprietary Funds
For the Year Ended December 31, 2011

	Business-type Activities -			
	Solid Waste Utility	Solid Waste Utility	Recreation Area	Recreation Area
	Current Year	Prior Year	Current Year	Prior Year
Operating revenues:				
Charges for services	\$ 2,767,614	\$ 2,733,879	\$ -	\$ -
Miscellaneous	1,417	650	1,667	7,512
Membership and fees	-	-	379,058	383,846
Concessions	-	-	72,284	64,844
Total operating revenues	<u>2,769,031</u>	<u>2,734,529</u>	<u>453,009</u>	<u>456,202</u>
Operating expenses:				
Personnel services	1,100,279	983,928	501,194	450,158
Contractual services	628,586	976,961	94,968	104,378
Commodities	252,052	191,564	168,591	146,389
Depreciation	197,218	196,549	56,082	62,368
Total operating expenses	<u>2,178,135</u>	<u>2,349,002</u>	<u>820,835</u>	<u>763,293</u>
Operating income (loss)	<u>590,896</u>	<u>385,527</u>	<u>(367,826)</u>	<u>(307,091)</u>
Nonoperating revenues (expense):				
Donations	-	-	35,000	-
Interest income	2,499	3,621	-	-
Rent and royalties	-	-	6,200	2,300
Sale of materials	132,149	84,490	35	20
Gain (loss) on disposal of assets	23,854	(15,419)	-	1,268
Total nonoperating revenues (expense)	<u>158,502</u>	<u>72,692</u>	<u>41,235</u>	<u>3,588</u>
Income (loss) before operating transfers	<u>749,398</u>	<u>458,219</u>	<u>(326,591)</u>	<u>(303,503)</u>
Transfers in	-	-	325,000	325,000
Transfers out	(132,500)	(152,500)	-	-
Change in net assets	<u>616,898</u>	<u>305,719</u>	<u>(1,591)</u>	<u>21,497</u>
Total net assets, beginning of year	<u>2,893,174</u>	<u>2,587,455</u>	<u>897,232</u>	<u>875,735</u>
Total net assets, end of year	<u>\$ 3,510,072</u>	<u>\$ 2,893,174</u>	<u>\$ 895,641</u>	<u>\$ 897,232</u>

Enterprise Funds

Drainage Utility		Drainage Utility		Totals		Totals	
Current Year	Prior Year	Current Year	Prior Year	Current Year	Prior Year	Current Year	Prior Year
\$ 206,328	\$ 205,276	\$ 2,973,942	\$ 2,939,155				
-	-	3,084	8,162				
-	-	379,058	383,846				
-	-	72,284	64,844				
<u>206,328</u>	<u>205,276</u>	<u>3,428,368</u>	<u>3,396,007</u>				
78,304	47,810	1,679,777	1,481,896				
157,271	(3,681)	880,825	1,077,658				
16,859	47,024	437,502	384,977				
19,674	6,875	272,974	265,792				
<u>272,108</u>	<u>98,028</u>	<u>3,271,078</u>	<u>3,210,323</u>				
<u>(65,780)</u>	<u>107,248</u>	<u>157,290</u>	<u>185,684</u>				
-	-	35,000	-				
850	1,450	3,349	5,071				
2,750	2,200	8,950	4,500				
-	-	132,184	84,510				
-	-	23,854	(14,151)				
<u>3,600</u>	<u>3,650</u>	<u>203,337</u>	<u>79,930</u>				
<u>(62,180)</u>	<u>110,898</u>	<u>360,627</u>	<u>265,614</u>				
-	-	325,000	325,000				
-	-	(132,500)	(152,500)				
<u>(62,180)</u>	<u>110,898</u>	<u>553,127</u>	<u>438,114</u>				
<u>655,287</u>	<u>544,389</u>	<u>4,445,693</u>	<u>4,007,579</u>				
<u>\$ 593,107</u>	<u>\$ 655,287</u>	<u>\$ 4,998,820</u>	<u>\$ 4,445,693</u>				

CITY OF GARDEN CITY, KANSAS
Combining Statement of Cash Flows
Nonmajor Proprietary Funds
For the Year Ended December 31, 2011

	Business-type Activities -			
	Solid Waste Utility	Solid Waste Utility	Recreation Area	Recreation Area
	Current Year	Prior Year	Current Year	Prior Year
Cash flows from operating activities:				
Receipts from customers	\$ 2,766,976	\$ 2,689,364	\$ 450,742	\$ 455,660
Other receipts	1,417	650	1,667	7,512
Payments to suppliers	(749,328)	(1,108,069)	(253,470)	(253,740)
Payments for personnel services	(1,100,279)	(983,928)	(501,194)	(450,158)
Net cash provided (used) by operating activities	<u>918,786</u>	<u>598,017</u>	<u>(302,255)</u>	<u>(240,726)</u>
Cash flows from noncapital financing activities:				
Subsidy from donations	-	-	35,000	-
Transfers in	-	-	325,000	325,000
Transfers out	(132,500)	(152,500)	-	-
Net cash provided (used) by noncapital financing activities	<u>(132,500)</u>	<u>(152,500)</u>	<u>360,000</u>	<u>325,000</u>
Cash flows from capital and related financing activities:				
Receipts from sale of materials	132,149	84,490	35	20
Acquisition of property, plant and equipment	(614,821)	(396,675)	(77,650)	(38,913)
Net cash provided (used) by capital and related financing activities	<u>(482,672)</u>	<u>(312,185)</u>	<u>(77,615)</u>	<u>(38,893)</u>
Cash flows from investing activities:				
Interest income	2,499	3,621	-	-
Proceeds from sale of investments	200,000	200,000	-	-
Purchase of investments	(200,000)	(200,000)	-	-
Rents and royalties	-	-	6,200	2,300
Net cash provided by investing activities	<u>2,499</u>	<u>3,621</u>	<u>6,200</u>	<u>2,300</u>
Net increase (decrease) in cash	306,113	136,953	(13,670)	47,681
Cash, beginning of year	<u>981,301</u>	<u>844,348</u>	<u>155,098</u>	<u>107,417</u>
Cash, end of year	<u>\$ 1,287,414</u>	<u>\$ 981,301</u>	<u>\$ 141,428</u>	<u>\$ 155,098</u>
Balance sheet classification:				
Current assets	\$ 1,287,414	\$ 981,301	\$ 115,387	\$ 149,838
Restricted assets	-	-	26,041	5,260
Total cash, end of year	<u>\$ 1,287,414</u>	<u>\$ 981,301</u>	<u>\$ 141,428</u>	<u>\$ 155,098</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ 590,896	\$ 385,527	\$ (367,826)	\$ (307,091)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation	197,218	196,549	56,082	62,368
Change in assets and liabilities:				
(Increase) decrease in receivables	(638)	(44,515)	(600)	6,970
Increase (decrease) in accounts payable	131,310	60,456	10,089	(2,973)
Net cash provided (used) by operating activities	<u>\$ 918,786</u>	<u>\$ 598,017</u>	<u>\$ (302,255)</u>	<u>\$ (240,726)</u>

Enterprise Funds

Drainage Utility		Drainage Utility		Totals		Totals	
Current Year	Prior Year	Current Year	Prior Year	Current Year	Prior Year	Current Year	Prior Year
\$ 206,118	\$ 204,382	\$ 3,423,836	\$ 3,349,406				
-	-	3,084	8,162				
(180,307)	(38,283)	(1,183,105)	(1,400,092)				
(78,304)	(47,810)	(1,679,777)	(1,481,896)				
<u>(52,493)</u>	<u>118,289</u>	<u>564,038</u>	<u>475,580</u>				
-	-	35,000	-				
-	-	325,000	325,000				
-	-	(132,500)	(152,500)				
-	-	<u>227,500</u>	<u>172,500</u>				
-	-	132,184	84,510				
-	(179,299)	(692,471)	(614,887)				
-	(179,299)	(560,287)	(530,377)				
850	1,450	3,349	5,071				
100,000	100,000	300,000	300,000				
(100,000)	(100,000)	(300,000)	(300,000)				
2,750	2,200	8,950	4,500				
<u>3,600</u>	<u>3,650</u>	<u>12,299</u>	<u>9,571</u>				
(48,893)	(57,360)	243,550	127,274				
<u>150,377</u>	<u>207,737</u>	<u>1,286,776</u>	<u>1,159,502</u>				
<u>\$ 101,484</u>	<u>\$ 150,377</u>	<u>\$ 1,530,326</u>	<u>\$ 1,286,776</u>				
\$ 101,484	\$ 150,377	\$ 1,504,285	\$ 1,281,516				
-	-	26,041	5,260				
<u>\$ 101,484</u>	<u>\$ 150,377</u>	<u>\$ 1,530,326</u>	<u>\$ 1,286,776</u>				
\$ (65,780)	\$ 107,248	\$ 157,290	\$ 185,684				
19,674	6,875	272,974	265,792				
(210)	(894)	(1,448)	(38,439)				
<u>(6,177)</u>	<u>5,060</u>	<u>135,222</u>	<u>62,543</u>				
<u>\$ (52,493)</u>	<u>\$ 118,289</u>	<u>\$ 564,038</u>	<u>\$ 475,580</u>				

Proprietary Funds

Internal Service Funds

The internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City or to other governmental units on a cost-reimbursement basis. The internal service funds used by the City of Garden City, Kansas, are:

Health Insurance:

This fund is used to account for the City's departmental billings made monthly on a set amount per employee and expended on qualified medical costs as provided for in the City's self-insured health insurance program.

Workers Compensation:

This fund is used to account for transfers from the Employee Benefit Fund used to pay qualified expenditures as provided for in the City's self-insured worker's compensation program.

CITY OF GARDEN CITY, KANSAS
Combining Balance Sheet
Internal Service Funds
December 31, 2011

	<u>Health Insurance</u>	<u>Workers Compensation</u>	<u>Totals</u>
<u>Assets</u>			
Current assets:			
Cash	\$ 829,807	\$ 344,747	\$ 1,174,554
Investments, at fair value	-	125,000	125,000
	<u>\$ 829,807</u>	<u>\$ 469,747</u>	<u>\$ 1,299,554</u>
 <u>Liabilities</u>			
Current liabilities:			
Accounts payable	<u>\$ 212,737</u>	<u>\$ 1,477</u>	<u>\$ 214,214</u>
Noncurrent liabilities:			
Net OPEB obligation	<u>732,616</u>	<u>-</u>	<u>732,616</u>
Total liabilities	<u>945,353</u>	<u>1,477</u>	<u>946,830</u>
 <u>Net Assets</u>			
Restricted for health insurance	(115,546)	-	(115,546)
Restricted for workers compensation	<u>-</u>	<u>468,270</u>	<u>468,270</u>
Total net assets	<u>(115,546)</u>	<u>468,270</u>	<u>352,724</u>
Total liabilities and net assets	<u>\$ 829,807</u>	<u>\$ 469,747</u>	<u>\$ 1,299,554</u>

CITY OF GARDEN CITY, KANSAS
 Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
 Internal Service Funds
 For the Year Ended December 31, 2011

	<u>Health Insurance</u>	<u>Workers Compensation</u>	<u>Total</u>
Operating revenues:			
Department billings	<u>\$ 2,817,257</u>	<u>\$ 361,260</u>	<u>\$ 3,178,517</u>
Total operating revenues	<u>2,817,257</u>	<u>361,260</u>	<u>3,178,517</u>
Operating expenses:			
Contractual	<u>3,157,156</u>	<u>263,204</u>	<u>3,420,360</u>
Total operating expenses	<u>3,157,156</u>	<u>263,204</u>	<u>3,420,360</u>
Operating income (loss)	(339,899)	98,056	(241,843)
Nonoperating revenues:			
Interest income	<u>-</u>	<u>535</u>	<u>535</u>
Change in net assets	(339,899)	98,591	(241,308)
Total net assets, beginning of year	<u>224,353</u>	<u>369,679</u>	<u>594,032</u>
Total net assets, end of year	<u>\$ (115,546)</u>	<u>\$ 468,270</u>	<u>\$ 352,724</u>

CITY OF GARDEN CITY, KANSAS
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2011

	Health Insurance	Workers Compensation	Total
Cash flows from operating activities:			
Other receipts	\$ 2,817,257	\$ 361,260	\$ 3,178,517
Claims paid	(2,851,062)	(267,544)	(3,118,606)
Net cash used by operating activities	(33,805)	93,716	59,911
Cash flows from investing activities:			
Interest income	-	535	535
Net cash provided by investing activities	-	535	535
Net increase (decrease) in cash	(33,805)	94,251	60,446
Cash, beginning of year	863,612	250,496	1,114,108
Cash, end of year	\$ 829,807	\$ 344,747	\$ 1,174,554
Reconciliation of operating loss to net cash used by operating activities:			
Operating income (loss)	\$ (339,899)	\$ 98,056	\$ (241,843)
Adjustments to reconcile operating loss to net cash used by operating activities:			
Decrease in accounts payable	23,672	(4,340)	19,332
Increase in net OPEB obligation	282,422	-	282,422
Net cash used by operating activities	\$ (33,805)	\$ 93,716	\$ 59,911

Fiduciary Funds

Agency Accounts

The Agency Accounts are used to account for assets held by the City as an agent for other funds. The Agency Accounts used by the City of Garden City, Kansas, are:

Payroll Clearing Account:

This fund is used to account for employee earnings and related benefits which are then distributed to the corresponding City departments.

Bail Bonds Account:

This fund is used to account for monies held as bail bonds by the police department.

Special Investigations Account:

This fund is used to account for monies received by the police department all of which are to be expended for drug control and special investigation type expenditures.

CITY OF GARDEN CITY, KANSAS
Combining Statement of Changes in Assets and Liabilities
Agency Accounts
For the Year Ended December 31, 2011

	Balance 01-01-11	Additions	Deductions	Balance 12-31-11
Payroll Clearing Account:				
	<u>Assets</u>			
Cash	\$ (11)	\$ 12,958,814	\$ 12,945,958	\$ 12,845
	<u>Liabilities</u>			
Accounts payable	\$ (11)	\$ 12,958,814	\$ 12,945,958	\$ 12,845
 Bail Bonds Account:				
	<u>Assets</u>			
Cash	\$ 120,176	\$ 208,285	\$ 229,071	\$ 99,390
	<u>Liabilities</u>			
Accounts payable	\$ 120,176	\$ 208,285	\$ 229,071	\$ 99,390
 Special Investigations Account:				
	<u>Assets</u>			
Cash	\$ 11,117	\$ 14,007	\$ 19,537	\$ 5,587
	<u>Liabilities</u>			
Accounts payable	\$ 11,117	\$ 14,007	\$ 19,537	\$ 5,587
 Totals:				
	<u>Assets</u>			
Cash	\$ 131,282	\$ 13,181,106	\$ 13,194,566	\$ 117,822
	<u>Liabilities</u>			
Accounts payable	\$ 131,282	\$ 13,181,106	\$ 13,194,566	\$ 117,822

Supplementary Information

The Supplementary Information is presented for purposes of additional analysis and is not a required part of the basic financial statements of the City of Garden City, Kansas.

CITY OF GARDEN CITY, KANSAS
 Schedule of Investments
 December 31, 2011

<u>Idle Funds</u>	
Certificates of deposit	\$ 5,109,242
Total Idle Funds investments	5,109,242
<u>Special Revenue Funds</u>	
Community Trust - Certificates of deposit	1,000,000
Capital Improvement - Certificates of deposit	100,000
Special Trafficway - Certificates of deposit	309,289
Cemetery Endowment - Certificates of deposit	14,310
Economic Development - Certificates of deposit	125,000
Total Special Revenue Funds investments	1,548,599
<u>Electric Utility</u>	
General - Temporary notes	25,000
Security Deposit - Certificates of deposit	100,000
Total Electric Utility investments	125,000
<u>Solid Waste Utility</u>	
General - Certificates of deposit	200,000
<u>Drainage Utility</u>	
General - Certificates of deposit	100,000
<u>Workers Compensation Reserve</u>	
Certificates of deposit	125,000
Total investment - all funds	\$ 7,207,841

CITY OF GARDEN CITY, KANSAS
Comparison of Cash Balances with Encumbrances and Composition of Cash
For the Year Ended December 31, 2011

Fund	Unencumbered Cash Balance 01-01-11	Receipts and Transfers	Expenditures and Transfers	Unencumbered Cash Balance 12-31-11	Add Payables and Encumbrances	Treasurer's Cash 12-31-11
Operating						
General	\$ 3,310,971	\$ 18,281,937	\$ 18,009,809	\$ 3,583,099	\$ 525,637	\$ 4,108,736
Debt Service Fund						
Bond and Interest	189,267	1,929,420	1,879,614	239,073	-	239,073
Special Revenue Funds						
Community Trust	1,830,732	364,259	551,851	1,643,140	-	1,643,140
Capital Improvements	296,621	146,117	78,830	363,908	9,187	373,095
Recreation	5,476	880,445	875,566	10,355	-	10,355
Special Trafficway	744,634	837,468	604,478	977,624	31,558	1,009,182
Special Improvements	91,199	164,377	41,470	214,106	1,546	215,652
Cemetery Endowment	21,502	4,375	5,215	20,662	-	20,662
Special Recreation and Parks	77,273	86,596	80,508	83,361	-	83,361
Special Alcohol Programs	26,434	74,296	82,246	18,484	-	18,484
Finnup Trust Fund	50,784	114,000	117,267	47,517	1,772	49,289
Special Liability	140,820	27,500	14,077	154,243	5,800	160,043
Drug Enforcement	27,146	10,282	6,225	31,203	91	31,294
DEA Forfeiture	39,884	26,958	40,561	26,281	949	27,230
Community Development Loan Fund	5,753	13,252	9,529	9,476	2,425	11,901
Economic Development	312,990	35,894	123,956	224,928	-	224,928
Enhanced Wireless 911	75,959	59,133	43,820	91,272	-	91,272
Community Development Grant	-	51,428	51,428	-	16,508	16,508
COPS Grant Technology	(3,980)	9,530	8,388	(2,838)	1,676	(1,162)
Project Development	250,000	30,359	106,326	174,033	-	174,033
Total Special Revenue	3,993,227	2,936,269	2,841,741	4,087,755	71,512	4,159,267
Capital Projects Funds						
2011 GO Bond Projects	-	1,736,855	324,854	1,412,001	2,000	1,414,001
2011-A Temporary Note Projects	-	25,000	2,399	22,601	-	22,601
2010-A GO Bond Projects	784,108	-	784,108	-	-	-
2010 Temporary Note Projects	21,115	950,563	971,678	-	-	-
2009 GO Bond Projects	225,989	-	225,989	-	-	-
2008-A GO Bond Projects	8,628	-	8,628	-	-	-
Total Capital Projects	1,039,840	2,712,418	2,317,656	1,434,602	2,000	1,436,602
Enterprise Funds						
Electric Utility:						
General	3,821,329	24,278,019	24,267,377	3,831,971	1,413,397	5,245,368
Security Deposits	248,033	117,870	111,720	254,183	-	254,183
Total Electric Utility	4,069,362	24,395,889	24,379,097	4,086,154	1,413,397	5,499,551
Water and Sewer Utility:						
General	924,593	7,717,186	6,837,577	1,804,202	186,960	1,991,162
Water and Sewage Maintenance Reserve	809,892	222,458	300,000	732,350	-	732,350
Wastewater Repair and Replacement	485,421	134,310	100,000	519,731	-	519,731
Total Water and Sewer Utility	2,219,906	8,073,954	7,237,577	3,056,283	186,960	3,243,243
Airport:						
General	374,877	713,374	1,000,654	87,597	29,508	117,105
Airport Improvement	120,950	813,252	817,015	117,187	49,611	166,798
Total Airport	495,827	1,526,626	1,817,669	204,784	79,119	283,903
Solid Waste Utility:						
General	1,104,809	2,905,775	2,728,238	1,282,346	208,023	1,490,369
Recreation Area:						
General Golf Course	144,023	776,946	812,599	108,370	7,017	115,387
Golf Course Building	5,261	42,298	29,804	17,755	8,886	26,641
Total Recreation Area	149,284	819,244	842,403	126,125	15,903	142,028
Drainage Utility:						
General	244,034	209,993	252,434	201,593	441	202,034
Internal Service Funds						
Health Insurance	(435,647)	2,877,257	3,157,156	(715,546)	945,353	229,807
Health Insurance Reserve	660,000	-	60,000	600,000	-	600,000
Workers Compensation	(2,988)	301,260	263,204	35,068	1,477	36,545
Workers Compensation Reserve	372,667	60,535	-	433,202	-	433,202
Total Internal Service	594,032	3,239,052	3,480,360	352,724	946,830	1,299,554

(continued)

CITY OF GARDEN CITY, KANSAS
Comparison of Cash Balances with Encumbrances and Composition of Cash
For the Year Ended December 31, 2011

Fund	Unencumbered Cash Balance 01-01-11	Receipts and Transfers	Expenditures and Transfers	Unencumbered Cash Balance 12-31-11	Add Payables and Encumbrances	Treasurer's Cash 12-31-11
<i>(continued)</i>						
<u>Agency Accounts</u>						
Payroll Clearing Account	\$ -	\$ 12,958,814	\$ 12,958,814	\$ -	\$ 12,845	\$ 12,845
Bail Bonds Account	-	208,285	208,285	-	99,390	99,390
Special Investigations Account	-	14,007	14,007	-	5,587	5,587
Total Agency Accounts	<u>-</u>	<u>13,181,106</u>	<u>13,181,106</u>	<u>-</u>	<u>117,822</u>	<u>117,822</u>
Total all funds (memorandum only)	<u>\$ 17,410,559</u>	<u>\$ 80,211,683</u>	<u>\$ 78,967,704</u>	<u>\$ 18,654,538</u>	<u>\$ 3,567,644</u>	<u>\$ 22,222,182</u>
<u>Composition of Treasurer's Cash</u>						
Commerce Bank					\$ 7,193,453	
Western State Bank					492,153	
First National Bank					3,114,040	
American State Bank					3,905,613	
Garden City State Bank					336,854	
Plus deposits in transit					106,261	
Less outstanding checks					<u>(318,845)</u>	
Total cash in banks						\$ 14,831,529
Utility petty cash accounts						450
Accounts receivable						182,362
Investments						<u>7,207,841</u>
Total cash						<u>\$ 22,222,182</u>

CITY OF GARDEN CITY, KANSAS
 Schedule of Insurance
 December 31, 2011

<u>Type of Insurance - Insurer</u>	<u>Policy Number</u>	<u>Expiration Date</u>	<u>Insured Amount</u>
Buildings and personal property - The St. Paul Travelers Companies	GP09314453	12/31/2011	\$ 66,493,481
Commercial auto - The St. Paul Travelers Companies	GP09314453	12/31/2011	1,000,000/1,000,000
Commercial general liability - The St. Paul Travelers Companies	GP09314453	12/31/2011	1,000,000
Aviation insurance and airport liability - Global Aerospace, Inc.	ALI14000619	02/01/2012	1,000,000
Law enforcement liability - The St. Paul Travelers Companies	GP09314453	12/31/2011	2,000,000
Employee dishonesty coverage - The St. Paul Travelers Companies	GP09314453	12/31/2011	250,000
Public officials liability - The St. Paul Travelers Companies	GP09314453	12/31/2011	2,000,000/2,000,000
Gas well liability - Mid-Continent Casualty Company	04GL000776078	12/07/2012	1,000,000

STATISTICAL SECTION

Statistical Section

This part of the City of Garden City, Kansas, comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents	Page
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	126
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	138
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	144
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	151
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	153

Source: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

Note: The 2010 amounts for net assets invested in capital assets, net of related debt, and unrestricted net assets for the business-type activities have been restated for prior period adjustments as discussed in Note 4, item J, on page 63 of the 2011 report.

Note: The 2008 amounts for the government-wide and governmental-type activities have been restated for prior period adjustments as discussed in Note 4, item K, on page 62 of the 2009 report.

Note: The 2007 amounts for the government-wide and business-type activities have been restated for prior period adjustments as discussed in Note 4, item J, on pages 59 through 60 of the 2008 report.

Note: The City implemented GASB 34 in 2003, so net assets by components and changes in net assets are only available for the last nine years.

CITY OF GARDEN CITY, KANSAS
 Net Assets by Components
 Last Nine Fiscal Years
 (accrual basis of accounting)

	2003	2004	2005	Fiscal 2006
Governmental activities:				
Invested in capital assets, net of related debt	\$ 26,753,243	\$ 29,444,859	\$ 30,340,781	\$ 30,082,449
Restricted	319,897	234,496	322,545	141,758
Unrestricted	<u>7,127,123</u>	<u>8,330,258</u>	<u>9,259,051</u>	<u>9,575,188</u>
Total governmental activities net assets	<u>\$ 34,200,263</u>	<u>\$ 38,009,613</u>	<u>\$ 39,922,377</u>	<u>\$ 39,799,395</u>
Business-type activities:				
Invested in capital assets, net of related debt	\$ 41,003,482	\$ 40,958,332	\$ 41,500,141	\$ 44,028,234
Restricted	1,021,182	1,025,473	1,064,866	1,102,975
Unrestricted	<u>9,230,778</u>	<u>9,436,297</u>	<u>9,538,962</u>	<u>9,092,540</u>
Total business-type activities net assets	<u>\$ 51,255,442</u>	<u>\$ 51,420,102</u>	<u>\$ 52,103,969</u>	<u>\$ 54,223,749</u>
Primary government:				
Invested in capital assets, net of related debt	\$ 67,756,725	\$ 70,403,191	\$ 71,840,922	\$ 74,110,683
Restricted	1,341,079	1,259,969	1,387,411	1,244,733
Unrestricted	<u>16,357,901</u>	<u>17,766,555</u>	<u>18,798,013</u>	<u>18,667,728</u>
Total primary government net assets	<u>\$ 85,455,705</u>	<u>\$ 89,429,715</u>	<u>\$ 92,026,346</u>	<u>\$ 94,023,144</u>

Year				
2007	2008	2009	2010	2011
\$ 32,766,383	\$ 32,525,667	\$ 31,454,153	\$ 31,975,036	\$ 32,574,980
232,006	256,240	213,341	189,267	239,073
8,468,785	9,943,841	9,543,948	8,541,673	8,406,287
<u>\$ 41,467,174</u>	<u>\$ 42,725,748</u>	<u>\$ 41,211,442</u>	<u>\$ 40,705,976</u>	<u>\$ 41,220,340</u>
\$ 45,622,009	\$ 47,733,618	\$ 51,227,065	\$ 53,402,931	\$ 55,402,807
1,137,405	1,259,840	1,234,110	1,484,641	1,444,781
8,918,876	8,677,126	9,314,091	10,471,328	11,229,120
<u>\$ 55,678,290</u>	<u>\$ 57,670,584</u>	<u>\$ 61,775,266</u>	<u>\$ 65,358,900</u>	<u>\$ 68,076,708</u>
\$ 78,388,392	\$ 80,259,285	\$ 82,681,218	\$ 85,377,967	\$ 87,977,787
1,369,411	1,516,080	1,447,451	1,673,908	1,683,854
17,387,661	18,620,967	18,858,039	19,013,001	19,635,407
<u>\$ 97,145,464</u>	<u>\$ 100,396,332</u>	<u>\$ 102,986,708</u>	<u>\$ 106,064,876</u>	<u>\$ 109,297,048</u>

CITY OF GARDEN CITY, KANSAS
Changes in Net Assets
Last Nine Fiscal Years
(accrual basis of accounting)

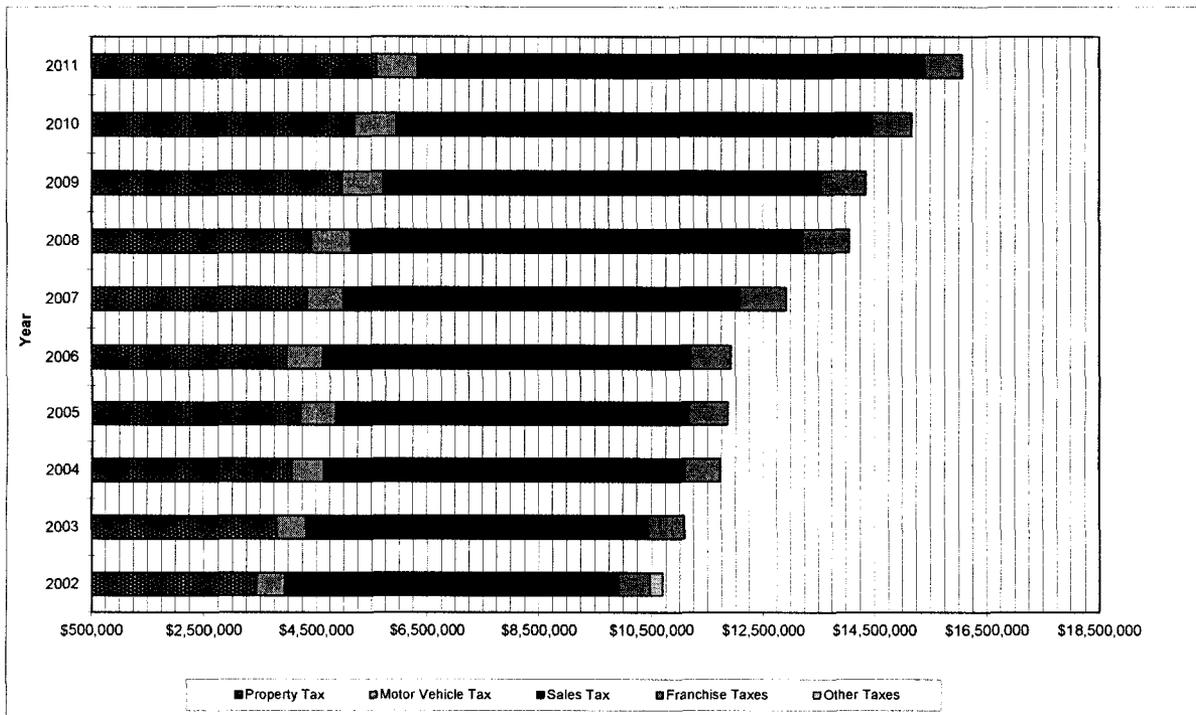
	Fiscal Year				
	2003	2004	2005	2006	2007
Expenses					
Governmental activities:					
General government	\$ 6,425,634	\$ 6,507,206	\$ 7,316,396	\$ 8,515,542	\$ 6,838,681
Public safety	5,837,395	5,897,958	5,867,304	6,326,228	6,930,303
Public works	1,787,800	1,341,869	771,928	2,238,682	865,762
Parks and recreation	1,715,201	1,614,017	2,294,948	1,707,918	2,316,097
Interest on long-term debt	423,111	325,608	277,659	281,904	323,812
Total governmental activities expenses	<u>16,189,141</u>	<u>15,686,658</u>	<u>16,528,235</u>	<u>19,070,274</u>	<u>17,274,655</u>
Business-type activities:					
Electric	14,555,759	13,966,263	14,352,413	16,228,944	16,942,321
Water and sewer	4,034,173	4,757,292	5,424,249	5,033,390	5,100,961
Airport	1,017,403	1,244,054	1,067,487	1,091,263	1,161,850
Solid waste	1,748,618	1,769,639	1,821,275	1,855,054	2,044,744
Golf course	496,069	628,578	633,050	661,343	659,059
Housing	168,013	182,176	193,477	5,397	7,341
Drainage	77,577	61,790	312,337	56,973	133,167
Total business-type activities expenses	<u>22,097,612</u>	<u>22,609,792</u>	<u>23,804,288</u>	<u>24,932,364</u>	<u>26,049,443</u>
Total primary government expenses	<u>\$ 38,286,753</u>	<u>\$ 38,296,450</u>	<u>\$ 40,332,523</u>	<u>\$ 44,002,638</u>	<u>\$ 43,324,098</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 248,618	\$ 201,684	\$ 226,808	\$ 339,891	\$ 318,971
Public safety	1,103,543	1,482,633	1,507,534	1,430,306	1,347,231
Public works	373	17,319	141	48	-
Parks and recreation	18,655	18,532	19,201	18,063	79,529
Operating grants and contributions	3,117,098	2,678,825	2,333,272	2,282,281	1,433,246
Capital grants and contributions	647,313	1,032,749	636,251	534,787	674,112
Total governmental activities program revenues	<u>5,135,600</u>	<u>5,431,742</u>	<u>4,723,207</u>	<u>4,605,376</u>	<u>3,853,089</u>
Business-type activities:					
Charges for services:					
Electric	16,397,919	15,332,112	16,495,795	17,230,391	18,868,092
Water and sewer	5,213,894	5,065,747	5,376,382	5,428,052	5,376,025
Airport	283,180	292,182	313,163	337,710	342,071
Solid waste	2,079,692	1,972,994	2,070,307	2,088,905	2,078,521
Golf course	302,095	389,652	381,543	393,040	390,248
Drainage	116,347	127,628	128,904	130,602	202,059
Operating grants and contributions	2,732,848	720,761	273,961	2,019,509	621,952
Total business-type activities program revenues	<u>27,125,975</u>	<u>23,901,076</u>	<u>25,040,055</u>	<u>27,628,209</u>	<u>27,878,968</u>
Total primary government program revenues	<u>\$ 32,261,575</u>	<u>\$ 29,332,818</u>	<u>\$ 29,763,262</u>	<u>\$ 32,233,585</u>	<u>\$ 31,732,057</u>
Net (expense)/revenue:					
Governmental activities	\$ (11,053,541)	\$ (10,254,916)	\$ (11,805,028)	\$ (14,464,898)	\$ (13,421,566)
Business-type activities	5,028,363	1,291,284	1,235,767	2,695,845	1,829,525
Total primary government net expense	<u>\$ (6,025,178)</u>	<u>\$ (8,963,632)</u>	<u>\$ (10,569,261)</u>	<u>\$ (11,769,053)</u>	<u>\$ (11,592,041)</u>
General Revenues and Other Changes in Net Assets					
Governmental activities:					
Taxes:					
Property taxes	\$ 3,888,695	\$ 4,055,007	\$ 4,253,964	\$ 3,983,104	\$ 4,346,459
Sales taxes	6,110,402	6,449,808	6,289,182	6,562,890	7,079,556
Franchise taxes	642,811	627,919	705,538	720,481	836,308
Other taxes	434,807	600,950	608,946	652,469	650,440
Investment earnings	355,442	318,808	505,618	956,891	890,270
Miscellaneous	50,053	42,873	65,898	201,909	109,734
Gain on disposal of capital assets	-	-	-	-	-
Transfers	1,393,587	1,968,901	1,288,646	1,264,172	1,176,578
Total governmental activities	<u>12,875,797</u>	<u>14,064,266</u>	<u>13,717,792</u>	<u>14,341,916</u>	<u>15,089,345</u>
Business-type activities:					
Taxes:					
Property taxes	434,842	281,976	275,754	423,666	374,102
Investment earnings	49,717	38,951	64,336	102,658	136,897
Miscellaneous	611,840	510,640	396,656	161,783	290,595
Gain on disposal of capital assets	-	17,930	-	-	-
Transfers	(1,393,587)	(1,976,121)	(1,288,646)	(1,264,172)	(1,176,578)
Total business-type activities	<u>(297,188)</u>	<u>(1,126,624)</u>	<u>(551,900)</u>	<u>(576,065)</u>	<u>(374,984)</u>
Total primary government	<u>\$ 12,578,609</u>	<u>\$ 12,937,642</u>	<u>\$ 13,165,892</u>	<u>\$ 13,765,851</u>	<u>\$ 14,714,361</u>
Change in Net Assets					
Governmental activities	\$ 1,822,256	\$ 3,809,350	\$ 1,912,764	\$ (122,982)	\$ 1,667,779
Business-type activities	4,731,175	164,660	683,867	2,119,780	1,454,541
Total primary government	<u>\$ 6,553,431</u>	<u>\$ 3,974,010</u>	<u>\$ 2,596,631</u>	<u>\$ 1,996,798</u>	<u>\$ 3,122,320</u>

	2008	2009	2010	2011
\$	6,653,078	\$ 6,699,734	\$ 4,698,266	\$ 4,009,461
	7,312,265	9,631,721	10,520,505	11,122,229
	2,425,119	2,768,845	3,997,877	3,237,551
	2,958,139	3,854,085	2,766,802	3,714,687
	328,853	372,770	400,611	265,565
	<u>19,677,454</u>	<u>23,327,155</u>	<u>22,384,061</u>	<u>22,349,493</u>
	19,396,414	18,798,030	21,157,506	22,620,827
	5,393,462	5,588,047	5,666,156	5,553,692
	1,354,229	1,305,582	1,107,934	1,248,706
	2,149,923	2,221,036	2,364,421	2,178,135
	632,179	708,671	763,293	820,835
	1,905	-	-	-
	98,346	82,417	98,028	272,108
	<u>29,026,458</u>	<u>28,703,783</u>	<u>31,157,338</u>	<u>32,694,303</u>
\$	<u>48,703,912</u>	<u>52,030,938</u>	<u>53,541,399</u>	<u>55,043,796</u>
\$	542,897	\$ 373,066	\$ 449,462	\$ 352,233
	1,356,357	1,458,791	1,594,491	1,702,490
	32,698	-	-	17,873
	17,764	54,137	16,734	24,045
	2,079,099	2,403,258	1,657,675	1,320,230
	642,208	615,363	837,029	846,951
	<u>4,671,023</u>	<u>4,904,615</u>	<u>4,555,391</u>	<u>4,263,822</u>
	20,784,933	21,424,209	23,072,844	24,206,117
	5,596,886	6,266,262	7,092,827	7,602,554
	319,904	326,444	286,326	236,487
	2,096,321	2,116,312	2,733,879	2,767,614
	407,705	437,066	448,690	451,342
	202,133	204,986	205,276	206,328
	2,175,426	3,432,840	1,629,530	811,252
	<u>31,583,308</u>	<u>34,208,119</u>	<u>35,469,372</u>	<u>36,281,694</u>
\$	<u>36,254,331</u>	<u>39,112,734</u>	<u>40,024,763</u>	<u>40,545,516</u>
\$	(15,006,431)	\$ (18,422,540)	\$ (17,828,670)	\$ (18,085,671)
	2,556,850	5,504,336	4,312,034	3,587,391
\$	<u>(12,449,581)</u>	<u>(12,918,204)</u>	<u>(13,516,636)</u>	<u>(14,498,280)</u>
\$	4,407,894	\$ 4,978,312	\$ 5,193,216	\$ 5,588,035
	8,076,358	7,843,971	8,505,990	9,055,986
	848,048	776,554	707,656	670,290
	725,920	753,351	761,578	753,828
	714,423	395,687	301,284	240,453
	151,646	129,959	174,980	638,986
	-	-	-	17,957
	1,340,716	2,030,400	1,678,500	1,634,500
	<u>16,265,005</u>	<u>16,908,234</u>	<u>17,323,204</u>	<u>18,600,035</u>
	363,283	419,206	471,787	468,849
	104,615	13,934	5,929	15,714
	308,262	197,606	471,116	256,500
	-	-	1,268	23,854
	(1,340,716)	(2,030,400)	(1,678,500)	(1,634,500)
	<u>(564,556)</u>	<u>(1,399,654)</u>	<u>(728,400)</u>	<u>(869,583)</u>
\$	<u>15,700,449</u>	<u>15,508,580</u>	<u>16,594,804</u>	<u>17,730,452</u>
\$	1,258,574	\$ (1,514,306)	\$ (505,466)	\$ 514,364
	1,992,294	4,104,682	3,583,634	2,717,808
\$	<u>3,250,868</u>	<u>2,590,376</u>	<u>3,078,168</u>	<u>3,232,172</u>

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CITY OF GARDEN CITY, KANSAS
Governmental Activities Tax Revenues by Source
Last Ten Fiscal Years
(accrual basis of accounting)

Fiscal Year	Property Tax	Motor Vehicle Tax	Sales Tax	Franchise Taxes	Other Taxes	Total
2002	\$ 3,416,999	\$ 522,150	\$ 5,967,700	\$ 548,443	\$ 237,200	\$ 10,692,492
2003	3,786,725	536,777	6,110,402	642,811	-	11,076,715
2004	4,054,769	583,511	6,449,808	627,919	17,677	11,733,684
2005	4,215,809	642,697	6,289,182	705,538	4,404	11,857,630
2006	3,972,128	652,469	6,562,890	720,481	10,976	11,918,944
2007	4,337,090	650,440	7,079,556	839,308	9,369	12,915,763
2008	4,400,476	725,920	8,076,358	848,048	7,418	14,058,220
2009	4,963,808	753,351	7,843,971	776,554	14,504	14,352,188
2010	5,181,820	761,578	8,505,990	707,656	11,396	15,179,836
2011	5,583,820	753,828	9,055,986	670,290	4,215	16,068,139



CITY OF GARDEN CITY, KANSAS
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
General fund:				
Unreserved	\$ 2,130,785	\$ 3,499,186	\$ 4,331,026	\$ 4,644,051
Unassigned	-	-	-	-
Total general fund	<u>\$ 2,130,785</u>	<u>\$ 3,499,186</u>	<u>\$ 4,331,026</u>	<u>\$ 4,644,051</u>
All other governmental funds:				
Reserved	\$ 257,191	\$ 319,897	\$ 234,496	\$ 322,545
Unreserved, reported in:				
Special revenue funds	2,443,293	3,001,545	2,914,907	2,563,468
Capital project funds	604,561	(114,668)	223,430	1,248,935
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Total all other governmental funds	<u>\$ 3,305,045</u>	<u>\$ 3,206,774</u>	<u>\$ 3,372,833</u>	<u>\$ 4,134,948</u>

(1) GASB 54 was implemented by the City in 2011.

Fiscal Year					
2006	2007	2008	2009	2010	2011 (1)
\$ 4,686,557	\$ 4,599,827	\$ 4,857,753	\$ 4,930,556	\$ 5,100,420	\$ -
-	-	-	-	-	5,443,223
<u>\$ 4,686,557</u>	<u>\$ 4,599,827</u>	<u>\$ 4,857,753</u>	<u>\$ 4,930,556</u>	<u>\$ 5,100,420</u>	<u>\$ 5,443,223</u>
\$ 141,758	\$ 232,006	\$ 256,240	\$ 213,341	\$ 189,267	\$ -
3,327,295	3,844,311	4,401,327	4,163,831	4,198,268	-
819,556	19,309	1,857,190	1,741,915	789,840	-
-	-	-	-	-	3,539,330
-	-	-	-	-	1,650,217
-	-	-	-	-	732,257
<u>\$ 4,288,609</u>	<u>\$ 4,095,626</u>	<u>\$ 6,514,757</u>	<u>\$ 6,119,087</u>	<u>\$ 5,177,375</u>	<u>\$ 5,921,804</u>

CITY OF GARDEN CITY, KANSAS
 Changes in Fund Balances of Governmental Funds
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

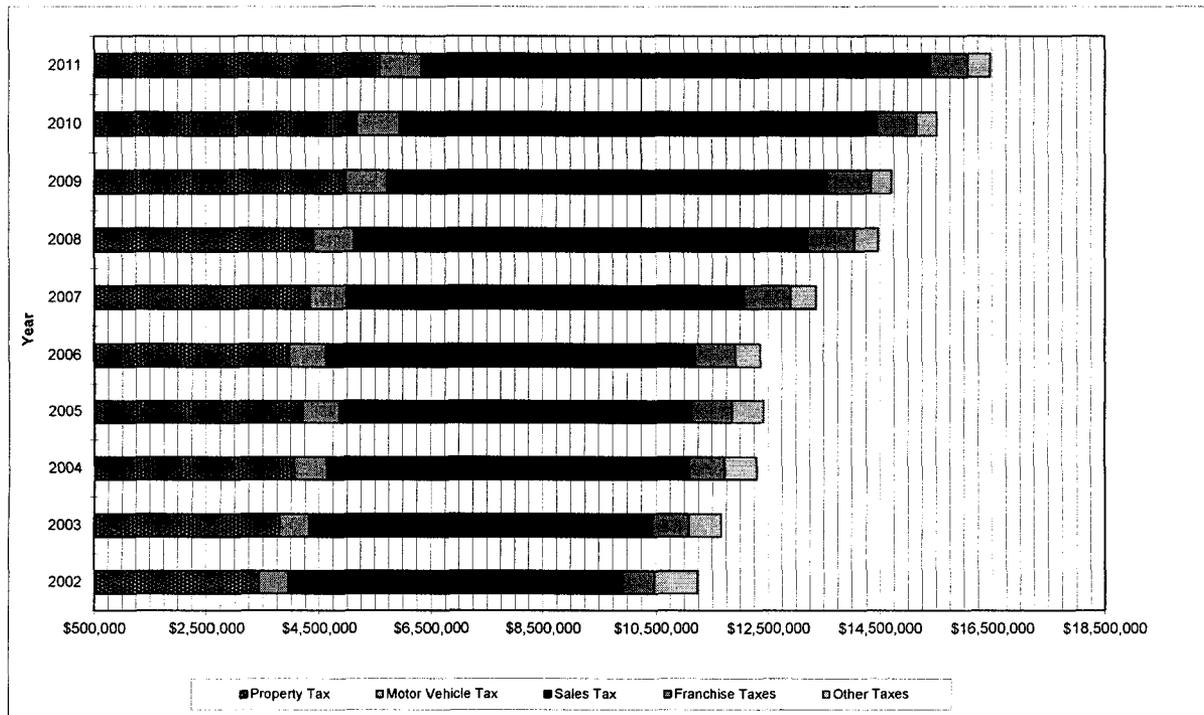
	2002	2003	2004	2005
Revenues:				
Taxes	\$ 10,144,049	\$ 10,433,904	\$ 11,105,765	\$ 11,152,092
Special assessment taxes	533,498	576,363	561,948	553,004
Intergovernmental revenue	1,374,629	1,337,959	1,463,983	1,373,840
Franchises	548,443	642,811	627,919	705,538
Licenses and permits	133,258	142,507	101,215	101,818
Use of money and property	355,892	326,700	299,767	470,251
Reimbursements/Insurance proceeds	1,260,340	1,779,139	1,282,342	959,432
Miscellaneous	57,706	50,053	42,873	65,898
Donations	95,000	70,950	403,301	83,247
Cemetery	100,385	101,860	97,564	120,560
Police and municipal court	790,405	991,385	1,280,006	1,255,877
Fire	150,734	32,281	120,845	154,074
Engineering	-	373	17,319	141
Inspection	3,471	79,877	81,782	97,583
Planning and zoning	4,824	4,251	2,905	4,430
Parks and zoo	29,918	18,655	18,532	19,201
Total revenues	15,582,552	16,589,068	17,508,066	17,116,986
Expenditures:				
Current:				
General government	5,262,239	4,186,318	4,502,985	5,258,070
Public safety	5,588,030	5,516,313	5,853,879	6,040,126
Public works	758,875	1,382,576	1,428,731	1,507,574
Parks and recreation	2,097,180	2,152,716	2,131,701	2,157,063
Capital outlay and capital projects	2,902,335	2,242,796	1,863,194	1,942,931
Debt service:				
Principal	2,572,000	2,930,000	2,845,000	2,124,000
Interest and fiscal charges	633,591	444,428	337,942	279,701
Refunding and bond issuance costs	51,446	-	-	-
Total expenditures	19,865,696	18,855,147	18,963,432	19,309,465
Excess of revenues under expenditures	(4,283,144)	(2,266,079)	(1,455,366)	(2,192,479)
Other financing sources (uses):				
Transfers in	2,878,054	3,265,671	3,617,236	2,124,347
Transfers out	(1,963,610)	(1,812,084)	(1,843,335)	(903,701)
Bonds issued	4,745,000	350,000	614,000	1,885,000
Payment to refunded bond escrow agent	(3,784,288)	-	-	-
Issuance of capital leases	88,240	-	65,364	161,973
Sale of capital assets	-	-	-	-
Total other financing sources (uses)	1,963,396	1,803,587	2,453,265	3,267,619
Net change in fund balances	\$ (2,319,748)	\$ (462,492)	\$ 997,899	\$ 1,075,140
Debt service as a percentage of noncapital expenditures	17.16%	19.59%	19.20%	14.34%

Fiscal Year					
2006	2007	2008	2009	2010	2011
\$ 11,198,463	\$ 12,076,455	\$ 13,210,172	\$ 13,575,634	\$ 14,460,784	\$ 15,397,849
442,787	448,123	409,466	352,286	348,077	389,521
2,282,281	1,433,246	1,489,754	2,428,258	1,682,675	1,345,230
720,481	836,308	848,048	776,554	707,656	670,290
233,954	216,907	442,022	259,885	339,459	237,266
904,927	819,395	667,398	380,785	300,090	239,918
-	-	589,345	-	-	-
201,909	109,734	151,646	129,959	174,980	638,986
92,000	225,989	232,742	238,077	463,952	432,430
102,778	100,430	97,731	106,695	105,760	110,330
1,181,481	1,032,772	1,068,948	1,156,939	1,262,325	1,324,361
163,485	178,364	178,979	162,268	195,861	192,882
48	-	32,698	-	-	17,873
85,340	136,095	108,430	139,584	136,305	185,247
3,159	1,634	3,144	6,486	4,243	4,637
18,063	79,529	17,764	54,137	16,734	24,045
<u>17,631,156</u>	<u>17,694,981</u>	<u>19,548,287</u>	<u>19,767,547</u>	<u>20,198,901</u>	<u>21,210,865</u>
5,534,780	5,177,643	5,909,715	3,999,678	3,836,071	4,295,142
6,585,437	6,831,003	7,314,638	10,264,218	10,217,268	10,327,641
1,442,581	1,777,833	1,825,338	1,567,406	1,752,581	1,971,459
2,160,162	2,307,451	2,429,367	2,934,845	3,121,023	3,256,194
2,812,883	2,993,041	2,099,230	3,647,370	3,014,771	2,572,033
1,635,000	1,445,000	1,450,300	1,452,000	1,623,700	1,565,500
270,201	318,197	323,200	349,881	359,944	314,114
21,693	195	31,780	28,253	4,341	36,007
<u>20,462,737</u>	<u>20,850,363</u>	<u>21,383,568</u>	<u>24,243,651</u>	<u>23,929,699</u>	<u>24,338,090</u>
<u>(2,831,581)</u>	<u>(3,155,382)</u>	<u>(1,835,281)</u>	<u>(4,476,104)</u>	<u>(3,730,798)</u>	<u>(3,127,225)</u>
1,908,950	1,828,212	1,801,896	2,788,596	2,284,095	2,121,500
(804,778)	(851,331)	(611,180)	(1,544,366)	(850,595)	(487,000)
1,370,000	1,755,300	3,072,000	2,173,700	1,418,000	2,360,000
-	-	-	-	-	-
553,576	143,488	249,622	735,307	107,450	202,000
-	-	-	-	-	17,957
<u>3,027,748</u>	<u>2,875,669</u>	<u>4,512,338</u>	<u>4,153,237</u>	<u>2,958,950</u>	<u>4,214,457</u>
<u>\$ 196,167</u>	<u>\$ (279,713)</u>	<u>\$ 2,677,057</u>	<u>\$ (322,867)</u>	<u>\$ (771,848)</u>	<u>\$ 1,087,232</u>
10.11%	10.43%	9.25%	8.22%	9.54%	8.69%

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CITY OF GARDEN CITY, KANSAS
 General Governmental Tax Revenues by Source
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

Fiscal Year	Property Tax	Motor Vehicle Tax	Sales Tax	Franchise Taxes	Other Taxes	Total
2002	\$ 3,416,999	\$ 522,150	\$ 5,967,700	\$ 548,443	\$ 770,698	\$ 11,225,990
2003	3,786,725	536,777	6,110,402	642,811	576,363	11,653,078
2004	4,054,769	584,591	6,449,808	627,919	578,545	12,295,632
2005	4,215,809	642,697	6,289,182	705,538	557,408	12,410,634
2006	3,972,128	652,469	6,562,890	720,481	453,763	12,361,731
2007	4,337,090	650,440	7,079,556	836,308	457,492	13,360,886
2008	4,400,476	725,920	8,076,358	848,048	416,884	14,467,686
2009	4,963,808	753,351	7,843,971	776,554	366,790	14,704,474
2010	5,181,820	761,578	8,505,990	707,656	359,473	15,516,517
2011	5,583,820	753,828	9,055,986	670,290	393,736	16,457,660

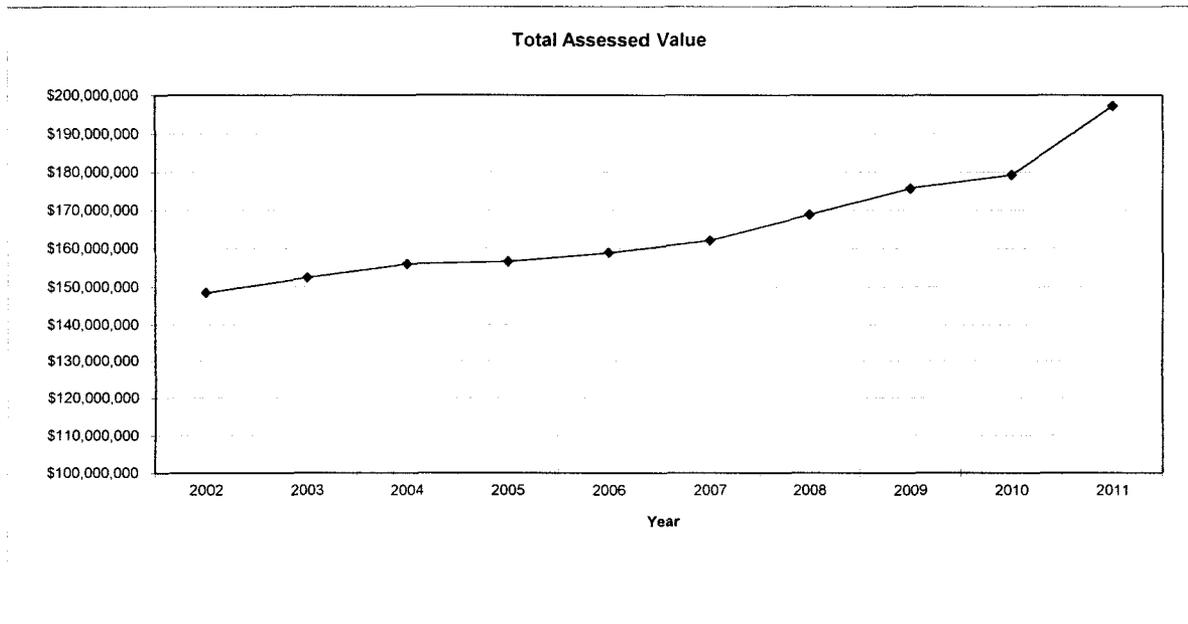


CITY OF GARDEN CITY, KANSAS
Assessed Value and Estimated Actual Value of Taxable Property
Retail Sales and Retail Sales Tax Rate
Last Ten Fiscal Years

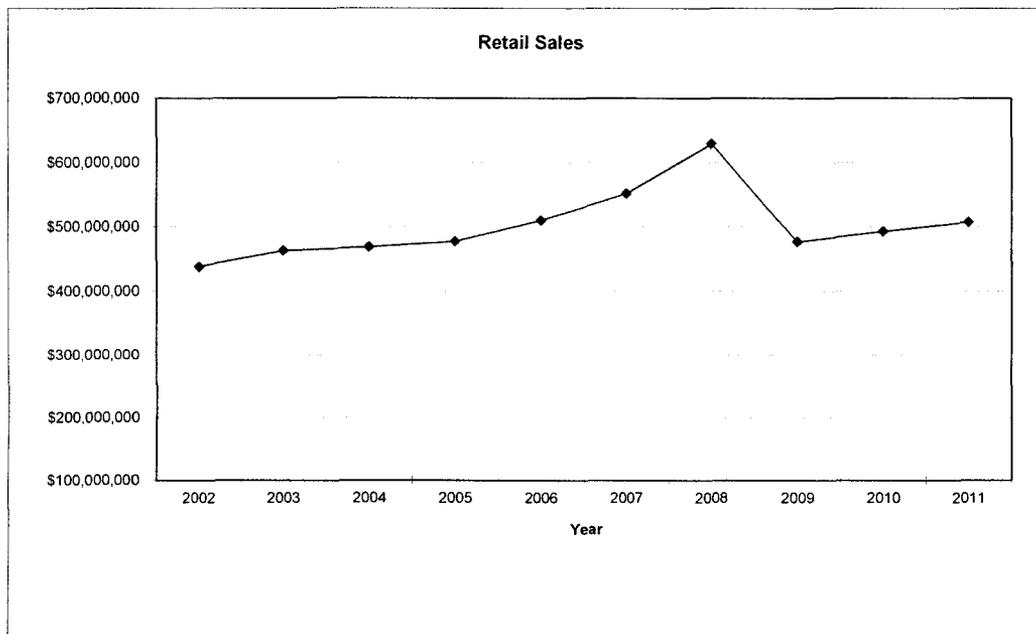
Fiscal Year	Assessed Value				Total Taxable Assessed Value	Total Direct Tax Rate
	Real Estate	Personal Property	State Utility	Motor Vehicle		
2002	\$ 112,890,882	\$ 9,748,740	\$ 3,571,846	\$ 22,245,797	\$ 148,457,265	\$ 30.93
2003	116,939,959	9,346,846	3,008,807	23,082,605	152,378,217	33.27
2004	120,617,527	9,563,754	2,913,615	22,879,911	155,974,807	33.93
2005	120,934,099	9,594,386	3,085,731	22,972,740	156,586,956	33.70
2006	122,887,690	9,265,313	2,953,087	23,770,228	158,876,318	33.74
2007	126,090,517	8,417,385	3,077,141	24,480,511	162,065,554	34.90
2008	131,094,161	7,677,368	2,920,903	27,137,490	168,829,922	34.96
2009	139,283,065	6,973,993	2,571,161	26,913,876	175,742,095	37.98
2010	144,481,953	6,334,757	2,544,753	25,886,364	179,247,827	37.85
2011	149,202,109	5,897,379	2,531,716	39,565,244	197,196,448	38.88

Note: Property in the County is reassessed annually. The County assesses property at approximately 70 to 88 percent of actual value for all types of real and personal property. Estimated actual value is calculated by dividing assessed value by those percentages. Tax rates are per \$1,000 of assessed value.

* Note: Taxable Retail Sales are from the Kansas Department of Revenue for Finney County. The City receives 1% on the sales from within the City limits plus a proportionate share of the County's sales tax collections. The amounts shown in 2009 and thereafter are for the City of Garden City only.



<u>Estimated Actual Taxable Value Real Estate</u>	<u>Assessed Value as a Percentage of Actual Value</u>	<u>Taxable Retail Sales*</u>	<u>Retail Sales Tax Rate</u>
\$ 931,202,021	15.94 %	\$ 438,220,872	1.00 %
955,244,056	15.95	462,942,679	1.00
991,826,169	15.73	468,255,563	1.00
995,962,188	15.72	477,108,515	1.00
1,035,874,909	15.34	509,956,935	1.00
1,073,053,496	15.10	551,741,758	1.00
1,117,175,220	15.11	629,398,070	1.00
1,169,648,551	15.03	476,508,922	1.00
1,214,518,251	14.76	492,834,585	1.00
1,322,021,861	14.92	507,207,150	1.00

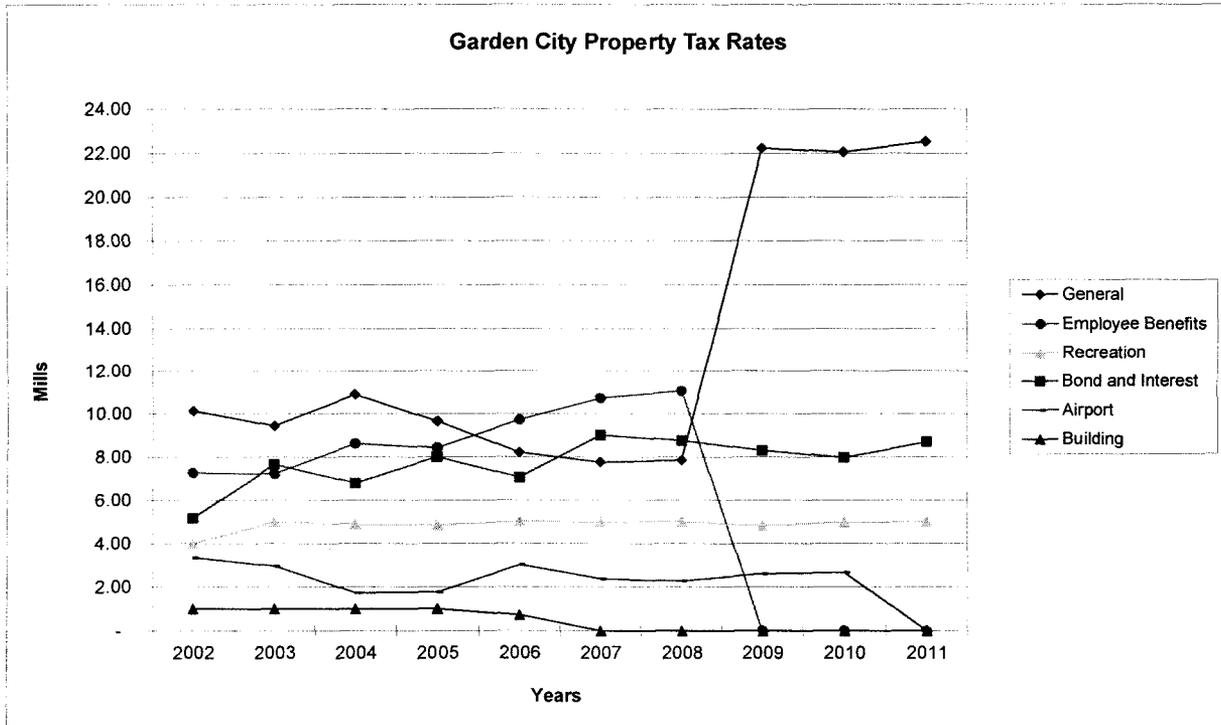


CITY OF GARDEN CITY, KANSAS
Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years

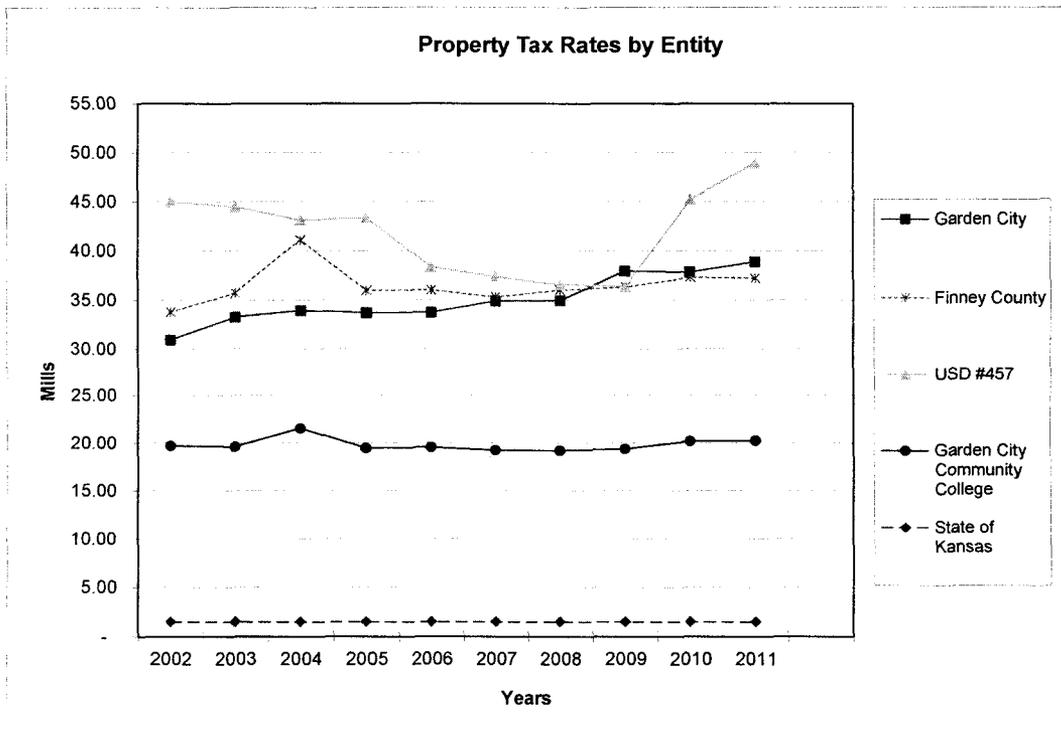
Fiscal Year	Garden City						Total
	General	Employee Benefits	Recreation	Bond and Interest	Airport	Building	
2002	10.13	7.27	4.00	5.18	3.35	1.00	30.93
2003	9.44	7.22	5.00	7.66	2.95	1.00	33.27
2004	10.90	8.62	4.89	6.79	1.73	1.00	33.93
2005	9.65	8.43	4.86	8.00	1.76	1.00	33.70
2006	8.21	9.73	5.01	7.06	3.01	0.72	33.74
2007	7.77	10.74	5.00	9.02	2.37	-	34.90
2008	7.85	11.07	5.01	8.76	2.27	-	34.96
2009	22.24	-	4.83	8.31	2.60	-	37.98
2010	22.07	-	4.98	7.98	2.82	-	37.85
2011	22.53	-	5.00	8.70	2.65	-	38.88

Rates are expressed in mills.

Overlapping rates are those of state, local and county governments that apply to property owners within the City of Garden City.



State of Kansas	Overlapping Rates			Total Direct & Overlapping Rates
	Finney County	Garden City Community College	USD #457	
1.50	33.77	19.69	45.02	130.91
1.50	35.72	19.59	44.49	134.57
1.50	41.10	21.53	43.13	141.19
1.50	35.99	19.45	43.34	133.98
1.50	36.03	19.54	38.38	129.19
1.50	35.31	19.22	37.38	128.31
1.50	36.02	19.20	36.54	128.22
1.50	36.33	19.36	36.42	131.59
1.50	37.32	20.18	45.20	142.05
1.50	37.24	20.24	48.96	146.82



CITY OF GARDEN CITY, KANSAS
Principal Property Taxpayers
Current Year and Nine Years Ago

Name	2011			2002		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Sam's Real Estate Business Trust	\$ 1,769,810	1	1.19 %			
HD Development of Maryland (Home Depot)	1,419,110	2	0.95			
Wal-Mart Real Estate Business Trust	1,388,200	3	0.93	2,159,459	2	1.71
Garden City Plaza LLC	1,285,298	4	0.86			
Black Hills Corp. (KS Division)	1,222,871	5	0.82	1,121,824	6	0.89
Dayton Hudson Corp (Target)	1,139,018	6	0.76	1,061,260	8	0.84
ART Mortgage Borrower Prop Co (Americold)	1,051,595	7	0.70			
Steve & Ann Burgess	1,031,556	8	0.69	997,873	9	0.79
Indy Lube Investments (Sears)	980,000	9	0.66			
Southwestern Bell Telephone Co.	964,427	10	0.65	2,172,544	1	1.72
St. Catherine Hospital (Imaging Center)				1,448,768	3	1.15
Dillons				1,395,139	4	1.11
Inland Container Corp.				1,192,274	5	0.94
Wheat Lands Motel				1,077,774	7	0.85
Western Building Corp.				975,274	10	0.77
Other taxpayers	136,950,224		91.79	112,609,279		89.23
Total	\$ 149,202,109		100.00 %	\$ 126,211,468		100.00 %

Source: Assessed value data used to estimate applicable percentages provided by the Finney County Clerk.

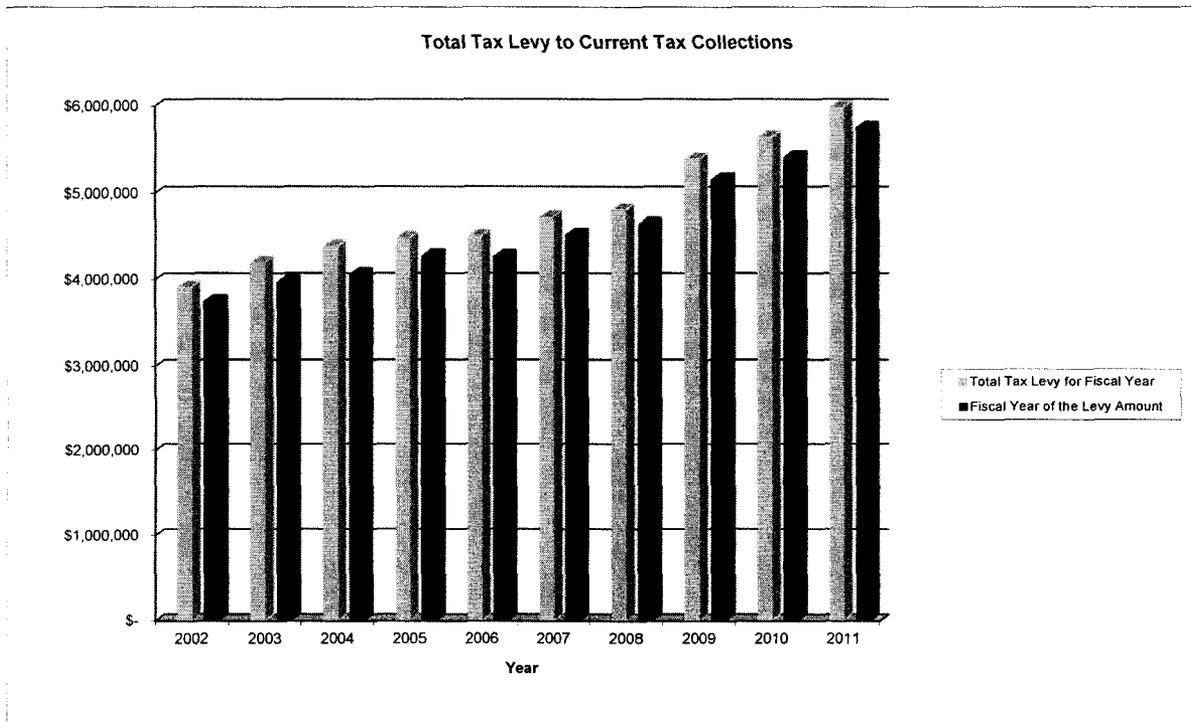
Principal Sales Taxpayers by NAICS Code
Current Year and Nine Years Ago

NAICS Code	2011			2002		
	Taxable Retail Sales	Rank	Percentage of Total Taxable Retail Sales	Taxable Retail Sales	Rank	Percentage of Total Taxable Retail Sales
Retail Trade	\$ 362,459,335	1	71.46 %	\$ 264,291,545	1	71.88 %
Accommodation and Food Services	53,338,147	2	10.52	33,973,702	2	9.24
Information	22,154,219	3	4.37	20,003,492	3	5.44
Wholesale Trade	12,073,672	4	2.38	7,347,846	6	2.00
Other Services (except Public Administration)	8,138,427	5	1.60	14,157,833	4	3.85
Utilities	6,422,303	6	1.27	6,053,587	7	1.65
Construction	5,493,632	7	1.08	8,020,104	5	2.18
Manufacturing	5,379,740	8	1.06	3,842,925	9	1.05
Real Estate and Rental and Leasing	4,724,887	9	0.93	3,531,061	8	0.96
Professional and Technical	3,175,908	10	0.63			
Administrative and Waste				1,004,119	10	0.27
Finance and Insurance				539,807		0.15
Other codes	23,846,880		4.70	4,928,802		1.33
Total within Garden City	\$ 507,207,150		100.00 %	\$ 367,694,823		100.00 %

Source: Estimated taxable retail sales by North American Industry Classification System (NAICS) code provided by the Kansas Department of Revenue.

CITY OF GARDEN CITY, KANSAS
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collected for the Fiscal Year of the Levy	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2002	\$ 3,911,861	\$ 3,744,483	95.72 %	\$ 167,378	\$ 3,911,861	100.00 %
2003	4,198,929	3,968,795	94.52	230,134	4,198,929	100.00
2004	4,384,802	4,059,527	92.58	325,275	4,384,802	100.00
2005	4,484,633	4,278,421	95.40	183,736	4,462,157	99.50
2006	4,508,411	4,266,334	94.63	223,309	4,489,643	99.58
2007	4,724,466	4,519,744	95.67	204,722	4,724,466	100.00
2008	4,809,613	4,642,217	96.52	167,396	4,809,613	100.00
2009	5,387,799	5,156,267	95.70	120,881	5,277,148	97.95
2010	5,643,613	5,412,175	95.90	92,620	5,504,795	97.54
2011	5,981,461	5,748,296	96.10	-	5,748,296	96.10



CITY OF GARDEN CITY, KANSAS
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities			Business-Type Activities		
	General Obligation Bonds	Limited Obligation Bonds	Capital Leases	General Obligation Bonds	Revenue Bonds	Revenue Loans
2002	\$ 12,510,000	\$ 180,000	\$ 523,075	\$ -	\$ 225,000	\$ 16,462,650
2003	10,110,000	-	380,212	-	185,000	17,973,761
2004	7,879,000	-	339,074	-	140,000	17,510,030
2005	7,640,000	-	372,290	-	95,000	16,643,688
2006	7,375,000	-	677,630	-	50,000	15,763,041
2007	7,685,300	-	458,669	-	-	14,850,919
2008	9,307,000	-	465,606	-	-	13,906,169
2009	10,028,700	-	939,690	-	-	12,927,595
2010	9,823,000	-	744,533	15,277,000	-	-
2011	10,617,500	-	694,026	13,837,500	-	-

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

* See the Schedule of Demographic and Economic Statistics on page 151 for personal income and population data.

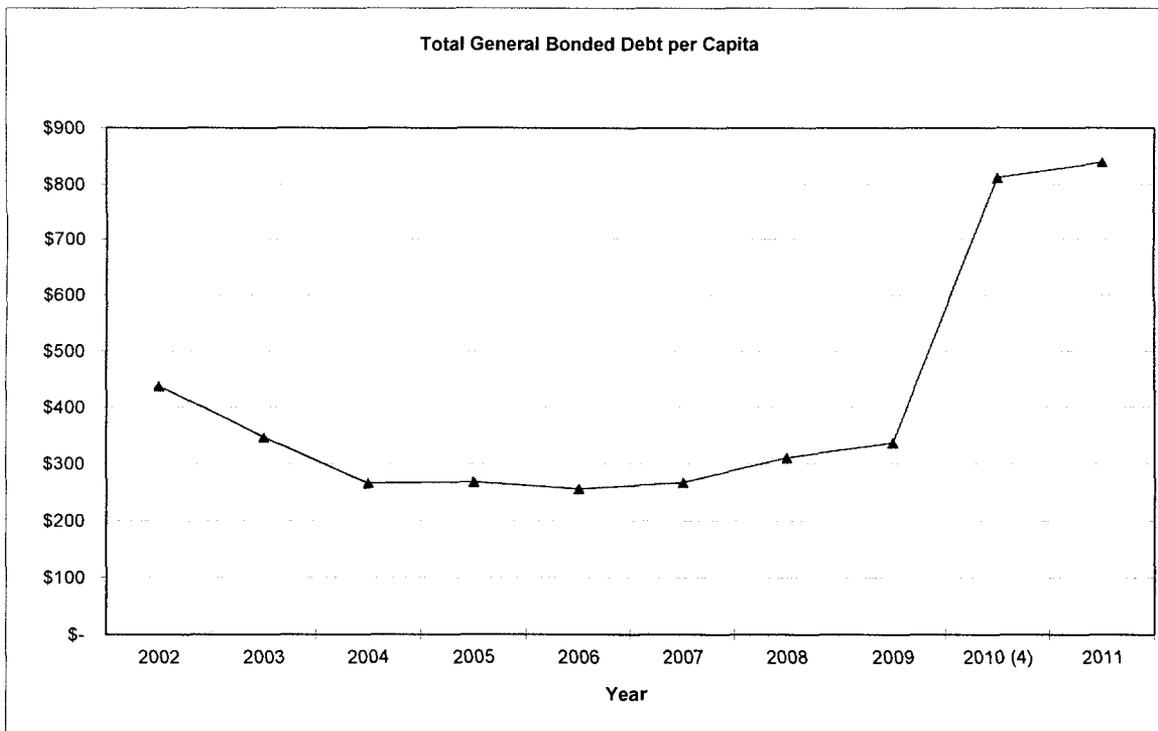
<u>Capital Leases</u>	<u>Total Primary Government</u>	<u>Percentage of Personal Income *</u>	<u>Per Capita *</u>
\$ -	\$ 29,900,725	3.71 %	\$ 1,068
-	28,648,973	3.44	1,016
43,160	25,911,264	2.98	903
22,165	24,773,143	2.78	908
-	23,865,671	2.64	828
-	22,994,888	2.37	800
-	23,678,775	2.54	812
-	23,895,985	2.84	821
-	25,844,533	2.38	842
-	25,149,026	2.25	872

CITY OF GARDEN CITY, KANSAS
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds (1)	Less Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property (2)	Total General Bonded Debt Per Capita (3)
2002	\$ 12,510,000	\$ 257,191	\$ 12,252,809	0.01 %	\$ 438
2003	10,110,000	319,897	9,790,103	0.01	347
2004	7,879,000	234,496	7,644,504	0.01	266
2005	7,640,000	322,545	7,317,455	0.01	268
2006	7,375,000	141,758	7,233,242	0.01	256
2007	7,685,300	232,006	7,453,294	0.01	267
2008	9,307,000	256,240	9,050,760	0.01	311
2009	10,028,700	213,341	9,815,359	0.01	337
2010 (4)	25,100,000	189,267	24,910,733	0.02	812
2011	24,455,000	239,073	24,215,927	0.02	839

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

- (1) Includes special assessments.
- (2) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property on pages 138 through 139 property value data.
- (3) Population data can be found in the Schedule of Demographic and Economic Statistics on page 151.
- (4) In 2010, the City issued \$15,277,000 of general obligation bonds for internal improvements and to refinance debt in its utility funds due to the lower interest rates available on the general obligation bonds. Although these bonds are general obligation bonds, it is the intent of the City to use utility revenues to meet the debt service requirements.



CITY OF GARDEN CITY, KANSAS
 Direct and Overlapping Governmental Activities Debt
 As of December 31, 2011

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (1)</u>	<u>Estimated Share of Overlapping Debt</u>
Direct:			
City of Garden City	\$ 24,455,000	100.00 %	\$ 24,455,000
Overlapping:			
Finney County	5,580,000	32.46	1,811,268
Garden City Community College	7,782,909	32.46	2,526,332
USD #457	<u>98,885,000</u>	50.40	<u>49,838,040</u>
Total overlapping debt	<u>112,247,909</u>		<u>54,175,640</u>
Total direct and overlapping debt	<u>\$ 136,702,909</u>		<u>\$ 78,630,640</u>

Source: Assessed value data used to estimate applicable percentages provided by the Finney County Clerk. Debt outstanding data provided by Finney County, Garden City Community College and USD #457.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Garden City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account.

(1) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the County's taxable assessed value that is within the City's boundaries and dividing it by the County's total taxable assessed value.

CITY OF GARDEN CITY, KANSAS
 Legal Debt Margin Information
 Last Ten Fiscal Years

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Debt limit	\$ 44,537,180	\$ 45,713,465	\$ 38,788,684	\$ 39,928,469
Total net debt applicable to limit	<u>12,510,000</u>	<u>10,110,000</u>	<u>7,879,000</u>	<u>7,640,000</u>
Legal debt margin	<u>\$ 32,027,180</u>	<u>\$ 35,603,465</u>	<u>\$ 30,909,684</u>	<u>\$ 32,288,469</u>
Total net debt applicable to the limit as a percentage of debt limit	28.09%	22.12%	20.31%	19.13%

Note: under state finance law, the City of Garden City's outstanding general obligation debt should not exceed 30% of total assessed property value.

Fiscal Year					
2006	2007	2008	2009	2010	2011
\$ 40,084,265	\$ 40,616,113	\$ 41,275,513	\$ 42,561,015	\$ 44,855,767	\$ 46,155,620
7,375,000	7,685,300	9,307,000	10,028,700	9,823,000	10,617,500
<u>\$ 32,709,265</u>	<u>\$ 32,930,813</u>	<u>\$ 31,968,513</u>	<u>\$ 32,532,315</u>	<u>\$ 35,032,767</u>	<u>\$ 35,538,120</u>
18.40%	18.92%	22.55%	23.56%	21.90%	23.00%

Assessed value	<u>\$ 153,852,068</u>
Debt limit (30% of total assessed value)	<u>\$ 46,155,620</u>
Debt applicable to limit:	
General obligation bonds	<u>\$ 24,455,000</u>
Total net debt applicable to limit	<u>\$ 24,455,000</u>
Legal debt margin	<u>\$ 21,700,620</u>

CITY OF GARDEN CITY, KANSAS
Pledged-Revenue Coverage
Last Ten Fiscal Years

Fiscal Year	Sales Tax Revenue Bonds				Coverage
	Sales Tax Collections	Debt Service			
		Principal	Interest		
2002	\$ 50,049	\$ 40,000	\$ 11,800	0.97	
2003	49,374	40,000	10,120	0.99	
2004	52,469	45,000	8,400	0.98	
2005	50,501	45,000	6,420	0.98	
2006	48,325	45,000	4,395	0.98	
2007	6,470	50,000	2,325	0.12	

Note: Sales tax revenue bonds were paid off in 2007.

Fiscal Year	Electric Utility Loans					Coverage
	Electric Charges and Other	Less: Operating Expenses	Net Available Revenue	Debt Service		
				Principal	Interest	
2011	\$24,210,977	\$21,903,317	\$ 2,307,660	\$ 124,500	\$ 41,455	13.91

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements. Electric charges and other includes connect fees and other operating revenues. Operating expenses do not include interest or depreciation.

Fiscal Year	Water and Sewer Utility Loans					Coverage
	Water and Sewer Charges and Other	Less: Operating Expenses	Net Available Revenue	Debt Service		
				Principal	Interest	
2002	\$ 5,425,104	\$ 2,676,876	\$ 2,748,228	\$ 869,263	\$ 375,897	2.21
2003	5,240,443	2,465,964	2,774,479	850,988	555,432	1.97
2004	5,075,101	3,104,847	1,970,254	795,415	585,076	1.43
2005	5,384,839	3,351,478	2,033,361	866,342	604,795	1.38
2006	5,430,773	3,395,097	2,035,676	880,647	574,920	1.40
2007	5,376,144	3,543,845	1,832,299	912,122	543,015	1.26
2008	5,596,999	3,895,952	1,701,047	944,750	509,939	1.17
2009	6,286,255	4,102,088	2,184,167	978,574	475,650	1.50
2010	7,094,923	4,219,113	2,875,810	1,013,639	453,507	1.96
2011	7,622,896	4,177,144	3,445,752	1,315,000	253,355	2.20

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements. Water and sewer charges and other includes tap fees and other operating revenues. Operating expenses do not include interest or depreciation.

CITY OF GARDEN CITY, KANSAS
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population (1)	Personal Income (amounts expressed in thousands)	Per Capita Personal Income (2)	Median Age (3)	Education Level in Years of Formal Schooling (4)	School Enrollment (4)	Unemployment Rate (5)
2002	27,999	\$ 806,369	\$ 20,452	28	13	7,757	4.10 %
2003	28,190	831,616	21,263	28	13	7,670	3.70
2004	28,707	870,163	22,188	28	13	7,543	4.40
2005	27,295	891,582	22,827	28	13	7,400	4.20
2006	28,832	902,781	23,404	28	13	7,391	3.60
2007	28,743	971,130	24,564	28	13	7,249	3.30
2008	29,095	932,034	24,089	31	13	7,218	3.30
2009	29,093	839,960	20,999	31	13	7,400	3.70
2010	30,685	1,088,104	35,460	30	13	7,461	4.20
2011	28,855	1,116,176	38,682	30	13	7,557	4.20

Data Sources:

- (1) Bureau of the Census/City Planning Department
- (2) Bureau of Economic Analysis
- (3) State Department of Commerce
- (4) School District
- (5) Kansas Department of Labor

Note: Population, median age and education level information are based on surveys conducted during the last quarter of the calendar year. Personal income information is a total for the year. Unemployment rate information is an adjusted yearly average. School enrollment is based on the census at the start of the school year.

CITY OF GARDEN CITY, KANSAS
Principal Employers
Current Year and Nine Years Ago

Employer	2011			2002		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Tyson Fresh Meats, Inc. (Iowa Beef Processors, Inc.)	3,100	1	14.89 %	3,000	1	17.68 %
Unified School District No. 457	1,100	2	5.28	1,231	2	7.26
St. Catherine Hospital	677	3	3.25	650	3	3.83
Garden City Community College	500	4	2.40	500	4	2.95
Wal-Mart	450	5	2.16	450	5	2.65
Finney County	325	6	1.56	325	6	1.92
City of Garden City	304	7	1.46	303	7	1.79
Dillons	260	8	1.25	271	8	1.60
Beef Products, Inc.	216	9	1.04			
Brookover Feed Yards (Brookover Companies)	200	10	0.96	200	9	1.18
Garden Valley Retirement Village	130		0.62	162	10	0.95
Other employers	13,556		65.13	9,875		58.19
Total	20,818		100.00 %	16,967		100.00 %

Source: Chamber of Commerce; U.S. Department of Labor, Bureau of Labor Statistics
Note: based on employment of Finney County labor force; information not available for City only.

CITY OF GARDEN CITY, KANSAS
 Full-time Equivalent City Government Employees by Function
 Last Ten Fiscal Years

Function	Full-time Equivalent Employees as of December 31,									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General government	64	62	57	61	61	69	59	54	55	57
Public safety:										
Police:										
Officers	63	58	55	55	44	50	51	58	57	60
Civilians	34	31	26	31	32	26	29	30	34	29
Fire:										
Firefighters and officers	29	29	30	32	30	34	38	34	36	34
Civilians	1	1	1	1	1	1	1	1	1	1
Streets:										
Engineering	6	6	6	5	5	4	4	3	4	5
Maintenance	17	17	17	16	16	16	16	16	16	16
Sanitation	13	13	14	14	14	14	14	20	23	16
Culture and recreation	32	24	34	38	35	32	39	42	46	43
Water	12	12	12	11	11	13	12	13	13	12
Sewer	13	12	12	14	15	13	13	13	15	10
Electric	19	19	19	20	21	18	20	19	22.5	21
Total	303	284	283	298	285	290	296	303	322.5	304

Source: City Human Resource Office.

CITY OF GARDEN CITY, KANSAS
Operating Indicators by Function
Last Ten Fiscal Years

Function	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Police:										
Physical arrests	3,819	4,212	4,003	4,372	4,125	3,509	3,242	4,294	4,557	3,407
Parking violations	402	626	479	261	243	181	211	344	471	360
Traffic violations	6,456	7,276	8,261	6,390	4,751	3,962	3,405	5,239	7,170	7,747
Fire:										
Number of calls answered	794	764	704	669	731	707	779	751	772	847
Inspections	714	1,527	1,601	841	119	868	923	759	850	738
Streets:										
Street resurfacing (improved miles)	118	120	120	96	124	120	120	121	121	121
Potholes patch/tons	891	535	768	543	329	733	614	580	430	381
Sanitation:										
Refuse collected (tons/day)	71	72	74	71	64	72	70	71	69	67
Recyclables collected (tons/day)	1.50	1.26	1.83	1.69	2.22	4.00	3.80	4.48	7.21	3.62
Culture and recreation:										
Golf memberships issued	303	274	179	154	196	260	271	166	249	338
Zoo admissions	195,841	218,665	198,036	209,785	200,003	190,530	181,559	198,731	182,137	183,130
Water:										
New connections	73	84	47	20	24	27	32	26	22	30
Water mains breaks	8	8	9	20	14	25	14	22	10	20
Average daily consumption (thousands of gallons)	6,271	5,639	5,040	5,416	5,585	5,489	5,705	5,365	5,472	7,426
Sewer:										
Average daily sewage treatment (thousands of gallons)	3,481	3,380	3,281	3,235	3,164	3,215	3,301	2,902	2,466	2,696
Electric:										
New connections	93	93	114	5	20	12	11	48	31	27
Average daily usage (thousands of kilowatts)	576	571	577	605	611	654	696	686	683	711

Sources: Various City departments.

Note: Indicators are not available for the general government function.

CITY OF GARDEN CITY, KANSAS
Capital Asset Statistics by Function
Last Ten Fiscal Years

Function	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Public safety:										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	24	24	25	26	26	26	30	30	30	29
Fire stations	2	2	2	2	2	2	2	2	2	2
Streets:										
Street (miles)	119	124	125	125	125	125	125	125	125	125
Streetlights	*	1,873	2,120	2,738	3,066	2,571	2,559	2,556	2,665	3,407
Traffic signals	27	30	30	29	29	30	30	30	33	35
Sanitation:										
Collection trucks	10	10	10	10	10	11	12	12	12	12
Culture and recreation:										
Park acreage	161.8	161.8	161.8	161.8	183	182	182	185	185	185
Parks	11	11	11	11	12	12	12	12	12	12
Swimming pools	1	1	1	1	1	1	1	1	1	1
Tennis courts	12	8	8	8	8	8	8	8	8	8
Senior centers	1	1	1	1	1	1	1	1	1	1
Water:										
Water mains (miles)	135.84	136.17	138.12	138.84	139	139	139	139	147	148
Fire hydrants	757	765	765	881	891	895	902	906	918	922
Maximum daily capacity (thousands of gallons)	27,000	27,000	29,000	29,000	29,000	29,000	29,000	29,000	29,000	27,000
Sewer:										
Sanitary sewer (miles)	113.27	113.69	112.30	112.30	112	113	113	113	113	113
Storm sewer (miles)	31	31	31	31	31	33	33	33	33	33
Average daily sewage treatment (thousands of gallons)	3,481	3,380	3,281	3,235	3,164	3,215	3,301	2,902	2,466	2,696
Electric:										
Number of distribution stations	9	9	9	9	9	8	8	8	8	8
Miles of service lines	316	318	320	320	321	321	322	322	322	323

Sources: Various City departments.

Note: No capital asset indicators are available for the general government function.

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**SINGLE AUDIT
SECTION**



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

The Honorable Mayor,
City Commissioners and City Manager
Garden City, Kansas 67846

We have audited the basic financial statements of the City of Garden City, Kansas, as of and for the year ended December 31, 2011, and have issued our report thereon dated May 2, 2012. Our report was modified to include a reference to other auditors. We conducted our audit of the primary government in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. The financial statements of the Garden City Recreation Commission were not audited in accordance with Government Auditing Standards; accordingly, this report does not extend to that component unit. In addition, other auditors audited the financial statements of the Garden City Housing Authority, as described in our report on the City of Garden City, Kansas, financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

Management of the City of Garden City is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the primary government of the City of Garden City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Garden City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses as defined above.

405 North Sixth Street | P.O. Box 699
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CPAs

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Steven D. Josserand, CPA
Gary A. Schlappe, CPA
Rodney Van Norden, CPA

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Tracey Homm, CPA, CSEP
Kimberly A. Roth, CPA
Kristin J. Sekavec, CPA
Monica J. Wilson, CPA

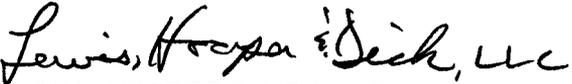
The Honorable Mayor,
City Commissioners and City Manager
Page 2

Compliance and Other Matters

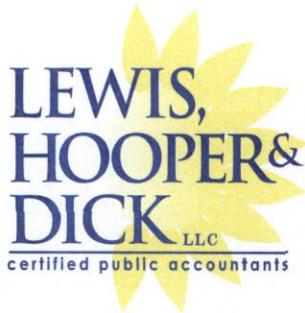
As part of obtaining reasonable assurance about whether the primary government of the City of Garden City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which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

We noted certain matters that we have reported to the management of the City of Garden City in a separate letter dated May 2, 2012.

This report is intended solely for the information and use of the City's management, the Kansas Division of Accounts and Reports, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.


LEWIS, HOOPER & DICK, LLC

May 2, 2012



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH REQUIREMENTS THAT COULD HAVE A DIRECT
AND MATERIAL EFFECT ON EACH MAJOR PROGRAM
AND INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133

The Honorable Mayor,
City Commissioners and City Manager
Garden City, Kansas 67846

Compliance

We have audited the compliance of the primary government of the City of Garden City, Kansas, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2011. The City of Garden City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the management of the City of Garden City. Our responsibility is to express an opinion on the primary government of the City of Garden City's compliance based on our audit.

The City of Garden City's basic financial statements include the operations of the Garden City Recreation Commission, which received no federal awards during the year ended December 31, 2011. Our audit, described below, did not include the operations of the Garden City Recreation Commission because the component unit was not subject to an audit in accordance with OMB Circular A-133. The City of Garden City's basic financial statements include the operations of the Garden City Housing Authority, which expended \$188,748 in federal awards which is not included in the schedule during the year ended December 31, 2011. Our audit, described below, did not include the operations of the Garden City Housing Authority because the component unit was not subject to an audit in accordance with OMB Circular A-133.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the primary government of the City of Garden City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City of Garden City's compliance with those requirements. The financial statements of the Garden City Recreation Commission were not audited in accordance with Government Auditing Standards and the financial statements of the Garden City Housing Authority were audited by other auditors; accordingly this report does not extend to those component units of the City of Garden City, Kansas.

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The Honorable Mayor,
City Commissioners and City Manager
Page 2

In our opinion, the primary government of the City of Garden City, Kansas, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2011.

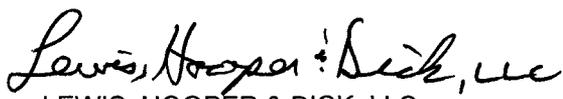
Internal Control Over Compliance

The management of the City Garden City, Kansas, is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the primary government of the City of Garden City's internal control over compliance with requirements that could have a direct and material effect on a major federal program as a basis for designing our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Garden City's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance of the primary government that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the City's management, the Kansas Division of Accounts and Reports, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.


LEWIS, HOOPER & DICK, LLC

May 2, 2012

CITY OF GARDEN CITY, KANSAS
Schedule of Findings and Questioned Costs
 December 31, 2011

I. SUMMARY OF AUDIT RESULTS

A. Financial Statements

- Type of auditors' report issued: Unqualified
- Internal control over financial reporting as reported in the INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*:
 - Material weaknesses identified: None
 - Significant deficiencies identified: None reported
- Noncompliance material to financial statements noted: None

B. Federal Awards

- Internal control over major programs as reported in the INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133:
 - Material weaknesses identified: None
 - Significant deficiencies identified: None reported
- Type of auditors' report issued on compliance for major programs: Unqualified
- Audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133: None
- The programs tested as major programs include:

Program	CFDA	Grant Number	Expenditures
Airport Improvement Program	20.106	3-20-0024-32	\$ 294,500
Airport Improvement Program	20.106	3-20-0024-31	257,831
Airport Improvement Program	20.106	3-20-0024-30	92,030
Airport Improvement Program	20.106	3-20-0024-29	117,534
Airport Improvement Program	20.106	3-20-0024-28	14,269

- Dollar threshold used to distinguish between type A and B programs: \$300,000
- Auditee qualified as low-risk auditee: No

II. FINANCIAL STATEMENT FINDINGS

None

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

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Corrective Action Plan
and Comments on Audit Resolution Matters Relating
to the Federal Award Programs
December 31, 2011

CITY COMMISSION

JOHN DOLL,

Mayor

ROY CESSNA

DAVID D. CRASE

DAN FANKHAUSER

CHRIS LAW

May 2, 2012

The City of Garden City, Kansas, respectfully submits the following corrective action plan for the year ended December 31, 2011.

Name and address of independent accounting firm: Lewis, Hooper & Dick, LLC
PO Box 699
Garden City, KS 67846

Audit period: January 1, 2011 through December 31, 2011

The findings from the December 31, 2011, Schedule of Findings and Questioned Costs related to the federal award programs are discussed below. The findings are numbered consistently with the number assigned in the Schedule. Section I of the Schedule, Summary of Auditors' Results, does not include findings and is not addressed.

II. FINANCIAL STATEMENT FINDINGS

None

III. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None

IV. STATUS OF CORRECTIVE ACTIONS ON PRIOR FINDINGS

None

If there are any questions regarding this plan, please call Matthew C. Allen at 620-276-1160.

Sincerely,

A handwritten signature in black ink, appearing to read "Matthew C. Allen".

Matthew C. Allen
City Manager

MATTHEW C. ALLEN
City Manager

MELINDA A. HITZ, CPA
Finance Director

RANDALL D. GRISELL
City Counselor

CITY ADMINISTRATIVE
CENTER
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CITY OF GARDEN CITY, KANSAS
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2011

Grant Title	Federal CFDA Number	Clusters	Grant Number	Program Award Amount	Disburse- ments/ Expenditures
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
Passed through State Department of Commerce:					
Community Development Block Grant (Note 3)	14.218		87-BF-206	\$ 123,956	\$ 123,956
Emergency Shelter Grants Program	14.231		ESG-FF72011	56,447	16,508
Emergency Shelter Grants Program	14.231		ESG-FF72010	45,671	36,091
DEPARTMENT OF INTERIOR					
Passed through Kansas Historical Society:					
Historic Preservation Fund Grant Program	15.904		20-10-21923-001	15,000	11,500
DEPARTMENT OF JUSTICE					
Direct Programs:					
Bulletproof Vest Grant Partnership Program	16.607		1121-0235	51,583	7,773
Public Safety Partnerships and Community Policing Program	16.710		2009CKWX0398	150,000	8,389
Edward Byrne Memorial Justice Assistance Grant Program	16.738		2009-DJ-BX-1416	23,600	23,600
Drug Enforcement State & Local Task Force Grant Program	16.XXX		DEA Garden City	31,146	7,501
DEPARTMENT OF TRANSPORTATION					
Direct Programs:					
Airport Improvement Program	20.106		3-20-0024-32	864,519	294,500
Airport Improvement Program	20.106		3-20-0024-31	554,476	257,831
Airport Improvement Program	20.106		3-20-0024-30	1,568,604	92,030
Airport Improvement Program	20.106		3-20-0024-29	1,765,135	117,534
Airport Improvement Program	20.106		3-20-0024-28	631,247	14,269
Passed through State Department of Transportation:					
State and Community Highway Safety	20.600		OP-0992-12	7,000	-
State and Community Highway Safety	20.600		OP-0992-11	6,500	5,858
State and Community Highway Safety	20.600		AL-9476-12	6,635	600
State and Community Highway Safety	20.600		AL-9476-11	5,931	4,253
DEPARTMENT OF ENERGY					
Passed through Kansas Energy Office:					
State Energy Program	81.041		2011-00389	29,567	29,567
DEPARTMENT OF HOMELAND SECURITY					
Direct Programs:					
Law Enforcement Officer Reimbursement Agreement Program	97.090		HST0208HSLR151	630,000	39,472
Passed through Kansas Highway Patrol:					
Homeland Security Grant Program	97.067			57,615	<u>57,615</u>
TOTAL FEDERAL EXPENDITURES - PRIMARY GOVERNMENT					<u><u>\$ 1,148,847</u></u>

The accompanying Notes to Schedule of Federal Awards are an integral part of this statement.

CITY OF GARDEN CITY, KANSAS
Notes to Schedule of Expenditures of Federal Awards
December 31, 2011

1. General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the primary government of the City of Garden City, Kansas. The City's reporting entity is defined in Note 1 to the City's basic financial statements. All federal financial assistance received directly from federal agencies as well as federal financial assistance passed through other government agencies is included on the schedule.

2. Basis of accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the City's basic financial statements.

3. Community Development Block Grant

Receipts included as program revenues are from payments received on a revolving loan fund originally established through Community Development Block Grant monies. The original program was closed out in prior years. Loans receivable at December 31, 2011, totaled \$316,117.

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