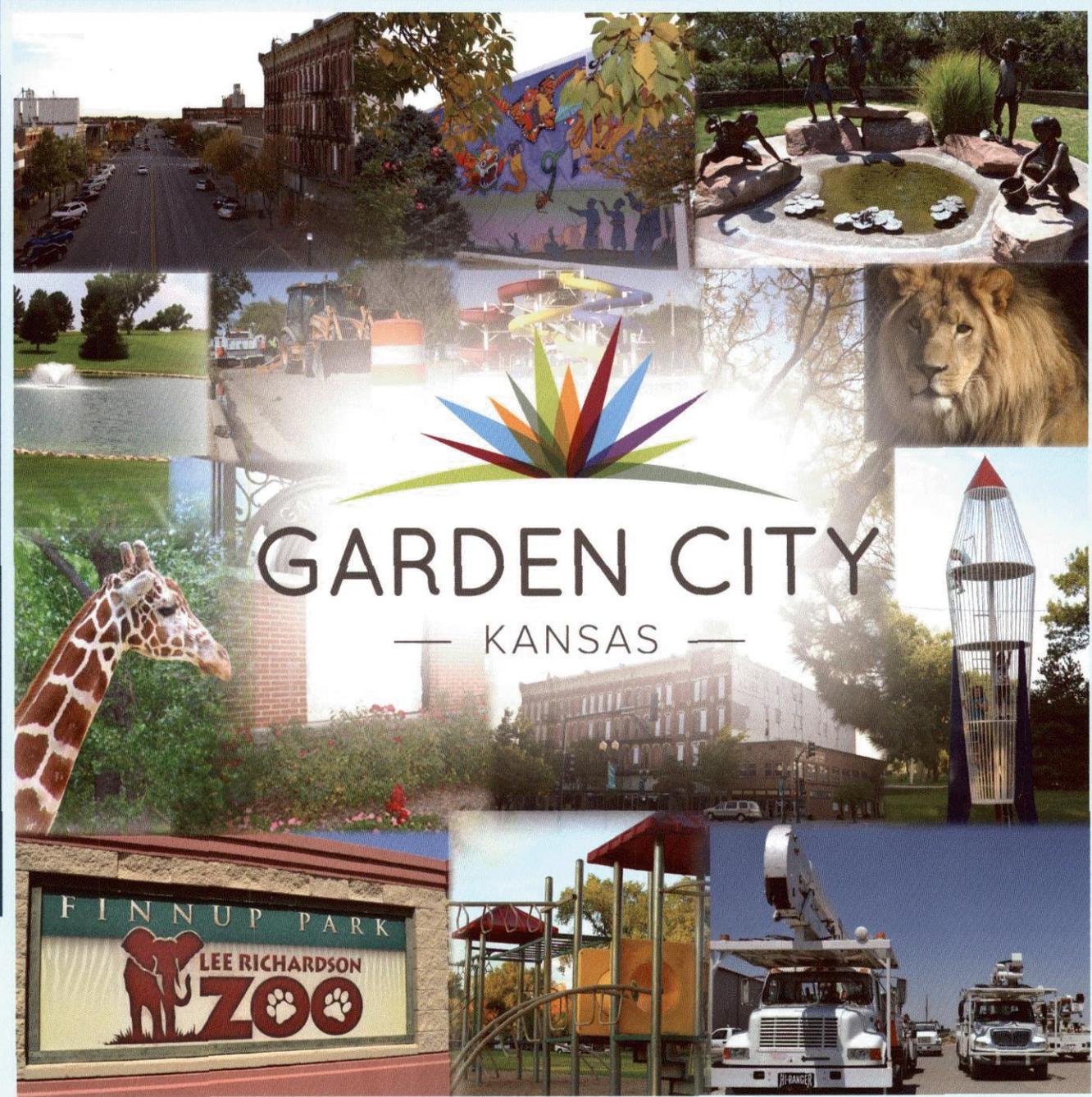


Comprehensive Annual Financial Report

Year Ending December 31, 2014



State of Kansas

CITY OF GARDEN CITY, KANSAS

Comprehensive Annual Financial Report

For the Year Ended
December 31, 2014

Prepared by:

Melinda A. Hitz
Finance Director

CITY OF GARDEN CITY, KANSAS
 Comprehensive Annual Financial Report
 For the year ended December 31, 2014

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INTRODUCTORY
SECTION



June 10, 2015

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

CITY COMMISSION

JANET A. DOLL,
Mayor

ROY CESSNA

MELVIN L. DALE

DAN FANKHAUSER

J. CHRISTOPHER LAW

MATTHEW C. ALLEN
City Manager

MELINDA A. HITZ, CPA
Finance Director

RANDALL D. GRISELL
City Counselor

This is the Comprehensive Annual Financial Report (CAFR) of the City of Garden City, Kansas, (the City) for the calendar year ended December 31, 2014. 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, 2014.

Lewis, Hooper & Dick, LLC, Certified Public Accountants, have issued an unmodified ("clean") opinion on the City of Garden City's financial statements for the year ended December 31, 2014. The independent auditors' report is located at the front of the financial section of this report.

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 9.54 square miles and serves a population of 30,761. 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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GARDEN CITY, KS
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www.garden-city.org

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 include 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 B).

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 varied from an initial rate of 4.2% in 2005, to a decade high of 4.7% in 2012, to the current rate of 3.5% in 2014. The 2012 high resulted from a closure of Beef Products, Inc. which employed around 200 people. 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 2014 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. As we have done since 2006, the CIP process, for both the 2013 and 2014 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 2014 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. 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 is in use for the 2016 budget preparation.

Major Initiatives for the Year

As noted above, the City of Garden City continued the Citizen-based Capital Improvement Planning process for 2014. This is the ninth year using this process 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 \$7.4 million. Major capital improvement projects in 2014 included a \$587,000 project for concrete reconstruction at three intersections and asphalt sealing on Main Street between Fulton Street and Kansas Avenue. The City completed its second and third neighborhood street reconstruction projects using \$560,000 from the federal fund exchange program through the Kansas Department of Transportation. Other projects included \$649,000 in street improvements in a developing commercial area development, and the start of over \$1,000,000 in privately funded infrastructure in three new residential areas.

Increased citizen involvement in City government has been a long term goal of the Governing Body. 2014 saw the seventh 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 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 completed \$60,000 in sidewalk projects in 2014, equally split between cost sharing program for repair and replacement of damaged sidewalks and new sidewalks that filled in gaps in existing neighborhoods.

2014 saw a major change in the City utility services, with a new power supply contract with the Kansas Municipal Energy Association that began January 1, 2014. This new partnership included construction of a \$42 million generating facility just north of the City's wastewater treatment plant.

Other 2014 initiatives were geared towards enhancing our standing as the regional center of southwest Kansas. The City and a developer completed Phase 2 of a \$70,000,000 retail center at Schulman Avenue and US-50/83/400. Phase 1 was completed in 2013, culminating in the opening of a 200,000 square foot Menards. Phase 2 of the Schulman Crossing development opened in fall of 2014 with seven new national stores occupying 187,000 square feet. 2014 saw the expansion of a second retail area at Schulman Avenue and US-50/83/400, with the opening of an Old Chicago restaurant. This \$25,000,000 development includes a 94 unit Ascend Hotel, scheduled for a 2015 opening and a 25,000 square foot indoor water park to open in 2016.

Improvements at Garden City Regional Airport saw the completion of a new \$422,000 Snow Removal Equipment building and \$80,600 in runway and taxiway lighting improvements and a \$236,000 restroom and waiting area remodeling at the terminal. American Eagle's non-stop service to Dallas/Fort Worth International Airport continued with two flights per day with total enplanements of 26,352 passengers, well above the 10,000 enplanements required to maintain our primary airport status.

In association with Sporting Kansas City, the City created a STAR Bond district that will create the \$25,000,000+ Sporting Garden City complex, home to a soccer training facility for ages 5 – 18 and a Premier Development League soccer team.

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, 2013. This was the nineteenth 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, especially the City Engineer, whom we could not function without. 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



Government Finance Officers Association

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

Presented to

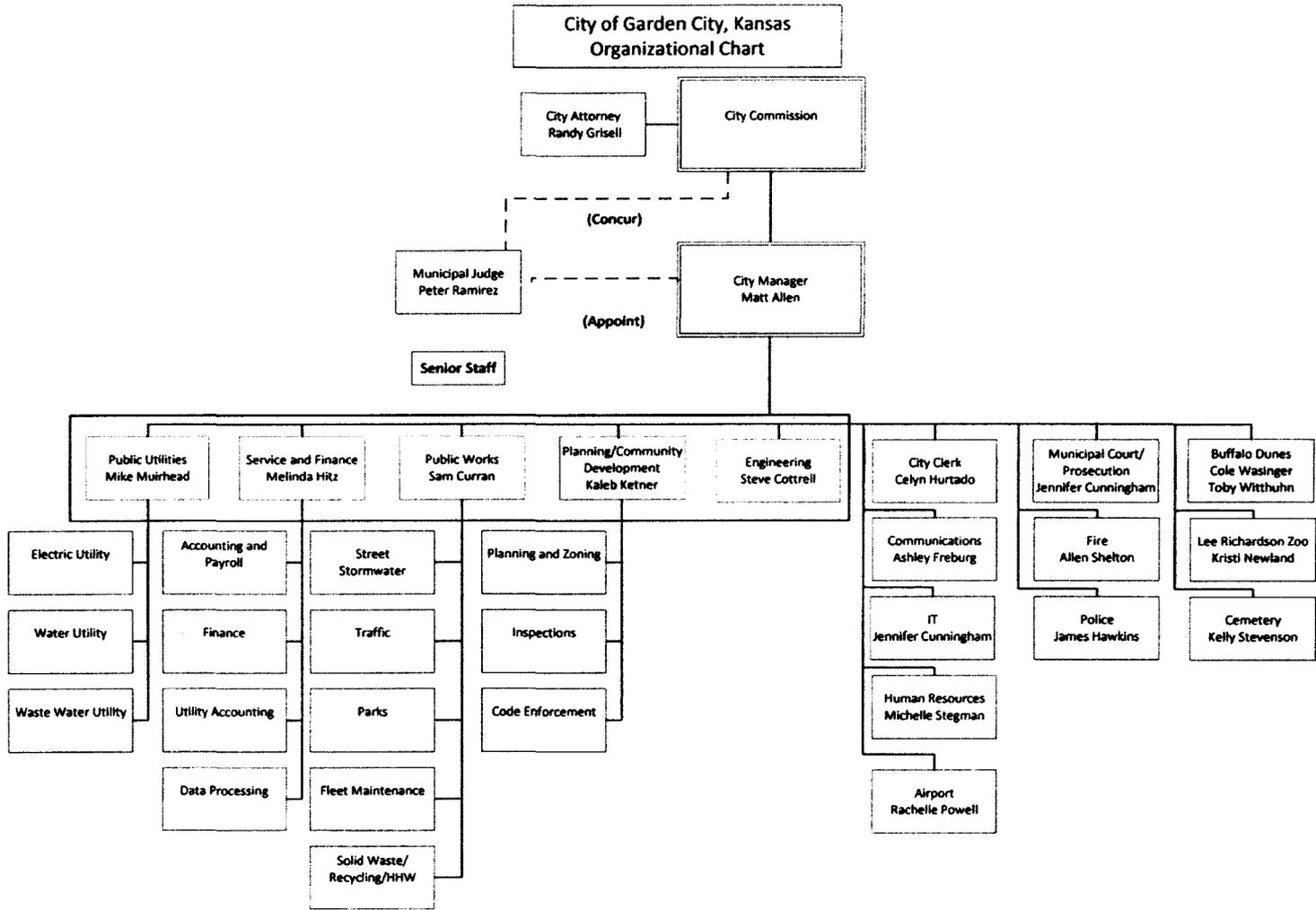
**City of Garden City
Kansas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2013

Executive Director/CEO

**City of Garden City, Kansas
Organizational Chart**



X

CITY OF GARDEN CITY, KANSAS

List of Principal Officials
December 31, 2014

Mayor

Roy Cessna

City Commissioners

Melvin Dale
Janet Doll
Dan Fankhauser
J. Christopher Law

City Administration

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

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FINANCIAL
SECTION



INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

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 and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the City of Garden City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Kansas Municipal Audit and Accounting Guide*, issued by the State of Kansas. 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*. We did not audit the financial statements of the Garden City Housing Authority, which represents 60.7% and 21.8%, 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.

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

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

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CPAs

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

Lisa L. Axman, CPA
Sarah J. Bartel, CPA
Sue A. Bradley, CPA
Susan A. Burgardt, CPA
Kelly D. Drees, CPA
Keysha Harris, CPA
Tracey Homm, CPA, CSEP
Kristin J. Sekavec, CPA

Opinions

In our opinion, 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, as of December 31, 2014, 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.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Garden City's basic financial statements. The combining and individual fund statements and schedules, and the supplementary information as listed in the table of contents, and the Schedule of Expenditures of Federal Awards, required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedules, and the supplementary information as listed in the table of contents, and the Schedule of Expenditures of Federal Awards, are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

The Honorable Mayor,
City Commissioners and City Manager
Page 3

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have issued our report dated June 10, 2015, on our consideration of the City of Garden City's 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* in considering in the City of Garden City's internal control over financial reporting and compliance.


LEWIS, HOOPER & DICK, LLC

June 10, 2015

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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, 2014. 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 \$107,371,991 (net position). Of this amount, \$21,727,835 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$2,336,143. This increase was attributable to the increase in charges for services in the business-type activities of the City.
- As of the close of the current fiscal year, the City of Garden City's governmental funds reported combined ending fund balances of \$6,346,636, an increase of \$7,929,057 in comparison with the prior year. This increase was attributable to the retirement of \$11,750,000 of temporary notes payable for capital projects.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$7,177,159, or 37.4% of total general fund expenditures.
- The City of Garden City's total long-term debt increased by \$52,190,761 (166.8%) during the current fiscal year. The key factor in this increase was the issuance of \$13,660,000 of general obligation bonds for internal improvements in the governmental and utility funds and the issuance of \$42,312,211 of revenue loans and capital leases 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) the notes to the financial statements. This report also contains supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-wide Financial Statements

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

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

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

Both of the government-wide financial statements 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 B, 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 19 through 21 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 thirty 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, the debt service fund, the 2012 Schulman Crossing 1 Temporary Note Projects fund, and the 2013 Schulman Crossing 2 Temporary Note Projects fund, which are considered to be major funds. Data from the other twenty-six 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 funds financial statements can be found on pages 22 through 26 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 financial 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 funds financial statements can be found on pages 27 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 City of Garden City maintains one type of fiduciary funds. The agency fund reports resources held by the City in a custodial capacity for individuals, private organizations and other governments.

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 necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 31 through 65 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the City of Garden City's progress in funding its obligation to provide other postemployment benefits (OPEB) benefits to its employees. Required supplementary information can be found on pages 66 through 67 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds, nonmajor enterprise funds and internal service funds are presented immediately following the required supplementary information on OPEB. Combining and individual fund statements and schedules can be found on pages 68 through 115 of this report.

Government-wide Financial Analysis

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the City of Garden City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$107,371,991 at the close of the most recent fiscal year.

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City of Garden City's Net Position December 31, 2014 and 2013

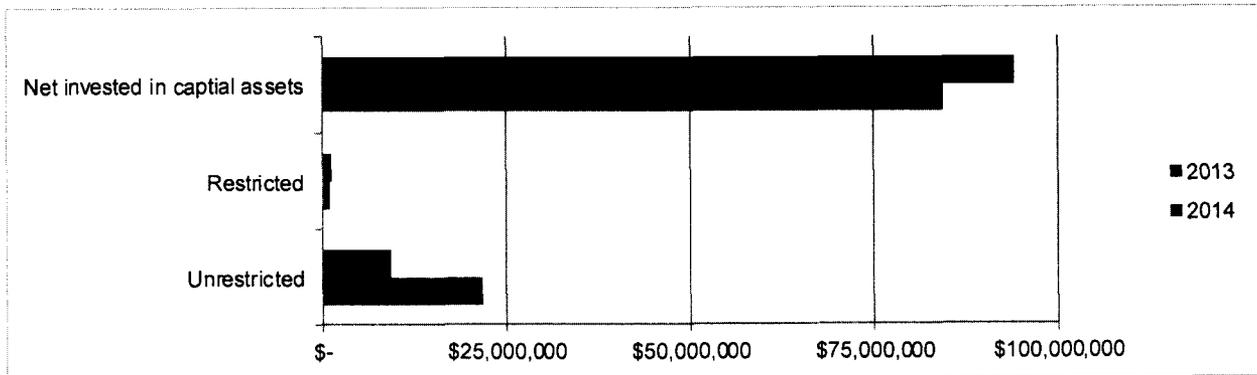
	2014			2013		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Current and other assets	\$ 25,395,430	\$ 21,489,955	\$ 46,885,385	\$ 29,763,370	\$ 19,150,004	\$ 48,913,374
Capital assets	44,969,158	120,059,282	165,028,440	45,576,853	77,135,358	122,712,211
Total assets	\$ 70,364,588	\$ 141,549,237	\$ 211,913,825	\$ 75,340,223	\$ 96,285,362	\$ 171,625,585
Long-term liabilities	\$ 21,589,458	\$ 55,778,123	\$ 77,367,581	\$ 11,370,255	\$ 15,240,350	\$ 26,610,605
Other liabilities	13,155,397	6,336,339	19,491,736	25,840,172	6,261,602	32,101,774
Total liabilities	\$ 34,744,855	\$ 62,114,462	\$ 96,859,317	\$ 37,210,427	\$ 21,501,952	\$ 58,712,379
Total deferred inflows of resources	\$ 6,880,115	\$ 802,402	\$ 7,682,517	\$ 7,267,684	\$ 609,674	\$ 7,877,358
Net position:						
Net investment in capital assets	\$ 23,618,128	\$ 60,933,909	\$ 84,552,037	\$ 34,387,771	\$ 59,873,080	\$ 94,260,851
Restricted for:						
Debt service	1,092,119	-	1,092,119	394,287	879,564	1,273,851
Unrestricted	4,029,371	17,698,464	21,727,835	(3,919,946)	13,421,092	9,501,146
Total net position	\$ 28,739,618	\$ 78,632,373	\$ 107,371,991	\$ 30,862,112	\$ 74,173,736	\$ 105,035,848

By far the largest portion of the City of Garden City's net position (78.7%) 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.

An additional portion of the City of Garden City's net position (1.0%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position \$21,727,835 may be used to meet the City's ongoing obligations to citizens and creditors.

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

City of Garden City's Net Position December 31, 2014 and 2013



The City's net position increased by \$2,336,143 during the current fiscal year. All of this increase was attributable to increase in charges for services in the business-type activities of the City.

There was an increase of \$4,277,372 in unrestricted net position reported in connection with the City of Garden City's business-type activities. This increase is a result of increases in electric utility and water and sewer utility fees.

Governmental Activities

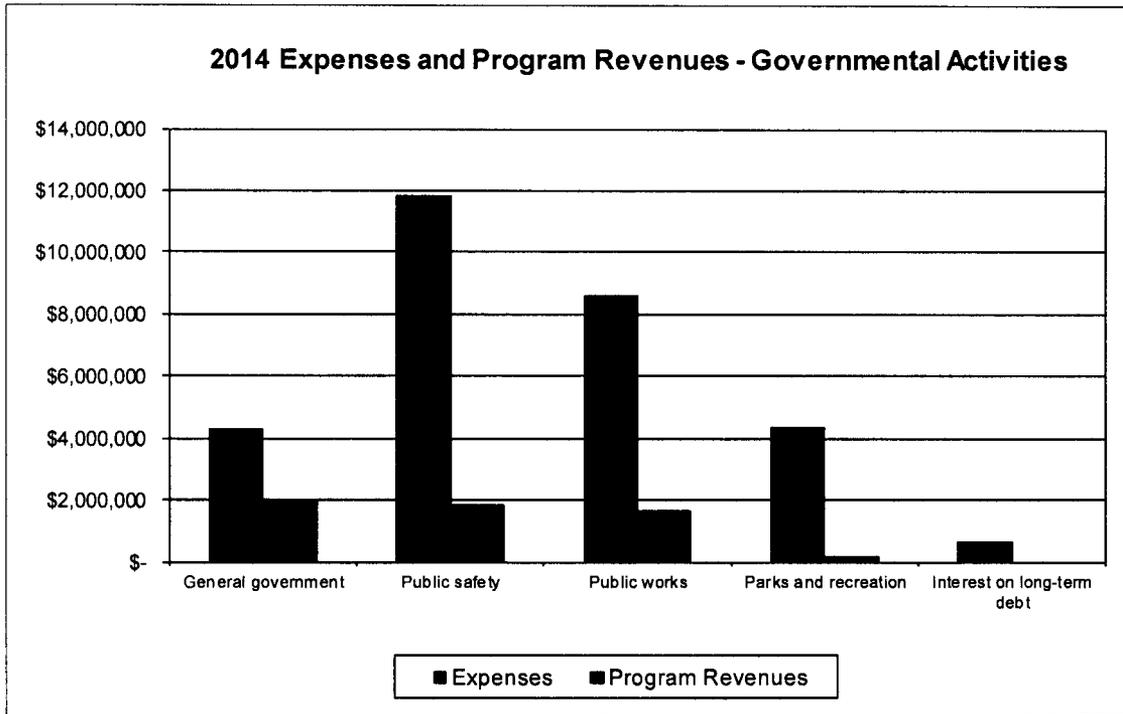
During the current fiscal year, net position for governmental activities decreased \$2,122,494 from the prior fiscal year for an ending balance of \$28,739,618. The decrease is mainly attributable to the organization being fully staffed during the year and the continued investment in community development projects. Key elements of this decrease are as follows:

- Property taxes of the governmental activities increased \$414,583 (7.04%) during the year. This increase is primarily due to the increase in assessed valuation compared to 2013.
- Sales tax collections increased \$554,650 during the year, a 5.39% increase from 2013 sales tax collections due largely to the opening of new businesses within the City. The City's total sales tax collections were \$10,853,099.
- General government expenses decreased \$1,676,915 during the year. This decrease is largely due to a \$667,540 loss on the 2013 transfer of a building previously donated to the City and fewer community development costs in 2014.
- Public safety expenses increased \$692,056 during the year. This increase is due to fewer expenditures in 2014 being attributed to capitalized projects when compared to 2013.
- Public works expenses decreased \$376,589 during the year. This decrease is due to a decrease in the size of the temporary note projects in 2014 when compared to 2013.
- Park and recreation expenses increased \$89,277 during the year. This increase is due to equipment for the golf course acquired by governmental activities which was contributed as capital to the benefitting business-type activity.

City of Garden City's Changes in Net Position

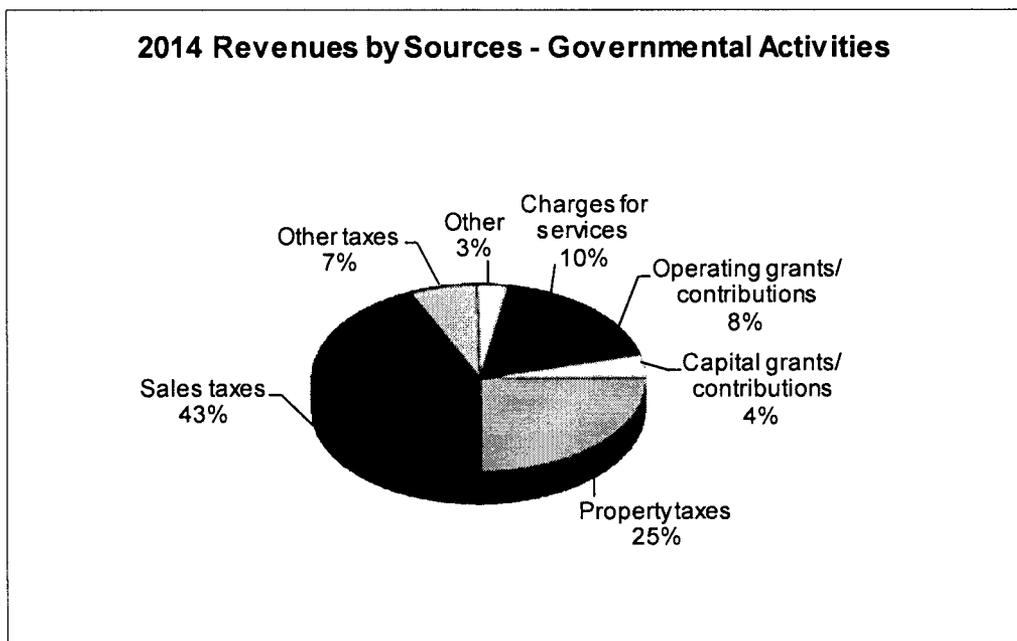
	2014			2013		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Revenues:						
Program revenues:						
Charges for services	\$ 2,444,115	\$ 43,421,746	\$ 45,865,861	\$ 2,720,428	\$ 40,964,415	\$ 43,684,843
Operating grants and contributions	2,124,480	614,317	2,738,797	1,401,702	659,303	2,061,005
Capital grants and contributions	960,151	-	960,151	2,063,967	-	2,063,967
General revenues:						
Property taxes	6,305,121	709,284	7,014,405	5,890,538	574,613	6,465,151
Sales taxes	10,853,099	-	10,853,099	10,298,449	-	10,298,449
Other taxes	1,650,621	-	1,650,621	1,584,780	-	1,584,780
Other	758,548	262,373	1,020,921	911,665	411,670	1,323,335
Total revenues	25,096,135	45,007,720	70,103,855	24,871,529	42,610,001	67,481,530
Expenses:						
General government	4,273,422	-	4,273,422	5,950,337	-	5,950,337
Public safety	11,830,962	-	11,830,962	11,138,906	-	11,138,906
Public works	8,602,160	37,090,584	45,692,744	8,978,749	37,568,105	46,546,854
Parks and recreation	4,311,743	1,046,449	5,358,192	4,222,466	943,331	5,165,797
Interest on long-term debt	612,392	-	612,392	517,357	-	517,357
Total expenses	29,630,679	38,137,033	67,767,712	30,807,815	38,511,436	69,319,251
Increase (decrease) in net assets before transfers:						
	(4,534,544)	6,870,687	2,336,143	(5,936,286)	4,098,565	(1,837,721)
Transfers	2,412,050	(2,412,050)	-	149,269	(149,269)	-
Change in net position	(2,122,494)	4,458,637	2,336,143	(5,787,017)	3,949,296	(1,837,721)
Net position, beginning of year	30,862,112	74,173,736	105,035,848	36,649,129	70,224,440	106,873,569
Net position, end of year	\$ 28,739,618	\$ 78,632,373	\$ 107,371,991	\$ 30,862,112	\$ 74,173,736	\$ 105,035,848

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.

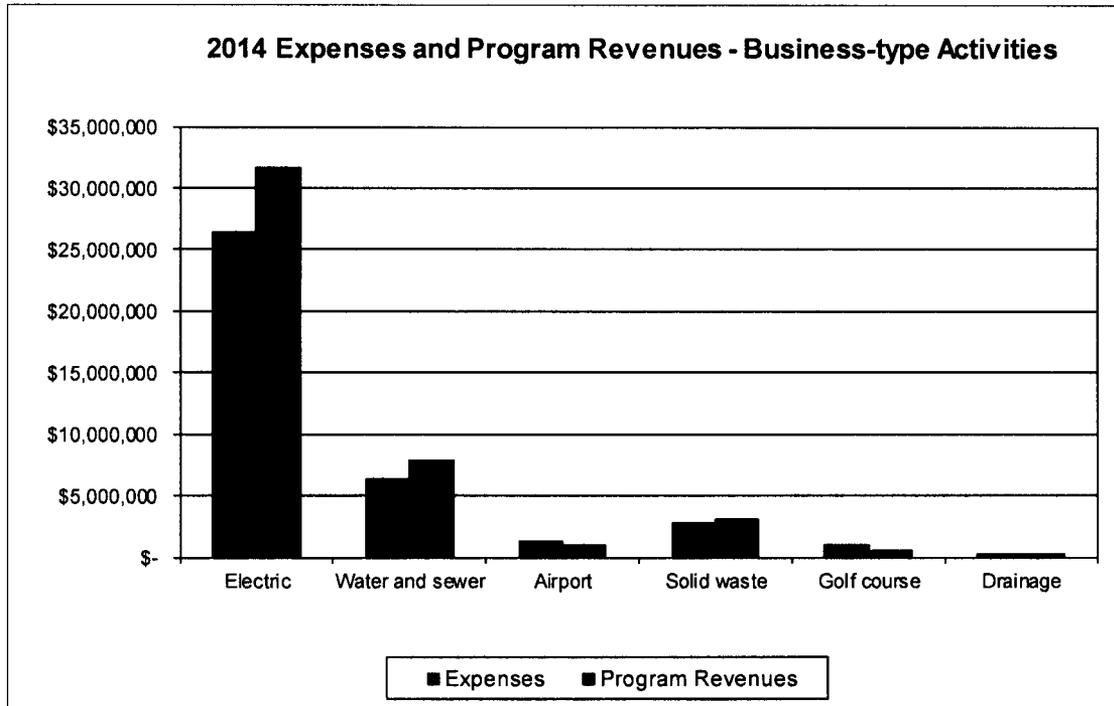
The following graph shows the composition of 2014 revenues by sources for the governmental activities.



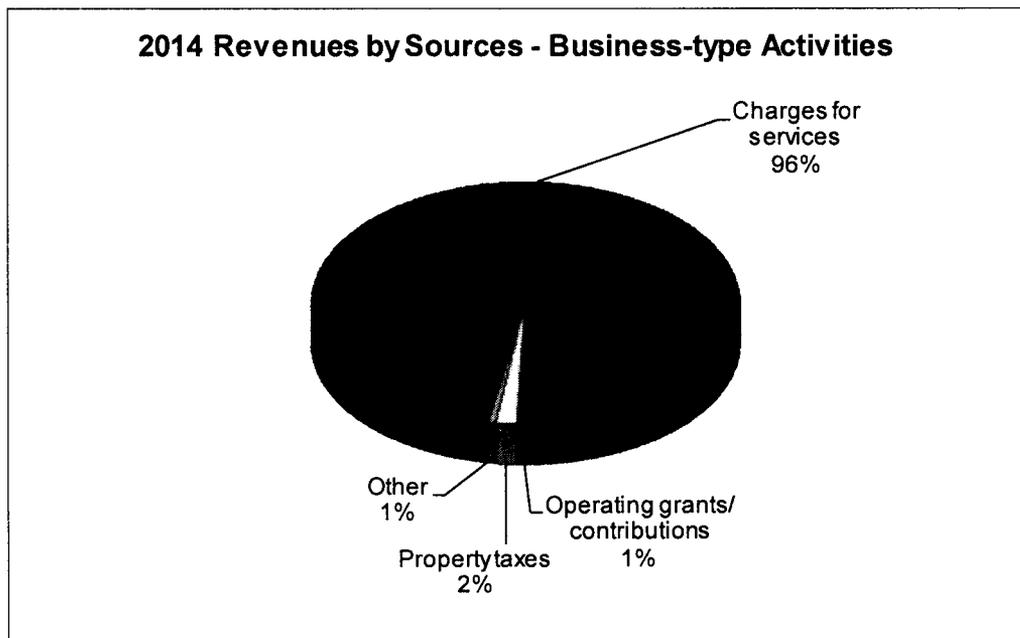
Business-type Activities

For the City of Garden City's business-type activities, the results for the current fiscal year were positive in that overall net position increased to reach an ending balance of \$78,632,373. The total increase for business-type activities was \$4,458,637, reducing the total decline in the City's net position. The key elements of this increase were the ability of the electric and water and sewer utility funds to operate at a profit by monitoring rates charged for services and expenses incurred, grants received in the airport fund and contributed capital in the form of capital assets in the recreation area.

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



The following graph shows the composition of 2014 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

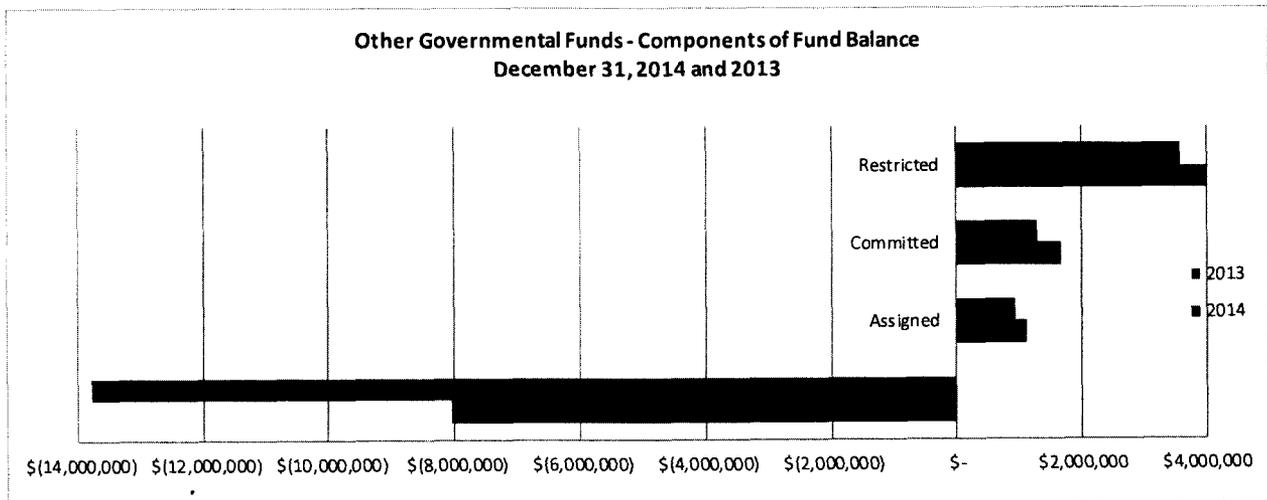
The focus of the City of Garden City's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a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

At December 31, 2014, the City of Garden City's governmental funds reported combined ending fund balances of \$6,346,636, an increase of \$7,929,057 in comparison with the prior year. Of this total amount, a deficit \$884,325 constitutes unassigned fund balance, which is available for spending at the City's discretion. The remainder of the fund balance is either nonspendable, restricted, committed, or assigned to indicate that it is 1) not in spendable form (\$-0-), 2) legally required to be maintained intact (\$-0-), 3) restricted for particular purposes (\$4,463,436), 4) committed for particular purposes (\$1,665,754), or 5) assigned for particular purposes (\$1,101,771).

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 \$7,177,159, which is 100% of the total fund balance. Total fund balance increased \$810,061 to \$7,177,159. As a measure of the general fund's liquidity, it may be useful to compare the unassigned fund balance (total fund balance) to total general fund expenditures. The unassigned fund balance represents approximately 37.4% of total general fund expenditures.

The fund balance of the City of Garden City's general fund increased by \$810,061 during the current fiscal year. Key factors in this increase are as follows:

- Taxes increased \$571,997.
- Miscellaneous increased \$114,437.
- Police and municipal court increased \$161,849.
- Expenditures for general government increased \$684,085.
- Expenditures for parks and recreation decreased \$127,376.
- Transfers out decreased \$723,273.
- Issuances of capital leases increased \$636,877.



The debt service fund, a major governmental fund, had an increase in fund balance during the current year of \$697,832 to bring the year end fund balance to \$1,092,119. The increase essentially results from an increase in taxes under the TIF projects and special assessments during the current year.

The 2012 Schulman Crossing 1 Temporary Note Projects capital projects fund, a major governmental fund, had a \$9,449,156 increase in fund balance during the current fiscal year which put the overall fund balance at zero. The fund reports the activity for capital improvement projects that began during the prior fiscal years which were completed in 2014.

The 2013 Schulman Crossing 2 Temporary Note Projects capital projects fund, the remaining major governmental fund, had a \$3,748,816 decrease in fund balance during the current fiscal year which put the overall fund balance in a deficit position of \$8,044,585. The fund reports this amount as the unassigned balance for capital improvement projects that began during the prior fiscal year.

The large decrease in this capital projects' fund balance was caused mainly by the spending of resources obtained through the use of short-term debt. In the case of these capital projects funds, temporary notes (bond anticipation notes) were issued to finance expenditures of the Schulman Crossing area capital projects. When issued, short-term temporary notes are reported as a liability on the balance sheet, with no effect on fund balance (i.e., proceeds = liability for debt). However, as the proceeds are spent, the related expenditures cause a decrease in fund balance. An overall deficit results when the short-term debt is outstanding but the proceeds from its issuance have been spent (i.e., there are no assets available to net against the fund liabilities for the temporary notes).

Temporary notes in the amount of \$9,340,000 remained outstanding and were reported as a liability in the 2013 Schulman Crossing 2 Temporary Note Projects capital projects fund at year end, while only \$1,295,415 of the proceeds remained unspent. The difference between these two amounts (\$8,044,585) is the total amount reported as the deficit in unassigned fund balance in the 2013 Schulman Crossing 2 Temporary Note Projects capital projects fund at the end of the year. It is our intent to issue long-term bonds to replace the temporary notes. The issuance of the bonds will eliminate both the unassigned and the overall fund balance deficit in the 2013 Schulman Crossing 2 Temporary Note Projects capital projects fund as occurred when the temporary notes of 2012 Schulman Crossing 1 Temporary Note Projects fund were redeemed with bond proceeds in 2014.

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 position of the electric utility at the end of the year amounted to \$9,684,415, and that for the water and sewer utility amounted to \$5,847,803. In addition, the airport fund's unrestricted net position at the end of the year amounted to \$206,635; the other enterprise funds' unrestricted net position at the end of the year totaled \$1,959,611. The total growth in net position for all of the City's enterprise funds was \$4,458,637. This total includes a growth in net position of the electric utility of \$2,899,674 and a growth in net position of the water and sewer utility of \$1,143,254. In addition, the airport experienced a growth in net position of \$403,890. 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 2014. 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 most significant differences between estimated revenues and actual revenues were as follows:

Revenue Source	Estimated Revenues	Actual Revenues	Difference
Taxes	\$ 13,818,661	\$ 14,738,196	\$ 919,535
Miscellaneous	6,650	217,266	210,616
Police and municipal court	1,430,750	1,312,573	(118,177)
Engineering	3,000	275,000	272,000

Taxes were more than estimated as a result of increased sales tax collections. Miscellaneous is budgeted conservatively due to the uncertain nature of the revenue, but actual receipts increased. Police and municipal court is budgeted conservatively based on the prior year revenues, but actual receipts for fines decreased. Engineering is budgeted conservatively due to the uncertain nature of the revenue, but actual receipts for services increased.

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

Expenditures Category	Estimated Expenditures	Actual Expenditures	Difference
Capital improvements	\$ 3,986,850	\$ 909,660	\$ 3,077,190
Fire	2,881,500	3,073,830	(192,330)
Municipal court	1,008,400	833,923	174,477

Capital improvements were \$3,077,190 less than budgeted due to the budget process which requires an overstatement of expenditures to allow for cash carryovers. Fire expenditures were \$192,330 more than budgeted due to capital lease purchases of equipment. Municipal court expenditures were \$174,477 less than budgeted due to vacancies in personnel and a reorganization of the department.

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, 2014, amounts to \$165,028,440 (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. The total increase in capital assets for the current fiscal year was approximately 34.5% over the 2013 total (a 1.3% decrease for governmental activities and a 55.6% 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)

	2014			2013		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Land	\$ 1,377,377	\$ 777,801	\$ 2,155,178	\$ 1,358,349	\$ 777,801	\$ 2,136,150
Water rights	-	756,925	756,925	-	756,925	756,925
Construction in progress	-	567,189	567,189	-	3,017,732	3,017,732
Buildings and improvements	8,149,398	114,122,293	122,271,691	8,527,889	69,253,101	77,780,990
Vehicles and equipment	3,745,155	3,835,074	7,580,229	3,969,399	3,329,799	7,299,198
Infrastructure	31,697,228	-	31,697,228	31,721,216	-	31,721,216
Total capital assets	\$ 44,969,158	\$ 120,059,282	\$ 165,028,440	\$ 45,576,853	\$ 77,135,358	\$ 122,712,211

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

Electric SCADA system	\$ 971,850
Electric Substation #10	3,265,767
Electric Substation #11	1,108,571
Jameson Energy Center	42,003,361
Electrical infrastructure	1,425,178
Water infrastructure	353,677
Airport snow removal equipment building	688,814
Airport terminal remodeling	246,688
Airport parking lot	429,081
Trash containers	169,079
Sideload collection truck	135,165
2014 Pathfinder TV inspection trailer	73,856
Total	\$ 50,871,087

Additional information on the City of Garden City's capital assets can be found in Note 4, item D on page 49 through 51, and Note 4, item G on pages 54 through 55 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 \$37,785,000, 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

	2014			2013		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
General obligation bonds	\$ 21,030,453	\$ 16,754,547	\$ 37,785,000	\$ 10,787,162	\$ 17,046,838	\$ 27,834,000
Total	\$ 21,030,453	\$ 16,754,547	\$ 37,785,000	\$ 10,787,162	\$ 17,046,838	\$ 27,834,000

The City's total bonded debt increased by \$9,951,000 (35.8%) during the current fiscal year. The key factor in this increase was issuance of \$13,660,000 of general obligation bonds for internal improvements and payment of \$3,709,000 in bond principal during 2014.

The City of Garden City maintains a credit rating of Aa3 from Moody's Investors Service for its general obligation debt.

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 \$62,163,363, 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 4, item I on pages 56 through 57; and Note 4, item K on pages 58 through 61 of this report.

Economic Factors and Next Year's Budget and Rates

The following economic factors currently affect the City of Garden City and were considered in developing the 2014 fiscal year budget.

- The unemployment rate for the City of Garden City is currently 3.5%, which is considerably less than the State's average unemployment rate of 4.2% and the national average rate of 5.6%.

- The occupancy rate of the City's central business district is at 91.5%, which is a decrease of 2.5% from one year ago.
- Inflationary trends in the region compare favorably to national indices.
- The City's utility rates for all utilities have stabilized as to customer rates with the exception of Solid Waste. The City Commission approved small annual increases starting in 2014.

During the current fiscal year, the unassigned fund balance in the general fund increased \$635,076, to \$4,989,108. The City has appropriated \$4,127,205 of this amount for spending in the 2015 fiscal year budget. It is intended that this use of available fund balance will avoid the need to raise taxes or charges during the 2015 fiscal year. It also is intended to prevent 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 Position
December 31, 2014

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Garden City Recreation Commission	Garden City Housing Authority
<u>Assets</u>					
Cash	\$ 14,182,645	\$ 13,560,112	\$ 27,742,757	\$ 181,425	\$ 64,267
Investments	1,675,106	300,000	1,975,106	-	181,688
Restricted assets:					
Cash	-	1,122,630	1,122,630	-	-
Investments	-	100,000	100,000	-	-
Receivables (net of allowances for uncollectibles):					
Taxes	9,048,390	802,402	9,850,792	-	-
Accounts and interest	443,076	1,896,382	2,339,458	4,641	3,178
Other	46,213	-	46,213	-	-
Prepaid expenses	-	-	-	11,596	20,295
Inventory	-	3,018,617	3,018,617	-	8,339
Restricted assets:					
Cash	-	689,812	689,812	-	25,166
Capital assets (net of accumulated depreciation):					
Land	1,377,377	777,801	2,155,178	-	426,144
Water rights	-	756,925	756,925	-	-
Construction in progress	-	567,189	567,189	-	-
Property, plant and equipment	43,591,781	117,957,367	161,549,148	1,116,638	1,300,894
Total assets	70,364,588	141,549,237	211,913,825	1,314,300	2,029,971
<u>Liabilities</u>					
Accounts payable and accrued liabilities	946,676	1,759,374	2,706,050	77,923	42,164
Accrued interest	157,434	293,290	450,724	-	-
Current portion of long-term liabilities	2,711,287	3,402,402	6,113,689	159,791	3,346
Payable from restricted assets:					
Customer deposits and refunds	-	467,473	467,473	-	25,166
Temporary notes payable	9,340,000	-	9,340,000	-	-
Unearned revenue	-	413,800	413,800	-	9,743
Noncurrent liabilities:					
Long-term liabilities due in more than one year	21,589,458	55,778,123	77,367,581	734,391	2,283
Total liabilities	34,744,855	62,114,462	96,859,317	972,105	82,702
<u>Deferred Inflows of Resources</u>					
Unearned revenue - property taxes	6,880,115	802,402	7,682,517	-	-
<u>Net Position</u>					
Net investment in capital assets	23,618,128	60,933,909	84,552,037	261,052	1,727,038
Restricted for:					
Debt service	1,092,119	-	1,092,119	-	-
Unrestricted	4,029,371	17,698,464	21,727,835	81,143	220,231
Total net position	\$ 28,739,618	\$ 78,632,373	\$ 107,371,991	\$ 342,195	\$ 1,947,269

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, 2014

Functions/Programs	Program Revenues			
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government:				
Governmental activities:				
General government	\$ 4,273,422	\$ 461,018	\$ 869,687	\$ 591,466
Public safety	11,830,962	1,686,141	141,411	-
Public works	8,602,160	275,000	1,014,444	368,685
Parks and recreation	4,311,743	21,956	98,938	-
Interest on long-term debt	612,392	-	-	-
Total governmental activities	29,630,679	2,444,115	2,124,480	960,151
Business-type activities:				
Electric	26,424,387	31,570,407	-	-
Water and sewer	6,373,675	7,795,751	-	-
Airport	1,292,743	355,335	614,317	-
Solid waste	2,778,864	2,993,213	-	-
Golf course	1,046,449	498,392	-	-
Drainage	220,915	208,648	-	-
Total business-type activities	38,137,033	43,421,746	614,317	-
Total primary government	\$ 67,767,712	\$ 45,865,861	\$ 2,738,797	\$ 960,151
Component units:				
Garden City Recreation Commission	\$ 2,124,261	\$ 488,556	\$ 160,225	\$ -
Garden City Housing Authority	663,454	341,889	205,636	-
Total component units	\$ 2,787,715	\$ 830,445	\$ 365,861	\$ -
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 position				
Net position, beginning of year				
Net position, 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
\$ (2,351,251)	\$ -	\$ (2,351,251)	\$ -	\$ -
(10,003,410)	-	(10,003,410)	-	-
(6,944,031)	-	(6,944,031)	-	-
(4,190,849)	-	(4,190,849)	-	-
(612,392)	-	(612,392)	-	-
<u>(24,101,933)</u>	<u>-</u>	<u>(24,101,933)</u>	<u>-</u>	<u>-</u>
-	5,146,020	5,146,020	-	-
-	1,422,076	1,422,076	-	-
-	(323,091)	(323,091)	-	-
-	214,349	214,349	-	-
-	(548,057)	(548,057)	-	-
-	(12,267)	(12,267)	-	-
-	<u>5,899,030</u>	<u>5,899,030</u>	<u>-</u>	<u>-</u>
<u>(24,101,933)</u>	<u>5,899,030</u>	<u>(18,202,903)</u>	<u>-</u>	<u>-</u>
-	-	-	(1,475,480)	-
-	-	-	-	(115,929)
-	-	-	(1,475,480)	(115,929)
4,316,597	-	4,316,597	1,258,293	-
1,988,524	-	1,988,524	-	-
-	709,284	709,284	-	-
10,853,099	-	10,853,099	-	-
780,082	-	780,082	-	-
870,539	-	870,539	2,000	-
245,302	4,818	250,120	34,548	807
513,246	257,555	770,801	66,140	12,940
-	-	-	-	-
<u>2,412,050</u>	<u>(2,412,050)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>21,979,439</u>	<u>(1,440,393)</u>	<u>20,539,046</u>	<u>1,360,981</u>	<u>13,747</u>
(2,122,494)	4,458,637	2,336,143	(114,499)	(102,182)
<u>30,862,112</u>	<u>74,173,736</u>	<u>105,035,848</u>	<u>456,694</u>	<u>2,049,451</u>
<u>\$ 28,739,618</u>	<u>\$ 78,632,373</u>	<u>\$ 107,371,991</u>	<u>\$ 342,195</u>	<u>\$ 1,947,269</u>

CITY OF GARDEN CITY, KANSAS
Balance Sheet
Governmental Funds
December 31, 2014

<u>Assets</u>	<u>General</u>	<u>Debt Service</u>	<u>2012 Schulman Crossing 1 Temporary Note Projects</u>	<u>2013 Schulman Crossing 2 Temporary Note Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Cash	\$ 5,562,625	\$ 1,106,466	\$ -	\$ 1,295,415	\$ 4,456,527	\$ 12,421,033
Investments	-	-	-	-	1,550,106	1,550,106
Receivables (net of allowances for uncollectibles):						
Taxes	5,161,707	1,563,363	-	-	1,023,957	7,749,027
Special assessments	-	1,299,363	-	-	-	1,299,363
Accounts and interest	405,031	38,045	-	-	-	443,076
Other	-	-	-	-	46,213	46,213
Total assets	\$ 11,129,363	\$ 4,007,237	\$ -	\$ 1,295,415	\$ 7,076,803	\$ 23,508,818
 <u>Liabilities, Deferred Inflows of Resources and Fund Balances</u>						
Liabilities:						
Accounts payable and accrued liabilities	\$ 783,636	\$ 52,392	\$ -	\$ -	\$ 106,039	\$ 942,067
Temporary notes payable	-	-	-	9,340,000	-	9,340,000
Total liabilities	783,636	52,392	-	9,340,000	106,039	10,282,067
Deferred inflows of resources:						
Unearned revenue - property taxes	3,168,568	2,862,726	-	-	848,821	6,880,115
Fund balances (deficits):						
Restricted:						
Recreation and parks	-	-	-	-	203,649	203,649
Capital improvement projects	-	-	-	-	2,247,802	2,247,802
Alcoholism prevention and education programs	-	-	-	-	55,144	55,144
Law enforcement	-	-	-	-	477,954	477,954
Economic development activities	-	-	-	-	386,768	386,768
General obligation debt	-	1,092,119	-	-	-	1,092,119
Committed:						
Capital improvement projects	-	-	-	-	1,665,754	1,665,754
Assigned:						
Capital improvement projects	-	-	-	-	940,432	940,432
Legal claims and settlements	-	-	-	-	161,339	161,339
Unassigned	7,177,159	-	-	(8,044,585)	(16,899)	(884,325)
Total fund balances (deficits)	7,177,159	1,092,119	-	(8,044,585)	6,121,943	6,346,636
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ 11,129,363	\$ 4,007,237	\$ -	\$ 1,295,415	\$ 7,076,803	\$ 23,508,818

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 Position - Governmental Funds
December 31, 2014

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

Fund balances - total governmental funds	\$ 6,346,636
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Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	44,969,158
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Long-term liabilities, including bonds payables, are not due and payable in the current period and, therefore, are not reported in the governmental funds.	(23,181,330)
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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>605,154</u>
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Net position of governmental activities	<u>\$ 28,739,618</u>
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CITY OF GARDEN CITY, KANSAS
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2014

	General	Debt Service	2012 Schulman Crossing 1 Temporary Note Projects	2013 Schulman Crossing 2 Temporary Note Projects	Other Governmental Funds	Total Governmental Funds
Revenues:						
Taxes	\$ 14,909,464	\$ 1,988,524	\$ -	\$ -	\$ 1,130,771	\$ 18,028,759
Special assessment taxes	-	429,999	-	-	-	429,999
Intergovernmental revenue	186,736	25,000	200,000	-	1,737,744	2,149,480
Franchises	780,082	-	-	-	-	780,082
Licenses and permits	332,124	-	-	-	-	332,124
Use of money and property	114,868	25,329	14,277	-	90,751	245,225
Miscellaneous	217,266	50,879	-	-	245,101	513,246
Donations	-	-	-	-	161,467	161,467
Cemetery	117,460	-	-	-	5,575	123,035
Police and municipal court	1,312,573	-	-	-	-	1,312,573
Fire	189,229	-	-	-	-	189,229
Engineering	275,000	-	-	-	-	275,000
Inspection	184,339	-	-	-	-	184,339
Planning and zoning	5,859	-	-	-	-	5,859
Parks and zoo	21,956	-	-	-	-	21,956
Total revenues	18,646,956	2,519,731	214,277	-	3,371,409	24,752,373
Expenditures:						
Current:						
General government	3,171,081	-	-	-	680,055	3,851,136
Public safety	11,616,825	-	-	-	54,331	11,671,156
Public works	1,644,068	-	-	-	624,528	2,268,596
Parks and recreation	2,773,690	-	-	-	987,149	3,760,839
Capital outlay and capital projects	-	127,048	266,392	4,837,623	2,387,370	7,618,433
Debt service:						
Principal	-	1,691,309	-	-	-	1,691,309
Interest and fiscal charges	-	319,384	49,903	88,076	2,803	460,166
Bond issuance costs	-	158	21,943	-	38,637	60,738
Total expenditures	19,205,664	2,137,899	338,238	4,925,699	4,774,873	31,382,373
Revenues over (under) expenditures	(558,708)	381,832	(123,961)	(4,925,699)	(1,403,464)	(6,630,000)
Other financing sources (uses):						
Transfers in	2,097,500	316,000	-	1,176,883	1,927,013	5,517,396
Transfers out	(911,960)	-	(1,176,883)	-	(987,325)	(3,076,168)
Bonds issued	-	-	10,750,000	-	1,184,600	11,934,600
Issuance of capital leases	183,229	-	-	-	-	183,229
Total other financing sources (uses)	1,368,769	316,000	9,573,117	1,176,883	2,124,288	14,559,057
Net change in fund balances	810,061	697,832	9,449,156	(3,748,816)	720,824	7,929,057
Fund balance (deficit), beginning of year	6,367,098	394,287	(9,449,156)	(4,295,769)	5,401,119	(1,582,421)
Fund balance (deficit), end of year	\$ 7,177,159	\$ 1,092,119	\$ -	\$ (8,044,585)	\$ 6,121,943	\$ 6,346,636

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, 2014

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	\$ 7,929,057
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.	(578,517)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets contributed to proprietary funds is reported as transfers. This is the amount of capital outlay contributed to proprietary funds in the current period.	(29,178)
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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.	(180,854)
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The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statements of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(9,991,868)
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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.	<u>728,866</u>
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Changes in net position of governmental activities	<u>\$ (2,122,494)</u>
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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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	Budgetary Basis	
Revenues:				
Administration:				
Taxes	\$ 13,818,661	\$ 13,818,661	\$ 14,738,196	\$ 919,535
Intergovernmental revenue	155,000	155,000	186,736	31,736
Franchises	720,000	720,000	776,365	56,365
Licenses and permits	315,395	315,395	332,124	16,729
Use of money and property	140,700	140,700	114,868	(25,832)
Reimbursements	724,035	-	-	-
Miscellaneous	6,650	6,650	217,266	210,616
Total administration	15,880,441	15,156,406	16,365,555	1,209,149
Cemetery	118,000	118,000	117,460	(540)
Police and municipal court	1,430,750	1,430,750	1,312,573	(118,177)
Fire	200,000	200,000	189,229	(10,771)
Inspection	234,500	234,500	184,339	(50,161)
Engineering	3,000	3,000	275,000	272,000
Planning and zoning	-	-	5,859	5,859
Parks and zoo	24,000	24,000	21,956	(2,044)
Total revenues	17,890,691	17,166,656	18,471,971	1,305,315
Expenditures:				
Current:				
General government:				
General administration	1,865,780	1,141,745	1,101,622	40,123
Human resources	213,800	213,800	181,048	32,752
Cemetery	512,000	512,000	482,072	29,928
Development services	343,750	343,750	329,294	14,456
Capital improvements	3,986,850	3,986,850	909,660	3,077,190
Employee benefits	167,385	167,385	167,385	-
Public safety:				
Police	7,296,565	7,296,565	7,396,285	(99,720)
Fire	2,881,500	2,881,500	3,073,830	(192,330)
Inspection	384,950	384,950	312,787	72,163
Municipal court	1,008,400	1,008,400	833,923	174,477
Highways and streets:				
Engineering	251,250	251,250	205,851	45,399
Street	1,432,000	1,432,000	1,438,217	(6,217)
Recreation:				
Parks and zoo	2,840,500	2,840,500	2,773,690	66,810
Total expenditures	23,184,730	22,460,695	19,205,664	3,255,031
Revenues over (under) expenditures	(5,294,039)	(5,294,039)	(733,693)	4,560,346
Other financing sources (uses):				
Transfers in	1,997,500	1,997,500	2,097,500	100,000
Transfers out	(100,000)	(100,000)	(911,960)	(811,960)
Capital lease proceeds	-	-	183,229	183,229
Net change in fund balances	(3,396,539)	(3,396,539)	635,076	4,031,615
Fund balance, beginning of year	3,396,539	3,396,539	4,354,032	957,493
Fund balance, end of year	\$ -	\$ -	\$ 4,989,108	\$ 4,989,108

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

CITY OF GARDEN CITY, KANSAS
Statement of Net Position
Proprietary Funds
December 31, 2014

	Business-type Activities - Enterprise Funds				Totals	Governmental Activities
	Electric Utility	Water and Sewer Utility	Airport	Other Enterprise Funds		Internal Service Funds
Assets						
Current assets:						
Cash	\$ 6,572,496	\$ 4,759,040	\$ 636,770	\$ 1,591,806	\$ 13,560,112	\$ 1,761,612
Investments, at fair value	-	-	-	300,000	300,000	125,000
Restricted assets:						
Cash	1,117,473	-	-	5,157	1,122,630	-
Investments	100,000	-	-	-	100,000	-
Taxes receivable	-	-	802,402	-	802,402	-
Accounts receivable	1,367,598	303,275	4,942	220,567	1,896,382	-
Inventory	2,635,982	382,635	-	-	3,018,617	-
Total current assets	11,793,549	5,444,950	1,444,114	2,117,530	20,800,143	1,886,612
Noncurrent assets:						
Restricted assets:						
Cash	-	689,812	-	-	689,812	-
Total restricted assets	-	689,812	-	-	689,812	-
Capital assets:						
Land	103,041	536,260	-	138,500	777,801	-
Water rights	-	756,925	-	-	756,925	-
Construction in progress	-	449,185	118,004	-	567,189	-
Production, storage and distribution equipment	75,828,523	48,488,380	-	347,612	124,664,515	-
Less accumulated depreciation	(12,729,343)	(21,941,506)	-	(90,241)	(34,761,090)	-
Golf course, club house and equipment	-	-	-	1,726,389	1,726,389	-
Less accumulated depreciation	-	-	-	(1,083,913)	(1,083,913)	-
Vehicles and equipment	2,157,103	1,135,610	1,185,126	3,571,901	8,049,740	-
Less accumulated depreciation	(1,440,497)	(970,396)	(286,598)	(1,517,175)	(4,214,666)	-
Containers	-	-	-	4,073,163	4,073,163	-
Less accumulated depreciation	-	-	-	(2,418,220)	(2,418,220)	-
Airport improvement	-	-	30,734,874	-	30,734,874	-
Less accumulated depreciation	-	-	(8,813,425)	-	(8,813,425)	-
Total capital assets	63,918,827	28,454,458	22,937,981	4,748,016	120,059,282	-
Total noncurrent assets	63,918,827	29,144,270	22,937,981	4,748,016	120,749,094	-
Total assets	\$ 75,712,376	\$ 34,589,220	\$ 24,382,095	\$ 6,865,546	\$ 141,549,237	\$ 1,886,612
Liabilities						
Current liabilities:						
Accounts payable and accrued liabilities	\$ 1,425,462	\$ 209,868	\$ 21,277	\$ 102,767	\$ 1,759,374	\$ 4,609
Accrued interest	216,199	77,091	-	-	293,290	-
Current portion of capital leases payable	1,008,323	-	-	39,562	1,047,885	-
Current portion of revenue bonds payable	706,866	1,647,651	-	-	2,354,517	-
Payable from restricted assets:						
Customer deposits	467,473	-	-	-	467,473	-
Total current liabilities	3,824,323	1,934,610	21,277	142,329	5,922,539	4,609
Noncurrent liabilities:						
Net OPEB obligation	-	-	-	-	-	1,276,849
Capital leases payable	40,959,284	-	-	15,590	40,974,874	-
Revenue bonds payable	5,270,158	9,533,091	-	-	14,803,249	-
Unearned revenue	-	-	413,800	-	413,800	-
Total noncurrent liabilities	46,229,442	9,533,091	413,800	15,590	56,191,923	1,276,849
Total liabilities	50,053,765	11,467,701	435,077	157,919	62,114,462	1,281,458
Deferred Inflows of Resources						
Unearned revenue - property taxes	-	-	802,402	-	802,402	-
Net Position						
Net investment in capital assets	15,974,196	17,273,716	22,937,981	4,748,016	60,933,909	-
Restricted for health insurance	-	-	-	-	-	(71,621)
Restricted for workers compensation	-	-	-	-	-	676,775
Unrestricted	9,684,415	5,847,803	206,635	1,959,611	17,698,464	-
Total net position	25,658,611	23,121,519	23,144,616	6,707,627	78,632,373	605,154
Total liabilities, deferred inflows of resources and net position	\$ 75,712,376	\$ 34,589,220	\$ 24,382,095	\$ 6,865,546	\$ 141,549,237	\$ 1,886,612

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

CITY OF GARDEN CITY, KANSAS
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2014

	Business-type Activities - Enterprise Funds				Totals	Governmental
	Electric Utility	Water and Sewer Utility	Airport	Other Enterprise Funds		Internal Service Funds
Operating revenues:						
Charges for services	\$ 31,570,407	\$ 7,795,751	\$ -	\$ 3,201,861	\$ 42,568,019	\$ -
Reimbursements	-	-	-	-	-	4,264,785
Rents and utilities	-	-	355,335	-	355,335	-
Miscellaneous	4,253	25,087	1,663	19,053	50,056	250,984
Membership and fees	-	-	-	420,251	420,251	-
Concessions	-	-	-	78,141	78,141	-
Total operating revenues	31,574,660	7,820,838	356,998	3,719,306	43,471,802	4,515,769
Operating expenses:						
Personnel services	-	-	326,028	1,919,730	2,245,758	-
Contractual services	-	-	272,548	1,139,704	1,412,252	3,786,980
Commodities	(1,122)	-	237,003	600,321	836,202	-
Depreciation	1,346,633	1,095,769	457,164	386,473	3,286,039	-
Production expense	18,191,447	3,727,390	-	-	21,918,837	-
Distribution expense	1,729,360	660,787	-	-	2,390,147	-
Commercial and general expense	949,660	515,459	-	-	1,465,119	-
Sundry expenses	2,292,500	137,399	-	-	2,429,899	-
Total operating expenses	24,508,478	6,136,804	1,292,743	4,046,228	35,984,253	3,786,980
Operating income (loss)	7,066,182	1,684,034	(935,745)	(326,922)	7,487,549	728,789
Nonoperating revenues (expenses):						
Intergovernmental revenue	-	-	614,317	-	614,317	-
Interest income	3,053	-	-	1,765	4,818	77
Rent and royalties	-	-	-	6,000	6,000	-
Sale of materials	27,008	122,931	-	51,560	201,499	-
Interest expense	(1,915,909)	(236,871)	-	-	(2,152,780)	-
Total nonoperating revenues (expenses)	(1,885,848)	(113,940)	614,317	59,325	(1,326,146)	77
Income (loss) before capital contributions and operating transfers	5,180,334	1,570,094	(321,428)	(267,597)	6,161,403	728,866
Capital contributions	-	-	714,284	24,178	738,462	-
Transfers in	19,340	-	11,034	400,238	430,612	-
Transfers out	(2,300,000)	(426,840)	-	(145,000)	(2,871,840)	-
Change in net position	2,899,674	1,143,254	403,890	11,819	4,458,637	728,866
Total net position (deficit), beginning of year	22,758,937	21,978,265	22,740,726	6,695,808	74,173,736	(123,712)
Total net position, end of year	\$ 25,658,611	\$ 23,121,519	\$ 23,144,616	\$ 6,707,627	\$ 78,632,373	\$ 605,154

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

CITY OF GARDEN CITY, KANSAS
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2014

	Business-type Activities - Enterprise Funds					Governmental
	Electric Utility	Water and Sewer Utility	Airport	Other Enterprise Funds	Totals	Internal Service Funds
Cash flows from operating activities:						
Receipts from customers	\$ 31,486,301	\$ 7,781,998	\$ 333,783	\$ 3,634,507	\$ 43,236,589	\$ -
Other receipts	4,253	25,087	1,663	19,053	50,056	4,515,769
Payments to suppliers	(21,255,374)	(4,352,630)	(588,477)	(1,681,093)	(27,877,574)	-
Payments for personnel services	(2,144,961)	(1,687,903)	(326,028)	(1,919,730)	(6,078,622)	-
Claims paid	-	-	-	-	-	(3,941,121)
Net cash provided (used) by operating activities	<u>8,090,219</u>	<u>1,766,552</u>	<u>(579,059)</u>	<u>52,737</u>	<u>9,330,449</u>	<u>574,648</u>
Cash flows from noncapital financing activities:						
Customer deposits	16,770	-	-	-	16,770	-
Subsidy from grants	-	-	614,317	-	614,317	-
Transfers in	19,340	-	11,034	400,238	430,612	-
Transfers out	(2,300,000)	(426,840)	-	(145,000)	(2,871,840)	-
Net cash provided (used) by noncapital financing activities	<u>(2,263,890)</u>	<u>(426,840)</u>	<u>625,351</u>	<u>255,238</u>	<u>(1,810,141)</u>	<u>-</u>
Cash flows from capital and related financing activities:						
Receipts from sale of materials	27,008	122,931	-	51,560	201,499	-
Purchases of capital assets	(2,257,556)	(946,441)	(586,458)	(411,147)	(4,201,602)	-
Capital contributions	-	-	709,284	24,178	733,462	-
Proceeds from issuance of long-term debt	244,000	1,725,400	-	-	1,969,400	-
Payment of long-term debt	(655,336)	(1,433,076)	-	(39,429)	(2,127,841)	-
Interest paid on long-term debt	(1,731,199)	(270,242)	-	-	(2,001,441)	-
Net cash provided (used) by capital and related financing activities	<u>(4,373,083)</u>	<u>(801,428)</u>	<u>122,826</u>	<u>(374,838)</u>	<u>(5,426,523)</u>	<u>-</u>
Cash flows from investing activities:						
Interest income	3,053	-	-	1,765	4,818	77
Proceeds from sale of investments	206,200	-	-	100,000	306,200	-
Purchase of investments	(156,200)	-	-	(100,000)	(256,200)	-
Rents and royalties	-	-	-	6,000	6,000	-
Net cash provided by investing activities	<u>53,053</u>	<u>-</u>	<u>-</u>	<u>7,765</u>	<u>60,818</u>	<u>77</u>
Net increase (decrease) in cash	1,506,299	538,284	169,118	(59,098)	2,154,603	574,725
Cash, beginning of year	6,183,670	4,910,568	467,652	1,656,061	13,217,951	1,186,887
Cash, end of year	\$ 7,689,969	\$ 5,448,852	\$ 636,770	\$ 1,596,963	\$ 15,372,554	\$ 1,761,612
Statement of net position classification:						
Current assets	\$ 6,572,496	\$ 4,759,040	\$ 636,770	\$ 1,591,806	\$ 13,560,112	\$ 1,761,612
Restricted assets	1,117,473	689,812	-	5,157	1,812,442	-
Total cash, end of year	\$ 7,689,969	\$ 5,448,852	\$ 636,770	\$ 1,596,963	\$ 15,372,554	\$ 1,761,612
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
Operating income (loss)	\$ 7,066,182	\$ 1,684,034	\$ (935,745)	\$ (326,922)	\$ 7,487,549	\$ 728,789
Adjustments to reconcile operating income to net cash provided (used) by operating activities:						
Unearned revenue recognized	-	-	(18,600)	-	(18,600)	-
Depreciation	1,346,633	1,095,769	457,164	386,473	3,286,039	-
Change in assets and liabilities:						
Increase in receivables	(84,106)	(13,753)	(2,952)	(65,746)	(166,557)	-
(Increase) decrease in inventory	127,008	(3,071)	-	-	123,937	-
Decrease in accounts payable	(365,498)	(996,427)	(78,926)	(5,918)	(1,446,769)	(384,258)
Increase in leases payable	-	-	-	64,850	64,850	-
Increase in net OPEB obligations	-	-	-	-	-	230,117
Net cash provided (used) by operating activities	<u>\$ 8,090,219</u>	<u>\$ 1,766,552</u>	<u>\$ (579,059)</u>	<u>\$ 52,737</u>	<u>\$ 9,330,449</u>	<u>\$ 574,648</u>
Schedule of non-cash capital and related financing activities:						
Purchase of assets through capital leases	\$ 42,003,360	\$ -	\$ -	\$ 64,850	\$ 42,068,210	\$ -

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

CITY OF GARDEN CITY, KANSAS
Statement of Net Position
Fiduciary Funds
December 31, 2014

	<u>Agency Funds</u>
<u>Assets</u>	
Cash	<u>\$ 252,654</u>
Total assets	<u>\$ 252,654</u>
<u>Liabilities</u>	
Accounts payable	<u>\$ 252,654</u>
Total liabilities	<u>\$ 252,654</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, 2014

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. Description of Government-wide Financial Statements

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

B. 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 to emphasize that it is legally separate from the City.

The Garden City Recreation Commission operates the City's recreational programs. The Recreation Commission is a separate, legal municipality that 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 Board is appointed by the City Commission, who also has the authority to remove appointed Board members. 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.

Each discretely presented component unit has a December 31st year-end. Separately issued financial reports 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, 2014

1. Summary of Significant Accounting Policies (continued)

C. Basis of Presentation - Government-wide Financial Statements

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

As discussed earlier, the City has two discretely presented component units. While neither the Garden City Recreation Commission nor the Garden City Housing Authority are considered to be a major component unit, they are nevertheless shown in separate columns in the government-wide financial statements.

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.

D. Basis of Presentation - Fund Financial Statements

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

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 resources of the general government, except those accounted for in another fund.

Debt Service Fund - the debt service fund is used to account for the accumulation of resources that are restricted, committed, or assigned for the payment of principal and interest on long-term obligations of governmental funds.

2012 Schulman Crossing 1 Temporary Note Projects Fund – this is a capital project fund used to account for the acquisition and construction of the Schulman Crossing 1 area improvements.

2013 Schulman Crossing 2 Temporary Note Projects Fund – this is a capital project fund used to account for the acquisition and construction of the Schulman Crossing 2 area improvements.

CITY OF GARDEN CITY, KANSAS
Notes to the Financial Statements
December 31, 2014

1. Summary of Significant Accounting Policies (continued)

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

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 and construction of major capital facilities other than those financed by proprietary funds.

The City reports the following major enterprise 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 Wastewater Repair and Replacement.

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 enterprise funds 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.

Agency Fund - agency fund 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.
- Sidewalk construction account used to account for monies received by the City for sidewalk construction projects.
- 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.

CITY OF GARDEN CITY, KANSAS
Notes to the Financial Statements
December 31, 2014

1. Summary of Significant Accounting Policies (continued)

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

- Section 125 account used to account for employee withholdings under the Section 125 plan.
- Employee flower account used to account for monies received from employee vending machines and other fees which are to be expended for employee memorials and recognition type expenditures.

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

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

E. Measurement Focus and Basis of Accounting

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

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

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the 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. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

CITY OF GARDEN CITY, KANSAS
Notes to the Financial Statements
December 31, 2014

1. Summary of Significant Accounting Policies (continued)

E. Measurement Focus and Basis of Accounting (continued)

Sales taxes, 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 H and result in unavailable revenue. All other revenue items are considered measurable and available only when cash is received by the City.

The proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The agency fund has no measurement focus but utilizes the accrual basis of accounting for reporting its assets and liabilities.

F. Budgetary Information

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

1. Preparation of the budget for the succeeding calendar year on or before 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
Capital Improvements Fund	\$ 897,000
Special Improvements Fund	854,538
DEA Forfeiture Fund	14,650
Special Recreation and Parks Fund	90,000

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.

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

CITY OF GARDEN CITY, KANSAS
Notes to the Financial Statements
December 31, 2014

1. Summary of Significant Accounting Policies (continued)

F. Budgetary Information (continued)

Budgetary Basis of Accounting

All legal annual operating budgets are prepared using the modified accrual basis of accounting, modified further by the encumbrance method of accounting. Revenues are recognized when measurable and available. Expenditures include disbursements, accounts payable and encumbrances. Encumbrances are commitments by the 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 2012 JAG Grant fund. Capital projects controlled by spending limits established by the governing body include the 2012 Schulman Crossing 1 Temporary Note Projects, 2013 Schulman Crossing 2 Temporary Note Projects, 2013 GO Bond Projects, 2013 Pioneer Road Estates Improvement Projects, 2013 Temporary Note Projects, 2012 Temporary Note Projects, 2012 GO Bond Projects, 2012 FOLRZ Zoo Projects, 2011 GO Bond Projects, and 2011-A Temporary Note Projects funds.

Budgetary Compliance – Non-GAAP Financial Statements

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

	<u>General Fund</u>	<u>Debt Service Fund</u>
Revenues (budgetary basis)	\$ 18,471,971	\$ 2,519,731
Less 2013 accrued revenues	(2,013,066)	-
Plus 2014 accrued revenues	<u>2,188,051</u>	<u>-</u>
Revenues (GAAP basis)	<u>\$ 18,646,956</u>	<u>\$ 2,519,731</u>
Expenditures (budgetary basis)	<u>\$ 19,205,664</u>	<u>\$ 2,137,899</u>
Expenditures (GAAP basis)	<u>\$ 19,205,664</u>	<u>\$ 2,137,899</u>

CITY OF GARDEN CITY, KANSAS
Notes to the Financial Statements
December 31, 2014

1. Summary of Significant Accounting Policies (continued)

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

Cash and Cash Equivalents

The 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.

Deposits and Investments

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

State statutes authorize the 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, 2014, is \$2,075,106.

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 statement of net position 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, except for infrastructure assets, are defined by the City as assets with an initial, individual cost of more than \$5,000 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, 2014

1. Summary of Significant Accounting Policies (continued)

G. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance
(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 increase its estimated useful life. Donated capital assets are recorded at their estimated fair value at the date of donation.

Interest incurred during the construction phase of capital assets of enterprise funds is included as part of the capitalized value of the assets constructed. The amount of interest capitalized depends on the specific circumstances. Construction in connection with the enterprise funds 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.

Land and construction in progress are not depreciated. The other property, plant and equipment, infrastructure 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

Deferred Outflows/Inflows of Resources

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

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

CITY OF GARDEN CITY, KANSAS
Notes to the Financial Statements
December 31, 2014

1. Summary of Significant Accounting Policies (continued)

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

Net Position Flow Assumption

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

Fund Balance Flow Assumptions

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

Fund Balance Policies

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

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

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

CITY OF GARDEN CITY, KANSAS
Notes to the Financial Statements
December 31, 2014

1. Summary of Significant Accounting Policies (continued)

H. Revenues and Expenditures/Expenses

Program Revenues

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

Property Taxes

In accordance with governing state statutes, property taxes levied during the current year are a revenue source to be used to finance the budget of the ensuing year. Taxes are assessed on a calendar year basis, are levied and become a lien on the property on November 1st of each year. The County Treasurer is the tax collection agent for all taxing entities within the County. Property owners have the option of paying one-half or the full amount of the taxes levied on or before December 20th during the year levied with the balance to be paid on or before May 10th of the ensuing year. State statutes prohibit the County Treasurer from distributing the taxes collected in the year levied prior to January 1st of the ensuing year. Consequently, for revenue recognition purposes, taxes levied during the current year are not due and receivable until the ensuing year. At December 31, 2014, such taxes are a lien on the property and are recorded as taxes receivable, net of anticipated delinquencies of \$223,339, 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, 2014, are not significant.

Compensated Absences

Vacation

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 50 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, 2014, to be \$1,135,192 of which \$701,776 is expected to be used in 2015.

Sick Leave

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 72 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 72 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, 2014

1. Summary of Significant Accounting Policies (continued)

H. Revenues and Expenditures/Expenses (continued)

Proprietary Funds Operating and Nonoperating Revenues and Expenses

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 are charges to customers for sales and services. The electric utility fund and water fund also recognize as operating revenue the portion of connect fees intended to recover the cost of connecting new customers to the system. The principal operating revenues of the internal service funds are departmental billings for insurance. 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.

I. New Pronouncements

The GASB has issued the following statements which will 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. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27*, issued June 2012 will be effective for the City beginning with its year ending December 31, 2015. This Statement is intended to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency.
- GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - An Amendment of GASB Statement No. 68*, issued November 2013 will be effective for the City beginning with its year ending December 31, 2015. This Statement addresses an issue regarding the application of the transition provisions of Statement No. 68 as it relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

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

CITY OF GARDEN CITY, KANSAS
Notes to the Financial Statements
December 31, 2014

2. Reconciliation of Government-wide and Fund Financial Statements

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that “capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.” The details of this \$44,969,158 are as follows:

Land	\$ 1,377,377
Property, plant and equipment	85,601,920
Less accumulated depreciation	<u>(42,010,139)</u>
 Net adjustment to increase fund balance - total governmental funds to arrive at net position - governmental activities	 <u>\$ 44,969,158</u>

Another element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$23,181,330 difference are as follows:

Governmental bonds payable	\$ 21,030,453
Capital leases payable	858,251
Accrued interest payable on long-term debt	157,434
Compensated absences	<u>1,135,192</u>
 Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	 <u>\$ 23,181,330</u>

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.” The details of this (\$578,517) difference are as follows:

CITY OF GARDEN CITY, KANSAS
Notes to the Financial Statements
December 31, 2014

2. Reconciliation of Government-wide and Fund Financial Statements (continued)

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities (continued)

Expenditures for capital assets	\$ 1,862,862
Less current year depreciation	(2,385,312)
Less current year disposals (net of depreciation)	<u>(56,067)</u>
 Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities	 <u>\$ (578,517)</u>

Another element of that reconciliation states that “governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets contributed to proprietary funds is reported as transfers. This is the amount of capital outlay contributed to proprietary funds in the current period.” The details of this \$29,178 difference are as follows:

Capital assets contributed to Airport	\$ (5,000)
Capital assets contributed to Recreation Area	<u>(24,178)</u>
 Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities	 <u>\$ (29,178)</u>

Another element of that reconciliation states that “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.” The details of this \$180,854 difference are as follows:

Accrued interest expense on long-term debt, net change	\$ (91,488)
Change in compensated absences	<u>(89,366)</u>
 Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities	 <u>\$ (180,854)</u>

Another element of that reconciliation states that “the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statements of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.” The details of this \$9,991,868 difference are as follows:

CITY OF GARDEN CITY, KANSAS
Notes to the Financial Statements
December 31, 2014

2. Reconciliation of Government-wide and Fund Financial Statements (continued)

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities (continued)

Debt issued or incurred:	
General obligation bonds	\$ (11,934,600)
Capital leases issued	(183,229)
Principal repayments:	
General obligation debt	1,691,309
Capital leases paid	<u>434,652</u>
Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (9,991,868)</u>

3. Stewardship, Compliance and Accountability

A. 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 other material violations were noted.

B. Deficit Fund Equity

The 2013 Schulman Crossing 2 Temporary Note Projects capital project fund had a deficit fund balance of \$8,044,585 as of December 31, 2014. The fund incurred expenditures paid through the issuance of temporary notes. The City plans to issue bonds to finance the Projects in 2015.

The Special Improvements special revenue fund had a deficit fund balance of \$16,899 as of December 31, 2014. The fund incurred expenditures included in accounts payable for which the City anticipates revenues to cover the liability in early 2015.

The Health Insurance internal service fund had a deficit net position restricted for health insurance balance as of December 31, 2014, as a result of the net OPEB obligation payable at December 31, 2014.

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CITY OF GARDEN CITY, KANSAS
Notes to the Financial Statements
December 31, 2014

4. Detailed Notes on All Activities and Funds

A. Cash and Investments

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

Cash	\$ 27,742,757
Investments, at fair value	1,975,106
Restricted assets:	
Cash	1,812,442
Investments, at fair value	<u>100,000</u>
Total cash and investments	<u>\$ 31,630,305</u>
Cash on hand	\$ 450
Carrying amount of deposits	31,882,509
Less agency funds	<u>(252,654)</u>
Total cash and investments	<u>\$ 31,630,305</u>

Cash Deposits with Financial Institutions

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the 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 \$31,882,509 and the bank balance was \$32,506,087. Ninety-four percent of the bank balance was held by four banks resulting in a concentration of credit risk. Of the bank balance, \$5,794,417 was covered by federal depository insurance and \$26,711,670 was collateralized with securities held by the pledging financial institutions' agents in the City's name. The City's cash deposits by financial institution at year-end are as follows:

	Bank balance covered by			Total bank balance
	FDIC coverage	Pledged securities at market value	Unsecured	
Commerce Bank	\$ 500,000	\$ 20,665,554	\$ -	\$ 21,165,554
Western State Bank	256,578	1,245,101	-	1,501,679
First National Bank	4,287,839	864,286	-	5,152,125
American State Bank	250,000	1,890,710	-	2,140,710
Garden City State Bank	250,000	295,298	-	545,298
Bank of the West	250,000	1,750,721	-	2,000,721
Total	<u>\$ 5,794,417</u>	<u>\$ 26,711,670</u>	<u>\$ -</u>	<u>\$ 32,506,087</u>

CITY OF GARDEN CITY, KANSAS
Notes to the Financial Statements
December 31, 2014

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

A. Cash and Investments (continued)

Investments

Credit and Interest Rate Risks

K.S.A. 9-1401 establishes the depositories which may be used by the 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.

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.

Custodial Credit Risk - Investments

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

B. Receivables

Amounts are aggregated into a single accounts receivable (net of allowance for uncollectibles) line for certain funds and aggregated columns. Below is the detail of receivables for the City's individual major and nonmajor funds, and internal service funds in the aggregate, including the applicable allowances for uncollectible accounts:

	General	Debt Service	Electric Utility	Water and Sewer Utility	Airport	Nonmajor and Other Funds	Total
Receivables:							
Taxes	\$ 5,272,607	\$ 1,618,016	\$ -	\$ -	\$ 830,453	\$ 1,053,692	\$ 8,774,768
Special assessments	-	1,299,363	-	-	-	-	1,299,363
Accounts and interest	405,031	38,045	1,658,535	395,475	4,942	279,881	2,781,909
Other	-	-	-	-	-	46,213	46,213
Gross receivables	5,677,638	2,955,424	1,658,535	395,475	835,395	1,379,786	12,902,253
Less allowance for uncollectibles	(110,900)	(54,653)	(290,937)	(92,200)	(28,051)	(89,049)	(665,790)
Net receivables	\$ 5,566,738	\$ 2,900,771	\$ 1,367,598	\$ 303,275	\$ 807,344	\$ 1,290,737	\$ 12,236,463

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 3.38% of outstanding property taxes at December 31, 2014.

CITY OF GARDEN CITY, KANSAS
Notes to the Financial Statements
December 31, 2014

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

B. Receivables (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, 2014, 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.

C. Restricted Assets

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

Cash:	
Maintenance reserve	\$ 372,046
Repair and replacement	317,766
Building	5,157
Security deposits	1,117,473
Investments:	
Security deposits	100,000
Total restricted assets	\$ 1,912,442

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CITY OF GARDEN CITY, KANSAS
Notes to the Financial Statements
December 31, 2014

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

D. Capital Assets

Capital asset activity for the primary government for the year ended December 31, 2014, was as follows:

	Balance 01-01-14	Additions	Deductions	Transfers/ Reclassifications	Balance 12-31-14
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 1,358,349	\$ 19,028	\$ -	\$ -	\$ 1,377,377
Construction in progress	-	1,296,306	-	(1,296,306)	-
Total capital assets not being depreciated	1,358,349	1,315,334	-	(1,296,306)	1,377,377
Capital assets being depreciated:					
Buildings and improvements	15,716,784	15,675	22,600	-	15,709,859
Equipment	5,117,402	213,310	88,223	-	5,242,489
Vehicles	5,553,063	289,365	207,793	-	5,634,635
Furniture and fixtures	77,602	-	-	-	77,602
Infrastructure	57,641,029	-	-	1,296,306	58,937,335
Total capital assets being depreciated	84,105,880	518,350	318,616	1,296,306	85,601,920
Less accumulated depreciation for:					
Buildings and improvements	7,188,895	390,917	19,351	-	7,560,461
Equipment	2,756,650	372,775	40,405	-	3,089,020
Vehicles	4,003,327	298,219	202,793	-	4,098,753
Furniture and fixtures	18,691	3,107	-	-	21,798
Infrastructure	25,919,813	1,320,294	-	-	27,240,107
Total accumulated depreciation	39,887,376	2,385,312	262,549	-	42,010,139
Total capital assets being depreciated, net	44,218,504	(1,866,962)	56,067	1,296,306	43,591,781
Governmental activities capital assets, net	\$ 45,576,853	\$ (551,628)	\$ 56,067	\$ -	\$ 44,969,158

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CITY OF GARDEN CITY, KANSAS
Notes to the Financial Statements
December 31, 2014

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

D. Capital Assets (continued)

	Balance 01-01-14	Additions	Deductions	Transfers/ Reclassifications	Balance 12-31-14
Business-type activities:					
Capital assets not being depreciated:					
Land	\$ 777,801	\$ -	\$ -	\$ -	\$ 777,801
Water rights	756,925	-	-	-	756,925
Construction in progress	3,017,732	985,652	-	(3,436,195)	567,189
Total capital assets not being depreciated	4,552,458	985,652	-	(3,436,195)	2,101,915
Capital assets being depreciated:					
Production, storage and distribution equipment	79,001,084	43,543,238	-	2,120,193	124,664,515
Golf course, club house and equipment	1,726,389	-	-	-	1,726,389
Vehicles and equipment	6,843,815	1,530,593	324,668	-	8,049,740
Containers and equipment	3,904,084	169,079	-	-	4,073,163
Airport improvements	29,370,291	48,581	-	1,316,002	30,734,874
Total capital assets being depreciated	120,845,663	45,291,491	324,668	3,436,195	169,248,681
Less accumulated depreciation for:					
Production, storage and distribution equipment	32,986,092	1,774,998	-	-	34,761,090
Golf course, club house and equipment	1,048,810	35,103	-	-	1,083,913
Vehicles and equipment	3,514,016	958,138	257,488	-	4,214,666
Containers and equipment	2,343,581	74,639	-	-	2,418,220
Airport improvements	8,370,264	443,161	-	-	8,813,425
Total accumulated depreciation	48,262,763	3,286,039	257,488	-	51,291,314
Total capital assets being depreciated, net	72,582,900	42,005,452	67,180	3,436,195	117,957,367
Business-type activities capital assets, net	\$ 77,135,358	\$ 42,991,104	\$ 67,180	\$ -	\$ 120,059,282

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CITY OF GARDEN CITY, KANSAS
Notes to the Financial Statements
December 31, 2014

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

D. Capital Assets (continued)

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

Governmental activities:	
General government	\$ 143,100
Public safety	409,989
Public works	1,475,769
Parks and recreation	<u>356,454</u>
Total additions to accumulated depreciation - governmental activities	<u>\$ 2,385,312</u>
Business-type activities:	
Electric	\$ 1,346,633
Water and sewer	1,095,769
Airport	457,164
Solid waste	266,701
Golf course	99,061
Drainage	<u>20,711</u>
Total additions to accumulated depreciation - business-type activities	<u>\$ 3,286,039</u>

E. Kansas Public Employees Retirement System

Plan Description

The City of Garden City, Kansas, participates in the Kansas Public Employees Retirement System (KPERS) and the Kansas Police and Firemen's Retirement System (KP&F). Both are part of a cost sharing, multiple-employer defined benefit pension plan as provided by Kansas law. 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 (only one is issued) 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) or by calling 1-888-275-5737.

Funding Policy

K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. Effective July 1, 2009, KPERS has two benefit structures and funding depends on whether the employee is a Tier 1 or Tier 2 member. Tier 1 members are active and contributing members hired before July 1, 2009. Tier 2 members were first employed in a covered position on or after July 1, 2009. Kansas law establishes the KPERS member-employee contribution rate at 5% of covered salary for Tier 1 members and at 6% of covered salary for Tier 2 members. K.S.A. 74-4975 establishes KP&F member-employee contribution rate at 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. Kansas 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. Kansas law sets a limitation on annual increases in the contribution rates. The KPERS employer rate established by statute for calendar year 2014 is 9.69%. The City of Garden City, Kansas, contributions to KPERS for the years ending December 31, 2014, 2013 and 2012, were \$889,393, \$759,281,

CITY OF GARDEN CITY, KANSAS
Notes to the Financial Statements
December 31, 2014

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

E. Kansas Public Employees Retirement System (continued)

Funding Policy (continued)

and \$694,875, respectively, equal to the statutory required contributions for each year. The KP&F employer rate established by statute for fiscal years beginning in 2014 is 19.92%. 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. The City of Garden City, Kansas, contributions to KP&F for the years ending December 31, 2014, 2013 and 2012, were \$902,406, \$755,160, and \$722,271, 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.

F. Other Postemployment Benefit (OPEB) Obligations

Plan 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.

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, 2014, ranged from \$377 to \$1,277 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.

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CITY OF GARDEN CITY, KANSAS
Notes to the Financial Statements
December 31, 2014

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

F. Other Postemployment Benefit (OPEB) Obligations (continued)

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	\$	185,059
Amortization of unfunded actuarial accrued liability		98,063
Annual required contribution		283,122
Interest on net OPEB obligation		36,636
Adjustment to annual required contribution		(48,641)
Annual OPEB cost (expense)		271,117
Contributions made		(41,000)
Increase in net OPEB obligation		230,117
Net OPEB Obligation, January 1		1,046,732
Net OPEB Obligation, December 31	\$	1,276,849

The City's annual OPEB cost, percentage of OPEB cost contributed, and net postemployment benefit obligation for the plan for the fiscal years ended December 31st is as follows:

Fiscal Year	Annual OPEB Cost	Employer Contributions	Percentage Contributed	Net OPEB Obligation
2012	\$ 300,422	\$ 87,000	29.0 %	\$ 946,038
2013	272,271	171,577	63.0	1,046,732
2014	271,117	41,000	15.1	1,276,849

Funded Status and Funding Progress

As of January 1, 2013, 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 \$2,038,882. The covered payroll (annual payroll of active employees covered by the plan) was \$11,957,340 and the ratio of the UAAL to the covered payroll was 17.1%.

CITY OF GARDEN CITY, KANSAS
Notes to the Financial Statements
December 31, 2014

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

F. Other Postemployment Benefit (OPEB) Obligations (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.

The ARC for the plan's year was determined as part of the January 1, 2013, actuarial valuation using the following methods and assumptions:

Actuarial cost method	projected unit credit
Amortization method	level percentage of payroll, open
Remaining amortization period	30 years
Inflation rate	2.75%
Asset valuation method	long-term historical return experience
Investment return	3.5%
Projected salary increases	1%
Healthcare cost trend rate	10% to 5% reaching 5% in the twelfth year

G. Construction and Other Significant Commitments

Construction Commitments

The City has active construction projects as of December 31, 2014. At year-end, the City's commitments with contractors are as follows:

<u>Project</u>	<u>Project Authorization</u>	<u>Expended to 12-31-14</u>	<u>Committed</u>
Airport taxiway reconstruction	\$ 185,142	\$ 118,005	\$ 67,137
Windsor Hotel project	1,104,428	553,184	551,244
Fire facilities study	26,000	20,800	5,200
Street improvement projects	1,484,107	1,461,309	22,798
Lareu Road and Stone Creek Drive improvements - Phase 2	648,829	226,004	422,825
Finnup Park walking trail - Phase 2	47,302	-	47,302
Water department facility	100,000	77,060	22,940
Total	<u>\$ 3,595,808</u>	<u>\$ 2,456,362</u>	<u>\$ 1,139,446</u>

CITY OF GARDEN CITY, KANSAS
Notes to the Financial Statements
December 31, 2014

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

G. Construction and Other Significant Commitments (continued)

Construction Commitments (continued)

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

	Project Authorization
Utility Service Center addition	\$ 1,487,472
Big pool renovations	293,500
Harding lift station rehabilitation	119,800
Firearms training range	75,000
Water mains cleaning project	100,635
Jennie Barker Road electric project	341,915
2015 street sealing projects	676,234
Airport improvement projects	3,136,077
Total	\$ 6,230,633

Commitments

In 2013 the City entered into an agreement with the Kansas Municipal Energy Agency (KMEA) under a five year power supply plan in which KMEA expects to provide the necessary financial and contractual arrangements for resources to implement the power supply plan, manage the City's electrical power supply resources and coordinate with the Southwest Power Pool on behalf of the City through a portfolio of agreements between KMEA and the City. As part of this agreement, the City entered into a capital lease purchase agreement with KMEA for three new combustion turbine generators installed in Garden City by KMEA at a project cost of \$41,964,860.

Contracts

The City has entered into an operating agreement for the airport air traffic control tower. This is an annual agreement with fees totaling \$58,410 for the year ended December 31, 2014.

In 2011 the City entered into an operating agreement for an employee wellness center. This was a three year agreement with fees totaling \$163,195 for the year ended December 31, 2014. A two year extension to this agreement was entered into in 2014 with fees totaling \$140,804 for the year ended December 31, 2014. Subsequent to year end the future fees under this agreement were adjusted to \$267,978 for 2015 and \$261,708 for 2016.

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, 2014, there were 5 series of Industrial Revenue Bonds outstanding, with an aggregate principal amount payable of \$12,755,121.

CITY OF GARDEN CITY, KANSAS
Notes to the Financial Statements
December 31, 2014

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

H. 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.

I. Lease Obligations

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, 2014:

	Governmental Activities	Business-type Activities
Vehicles and equipment	\$ 1,660,995	\$ 42,059,505
Less accumulated depreciation	(430,751)	(538,352)
Total	\$ 1,230,244	\$ 41,521,153

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2014, are as follows:

	Governmental Activities	Business-type Activities
2015	\$ 237,763	\$ 3,346,960
2016	174,437	3,313,298
2017	136,554	3,170,138
2018	86,195	2,863,338
2019	76,662	2,862,750
2020-2024	214,043	14,317,438
2025-2029	-	14,314,500
2030-2034	-	14,317,457
2035-2039	-	14,318,111
2040-2044	-	10,021,537
Total minimum lease payments	925,654	82,845,527
Less amount representing interest	(67,403)	(40,822,768)
Present value of future minimum lease payments	\$ 858,251	\$ 42,022,759

CITY OF GARDEN CITY, KANSAS
Notes to the Financial Statements
December 31, 2014

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

I. Lease Obligations (continued)

Capital Leases (continued)

Subsequent to year-end, the City Commissioners authorized staff to enter into lease agreements for the acquisition of police computer dispatch software. The future minimum lease obligation and the net present value of the minimum lease payments are as follows:

	Governmental Activities
2015	\$ 229,954
2016	702,331
2017	626,234
2018	555,145
2019	472,565
2020-2024	1,954,930
2025	355,952
Total minimum lease payments	4,897,111
Less amount representing interest	(525,748)
Present value of future minimum lease payments	\$ 4,371,363

J. Short-Term Debt

The purpose of all of the short-time borrowings was to provide resources for various capital construction or improvement projects. The form of financing used in all cases was temporary notes (i.e., bond anticipation notes). The amounts issued for governmental activities are accounted for in the capital projects fund.

State law requires that temporary notes issued for capital purposes be converted to long-term obligations within four years after the original issue date, if not completely repaid.

The schedule below details the changes in short-term capital borrowings during the year ended December 31, 2014, for the governmental activities:

	Date of Issue	Interest Rate	Balance 01-01-14	Issues	Redemptions	Balance 12-31-14
Governmental activities:						
2012 Schulman Crossing 1 Temporary Note Projects	06-01-12	0.938%	\$ 11,750,000	\$ -	\$ 11,750,000	\$ -
2013 Schulman Crossing 2 Temporary Note Projects	12-19-13	4.000%	9,340,000	-	-	9,340,000
			\$ 21,090,000	\$ -	\$ 11,750,000	\$ 9,340,000

CITY OF GARDEN CITY, KANSAS
Notes to the Financial Statements
December 31, 2014

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

K. Long-Term Liabilities

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 \$36,748,000. During the year, general obligation bonds totaling \$13,660,000 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 12-31-14</u>
Governmental activities:				
Internal Improvement	09-01-05	11-01-15	3.70 to 3.80%	\$ 165,000
Internal Improvement	05-01-06	11-01-16	3.85 to 3.95%	325,000
Internal Improvement	04-01-07	11-01-17	3.55 to 3.65%	615,000
Internal Improvement	09-01-08	11-01-18	3.10 to 3.70%	1,425,000
Internal Improvement	07-01-09	11-01-19	2.25 to 3.30%	1,225,000
Internal Improvement	08-01-10	11-01-20	1.60 to 2.75%	780,750
Internal Improvement	08-01-11	11-01-21	1.50 to 2.50%	1,645,000
Internal Improvement	11-01-12	11-01-22	2.00 to 2.15%	770,000
Internal Improvement	08-01-13	11-01-28	2.00 to 4.00%	1,580,103
Internal Improvement	08-01-13	11-01-23	2.00 to 4.00%	565,000
Internal Improvement	05-01-14	11-01-24	2.00 to 3.75%	10,750,000
Internal Improvement	10-01-14	11-01-24	2.00 to 2.50%	1,184,600
Business-type activities:				
Internal Improvement	08-01-10	11-01-20	1.60 to 2.75%	2,194,250
Refunding	12-01-10	09-01-24	2.00 to 3.25%	7,225,000
Internal Improvement	08-01-13	11-01-23	2.00 to 3.00%	5,609,897
Internal Improvement	10-01-14	11-01-24	2.00 to 2.50%	1,725,400
Total general obligation bonds payable				<u>\$ 37,785,000</u>

During the year ended December 31, 2013, the City Commissioners authorized staff to proceed with a \$9,000,000 bond sale for economic development and welfare of the City related 2013 and 2014 projects.

CITY OF GARDEN CITY, KANSAS
Notes to the Financial Statements
December 31, 2014

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

K. Long-Term Liabilities (continued)

Revenue Loans

The City issues revenue loans where the City pledges income derived from the fees and charges to users of the related assets to pay the debt service. The original principal amount of revenue loans issued in prior years was \$-0-. During the year, revenue loans totaling \$244,000 were issued. Revenue loans currently outstanding are as follows:

	<u>Date of Issue</u>	<u>Maturity Date</u>	<u>Outstanding Interest Rates</u>	<u>Balance 12-31-14</u>
Revenue loans payable:				
Jameson Energy Center	05-01-14	08-15-17	3.25%	<u>\$ 218,139</u>

Bond Covenants

There are a number of limitations and restrictions contained in the various bond indentures. The City believes it is in compliance with all significant limitations and restrictions.

Legal Debt Margin

The City is subject to a general obligation debt limit that is 30% of the assessed valuation of taxable property. For the year ended December 31, 2014, that amount was \$62,163,363. As of December 31, 2014, the total outstanding debt applicable to the limit was \$47,310,080 which is 76.11% of the total debt limit.

Pledged Revenues

The City has pledged specific revenue streams to secure the repayment of certain outstanding debt issues. The corresponding debt issues are for general obligation bonds issued to finance infrastructure and capital improvements in tax increment financing (TIF) districts. The following table lists those revenues and the corresponding debt issues, the amount and term of the pledge remaining, the current fiscal year principal and interest on the debt, the amount of pledged revenue recognized during the current fiscal year, and the approximate percentage of the revenue stream that has been committed:

<u>Issues</u>	<u>Type of Revenue Pledged</u>	<u>Amount of Pledge</u>	<u>Term of Commitment</u>	<u>Percent of Revenue Pledged</u>	<u>Principal and Interest for 2014</u>	<u>Pledged Revenues Recognized in 2014</u>
TIF GO bonds and temporary note	Incremental increase in property tax	\$ 16,435,000	Through 11/1/2034	100.00%	\$ 66,516	\$ 250,226

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 and water and sewer utility fund is shown on pages 27 through 29 of this report.

CITY OF GARDEN CITY, KANSAS
Notes to the Financial Statements
December 31, 2014

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

K. Long-Term Liabilities (continued)

Changes in Long-Term Liabilities

Changes in the City's long-term liabilities for the year ended December 31, 2014, are as follows:

	Balance 01-01-14	Additions	Retired	Balance 12-31-14	Due Within One Year
Governmental activities:					
General obligation bonds	\$ 10,787,162	\$ 11,934,600	\$ 1,691,309	\$ 21,030,453	\$ 1,790,910
Capital leases	1,109,674	183,229	434,652	858,251	218,601
Compensated absences	1,045,826	773,292	683,926	1,135,192	701,776
Net OPEB obligation	1,046,732	271,117	41,000	1,276,849	-
Total governmental activities long-term liabilities	<u>\$ 13,989,394</u>	<u>\$ 13,162,238</u>	<u>\$ 2,850,887</u>	<u>\$ 24,300,745</u>	<u>\$ 2,711,287</u>
Business-type activities:					
General obligation bonds	\$ 17,046,838	\$ 1,725,400	\$ 2,017,691	\$ 16,754,547	2,244,090
Plus bond premium	215,440	-	30,360	185,080	31,000
KMEA loan	-	244,000	25,861	218,139	79,427
Capital leases	38,837	42,068,211	84,289	42,022,759	1,047,885
Total business-type activities long-term liabilities	<u>\$ 17,301,115</u>	<u>\$ 44,037,611</u>	<u>\$ 2,158,201</u>	<u>\$ 59,180,525</u>	<u>\$ 3,402,402</u>

The liability for compensated absences is generally liquidated by the general fund. The liability for net OPEB obligation is generally liquidated by the health insurance fund.

The annual debt service requirements to maturity for the general obligation bonds outstanding at December 31, 2014, including interest payments, are as follows:

Year ending December 31,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2015	\$ 1,790,910	\$ 888,291	\$ 2,244,090	\$ 421,282
2016	2,089,761	636,035	2,305,239	374,126
2017	2,000,761	576,001	2,369,239	325,486
2018	1,859,011	518,067	2,425,989	271,238
2019	1,412,261	463,623	2,292,739	211,741
2020-2024	4,812,749	1,777,298	5,117,251	357,982
2025-2029	3,475,000	1,067,102	-	-
2030-2034	3,590,000	413,814	-	-
Total	<u>\$ 21,030,453</u>	<u>\$ 6,340,231</u>	<u>\$ 16,754,547</u>	<u>\$ 1,961,855</u>

CITY OF GARDEN CITY, KANSAS
Notes to the Financial Statements
December 31, 2014

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

K. Long-Term Liabilities (continued)

Changes in Long-Term Liabilities (continued)

The annual debt service requirements to maturity for the revenue loans outstanding at December 31, 2014, including interest payments, are as follows:

Year ending December 31,	Business-type Activities	
	Principal	Interest
2015	\$ 79,427	\$ 6,324
2016	82,212	3,538
2017	56,500	741
Total	\$ 218,139	\$ 10,603

L. Interfund Transfers

The composition of interfund transfers by fund type for the year ended December 31, 2014, is as follows:

	Transfers in:							Total
	General	Debt Service	2013 Schulman Crossing 2 Temporary Note Projects	Electric Utility	Airport	Nonmajor Governmental Funds	Nonmajor Proprietary Funds	
Transfers out:								
General	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 786,960	\$ 125,000	\$ 911,960
2012 Schulman Crossing 1 Temporary Note Projects	-	-	1,176,883	-	-	-	-	1,176,883
Electric Utility	1,560,000	-	-	-	-	740,000	-	2,300,000
Water and Sewer Utility	392,500	-	-	19,340	-	15,000	-	426,840
Nonmajor Governmental Funds	-	316,000	-	-	11,034	385,053	275,238	987,325
Nonmajor Proprietary Funds	145,000	-	-	-	-	-	-	145,000
Total	\$ 2,097,500	\$ 316,000	\$ 1,176,883	\$ 19,340	\$ 11,034	\$ 1,927,013	\$ 400,238	\$ 5,948,008

During the year, 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. In addition, capital assets contributed to proprietary funds by governmental funds are reflected as transfers in and out in the government-wide financial statements; the total of contributed capital assets during the year ended December 31, 2014, is \$29,178.

Further, during the year ended December 31, 2014, the City made transfers totaling \$2,852,500 from the enterprise funds to the governmental funds as allowed under state statutes authorizing the transfer from the gross operating revenue of the City's utilities to the different funds used for governmental functions.

CITY OF GARDEN CITY, KANSAS
Notes to the Financial Statements
December 31, 2014

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

M. Discretely Presented Component Units

Garden City Recreation Commission

The carrying amount of deposits for the Garden City Recreation Commission, a discretely presented component unit, was \$181,425 and the bank balance was \$194,761. The bank balance was held by one bank resulting in a concentration of credit risk. All of the bank balance was covered by federal depository insurance.

Capital asset activity for the Garden City Recreation Commission for the year ended December 31, 2014, is as follows:

	Balance 01-01-14	Additions	Deductions	Balance 12-31-14
Governmental activities:				
Capital assets being depreciated:				
Buildings and improvements	\$ 124,010	\$ 455,565	\$ -	\$ 579,575
Equipment	739,529	482,885	-	1,222,414
Total capital assets being depreciated	863,539	938,450	-	1,801,989
Less accumulated depreciation for:				
Buildings and improvements	30,668	54,075	-	84,743
Equipment	451,028	149,580	-	600,608
Total accumulated depreciation	481,696	203,655	-	685,351
Recreation Commission capital assets, net	<u>\$ 381,843</u>	<u>\$ 734,795</u>	<u>\$ -</u>	<u>\$ 1,116,638</u>

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, 2014:

Improvements and equipment	\$ 1,027,448
Less accumulated depreciation	(136,009)
Total	<u>\$ 891,439</u>

CITY OF GARDEN CITY, KANSAS
Notes to the Financial Statements
December 31, 2014

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

M. Discretely Presented Component Units (continued)

Garden City Recreation Commission (continued)

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, 2014, are as follows:

	Governmental Activities
2015	\$ 167,058
2016	160,680
2017	152,815
2018	152,815
2019	52,971
2020-2024	264,855
Total minimum lease payments	951,194
Less amount representing interest	(95,608)
Present value of future minimum lease payments	\$ 855,586

Changes in the long-term liabilities of the Garden City Recreation Commission for the year ended December 31, 2014, are as follows:

	Balance 01-01-14	Additions	Retired	Balance 12-31-14	Due Within One Year
Governmental activities:					
Capital leases	\$ 48,228	\$ 934,301	\$ 126,943	\$ 855,586	\$ 145,291
Compensated absences	54,055	40,768	56,227	38,596	14,500
Total governmental activities long-term liabilities	\$ 102,283	\$ 975,069	\$ 183,170	\$ 894,182	\$ 159,791

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CITY OF GARDEN CITY, KANSAS
Notes to the Financial Statements
December 31, 2014

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

M. Discretely Presented Component Units (continued)

Garden City Housing Authority

The carrying amount of deposits for the Garden City Housing Authority, a discretely presented component unit, was \$270,921 and the bank balance was \$281,740. All of the bank balance was covered by federal depository insurance.

Capital asset activity for the Garden City Housing Authority for the year ended December 31, 2014, is as follows:

	Balance 01-01-14	Additions	Deductions	Balance 12-31-14
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 426,144	\$ -	\$ -	\$ 426,144
Capital assets being depreciated:				
Buildings and improvements	4,029,117	6,980	-	4,036,097
Equipment	328,296	14,761	11,337	331,720
Total capital assets being depreciated	4,357,413	21,741	11,337	4,367,817
Less accumulated depreciation	2,930,014	148,021	11,112	3,066,923
Total capital assets being depreciated, net	1,427,399	(126,280)	225	1,300,894
Housing Authority capital assets, net	<u>\$ 1,853,543</u>	<u>\$ (126,280)</u>	<u>\$ 225</u>	<u>\$ 1,727,038</u>

Changes in the long-term liabilities of the Garden City Housing Authority for the year ended December 31, 2014, are as follows:

	Balance 01-01-14	Additions	Retired	Balance 12-31-14	Due Within One Year
Governmental activities:					
Compensated absences	\$ 14,100	\$ 5,695	\$ 14,166	\$ 5,629	\$ 3,346

CITY OF GARDEN CITY, KANSAS
Notes to the Financial Statements
December 31, 2014

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

N. Contingencies

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.

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.

O. Subsequent Events

Subsequent to year-end the City entered into contracts for capital projects as discussed in Note 4, item G; and approved capital leases as discussed in Note 4, item I. In addition, the City accepted bids subsequent to year-end for the purchase of solid waste collection trucks, new trash containers and electrical distribution transformers totaling \$802,518.

P. Prior Period Adjustments

The net position for net investment in capital assets for the business-type activities of the government-wide financial statements at December 31, 2013, was increased by \$372,297 to correct an understatement of construction in progress carried over from 2012. This adjustment also applied to the Electric Utility's net position for net investment in capital assets in the proprietary funds' financial statements at December 31, 2013.

Required Supplementary Information

CITY OF GARDEN CITY, KANSAS
Schedule of Funding Progress –
Other Postemployment Benefits
December 31, 2014

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%
1/1/2013	-	2,038,882	2,038,882	0.0%	11,957,340	17.1%

Combining and Individual Fund
Statements and Schedules

Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for specific revenue sources that are restricted, committed, or assigned 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.

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.

- 2014 GO Bond Projects
- 2013 GO Bond Projects
- 2013 Temporary Note Projects
- 2012 GO Bond Projects

CITY OF GARDEN CITY, KANSAS
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2014

<u>Assets</u>	<u>Community Trust</u>	<u>Capital Improvements</u>	<u>Recreation</u>	<u>Special Trafficway</u>
Cash	\$ 650,502	\$ 848,636	\$ -	\$ 694,240
Investments, at fair value	1,000,000	100,000	-	310,544
Receivables (net of allowances for uncollectibles):				
Taxes	-	-	848,821	175,136
Other	-	225	-	834
Total assets	<u>\$ 1,650,502</u>	<u>\$ 948,861</u>	<u>\$ 848,821</u>	<u>\$ 1,180,754</u>
 <u>Liabilities, Deferred Inflows of Resources and Fund Balances</u>				
Liabilities:				
Accounts payable	\$ -	\$ 8,429	\$ -	\$ 30,503
Deferred inflows of resources:				
Unavailable revenue - property taxes	-	-	848,821	-
Fund balances (deficits):				
Restricted:				
Recreation and parks	-	-	-	-
Capital improvement projects	-	-	-	1,150,251
Alcoholism prevention and education programs	-	-	-	-
Law enforcement	-	-	-	-
Economic development activities	-	-	-	-
Committed:				
Capital improvement projects	1,650,502	-	-	-
Assigned:				
Capital improvement projects	-	940,432	-	-
Legal claims and settlements	-	-	-	-
Unassigned	-	-	-	-
Total fund balances (deficits)	<u>1,650,502</u>	<u>940,432</u>	<u>-</u>	<u>1,150,251</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,650,502</u>	<u>\$ 948,861</u>	<u>\$ 848,821</u>	<u>\$ 1,180,754</u>

Special Revenues					
Special Improvements	Cemetery Endowment	Special Recreation and Parks	Special Alcohol Programs	Finnup Trust Fund	Special Liability
\$ 23,097	\$ 15,807	\$ 113,388	\$ 55,144	\$ 89,956	\$ 166,912
-	14,562	-	-	-	-
-	-	-	-	-	-
15,200	-	305	-	-	-
<u>\$ 38,297</u>	<u>\$ 30,369</u>	<u>\$ 113,693</u>	<u>\$ 55,144</u>	<u>\$ 89,956</u>	<u>\$ 166,912</u>
\$ 55,196	\$ -	\$ -	\$ -	\$ -	\$ 5,573
-	-	-	-	-	-
-	-	113,693	-	89,956	-
-	30,369	-	-	-	-
-	-	-	55,144	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	161,339
(16,899)	-	-	-	-	-
<u>(16,899)</u>	<u>30,369</u>	<u>113,693</u>	<u>55,144</u>	<u>89,956</u>	<u>161,339</u>
<u>\$ 38,297</u>	<u>\$ 30,369</u>	<u>\$ 113,693</u>	<u>\$ 55,144</u>	<u>\$ 89,956</u>	<u>\$ 166,912</u>

CITY OF GARDEN CITY, KANSAS
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2014

<u>Assets</u>	<u>Drug Enforcement</u>	<u>DEA Forfeiture</u>	<u>Community Development Loan Fund</u>
Cash	\$ 70,498	\$ 18,239	\$ 15,252
Investments, at fair value	-	-	-
Receivables (net of allowances for uncollectibles):			
Taxes	-	-	-
Other	-	-	-
Total assets	<u>\$ 70,498</u>	<u>\$ 18,239</u>	<u>\$ 15,252</u>
 <u>Liabilities, Deferred Inflows of Resources and Fund Balances</u>			
Liabilities:			
Accounts payable	\$ -	\$ 160	\$ -
Deferred inflows of resources:			
Unavailable revenue - property taxes	-	-	-
Fund balances (deficits):			
Restricted:			
Recreation and parks	-	-	-
Capital improvement projects	-	-	-
Alcoholism prevention and education programs	-	-	-
Law enforcement	70,498	18,079	-
Economic development activities	-	-	-
Committed:			
Capital improvement projects	-	-	15,252
Assigned:			
Capital improvement projects	-	-	-
Legal claims and settlements	-	-	-
Unassigned	-	-	-
Total fund balances (deficits)	<u>70,498</u>	<u>18,079</u>	<u>15,252</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 70,498</u>	<u>\$ 18,239</u>	<u>\$ 15,252</u>

(continued)

Special Revenues				
<u>Economic Development</u>	<u>Enhanced Wireless 911 Fund</u>	<u>Community Development Grant</u>	<u>Project Development</u>	<u>Totals</u>
\$ 261,768	\$ 365,407	\$ -	\$ 250,499	\$ 3,639,345
125,000	-	-	-	1,550,106
-	-	-	-	1,023,957
-	29,649	-	-	46,213
<u>\$ 386,768</u>	<u>\$ 395,056</u>	<u>\$ -</u>	<u>\$ 250,499</u>	<u>\$ 6,259,621</u>
\$ -	\$ 5,679	\$ -	\$ 499	\$ 106,039
-	-	-	-	848,821
-	-	-	-	203,649
-	-	-	250,000	1,430,620
-	-	-	-	55,144
-	389,377	-	-	477,954
386,768	-	-	-	386,768
-	-	-	-	1,665,754
-	-	-	-	940,432
-	-	-	-	161,339
-	-	-	-	(16,899)
<u>386,768</u>	<u>389,377</u>	<u>-</u>	<u>250,000</u>	<u>5,304,761</u>
<u>\$ 386,768</u>	<u>\$ 395,056</u>	<u>\$ -</u>	<u>\$ 250,499</u>	<u>\$ 6,259,621</u>

CITY OF GARDEN CITY, KANSAS
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2014

	Capital Projects			
	2014 GO Bond Projects	2013 GO Bond Projects	2013 Temporary Note Projects	2012 GO Bond Projects
<u>Assets</u>				
Cash	\$ 759,103	\$ 58,079	\$ -	\$ -
Investments, at fair value	-	-	-	-
Receivables (net of allowances for uncollectibles):				
Taxes	-	-	-	-
Other	-	-	-	-
Total assets	<u>\$ 759,103</u>	<u>\$ 58,079</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Liabilities, Deferred Inflows of Resources and Fund Balances</u>				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Deferred inflows of resources:				
Unavailable revenue - property taxes	-	-	-	-
Fund balances (deficits):				
Restricted:				
Recreation and parks	-	-	-	-
Capital improvement projects	759,103	58,079	-	-
Alcoholism prevention and education programs	-	-	-	-
Law enforcement	-	-	-	-
Economic development activities	-	-	-	-
Committed:				
Capital improvement projects	-	-	-	-
Assigned:				
Capital improvement projects	-	-	-	-
Legal claims and settlements	-	-	-	-
Unassigned	-	-	-	-
Total fund balances (deficits)	<u>759,103</u>	<u>58,079</u>	<u>-</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 759,103</u>	<u>\$ 58,079</u>	<u>\$ -</u>	<u>\$ -</u>

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

<u>Totals</u>	<u>Total Nonmajor Governmental Funds</u>
\$ 817,182	\$ 4,456,527
-	1,550,106
-	1,023,957
-	46,213
<u>\$ 817,182</u>	<u>\$ 7,076,803</u>
\$ -	\$ 106,039
-	848,821
-	203,649
817,182	2,247,802
-	55,144
-	477,954
-	386,768
-	1,665,754
-	940,432
-	161,339
-	(16,899)
<u>817,182</u>	<u>6,121,943</u>
<u>\$ 817,182</u>	<u>\$ 7,076,803</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, 2014

	Community Trust	Capital Improvements	Recreation	Special Trafficway
Revenues:				
Taxes	\$ -	\$ -	\$ 940,909	\$ -
Intergovernmental revenue	469,672	-	-	710,988
Use of money and property	21,497	10,208	-	464
Miscellaneous	-	-	-	1,306
Donations	-	48,223	-	-
Sale of spaces	-	-	-	-
Total revenues	491,169	58,431	940,909	712,758
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	624,528
Parks and recreation	-	-	940,909	-
Capital outlay	683,166	624,383	-	83,463
Debt service:				
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
Total expenditures	683,166	624,383	940,909	707,991
Revenues over (under) expenditures	(191,997)	(565,952)	-	4,767
Other financing sources (uses):				
Transfers in	765,000	1,132,013	-	-
Transfers out	(200,000)	(316,000)	-	-
Bonds issued	-	-	-	-
Net change in fund balances	373,003	250,061	-	4,767
Fund balances (deficit), beginning of year	1,277,499	690,371	-	1,145,484
Fund balances (deficit), end of year	\$ 1,650,502	\$ 940,432	\$ -	\$ 1,150,251

Special Revenues

Special Improvements	Cemetery Endowment	Special Recreation and Parks	Special Alcohol Programs	Finnup Trust Fund	Special Liability
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
303,456	-	98,938	98,938	-	-
-	390	29,163	-	4,000	-
15,082	-	-	-	-	-
-	-	-	-	113,244	-
-	5,575	-	-	-	-
<u>318,538</u>	<u>5,965</u>	<u>128,101</u>	<u>98,938</u>	<u>117,244</u>	<u>-</u>
422,207	1,869	-	85,000	4,961	24,597
-	-	-	-	-	-
-	-	-	-	-	-
-	-	46,240	-	-	-
-	750	20,925	-	77,079	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>422,207</u>	<u>2,619</u>	<u>67,165</u>	<u>85,000</u>	<u>82,040</u>	<u>24,597</u>
(103,669)	3,346	60,936	13,938	35,204	(24,597)
-	-	-	-	-	30,000
-	-	(45,000)	-	-	-
-	-	-	-	-	-
<u>(103,669)</u>	<u>3,346</u>	<u>15,936</u>	<u>13,938</u>	<u>35,204</u>	<u>5,403</u>
<u>86,770</u>	<u>27,023</u>	<u>97,757</u>	<u>41,206</u>	<u>54,752</u>	<u>155,936</u>
<u>\$ (16,899)</u>	<u>\$ 30,369</u>	<u>\$ 113,693</u>	<u>\$ 55,144</u>	<u>\$ 89,956</u>	<u>\$ 161,339</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, 2014

	Drug Enforcement	DEA Forfeiture	Community Development Loan Fund
Revenues:			
Taxes	\$ -	\$ -	\$ -
Intergovernmental revenue	42,473	-	-
Use of money and property	25	22	7,670
Miscellaneous	25,773	14,382	-
Donations	-	-	-
Sale of spaces	-	-	-
Total revenues	68,271	14,404	7,670
Expenditures:			
Current:			
General government	-	-	7,085
Public safety	16,286	38,045	-
Public works	-	-	-
Parks and recreation	-	-	-
Capital outlay	-	-	-
Debt service:			
Interest	-	-	-
Bond issuance costs	-	-	-
Total expenditures	16,286	38,045	7,085
Revenues over (under) expenditures	51,985	(23,641)	585
Other financing sources (uses):			
Transfers in	-	-	-
Transfers out	-	-	-
Bonds issued	-	-	-
Net change in fund balances	51,985	(23,641)	585
Fund balances (deficit), beginning of year	18,513	41,720	14,667
Fund balances (deficit), end of year	\$ 70,498	\$ 18,079	\$ 15,252

Special Revenues

<u>Economic Development</u>	<u>Enhanced Wireless 911</u>	<u>Community Development Grant</u>	<u>Project Development</u>	<u>Totals</u>
\$ -	\$ -	\$ -	\$ 189,862	\$ 1,130,771
-	-	13,279	-	1,737,744
15,317	-	-	1,995	90,751
-	188,558	-	-	245,101
-	-	-	-	161,467
-	-	-	-	5,575
<u>15,317</u>	<u>188,558</u>	<u>13,279</u>	<u>191,857</u>	<u>3,371,409</u>
538	120,519	13,279	-	680,055
-	-	-	-	54,331
-	-	-	-	624,528
-	-	-	-	987,149
-	-	-	133,474	1,623,240
-	-	-	-	-
-	-	-	-	-
<u>538</u>	<u>120,519</u>	<u>13,279</u>	<u>133,474</u>	<u>3,969,303</u>
14,779	68,039	-	58,383	(597,894)
-	-	-	-	1,927,013
-	-	-	-	(561,000)
-	-	-	-	-
14,779	68,039	-	58,383	768,119
<u>371,989</u>	<u>321,338</u>	<u>-</u>	<u>191,617</u>	<u>4,536,642</u>
<u>\$ 386,768</u>	<u>\$ 389,377</u>	<u>\$ -</u>	<u>\$ 250,000</u>	<u>\$ 5,304,761</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, 2014

	Capital Projects			
	2014 GO Bond Projects	2013 GO Bond Projects	2013 Temporary Note Projects	2012 GO Bond Projects
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue	-	-	-	-
Use of money and property	-	-	-	-
Miscellaneous	-	-	-	-
Donations	-	-	-	-
Sale of spaces	-	-	-	-
Total revenues	-	-	-	-
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Parks and recreation	-	-	-	-
Capital outlay	286,655	24,178	76,573	376,724
Debt service:				
Interest	-	-	2,803	-
Bond issuance costs	38,637	-	-	-
Total expenditures	325,292	24,178	79,376	376,724
Revenues over (under) expenditures	(325,292)	(24,178)	(79,376)	(376,724)
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	(30,238)	-	(396,087)
Bonds issued	1,084,395	-	100,205	-
Net change in fund balances	759,103	(54,416)	20,829	(772,811)
Fund balances (deficit), beginning of year	-	112,495	(20,829)	772,811
Fund balances (deficit), end of year	\$ 759,103	\$ 58,079	\$ -	\$ -

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

Totals	Total Nonmajor Governmental Funds
\$ -	\$ 1,130,771
-	1,737,744
-	90,751
-	245,101
-	161,467
-	5,575
-	<u>3,371,409</u>
-	680,055
-	54,331
-	624,528
-	987,149
764,130	2,387,370
2,803	2,803
<u>38,637</u>	<u>38,637</u>
<u>805,570</u>	<u>4,774,873</u>
(805,570)	(1,403,464)
-	1,927,013
(426,325)	(987,325)
<u>1,184,600</u>	<u>1,184,600</u>
(47,295)	720,824
<u>864,477</u>	<u>5,401,119</u>
<u>\$ 817,182</u>	<u>\$ 6,121,943</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, 2014

	<u>Budgeted Amounts</u>		Actual Amounts Budgetary Basis	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes	\$ 1,940,977	\$ 1,940,977	\$ 1,988,524	\$ 47,547
Special assessment taxes	215,000	215,000	429,999	214,999
Intergovernmental revenue	45,000	45,000	25,000	(20,000)
Interest	-	-	25,329	25,329
Miscellaneous	-	-	50,879	50,879
Total revenues	<u>2,200,977</u>	<u>2,200,977</u>	<u>2,519,731</u>	<u>318,754</u>
Expenditures:				
Distributions to developers	-	-	127,048	(127,048)
Bond principal	1,791,309	1,791,309	1,691,309	100,000
Bond interest	469,386	469,386	319,384	150,002
Fiscal and bond rating fees	122,071	122,071	-	122,071
Bond issuance costs	-	-	158	(158)
Total expenditures	<u>2,382,766</u>	<u>2,382,766</u>	<u>2,137,899</u>	<u>244,867</u>
Revenues over (under) expenditures	(181,789)	(181,789)	381,832	563,621
Other financing sources (uses):				
Transfers in	-	-	316,000	316,000
Net change in fund balances	(181,789)	(181,789)	697,832	879,621
Fund balance, beginning of year	<u>253,000</u>	<u>253,000</u>	<u>394,287</u>	<u>141,287</u>
Fund balance, end of year	<u>\$ 71,211</u>	<u>\$ 71,211</u>	<u>\$ 1,092,119</u>	<u>\$ 1,020,908</u>

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

CITY OF GARDEN CITY, KANSAS
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
2012 Schulman Crossing 1 Temporary Note Projects
From Inception and For the Year Ended December 31, 2014

	Prior Years	Current Year	Total to Date	Project Authorization
Revenues:				
Use of money and property	\$ 1,225	\$ 14,277	\$ 15,502	\$ 1,225
Intergovernmental revenue	-	200,000	200,000	-
Total revenues	<u>1,225</u>	<u>214,277</u>	<u>215,502</u>	<u>1,225</u>
Expenditures:				
Capital outlay:				
Construction contracts	7,226,088	183,206	7,409,294	8,899,112
Engineering and other	2,056,089	83,186	2,139,275	2,686,790
Debt service:				
Interest and fiscal charges	165,323	49,903	215,226	165,323
Bond issuance costs	2,881	21,943	24,824	-
Total expenditures	<u>9,450,381</u>	<u>338,238</u>	<u>9,788,619</u>	<u>11,751,225</u>
Revenues under expenditures	(9,449,156)	(123,961)	(9,573,117)	(11,750,000)
Other financing sources (uses):				
Bonds issued	-	10,750,000	10,750,000	11,750,000
Transfers out	-	(1,176,883)	(1,176,883)	-
Net change in fund balance	<u>\$ (9,449,156)</u>	9,449,156	<u>\$ -</u>	<u>\$ -</u>
Fund balance (deficit), beginning of year		<u>(9,449,156)</u>		
Fund balance, end of year		<u>\$ -</u>		

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

CITY OF GARDEN CITY, KANSAS
Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
2013 Schulman Crossing 2 Temporary Note Projects
From Inception and For the Year Ended December 31, 2014

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Project Authorization</u>
Revenues:				
Use of money and property	\$ 5,138	\$ -	\$ 5,138	\$ -
Total revenues	<u>5,138</u>	<u>-</u>	<u>5,138</u>	<u>-</u>
Expenditures:				
Capital outlay:				
Construction contracts	4,158,998	4,607,785	8,766,783	7,205,285
Engineering and other	114,900	229,838	344,738	1,988,715
Debt service:				
Interest	-	88,076	88,076	146,000
Bond issuance costs	<u>27,009</u>	<u>-</u>	<u>27,009</u>	<u>-</u>
Total expenditures	<u>4,300,907</u>	<u>4,925,699</u>	<u>9,226,606</u>	<u>9,340,000</u>
Revenues over (under) expenditures	(4,295,769)	(4,925,699)	(9,221,468)	(9,340,000)
Other financing sources (uses):				
Bonds issued	-	-	-	9,340,000
Transfers in	<u>-</u>	<u>1,176,883</u>	<u>1,176,883</u>	<u>-</u>
Net change in fund balance	<u>\$ (4,295,769)</u>	<u>(3,748,816)</u>	<u>\$ (8,044,585)</u>	<u>\$ -</u>
Fund balance (deficit), beginning of year		<u>(4,295,769)</u>		
Fund balance (deficit), end of year		<u>\$ (8,044,585)</u>		

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

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, 2014

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental revenue	\$ 770,000	\$ 770,000	\$ 469,672	\$ (300,328)
Use of money and property	2,000	2,000	21,497	19,497
Total revenues	<u>772,000</u>	<u>772,000</u>	<u>491,169</u>	<u>(280,831)</u>
Expenditures:				
Capital outlay	<u>2,204,000</u>	<u>2,204,000</u>	<u>683,166</u>	<u>1,520,834</u>
Total expenditures	<u>2,204,000</u>	<u>2,204,000</u>	<u>683,166</u>	<u>1,520,834</u>
Revenues over (under) expenditures	(1,432,000)	(1,432,000)	(191,997)	1,240,003
Other financing sources (uses):				
Transfers in	240,000	240,000	765,000	525,000
Transfers out	<u>(200,000)</u>	<u>(200,000)</u>	<u>(200,000)</u>	<u>-</u>
Net change in fund balance	(1,392,000)	(1,392,000)	373,003	1,765,003
Fund balance, beginning of year	<u>1,392,000</u>	<u>1,392,000</u>	<u>1,277,499</u>	<u>(114,501)</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,650,502</u>	<u>\$ 1,650,502</u>

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

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, 2014

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Reimbursements	\$ 159,000	\$ 64,000	\$ -	\$ (64,000)
Donations	-	-	48,223	48,223
Miscellaneous	-	2,000	-	2,000
Total revenues	<u>159,000</u>	<u>66,000</u>	<u>58,431</u>	<u>(3,569)</u>
Expenditures:				
Capital outlay	293,000	874,000	624,383	249,617
Debt service:				
Principal	-	316,000	-	316,000
Total expenditures	<u>293,000</u>	<u>1,190,000</u>	<u>624,383</u>	<u>565,617</u>
Revenues over (under) expenditures	(134,000)	(1,124,000)	(565,952)	562,048
Other financing sources (uses):				
Transfers in	-	500,000	1,132,013	632,013
Net change in fund balance	(134,000)	(624,000)	250,061	1,510,061
Fund balance, beginning of year	<u>134,010</u>	<u>690,371</u>	<u>690,371</u>	<u>-</u>
Fund balance, end of year	<u>\$ 10</u>	<u>\$ 66,371</u>	<u>\$ 940,432</u>	<u>\$ 1,510,061</u>

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

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, 2014

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 987,535	\$ 987,535	\$ 940,909	\$ (46,626)
Total revenues	<u>987,535</u>	<u>987,535</u>	<u>940,909</u>	<u>(46,626)</u>
Expenditures:				
Distribution to organization's treasurer	<u>945,535</u>	<u>945,535</u>	<u>940,909</u>	<u>4,626</u>
Total expenditures	<u>945,535</u>	<u>945,535</u>	<u>940,909</u>	<u>4,626</u>
Revenues over (under) expenditures	42,000	42,000	-	(42,000)
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ 42,000</u>	<u>\$ 42,000</u>	<u>\$ -</u>	<u>\$ (42,000)</u>

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

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, 2014

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental revenue	\$ 680,000	\$ 680,000	\$ 709,793	\$ 29,793
Use of money and property	500	500	464	(36)
Reimbursements	15,400	15,400	-	(15,400)
Miscellaneous	-	-	1,306	1,306
Total revenues	<u>695,900</u>	<u>695,900</u>	<u>711,563</u>	<u>15,663</u>
Expenditures:				
Current:				
Contractual services	753,350	753,350	98,073	655,277
Commodities	123,250	123,250	526,455	(403,205)
Capital outlay	606,100	606,100	83,463	522,637
Total expenditures	<u>1,482,700</u>	<u>1,482,700</u>	<u>707,991</u>	<u>774,709</u>
Revenues over (under) expenditures	(786,800)	(786,800)	3,572	790,372
Fund balance, beginning of year	<u>786,800</u>	<u>786,800</u>	<u>971,543</u>	<u>184,743</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 975,115</u>	<u>\$ 975,115</u>

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

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, 2014

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental revenue	\$ -	\$ 739,538	\$ 303,456	\$ (436,082)
Miscellaneous	60,000	88,230	15,082	(73,148)
Total revenues	<u>60,000</u>	<u>827,768</u>	<u>318,538</u>	<u>(509,230)</u>
Expenditures:				
Current:				
Contractual services	60,000	914,538	422,207	492,331
Total expenditures	<u>60,000</u>	<u>914,538</u>	<u>422,207</u>	<u>492,331</u>
Revenues over (under) expenditures	-	(86,770)	(103,669)	(16,899)
Fund balance, beginning of year	<u>-</u>	<u>86,770</u>	<u>86,770</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (16,899)</u>	<u>\$ (16,899)</u>

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

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, 2014

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Use of money and property	\$ 1,000	\$ 1,000	\$ 390	\$ (610)
Sale of spaces	4,000	4,000	5,575	1,575
Total revenues	5,000	5,000	5,965	965
Expenditures:				
Capital outlay	17,000	17,000	750	16,250
Total expenditures	17,000	17,000	2,619	14,381
Revenues over (under) expenditures	(12,000)	(12,000)	3,346	15,346
Fund balance, beginning of year	12,000	12,000	27,023	15,023
Fund balance, end of year	\$ -	\$ -	\$ 30,369	\$ 30,369

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

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, 2014

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental revenue	\$ 80,000	\$ 79,000	\$ 98,938	\$ 19,938
Use of money and property	-	-	29,163	29,163
Reimbursements	9,000	12,243	-	(12,243)
Total revenues	89,000	91,243	128,101	36,858
Expenditures:				
Current:				
Contractual services	46,000	96,450	46,240	50,210
Capital outlay	18,000	57,550	20,925	36,625
Total expenditures	64,000	154,000	67,165	86,835
Revenues over (under) expenditures	25,000	(62,757)	60,936	123,693
Other financing sources (uses):				
Transfers out	(25,000)	(25,000)	(45,000)	(20,000)
Net change in fund balance	-	(87,757)	15,936	103,693
Fund balance, beginning of year	-	97,757	97,757	-
Fund balance, end of year	\$ -	\$ 10,000	\$ 113,693	\$ 103,693

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

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, 2014

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental revenue	\$ 80,000	\$ 80,000	\$ 98,938	\$ 18,938
Total revenues	<u>80,000</u>	<u>80,000</u>	<u>98,938</u>	<u>18,938</u>
Expenditures:				
Current:				
Contractual services	107,500	107,500	85,000	22,500
Total expenditures	<u>107,500</u>	<u>107,500</u>	<u>85,000</u>	<u>22,500</u>
Revenues over (under) expenditures	(27,500)	(27,500)	13,938	41,438
Fund balance, beginning of year	<u>27,500</u>	<u>27,500</u>	<u>41,206</u>	<u>13,706</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 55,144</u>	<u>\$ 55,144</u>

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

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, 2014

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Use of money and property	\$ -	\$ -	\$ 4,000	\$ 4,000
Reimbursements	10,000	10,000	-	(10,000)
Donations	95,000	95,000	113,244	18,244
Total revenues	<u>105,000</u>	<u>105,000</u>	<u>117,244</u>	<u>12,244</u>
Expenditures:				
Current:				
Personnel services	-	-	4,961	(4,961)
Capital outlay	105,000	105,000	77,079	27,921
Total expenditures	<u>105,000</u>	<u>105,000</u>	<u>82,040</u>	<u>22,960</u>
Revenues over (under) expenditures	-	-	35,204	35,204
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>54,752</u>	<u>54,752</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 89,956</u>	<u>\$ 89,956</u>

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

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, 2014

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Reimbursements	\$ 35,000	\$ 35,000	\$ -	\$ (35,000)
Total revenues	<u>35,000</u>	<u>35,000</u>	<u>-</u>	<u>(35,000)</u>
Expenditures:				
Current:				
Contractual services	158,000	158,000	24,597	133,403
Total expenditures	<u>158,000</u>	<u>158,000</u>	<u>24,597</u>	<u>133,403</u>
Revenues over (under) expenditures	(123,000)	(123,000)	(24,597)	98,403
Other financing sources (uses):				
Transfers in	-	-	30,000	30,000
Net change in fund balance	(123,000)	(123,000)	5,403	128,403
Fund balance, beginning of year	<u>123,000</u>	<u>123,000</u>	<u>155,936</u>	<u>32,936</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 161,339</u>	<u>\$ 161,339</u>

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

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, 2014

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental revenue	\$ -	\$ -	\$ 42,473	\$ 42,473
Use of money and property	50	50	25	(25)
Miscellaneous	13,500	13,500	25,773	12,273
Total revenues	<u>13,550</u>	<u>13,550</u>	<u>68,271</u>	<u>54,721</u>
Expenditures:				
Current:				
Contractual services	<u>30,650</u>	<u>30,650</u>	<u>16,286</u>	<u>14,364</u>
Total expenditures	<u>30,650</u>	<u>30,650</u>	<u>16,286</u>	<u>14,364</u>
Revenues over (under) expenditures	(17,100)	(17,100)	51,985	69,085
Fund balance, beginning of year	<u>17,100</u>	<u>17,100</u>	<u>18,513</u>	<u>1,413</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 70,498</u>	<u>\$ 70,498</u>

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

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, 2014

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Use of money and property	\$ 50	\$ 30	\$ 22	\$ (8)
Miscellaneous	15,000	15,000	14,382	(618)
Total revenues	15,050	15,030	14,404	(626)
Expenditures:				
Current:				
Contractual services	35,350	50,000	38,045	11,955
Total expenditures	35,350	50,000	38,045	11,955
Revenues over (under) expenditures	(20,300)	(34,970)	(23,641)	11,329
Fund balance, beginning of year	20,300	41,720	41,720	-
Fund balance, end of year	\$ -	\$ 6,750	\$ 18,079	\$ 11,329

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

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, 2014

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Use of money and property	\$ 10,000	\$ 10,000	\$ 7,670	\$ (2,330)
Total revenues	<u>10,000</u>	<u>10,000</u>	<u>7,670</u>	<u>(2,330)</u>
Expenditures:				
Current:				
Contractual services	12,000	12,000	7,085	4,915
Total expenditures	<u>12,000</u>	<u>12,000</u>	<u>7,085</u>	<u>4,915</u>
Revenues over (under) expenditures	(2,000)	(2,000)	585	2,585
Fund balance, beginning of year	<u>2,000</u>	<u>2,000</u>	<u>14,667</u>	<u>12,667</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,252</u>	<u>\$ 15,252</u>

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

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, 2014

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Use of money and property	\$ 30,000	\$ 30,000	\$ 15,317	\$ (14,683)
Total revenues	<u>30,000</u>	<u>30,000</u>	<u>15,317</u>	<u>(14,683)</u>
Expenditures:				
Current:				
Contractual	<u>215,000</u>	<u>215,000</u>	<u>538</u>	<u>214,462</u>
Total expenditures	<u>215,000</u>	<u>215,000</u>	<u>538</u>	<u>214,462</u>
Revenues over (under) expenditures	(185,000)	(185,000)	14,779	199,779
Fund balance, beginning of year	<u>185,000</u>	<u>185,000</u>	<u>371,989</u>	<u>186,989</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 386,768</u>	<u>\$ 386,768</u>

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

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, 2014

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Miscellaneous	\$ 180,000	\$ 180,000	\$ 187,093	\$ 7,093
Total revenues	<u>180,000</u>	<u>180,000</u>	<u>187,093</u>	<u>7,093</u>
Expenditures:				
Current:				
Capital outlay	<u>335,000</u>	<u>335,000</u>	<u>120,519</u>	<u>214,481</u>
Total expenditures	<u>335,000</u>	<u>335,000</u>	<u>120,519</u>	<u>214,481</u>
Revenues over (under) expenditures	(155,000)	(155,000)	66,574	221,574
Fund balance, beginning of year	<u>155,500</u>	<u>155,500</u>	<u>293,154</u>	<u>137,654</u>
Fund balance, end of year	<u>\$ 500</u>	<u>\$ 500</u>	<u>\$ 359,728</u>	<u>\$ 359,228</u>

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

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, 2014

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental revenue	\$ 100,000	\$ 100,000	\$ 13,279	\$ (86,721)
Total revenues	<u>100,000</u>	<u>100,000</u>	<u>13,279</u>	<u>(86,721)</u>
Expenditures:				
Current:				
Contractual	<u>100,000</u>	<u>100,000</u>	<u>13,279</u>	<u>86,721</u>
Total expenditures	<u>100,000</u>	<u>100,000</u>	<u>13,279</u>	<u>86,721</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>

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

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, 2014

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 138,575	\$ 138,575	\$ 189,862	\$ 51,287
Use of money and property	1,925	1,925	1,995	70
Total revenues	<u>140,500</u>	<u>140,500</u>	<u>191,857</u>	<u>51,357</u>
Expenditures:				
Current:				
Contractual	355,000	355,000	-	355,000
Capital outlay	<u>-</u>	<u>-</u>	<u>133,474</u>	<u>(133,474)</u>
Total expenditures	<u>355,000</u>	<u>355,000</u>	<u>133,474</u>	<u>221,526</u>
Revenues over (under) expenditures	(214,500)	(214,500)	58,383	272,883
Fund balance, beginning of year	<u>214,500</u>	<u>214,500</u>	<u>191,617</u>	<u>(22,883)</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 250,000</u>	<u>\$ 250,000</u>

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

CITY OF GARDEN CITY, KANSAS
Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
2014 GO Bond Projects
From Inception and For the Year Ended December 31, 2014

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Project Authorization</u>
Revenues:				
Use of money and property	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Capital outlay:				
Construction contracts	-	286,655	286,655	2,760,000
Debt service:				
Bond issuance costs	<u>-</u>	<u>38,637</u>	<u>38,637</u>	<u>43,800</u>
Total expenditures	<u>-</u>	<u>325,292</u>	<u>325,292</u>	<u>2,803,800</u>
Revenues under expenditures	-	(325,292)	(325,292)	(2,803,800)
Other financing sources (uses):				
Bonds issued	<u>-</u>	<u>1,084,395</u>	<u>1,084,395</u>	<u>2,803,800</u>
Net change in fund balance	<u>\$ -</u>	<u>759,103</u>	<u>\$ 759,103</u>	<u>\$ -</u>
Fund balance, beginning of year		<u>-</u>		
Fund balance, end of year		<u>\$ 759,103</u>		

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

CITY OF GARDEN CITY, KANSAS
Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
2013 GO Bond Projects
From Inception and For the Year Ended December 31, 2014

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Project Authorization</u>
Revenues:				
Use of money and property	<u>\$ 103,875</u>	<u>\$ -</u>	<u>\$ 103,875</u>	<u>\$ -</u>
Total revenues	<u>103,875</u>	<u>-</u>	<u>103,875</u>	<u>-</u>
Expenditures:				
Capital outlay:				
Construction contracts	1,445,584	24,178	1,469,762	7,568,000
Debt service:				
Bond issuance costs	<u>72,627</u>	<u>-</u>	<u>72,627</u>	<u>-</u>
Total expenditures	<u>1,518,211</u>	<u>24,178</u>	<u>1,542,389</u>	<u>7,568,000</u>
Revenues over (under) expenditures	(1,414,336)	(24,178)	(1,438,514)	(7,568,000)
Other financing sources (uses):				
Bonds issued	1,526,831	-	1,526,831	7,568,000
Transfers out	<u>-</u>	<u>(30,238)</u>	<u>(30,238)</u>	<u>-</u>
Net change in fund balance	<u>\$ 112,495</u>	<u>(54,416)</u>	<u>\$ 58,079</u>	<u>\$ -</u>
Fund balance, beginning of year		<u>112,495</u>		
Fund balance, end of year		<u>\$ 58,079</u>		

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

CITY OF GARDEN CITY, KANSAS
Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
2013 Temporary Note Projects
From Inception and For the Year Ended December 31, 2014

	Prior Years	Current Year	Total to Date	Project Authorization
Revenues:				
Use of money and property	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
Expenditures:				
Capital outlay:				
Construction contracts	19,429	76,573	96,002	104,700
Debt service:				
Bond issuance costs	1,400	-	1,400	1,500
Total expenditures	20,829	76,573	97,402	106,200
Revenues over (under) expenditures	(20,829)	(76,573)	(97,402)	(106,200)
Other financing sources (uses):				
Bonds issued	-	100,205	100,205	106,200
Net change in fund balance	<u>\$ (20,829)</u>	23,632	<u>\$ 2,803</u>	<u>\$ -</u>
Fund balance (deficit), beginning of year		<u>(20,829)</u>		
Fund balance, end of year		<u>\$ 2,803</u>		

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

CITY OF GARDEN CITY, KANSAS
Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
2012 GO Bond Projects
From Inception and For the Year Ended December 31, 2014

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Project Authorization</u>
Revenues:				
Use of money and property	\$ 362	\$ -	\$ 362	\$ -
Total revenues	<u>362</u>	<u>-</u>	<u>362</u>	<u>-</u>
Expenditures:				
Capital outlay:				
Construction contracts	469,329	376,724	846,053	905,700
Debt service:				
Bond issuance costs	<u>1,221</u>	<u>-</u>	<u>1,221</u>	<u>19,300</u>
Total expenditures	<u>470,550</u>	<u>376,724</u>	<u>847,274</u>	<u>925,000</u>
Revenues under expenditures	(470,188)	(376,724)	(846,912)	(925,000)
Other financing sources (uses):				
Bonds issued	925,000	-	925,000	925,000
Transfers in	317,999	-	317,999	-
Transfers out	<u>-</u>	<u>(396,087)</u>	<u>(396,087)</u>	<u>-</u>
Net change in fund balance	<u>\$ 772,811</u>	<u>(772,811)</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance, beginning of year		<u>772,811</u>		
Fund balance, end of year		<u>\$ -</u>		

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

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 Statement of Net Position
Nonmajor Proprietary Funds
December 31, 2014

	Business-type Activities - Enterprise Funds			
	Solid Waste Utility	Recreation Area	Drainage Utility	Totals
<u>Assets</u>				
Current assets:				
Cash	\$ 1,284,061	\$ 12,524	\$ 295,221	\$ 1,591,806
Investments, at fair value	200,000	-	100,000	300,000
Restricted assets:				
Cash	-	5,157	-	5,157
Accounts receivable	151,662	51,800	17,105	220,567
Total current assets	<u>1,635,723</u>	<u>69,481</u>	<u>412,326</u>	<u>2,117,530</u>
Capital assets:				
Land	68,500	-	70,000	138,500
Production, storage and distribution equipment	-	-	347,612	347,612
Less accumulated depreciation	-	-	(90,241)	(90,241)
Golf course, club house and equipment	-	1,726,389	-	1,726,389
Less accumulated depreciation	-	(1,083,913)	-	(1,083,913)
Vehicles and equipment	1,834,403	1,737,498	-	3,571,901
Less accumulated depreciation	(1,298,720)	(218,455)	-	(1,517,175)
Containers	4,073,163	-	-	4,073,163
Less accumulated depreciation	(2,418,220)	-	-	(2,418,220)
Total capital assets	<u>2,259,126</u>	<u>2,161,519</u>	<u>327,371</u>	<u>4,748,016</u>
Total assets	<u>\$ 3,894,849</u>	<u>\$ 2,231,000</u>	<u>\$ 739,697</u>	<u>\$ 6,865,546</u>
<u>Liabilities</u>				
Current liabilities:				
Accounts payable and accrued liabilities	\$ 88,423	\$ 12,362	\$ 1,982	\$ 102,767
Current portion of capital leases payable	-	39,562	-	39,562
Total current liabilities	<u>88,423</u>	<u>51,924</u>	<u>1,982</u>	<u>142,329</u>
Noncurrent liabilities:				
Capital leases payable	-	15,590	-	15,590
Total liabilities	<u>88,423</u>	<u>67,514</u>	<u>1,982</u>	<u>157,919</u>
<u>Net Position</u>				
Net investment in capital assets	2,259,126	2,106,367	327,371	4,692,864
Unrestricted	1,547,300	57,119	410,344	2,014,763
Total net position	<u>3,806,426</u>	<u>2,163,486</u>	<u>737,715</u>	<u>6,707,627</u>
Total liabilities and net position	<u>\$ 3,894,849</u>	<u>\$ 2,231,000</u>	<u>\$ 739,697</u>	<u>\$ 6,865,546</u>

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

CITY OF GARDEN CITY, KANSAS
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Nonmajor Proprietary Funds
For the Year Ended December 31, 2014

	Business-type Activities - Enterprise Funds			
	Solid Waste Utility	Recreation Area	Drainage Utility	Totals
Operating revenues:				
Charges for services	\$ 2,993,213	\$ -	\$ 208,648	\$ 3,201,861
Miscellaneous	-	19,053	-	19,053
Membership and fees	-	420,251	-	420,251
Concessions	-	78,141	-	78,141
Total operating revenues	<u>2,993,213</u>	<u>517,445</u>	<u>208,648</u>	<u>3,719,306</u>
Operating expenses:				
Personnel services	1,250,448	560,618	108,664	1,919,730
Contractual services	1,037,268	92,010	10,426	1,139,704
Commodities	224,447	294,760	81,114	600,321
Depreciation	266,701	99,061	20,711	386,473
Total operating expenses	<u>2,778,864</u>	<u>1,046,449</u>	<u>220,915</u>	<u>4,046,228</u>
Operating income (loss)	<u>214,349</u>	<u>(529,004)</u>	<u>(12,267)</u>	<u>(326,922)</u>
Nonoperating revenues:				
Interest income	1,515	-	250	1,765
Rent and royalties	-	6,000	-	6,000
Sale of materials	50,885	675	-	51,560
Total nonoperating revenues	<u>52,400</u>	<u>6,675</u>	<u>250</u>	<u>59,325</u>
Income (loss) before operating transfers	266,749	(522,329)	(12,017)	(267,597)
Capital contributions	-	24,178	-	24,178
Transfers in	-	400,238	-	400,238
Transfers out	(145,000)	-	-	(145,000)
Change in net position	121,749	(97,913)	(12,017)	11,819
Total net position, beginning of year	<u>3,684,677</u>	<u>2,261,399</u>	<u>749,732</u>	<u>6,695,808</u>
Total net position, end of year	<u>\$ 3,806,426</u>	<u>\$ 2,163,486</u>	<u>\$ 737,715</u>	<u>\$ 6,707,627</u>

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

CITY OF GARDEN CITY, KANSAS
Combining Statement of Cash Flows
Nonmajor Proprietary Funds
For the Year Ended December 31, 2014

	Business-type Activities - Enterprise Funds			
	Solid Waste Utility	Recreation Area	Drainage Utility	Totals
Cash flows from operating activities:				
Receipts from customers	\$ 2,984,452	\$ 446,992	\$ 203,063	\$ 3,634,507
Other receipts	-	19,053	-	19,053
Payments to suppliers	(1,276,463)	(314,088)	(90,542)	(1,681,093)
Payments for personnel services	(1,250,448)	(560,618)	(108,664)	(1,919,730)
Net cash provided (used) by operating activities	<u>457,541</u>	<u>(408,661)</u>	<u>3,857</u>	<u>52,737</u>
Cash flows from noncapital financing activities:				
Transfers in	-	400,238	-	400,238
Transfers out	(145,000)	-	-	(145,000)
Net cash provided (used) by noncapital financing activities	<u>(145,000)</u>	<u>400,238</u>	<u>-</u>	<u>255,238</u>
Cash flows from capital and related financing activities:				
Receipts from sale of materials	50,885	675	-	51,560
Purchases of property, plant and equipment	(355,619)	(55,528)	-	(411,147)
Payment of long-term debt	-	(39,429)	-	(39,429)
Net cash provided (used) by capital and related financing activities	<u>(304,734)</u>	<u>(70,104)</u>	<u>-</u>	<u>(374,838)</u>
Cash flows from investing activities:				
Interest income	1,515	-	250	1,765
Proceeds from sale of investments	-	-	100,000	100,000
Purchase of investments	-	-	(100,000)	(100,000)
Rents and royalties	-	6,000	-	6,000
Net cash provided by investing activities	<u>1,515</u>	<u>6,000</u>	<u>250</u>	<u>7,765</u>
Net increase (decrease) in cash	9,322	(72,527)	4,107	(59,098)
Cash, beginning of year	<u>1,274,739</u>	<u>90,208</u>	<u>291,114</u>	<u>1,656,061</u>
Cash, end of year	<u>\$ 1,284,061</u>	<u>\$ 17,681</u>	<u>\$ 295,221</u>	<u>\$ 1,596,963</u>
Statement of net position classification:				
Current assets	\$ 1,284,061	\$ 12,524	\$ 295,221	\$ 1,591,806
Restricted assets	-	5,157	-	5,157
Total cash, end of year	<u>\$ 1,284,061</u>	<u>\$ 17,681</u>	<u>\$ 295,221</u>	<u>\$ 1,596,963</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ 214,349	\$ (529,004)	\$ (12,267)	\$ (326,922)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation	266,701	99,061	20,711	386,473
Change in assets and liabilities:				
Increase in receivables	(8,761)	(51,400)	(5,585)	(65,746)
Increase (decrease) in accounts payable	(14,748)	7,832	998	(5,918)
Increase in lease payable	-	64,850	-	64,850
Net cash provided (used) by operating activities	<u>\$ 457,541</u>	<u>\$ (408,661)</u>	<u>\$ 3,857</u>	<u>\$ 52,737</u>
Schedule of non-cash capital and related financing activities:				
Purchase of assets through capital leases	\$ -	\$ 64,850	\$ -	\$ 64,850

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

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 worker's compensation program.

CITY OF GARDEN CITY, KANSAS
Combining Statement of Net Position
Internal Service Funds
December 31, 2014

	<u>Health Insurance</u>	<u>Workers Compensation</u>	<u>Totals</u>
<u>Assets</u>			
Current assets:			
Cash	\$ 1,209,143	\$ 552,469	\$ 1,761,612
Investments	-	125,000	125,000
Total assets	<u>\$ 1,209,143</u>	<u>\$ 677,469</u>	<u>\$ 1,886,612</u>
<u>Liabilities</u>			
Current liabilities:			
Accounts payable	\$ 3,915	\$ 694	\$ 4,609
Noncurrent liabilities:			
Net OPEB obligation	1,276,849	-	1,276,849
Total liabilities	<u>1,280,764</u>	<u>694</u>	<u>1,281,458</u>
<u>Net Position</u>			
Restricted for health insurance	(71,621)	-	(71,621)
Restricted for workers compensation	-	676,775	676,775
Total net position	<u>(71,621)</u>	<u>676,775</u>	<u>605,154</u>
Total liabilities and net position	<u>\$ 1,209,143</u>	<u>\$ 677,469</u>	<u>\$ 1,886,612</u>

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

CITY OF GARDEN CITY, KANSAS
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Internal Service Funds
For the Year Ended December 31, 2014

	Health Insurance	Workers Compensation	Total
Operating revenues:			
Department billings	\$ 3,903,165	\$ 361,620	\$ 4,264,785
Miscellaneous	180,489	70,495	250,984
Total operating revenues	4,083,654	432,115	4,515,769
Operating expenses:			
Contractual	3,458,563	328,417	3,786,980
Total operating expenses	3,458,563	328,417	3,786,980
Operating income	625,091	103,698	728,789
Nonoperating revenues:			
Interest income	-	77	77
Change in net position	625,091	103,775	728,866
Total net position (deficit), beginning of year	(696,712)	573,000	(123,712)
Total net position (deficit), end of year	\$ (71,621)	\$ 676,775	\$ 605,154

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

CITY OF GARDEN CITY, KANSAS
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2014

	Health Insurance	Workers Compensation	Total
Cash flows from operating activities:			
Other receipts	\$ 4,083,654	\$ 432,115	\$ 4,515,769
Claims paid	(3,610,798)	(330,323)	(3,941,121)
Net cash used by operating activities	472,856	101,792	574,648
Cash flows from investing activities:			
Interest income	-	77	77
Net cash provided by investing activities	-	77	77
Net decrease in cash	472,856	101,869	574,725
Cash, beginning of year	736,287	450,600	1,186,887
Cash, end of year	\$ 1,209,143	\$ 552,469	\$ 1,761,612
Reconciliation of operating loss to net cash used by operating activities:			
Operating income	\$ 625,091	\$ 103,698	\$ 728,789
Adjustments to reconcile operating loss to net cash used by operating activities:			
Decrease in accounts payable	(382,352)	(1,906)	(384,258)
Increase in net OPEB obligation	230,117	-	230,117
Net cash used by operating activities	\$ 472,856	\$ 101,792	\$ 574,648

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

Fiduciary Funds

Agency Funds

The agency funds are used to account for short-term custodial collections of resources on behalf of another individual, entity or government. The agency funds used by the City of Garden City, Kansas, are:

Payroll Clearing:

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

Bail Bonds:

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

Sidewalk Construction:

This fund is used to account for monies received by the City for sidewalk construction projects.

Special Investigations:

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.

Section 125:

This fund is used to account for employee withholdings under the Section 125 plan.

Employee Flower:

This fund is used to account for monies received from employee vending machines and other fees, which are to be expended for employee memorials and recognition type expenditures.

CITY OF GARDEN CITY, KANSAS
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2014

	Balance 01-01-14	Additions	Deductions	Balance 12-31-14
Payroll Clearing:				
	<u>Assets</u>			
Cash	\$ 28,313	\$ 14,018,812	\$ 14,006,854	\$ 40,271
	<u>Liabilities</u>			
Accounts payable	\$ 28,313	\$ 14,018,812	\$ 14,006,854	\$ 40,271
Bail Bonds:				
	<u>Assets</u>			
Cash	\$ 119,968	\$ 247,534	\$ 209,661	\$ 157,841
	<u>Liabilities</u>			
Accounts payable	\$ 119,968	\$ 247,534	\$ 209,661	\$ 157,841
Sidewalk Construction:				
	<u>Assets</u>			
Cash	\$ 948	\$ -	\$ 23	\$ 925
	<u>Liabilities</u>			
Accounts payable	\$ 948	\$ -	\$ 23	\$ 925
Special Investigations:				
	<u>Assets</u>			
Cash	\$ 11,468	\$ 10,110	\$ 17,000	\$ 4,578
	<u>Liabilities</u>			
Accounts payable	\$ 11,468	\$ 10,110	\$ 17,000	\$ 4,578
Section 125:				
	<u>Assets</u>			
Cash	\$ 29,417	\$ 153,987	\$ 135,880	\$ 47,524
	<u>Liabilities</u>			
Accounts payable	\$ 29,417	\$ 153,987	\$ 135,880	\$ 47,524
Employee Flower:				
	<u>Assets</u>			
Cash	\$ 826	\$ 2,942	\$ 2,253	\$ 1,515
	<u>Liabilities</u>			
Accounts payable	\$ 826	\$ 2,942	\$ 2,253	\$ 1,515
Totals:				
	<u>Assets</u>			
Cash	\$ 190,940	\$ 14,433,385	\$ 14,371,671	\$ 252,654
	<u>Liabilities</u>			
Accounts payable	\$ 190,940	\$ 14,433,385	\$ 14,371,671	\$ 252,654

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

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, 2014

<u>Idle Funds</u>	
Certificates of deposit	<u>\$ 5,131,629</u>
Total Idle Funds investments	<u>5,131,629</u>
<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	310,544
Cemetery Endowment - Certificates of deposit	14,562
Economic Development - Certificates of deposit	<u>125,000</u>
Total Special Revenue Funds investments	<u>1,550,106</u>
<u>Electric Utility</u>	
Security Deposit - Certificates of deposit	<u>100,000</u>
<u>Solid Waste Utility</u>	
General - Certificates of deposit	<u>200,000</u>
<u>Drainage Utility</u>	
General - Certificates of deposit	<u>100,000</u>
<u>Workers Compensation Reserve</u>	
Certificates of deposit	<u>125,000</u>
Total investment - all funds	<u>\$ 7,206,735</u>

CITY OF GARDEN CITY, KANSAS
 Comparison of Cash Balances with Encumbrances and Composition of Cash
 For the Year Ended December 31, 2014

Fund	Unencumbered Cash Balance (Deficit) 01-01-14	Receipts and Transfers	Expenditures and Transfers	Unencumbered Cash Balance (Deficit) 12-31-14	Add Payables and Encumbrances	Treasurer's Cash 12-31-14
Operating						
General	\$ 4,354,032	\$ 20,752,700	\$ 20,117,624	\$ 4,989,108	\$ 783,636	\$ 5,772,744
Debt Service Fund						
Bond and Interest	394,287	2,835,731	2,137,899	1,092,119	52,392	1,144,511
Special Revenue Funds						
Community Trust	1,277,499	1,256,169	883,166	1,650,502	-	1,650,502
Capital Improvements	690,371	1,190,444	940,383	940,432	8,429	948,861
Recreation	-	940,909	940,909	-	-	-
Special Trafficway	971,543	711,563	707,991	975,115	30,503	1,005,618
Special Improvements	86,770	318,538	422,207	(16,899)	55,196	38,297
Cemetery Endowment	27,023	5,965	2,619	30,369	-	30,369
Special Recreation and Parks	97,757	128,101	112,165	113,693	-	113,693
Special Alcohol Programs	41,206	98,938	85,000	55,144	-	55,144
Finnup Trust Fund	54,752	117,244	82,040	89,956	-	89,956
Special Liability	155,936	30,000	24,597	161,339	5,573	166,912
Drug Enforcement	18,513	68,271	16,286	70,498	-	70,498
DEA Forfeiture	41,720	14,404	38,045	18,079	160	18,239
Community Development Loan Fund	14,667	7,670	7,085	15,252	-	15,252
Economic Development	371,989	15,317	538	386,768	-	386,768
Enhanced Wireless 911	293,154	187,093	120,519	359,728	5,679	365,407
Community Development Grant	-	13,279	13,279	-	-	-
Project Development	191,617	191,857	133,474	250,000	499	250,499
Total Special Revenue	4,334,517	5,295,762	4,530,303	5,099,976	106,039	5,206,015
Capital Projects Funds						
2012 Schulman Crossing 1						
Temporary Note Projects	2,300,844	10,964,277	13,265,121	-	-	-
2013 Schulman Crossing 2						
Temporary Note Projects	5,044,231	1,176,883	4,925,699	1,295,415	-	1,295,415
2014 GO Bond Projects	-	1,084,395	325,292	759,103	-	759,103
2013 GO Bond Projects	112,495	-	54,416	58,079	-	58,079
2013 Temporary Note Projects	29,171	156,405	185,576	-	-	-
2012 GO Bond Projects	772,811	-	772,811	-	-	-
Total Capital Projects	8,259,552	13,381,960	19,528,915	2,112,597	-	2,112,597
Enterprise Funds						
Electric Utility:						
General	4,126,464	30,777,291	29,715,588	5,188,167	1,425,462	6,613,629
Security Deposits	450,703	303,120	286,350	467,473	-	467,473
Operating Capital Reserve	-	750,000	-	750,000	-	750,000
Total Electric Utility	4,577,167	31,830,411	30,001,938	6,405,640	1,425,462	7,831,102
Water and Sewer Utility:						
General	2,863,455	9,850,033	8,120,705	4,592,783	209,868	4,802,651
Water and Sewage Maintenance						
Reserve	579,758	227,288	435,000	372,046	-	372,046
Wastewater Repair and Replacement	285,056	132,710	100,000	317,766	-	317,766
Total Water and Sewer Utility	3,728,269	10,210,031	8,655,705	5,282,595	209,868	5,492,463
Airport:						
General	310,665	1,297,682	1,086,671	521,676	21,277	542,953
Airport Improvement	58,774	375,351	335,366	98,759	-	98,759
Total Airport	369,439	1,673,033	1,422,037	620,435	21,277	641,712
Solid Waste Utility:						
General	1,371,930	3,036,772	3,012,782	1,395,920	88,423	1,484,343
Recreation Area:						
General Golf Course	70,927	982,695	1,003,460	50,162	12,362	62,524
Golf Course Building	15,151	6,513	14,707	6,957	-	6,957
Total Recreation Area	86,078	989,208	1,018,167	57,119	12,362	69,481
Drainage Utility:						
General	390,795	208,794	200,204	399,385	1,982	401,367

(continued)

CITY OF GARDEN CITY, KANSAS
Comparison of Cash Balances with Encumbrances and Composition of Cash
For the Year Ended December 31, 2014

Fund	Unencumbered Cash Balance (Deficit) 01-01-14	Receipts and Transfers	Expenditures and Transfers	Unencumbered Cash Balance (Deficit) 12-31-14	Add Payables and Encumbrances	Treasurer's Cash 12-31-14
<i>(continued)</i>						
<u>Internal Service Funds</u>						
Health Insurance	\$ (696,712)	\$ 3,203,165	\$ 3,458,563	\$ (952,110)	\$ 1,280,764	\$ 328,654
Health Insurance Reserve	-	880,489	-	880,489	-	880,489
Workers Compensation	70,496	432,115	306,421	196,190	147	196,337
Workers Compensation Reserve	502,504	77	21,996	480,585	547	481,132
Total Internal Service	<u>(123,712)</u>	<u>4,515,846</u>	<u>3,786,980</u>	<u>605,154</u>	<u>1,281,458</u>	<u>1,886,612</u>
<u>Agency Funds</u>						
Payroll Clearing	-	14,018,812	14,018,812	-	40,271	40,271
Bail Bonds	-	247,534	247,534	-	157,841	157,841
Sidewalk Construction	-	-	-	-	925	925
Special Investigations	-	10,110	10,110	-	4,578	4,578
Section 125	-	153,987	153,987	-	47,524	47,524
Employee Flower	-	2,942	2,942	-	1,515	1,515
Total Agency Funds	<u>-</u>	<u>14,433,385</u>	<u>14,433,385</u>	<u>-</u>	<u>252,654</u>	<u>252,654</u>
Total all funds (memorandum only)	<u>\$ 27,742,354</u>	<u>\$ 109,163,633</u>	<u>\$ 108,845,939</u>	<u>\$ 28,060,048</u>	<u>\$ 4,235,553</u>	<u>\$ 32,295,601</u>
<u>Composition of Treasurer's Cash</u>						
Commerce Bank					\$ 15,382,335	
Western State Bank					503,194	
First National Bank					5,152,125	
Bank of the West					2,000,721	
American State Bank					1,915,710	
Garden City State Bank					345,298	
Plus deposits in transit					36,202	
Less outstanding checks					<u>(659,811)</u>	
Total cash in banks						\$ 24,675,774
Utility petty cash accounts						450
Accounts receivable						412,642
Investments						<u>7,206,735</u>
Total cash						<u>\$ 32,295,601</u>

CITY OF GARDEN CITY, KANSAS
Schedule of Insurance
December 31, 2014

<u>Type of Insurance - Insurer</u>	<u>Policy Number</u>	<u>Expiration Date</u>	<u>Insured Amount</u>
Buildings and personal property - Travelers Corporation	H-630-1E585833-TIL-13	12/31/2014	\$ 68,273,491
Commercial auto - Travelers Corporation	H-630-1E585833-TIL-13	12/31/2014	1,000,000/1,000,000
Commercial general liability - Travelers Corporation	H-630-1E585833-TIL-13	12/31/2014	1,000,000/2,000,000
Aviation insurance and airport liability - Global Aerospace, Inc.	ALI14000619	02/01/2015	10,000,000/10,000,000
Law enforcement liability - Travelers Corporation	H-630-1E585833-TIL-13	12/31/2014	2,000,000/2,000,000
Employee dishonesty coverage - Travelers Corporation	H-630-1E585833-TIL-13	12/31/2014	250,000
Public officials liability - Travelers Corporation	H-630-1E585833-TIL-13	12/31/2014	2,000,000/2,000,000
Gas well liability - Mid-Continent Casualty Company	04GL000864200	12/07/2015	500,000/1,000,000

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.

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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.	124
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	136
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.	142
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.	149
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.	151

Source: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The debt limit presented on the Legal Debt Margin Information schedule on pages 146-147 has been updated to agree with the total taxable assessed value presented on page 136.

Note: The 2013 amounts for the government-wide governmental-type activities have been restated for prior period adjustments to reflect \$829,022 as additional public works expenses and capital grants and contributions for contributed infrastructure capitalized in 2013.

Note: The 2012 amounts for the government-wide and business-type activities have been restated for prior period adjustments as discussed in Note 4, item P, on page 65 of the 2014 report. The 2012 amounts for the government-wide and governmental-type activities have been restated for prior period adjustments as discussed in Note 4, item R, on page 65 of the 2013 report.

Note: The 2011 amounts for net position – net investment in capital assets for the governmental activities and business-type activities of the government-wide financial statements, and the unrestricted net position for the business-type activities funds financial statements have been restated for prior period adjustments as discussed in Note 4, item R, on page 66 of the 2012 report.

Note: The 2010 amounts for net position – net investment in capital assets, and unrestricted net position 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.

CITY OF GARDEN CITY, KANSAS
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Governmental activities:				
Net investment in capital assets	\$ 30,340,781	\$ 30,082,449	\$ 32,766,383	\$ 32,525,667
Restricted	322,545	141,758	232,006	256,240
Unrestricted	<u>9,259,051</u>	<u>9,575,188</u>	<u>8,468,785</u>	<u>9,943,841</u>
Total governmental activities net position	<u>\$ 39,922,377</u>	<u>\$ 39,799,395</u>	<u>\$ 41,467,174</u>	<u>\$ 42,725,748</u>
Business-type activities:				
Net investment in capital assets	\$ 41,500,141	\$ 44,028,234	\$ 45,622,009	\$ 47,733,618
Restricted	1,064,866	1,102,975	1,137,405	1,259,840
Unrestricted	<u>9,538,962</u>	<u>9,092,540</u>	<u>8,918,876</u>	<u>8,677,126</u>
Total business-type activities net position	<u>\$ 52,103,969</u>	<u>\$ 54,223,749</u>	<u>\$ 55,678,290</u>	<u>\$ 57,670,584</u>
Primary government:				
Net investment in capital assets	\$ 71,840,922	\$ 74,110,683	\$ 78,388,392	\$ 80,259,285
Restricted	1,387,411	1,244,733	1,369,411	1,516,080
Unrestricted	<u>18,798,013</u>	<u>18,667,728</u>	<u>17,387,661</u>	<u>18,620,967</u>
Total primary government net position	<u>\$ 92,026,346</u>	<u>\$ 94,023,144</u>	<u>\$ 97,145,464</u>	<u>\$ 100,396,332</u>

Fiscal Year					
2009	2010	2011	2012	2013	2014
\$ 31,454,153	\$ 31,975,036	\$ 32,479,006	\$ 28,238,372	\$ 34,387,771	\$ 23,618,128
213,341	189,267	239,073	276,747	394,287	1,092,119
9,543,948	8,541,673	8,406,287	8,134,010	(3,919,946)	4,029,371
<u>\$ 41,211,442</u>	<u>\$ 40,705,976</u>	<u>\$ 41,124,366</u>	<u>\$ 36,649,129</u>	<u>\$ 30,862,112</u>	<u>\$ 28,739,618</u>
\$ 51,227,065	\$ 53,402,931	\$ 55,236,148	\$ 59,286,563	\$ 59,873,080	\$ 60,933,909
1,234,110	1,484,641	1,444,781	1,397,130	879,564	-
9,314,091	10,471,328	11,229,120	9,540,747	13,421,092	17,698,464
<u>\$ 61,775,266</u>	<u>\$ 65,358,900</u>	<u>\$ 67,910,049</u>	<u>\$ 70,224,440</u>	<u>\$ 74,173,736</u>	<u>\$ 78,632,373</u>
\$ 82,681,218	\$ 85,377,967	\$ 87,715,154	\$ 87,524,935	\$ 94,260,851	\$ 84,552,037
1,447,451	1,673,908	1,683,854	1,673,877	1,273,851	1,092,119
18,858,039	19,013,001	19,635,407	17,674,757	9,501,146	21,727,835
<u>\$ 102,986,708</u>	<u>\$ 106,064,876</u>	<u>\$ 109,034,415</u>	<u>\$ 106,873,569</u>	<u>\$ 105,035,848</u>	<u>\$ 107,371,991</u>

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

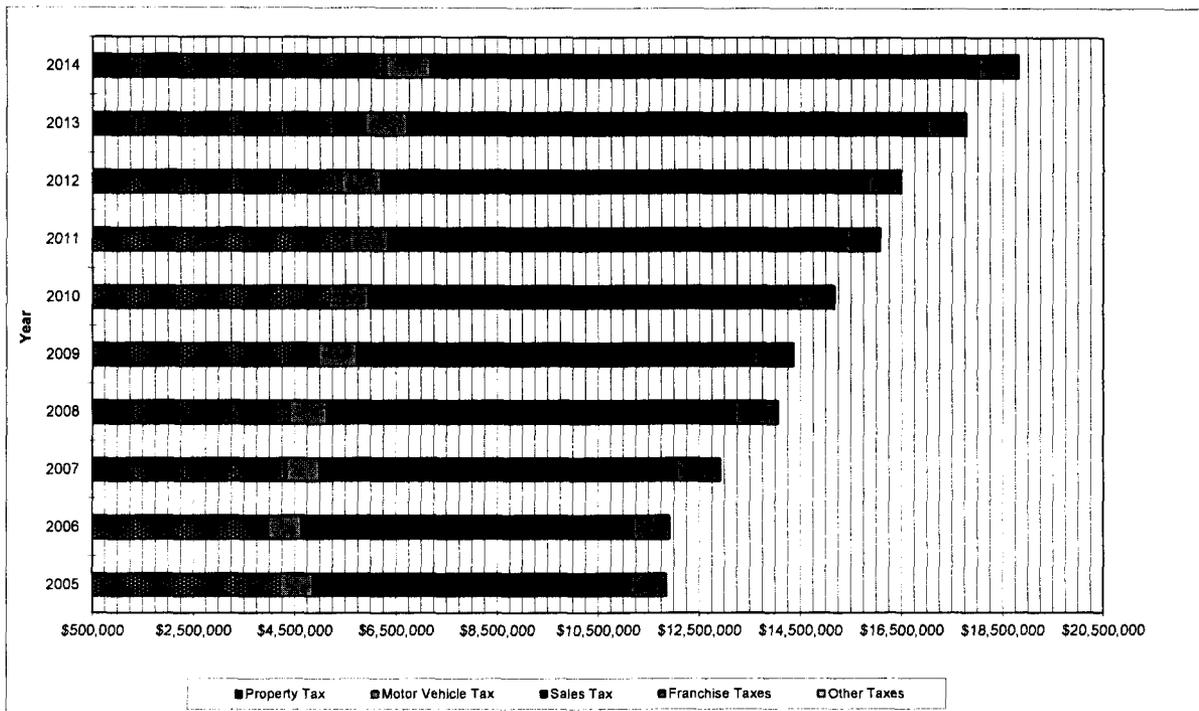
	Fiscal				
	2005	2006	2007	2008	2009
Expenses					
Governmental activities:					
General government	\$ 7,316,396	\$ 8,515,542	\$ 6,838,681	\$ 6,653,078	\$ 6,699,734
Public safety	5,867,304	6,326,228	6,930,303	7,312,265	9,631,721
Public works	771,928	2,238,682	865,762	2,425,119	2,768,845
Parks and recreation	2,294,948	1,707,918	2,316,097	2,958,139	3,854,085
Interest on long-term debt	277,659	281,904	323,812	328,853	372,770
Total governmental activities expenses	<u>16,528,235</u>	<u>19,070,274</u>	<u>17,274,655</u>	<u>19,677,454</u>	<u>23,327,155</u>
Business-type activities:					
Electric	14,352,413	16,228,944	16,942,321	19,396,414	18,798,030
Water and sewer	5,424,249	5,033,390	5,100,961	5,393,462	5,588,047
Airport	1,067,487	1,091,263	1,161,850	1,354,229	1,305,582
Solid waste	1,821,275	1,855,054	2,044,744	2,149,923	2,221,036
Golf course	633,050	661,343	659,059	632,179	708,671
Housing	193,477	5,397	7,341	1,905	-
Drainage	312,337	56,973	133,167	98,346	82,417
Total business-type activities expenses	<u>23,804,288</u>	<u>24,932,364</u>	<u>26,049,443</u>	<u>29,026,458</u>	<u>28,703,783</u>
Total primary government expenses	<u>\$ 40,332,523</u>	<u>\$ 44,002,638</u>	<u>\$ 43,324,098</u>	<u>\$ 48,703,912</u>	<u>\$ 52,030,938</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 226,808	\$ 339,891	\$ 318,971	\$ 542,897	\$ 373,066
Public safety	1,507,534	1,430,306	1,347,231	1,356,357	1,458,791
Public works	141	48	-	32,698	-
Parks and recreation	19,201	18,063	79,529	17,764	54,137
Operating grants and contributions	2,333,272	2,282,281	1,433,246	2,079,099	2,403,258
Capital grants and contributions	636,251	534,787	674,112	642,208	615,363
Total governmental activities program revenues	<u>4,723,207</u>	<u>4,605,376</u>	<u>3,853,089</u>	<u>4,671,023</u>	<u>4,904,615</u>
Business-type activities:					
Charges for services:					
Electric	16,495,795	17,230,391	18,868,092	20,784,933	21,424,209
Water and sewer	5,376,382	5,428,052	5,376,025	5,596,886	6,266,262
Airport	313,163	337,710	342,071	319,904	326,444
Solid waste	2,070,307	2,088,905	2,078,521	2,096,321	2,116,312
Golf course	381,543	393,040	390,248	407,705	437,066
Drainage	128,904	130,602	202,059	202,133	204,986
Operating grants and contributions	273,961	2,019,509	621,952	2,175,426	3,432,840
Total business-type activities program revenues	<u>25,040,055</u>	<u>27,628,209</u>	<u>27,878,968</u>	<u>31,583,308</u>	<u>34,208,119</u>
Total primary government program revenues	<u>\$ 29,763,262</u>	<u>\$ 32,233,585</u>	<u>\$ 31,732,057</u>	<u>\$ 36,254,331</u>	<u>\$ 39,112,734</u>
Net (expense)/revenue:					
Governmental activities	\$ (11,805,028)	\$ (14,464,898)	\$ (13,421,566)	\$ (15,006,431)	\$ (18,422,540)
Business-type activities	1,235,767	2,695,845	1,829,525	2,556,850	5,504,336
Total primary government net expense	<u>\$ (10,569,261)</u>	<u>\$ (11,769,053)</u>	<u>\$ (11,592,041)</u>	<u>\$ (12,449,581)</u>	<u>\$ (12,918,204)</u>
General Revenues and Other Changes in Net Assets					
Governmental activities:					
Taxes:					
Property taxes	\$ 4,253,964	\$ 3,983,104	\$ 4,346,459	\$ 4,407,894	\$ 4,978,312
Sales taxes	6,289,182	6,562,890	7,079,556	8,076,358	7,843,971
Franchise taxes	705,538	720,481	836,308	848,048	776,554
Other taxes	608,946	652,469	650,440	725,920	753,351
Investment earnings	505,618	956,891	890,270	714,423	395,687
Miscellaneous	65,898	201,909	109,734	151,646	129,959
Gain on disposal of capital assets	-	-	-	-	-
Transfers	1,288,646	1,264,172	1,176,578	1,340,716	2,030,400
Total governmental activities	<u>13,717,792</u>	<u>14,341,916</u>	<u>15,089,345</u>	<u>16,265,005</u>	<u>16,908,234</u>
Business-type activities:					
Taxes:					
Property taxes	275,754	423,666	374,102	363,283	419,206
Investment earnings	64,336	102,658	136,897	104,615	13,934
Miscellaneous	396,656	161,783	290,595	308,262	197,606
Gain on disposal of capital assets	-	-	-	-	-
Transfers	(1,288,646)	(1,264,172)	(1,176,578)	(1,340,716)	(2,030,400)
Total business-type activities	<u>(551,900)</u>	<u>(576,065)</u>	<u>(374,984)</u>	<u>(564,556)</u>	<u>(1,399,654)</u>
Total primary government	<u>\$ 13,165,892</u>	<u>\$ 13,765,851</u>	<u>\$ 14,714,361</u>	<u>\$ 15,700,449</u>	<u>\$ 15,508,580</u>
Change in Net Position					
Governmental activities	\$ 1,912,764	\$ (122,982)	\$ 1,667,779	\$ 1,258,574	\$ (1,514,306)
Business-type activities	683,867	2,119,780	1,454,541	1,992,294	4,104,682
Total primary government	<u>\$ 2,596,631</u>	<u>\$ 1,996,798</u>	<u>\$ 3,122,320</u>	<u>\$ 3,250,868</u>	<u>\$ 2,590,376</u>

Year				
2010	2011	2012	2013	2014
\$ 4,698,266	\$ 4,009,461	\$ 4,819,389	\$ 5,950,337	\$ 4,273,422
10,520,505	11,122,229	9,597,554	11,138,906	11,830,962
3,997,877	3,237,551	9,626,612	8,978,749	8,602,160
2,766,802	3,714,687	3,708,620	4,222,466	4,311,743
400,611	265,565	303,726	517,357	612,392
<u>22,384,061</u>	<u>22,349,493</u>	<u>28,055,901</u>	<u>30,807,815</u>	<u>29,630,679</u>
21,157,506	22,638,475	25,121,122	27,478,722	26,424,387
5,666,156	5,702,703	5,979,324	5,857,843	6,373,675
1,107,934	1,248,706	1,192,292	1,440,781	1,292,743
2,364,421	2,178,135	2,607,220	2,685,291	2,778,864
763,293	820,835	850,038	943,331	1,046,449
-	-	-	-	-
98,028	272,108	190,297	105,468	220,915
<u>31,157,338</u>	<u>32,860,962</u>	<u>35,940,293</u>	<u>38,511,436</u>	<u>38,137,033</u>
<u>\$ 53,541,399</u>	<u>\$ 55,210,455</u>	<u>\$ 63,996,194</u>	<u>\$ 69,319,251</u>	<u>\$ 67,767,712</u>
\$ 449,462	\$ 352,233	\$ 380,532	\$ 420,050	\$ 461,018
1,594,491	1,702,490	1,668,919	1,834,479	1,686,141
-	17,873	-	442,674	275,000
16,734	24,045	22,992	23,225	21,956
1,657,675	1,320,230	1,441,504	1,401,702	2,124,480
837,029	846,951	926,049	2,063,967	960,151
<u>4,555,391</u>	<u>4,263,822</u>	<u>4,439,996</u>	<u>6,186,097</u>	<u>5,528,746</u>
23,072,844	24,206,117	26,091,924	29,757,981	31,570,407
7,092,827	7,602,554	7,736,305	7,349,270	7,795,751
286,326	236,487	301,669	321,177	355,335
2,733,879	2,767,614	2,780,344	2,833,375	2,993,213
448,690	451,342	500,407	496,488	498,392
205,276	206,328	207,701	206,124	208,648
1,629,530	811,252	1,359,000	659,303	614,317
<u>35,469,372</u>	<u>36,281,694</u>	<u>38,977,350</u>	<u>41,623,718</u>	<u>44,036,063</u>
<u>\$ 40,024,763</u>	<u>\$ 40,545,516</u>	<u>\$ 43,417,346</u>	<u>\$ 47,809,815</u>	<u>\$ 49,564,809</u>
\$ (17,828,670)	\$ (18,085,671)	\$ (23,615,905)	\$ (24,621,718)	\$ (24,101,933)
4,312,034	3,420,732	3,037,057	3,112,282	5,899,030
<u>\$ (13,516,636)</u>	<u>\$ (14,664,939)</u>	<u>\$ (20,578,848)</u>	<u>\$ (21,509,436)</u>	<u>\$ (18,202,903)</u>
\$ 5,193,216	\$ 5,588,035	\$ 5,427,306	\$ 5,890,538	\$ 6,305,121
8,505,990	9,055,986	9,646,269	10,298,449	10,853,099
707,656	670,290	638,389	769,365	780,082
761,578	753,828	781,203	815,415	870,539
301,284	240,453	332,773	349,180	245,302
174,980	638,986	251,320	562,485	513,246
-	17,957	236,558	-	-
1,678,500	1,634,500	1,826,850	149,269	2,412,050
<u>17,323,204</u>	<u>18,600,035</u>	<u>19,140,668</u>	<u>18,834,701</u>	<u>21,979,439</u>
471,787	468,849	684,477	574,613	709,284
5,929	15,714	7,661	18,002	4,818
471,116	256,500	407,546	376,306	257,555
1,268	23,854	4,500	17,362	-
(1,678,500)	(1,634,500)	(1,826,850)	(149,269)	(2,412,050)
<u>(728,400)</u>	<u>(869,583)</u>	<u>(722,666)</u>	<u>837,014</u>	<u>(1,440,393)</u>
<u>\$ 16,594,804</u>	<u>\$ 17,730,452</u>	<u>\$ 18,418,002</u>	<u>\$ 19,671,715</u>	<u>\$ 20,539,046</u>
\$ (505,466)	\$ 514,364	\$ (4,475,237)	\$ (5,787,017)	\$ (2,122,494)
3,583,634	2,551,149	2,314,391	3,949,296	4,458,637
<u>\$ 3,078,168</u>	<u>\$ 3,065,513</u>	<u>\$ (2,160,846)</u>	<u>\$ (1,837,721)</u>	<u>\$ 2,336,143</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
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	15,168,440
2011	5,583,820	753,828	9,055,986	670,290	4,215	16,068,139
2012	5,422,084	781,203	9,646,269	638,389	5,222	16,493,167
2013	5,890,538	815,415	10,298,449	769,365	-	17,773,767
2014	6,295,353	870,539	10,853,099	780,082	9,768	18,808,841



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

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General fund:				
Unreserved	\$ 4,644,051	\$ 4,686,557	\$ 4,599,827	\$ 4,857,753
Unassigned	-	-	-	-
Total general fund	<u>\$ 4,644,051</u>	<u>\$ 4,686,557</u>	<u>\$ 4,599,827</u>	<u>\$ 4,857,753</u>
All other governmental funds:				
Reserved	\$ 322,545	\$ 141,758	\$ 232,006	\$ 256,240
Unreserved, reported in:				
Special revenue funds	2,563,468	3,327,295	3,844,311	4,401,327
Capital project funds	1,248,935	819,556	19,309	1,857,190
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total all other governmental funds	<u>\$ 4,134,948</u>	<u>\$ 4,288,609</u>	<u>\$ 4,095,626</u>	<u>\$ 6,514,757</u>

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

Fiscal Year					
2009	2010	2011 (1)	2012	2013	2014
\$ 4,930,556	\$ 5,100,420	\$ -	\$ -	\$ -	\$ -
-	-	5,443,223	5,029,579	6,367,098	7,177,159
<u>\$ 4,930,556</u>	<u>\$ 5,100,420</u>	<u>\$ 5,443,223</u>	<u>\$ 5,029,579</u>	<u>\$ 6,367,098</u>	<u>\$ 7,177,159</u>
\$ 213,341	\$ 189,267	\$ -	\$ -	\$ -	\$ -
4,163,831	4,198,268	-	-	-	-
1,741,915	789,840	-	-	-	-
-	-	3,539,330	3,529,531	3,590,992	4,463,436
-	-	1,650,217	1,484,702	1,292,166	1,665,754
-	-	732,257	937,398	933,077	1,101,771
-	-	-	(7,682,154)	(13,765,754)	(8,061,484)
<u>\$ 6,119,087</u>	<u>\$ 5,177,375</u>	<u>\$ 5,921,804</u>	<u>\$ (1,730,523)</u>	<u>\$ (7,949,519)</u>	<u>\$ (830,523)</u>

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

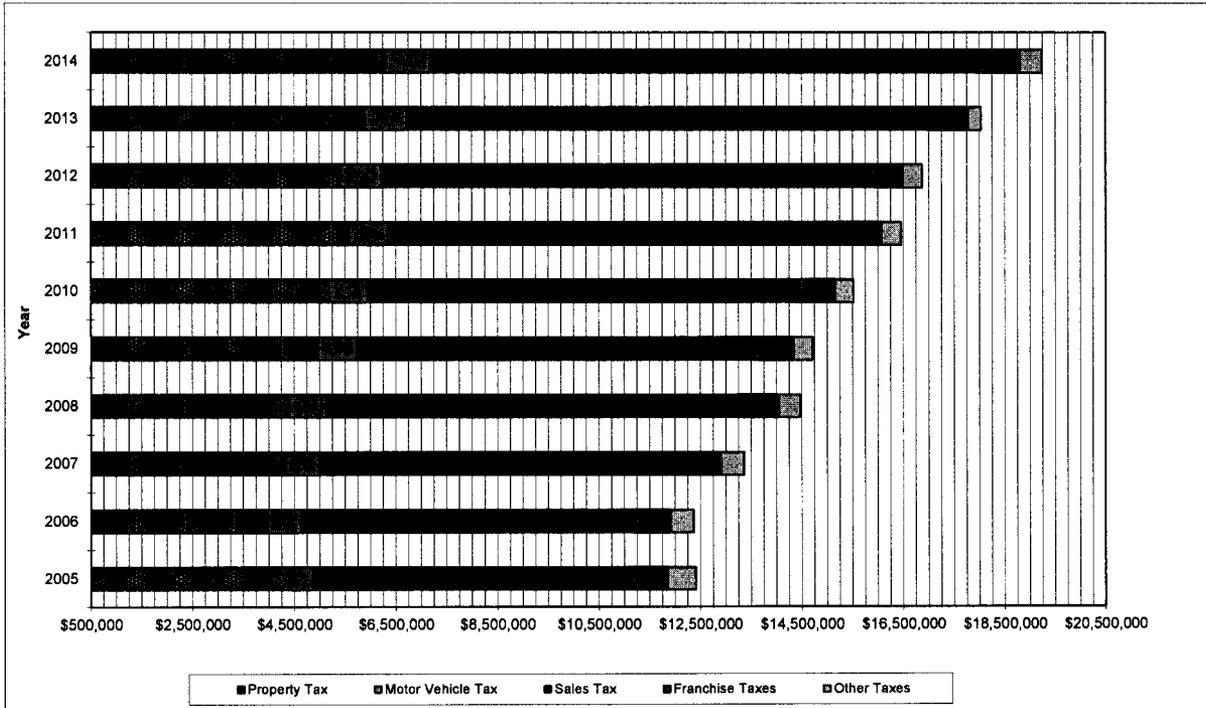
	2005	2006	2007	2008
Revenues:				
Taxes	\$ 11,152,092	\$ 11,198,463	\$ 12,076,455	\$ 13,210,172
Special assessment taxes	553,004	442,787	448,123	409,466
Intergovernmental revenue	1,373,840	2,282,281	1,433,246	1,489,754
Franchises	705,538	720,481	836,308	848,048
Licenses and permits	101,818	233,954	216,907	442,022
Use of money and property	470,251	904,927	819,395	667,398
Reimbursements/Insurance proceeds	959,432	-	-	589,345
Miscellaneous	65,898	201,909	109,734	151,646
Donations	83,247	92,000	225,989	232,742
Cemetery	120,560	102,778	100,430	97,731
Police and municipal court	1,255,877	1,181,481	1,032,772	1,068,948
Fire	154,074	163,485	178,364	178,979
Engineering	141	48	-	32,698
Inspection	97,583	85,340	136,095	108,430
Planning and zoning	4,430	3,159	1,634	3,144
Parks and zoo	19,201	18,063	79,529	17,764
Total revenues	17,116,986	17,631,156	17,694,981	19,548,287
Expenditures:				
Current:				
General government	5,258,070	5,534,780	5,177,643	5,909,715
Public safety	6,040,126	6,585,437	6,831,003	7,314,638
Public works	1,507,574	1,442,581	1,777,833	1,825,338
Parks and recreation	2,157,063	2,160,162	2,307,451	2,429,367
Capital outlay and capital projects	1,942,931	2,812,883	2,993,041	2,099,230
Debt service:				
Principal	2,124,000	1,635,000	1,445,000	1,450,300
Interest and fiscal charges	279,701	270,201	318,197	323,200
Refunding and bond issuance costs	-	21,693	195	31,780
Total expenditures	19,309,465	20,462,737	20,850,363	21,383,568
Excess of revenues under expenditures	(2,192,479)	(2,831,581)	(3,155,382)	(1,835,281)
Other financing sources (uses):				
Transfers in	2,124,347	1,908,950	1,828,212	1,801,896
Transfers out	(903,701)	(804,778)	(851,331)	(611,180)
Bonds issued	1,885,000	1,370,000	1,755,300	3,072,000
Issuance of capital leases	161,973	553,576	143,488	249,622
Sale of capital assets	-	-	-	-
Total other financing sources (uses)	3,267,619	3,027,748	2,875,669	4,512,338
Net change in fund balances	\$ 1,075,140	\$ 196,167	\$ (279,713)	\$ 2,677,057
Debt service as a percentage of noncapital expenditures	14.34%	10.11%	10.43%	9.25%

Fiscal Year					
2009	2010	2011	2012	2013	2014
\$ 13,575,634	\$ 14,460,784	\$ 15,397,849	\$ 15,854,778	\$ 17,004,402	\$ 18,028,759
352,286	348,077	389,521	376,172	254,853	429,999
2,428,258	1,682,675	1,345,230	1,466,504	1,726,702	2,149,480
776,554	707,656	670,290	638,389	769,365	780,082
259,885	339,459	237,266	237,856	292,231	332,124
380,785	300,090	239,918	332,281	349,039	245,225
-	-	-	-	-	-
129,959	174,980	638,986	251,320	562,485	513,246
238,077	463,952	432,430	524,877	655,092	161,467
106,695	105,760	110,330	132,480	122,550	123,035
1,156,939	1,262,325	1,324,361	1,290,786	1,474,422	1,312,573
162,268	195,861	192,882	167,865	195,797	189,229
-	-	17,873	-	442,674	275,000
139,584	136,305	185,247	210,268	164,260	184,339
6,486	4,243	4,637	10,196	5,269	5,859
54,137	16,734	24,045	22,992	23,225	21,956
<u>19,767,547</u>	<u>20,198,901</u>	<u>21,210,865</u>	<u>21,516,764</u>	<u>24,042,366</u>	<u>24,752,373</u>
3,999,678	3,836,071	4,295,142	4,086,445	4,165,071	3,851,136
10,264,218	10,217,268	10,327,641	10,825,211	11,715,431	11,671,156
1,567,406	1,752,581	1,971,459	2,162,895	2,222,760	2,268,596
2,934,845	3,121,023	3,256,194	3,430,557	3,639,752	3,760,839
3,647,370	3,014,771	2,572,033	10,207,028	10,250,720	7,618,433
1,452,000	1,623,700	1,565,500	1,501,250	1,536,500	1,691,309
349,881	359,944	314,114	306,636	401,441	460,166
28,253	4,341	36,007	5,662	101,036	60,738
<u>24,243,651</u>	<u>23,929,699</u>	<u>24,338,090</u>	<u>32,525,684</u>	<u>34,032,711</u>	<u>31,382,373</u>
<u>(4,476,104)</u>	<u>(3,730,798)</u>	<u>(3,127,225)</u>	<u>(11,008,920)</u>	<u>(9,990,345)</u>	<u>(6,630,000)</u>
2,788,596	2,284,095	2,121,500	2,588,950	2,769,536	5,517,396
(1,544,366)	(850,595)	(487,000)	(762,100)	(763,186)	(3,076,168)
2,173,700	1,418,000	2,360,000	925,000	2,282,412	11,934,600
735,307	107,450	202,000	122,526	820,106	183,229
-	-	17,957	68,573	-	-
<u>4,153,237</u>	<u>2,958,950</u>	<u>4,214,457</u>	<u>2,942,949</u>	<u>5,108,868</u>	<u>14,559,057</u>
<u>\$ (322,867)</u>	<u>\$ (771,848)</u>	<u>\$ 1,087,232</u>	<u>\$ (8,065,971)</u>	<u>\$ (4,881,477)</u>	<u>\$ 7,929,057</u>
8.22%	9.54%	8.69%	6.54%	6.88%	7.20%

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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
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
2012	5,422,084	781,203	9,646,269	638,389	381,394	16,869,339
2013	5,890,538	815,415	10,298,449	769,365	254,853	18,028,620
2014	6,295,353	870,539	10,853,099	780,082	439,767	19,238,840

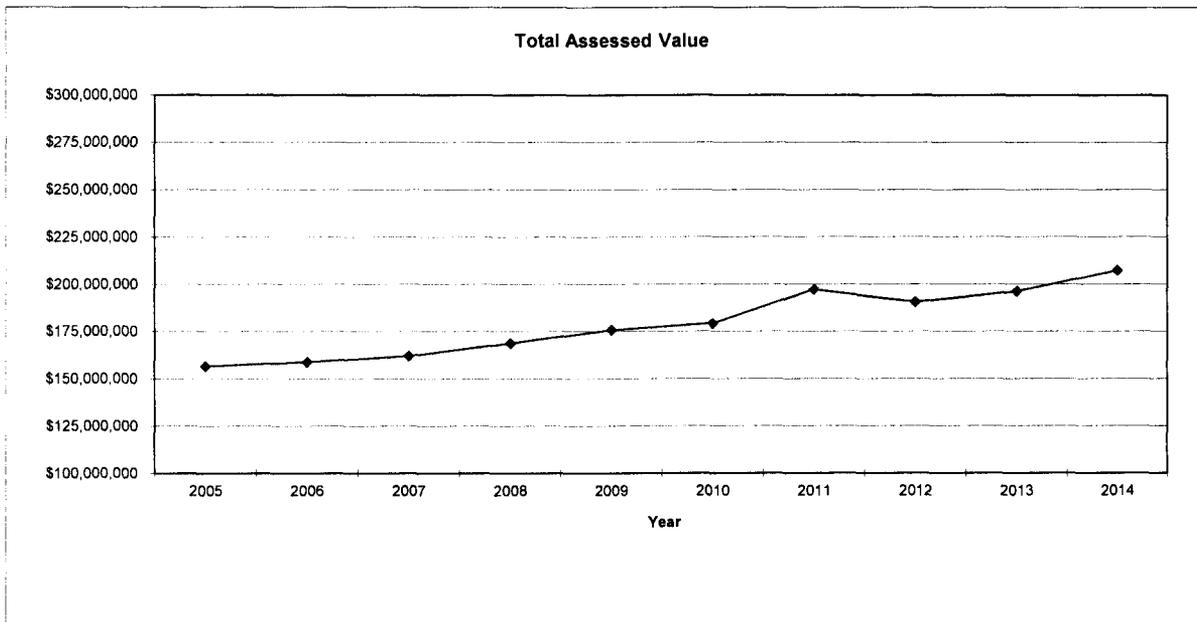


CITY OF GARDEN CITY, KANSAS
Assessed Value and Estimated Actual Value of Taxable Property
Retail Sales and Retail Sales Tax Rate
Last Ten Fiscal Years

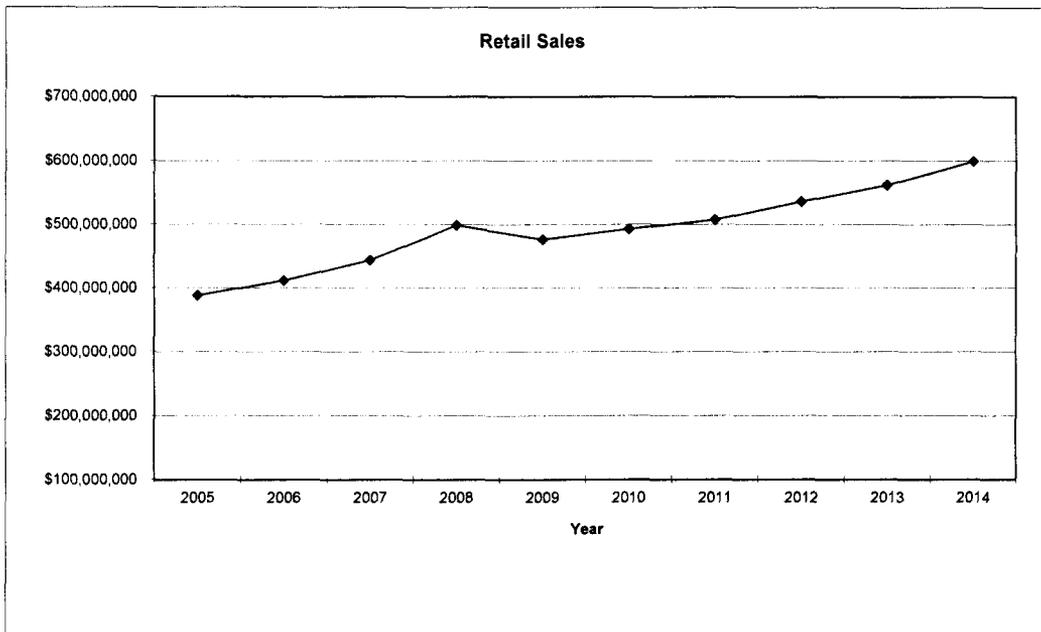
Fiscal Year	Assessed Value				Total Taxable Assessed Value	Total Direct Tax Rate
	Real Estate	Personal Property	State Utility	Motor Vehicle		
2005	\$ 120,934,099	\$ 9,594,386	\$ 3,085,731	\$ 22,972,740	\$ 156,586,956	\$ 33.70
2006	122,887,690	9,265,313	2,953,087	23,770,228	158,876,318	33.74
2007	126,090,517	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
2012	155,719,616	6,208,184	2,655,867	25,997,701	190,581,368	38.96
2013	160,935,832	5,626,520	2,732,191	26,975,320	196,269,863	38.98
2014	172,700,242	4,748,967	2,559,874	27,202,127	207,211,210	38.60

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>
\$ 995,962,188	15.72 %	\$ 388,279,267	1.00 %
1,035,874,909	15.34	411,333,818	1.00
1,073,053,496	15.10	443,339,785	1.00
1,117,175,220	15.11	498,786,142	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
1,415,781,760	13.46	535,820,208	1.00
1,447,584,380	13.56	561,576,931	1.00
1,511,763,200	13.71	599,328,617	1.00

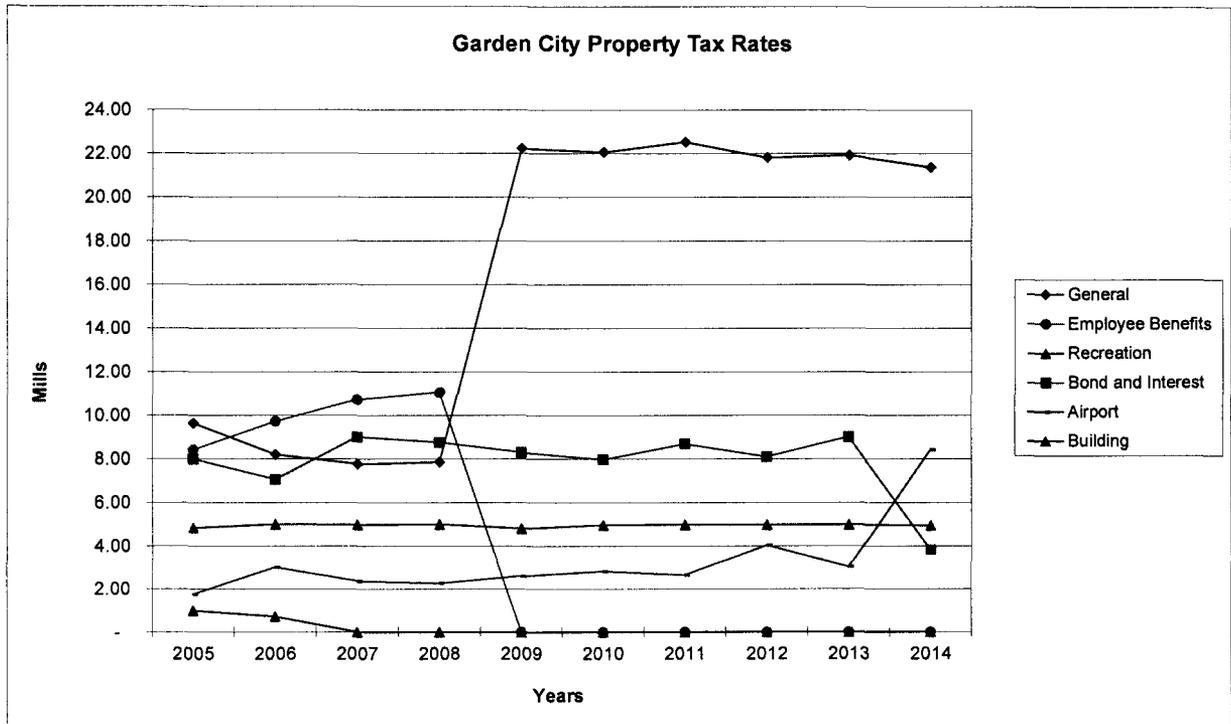


CITY OF GARDEN CITY, KANSAS
Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years

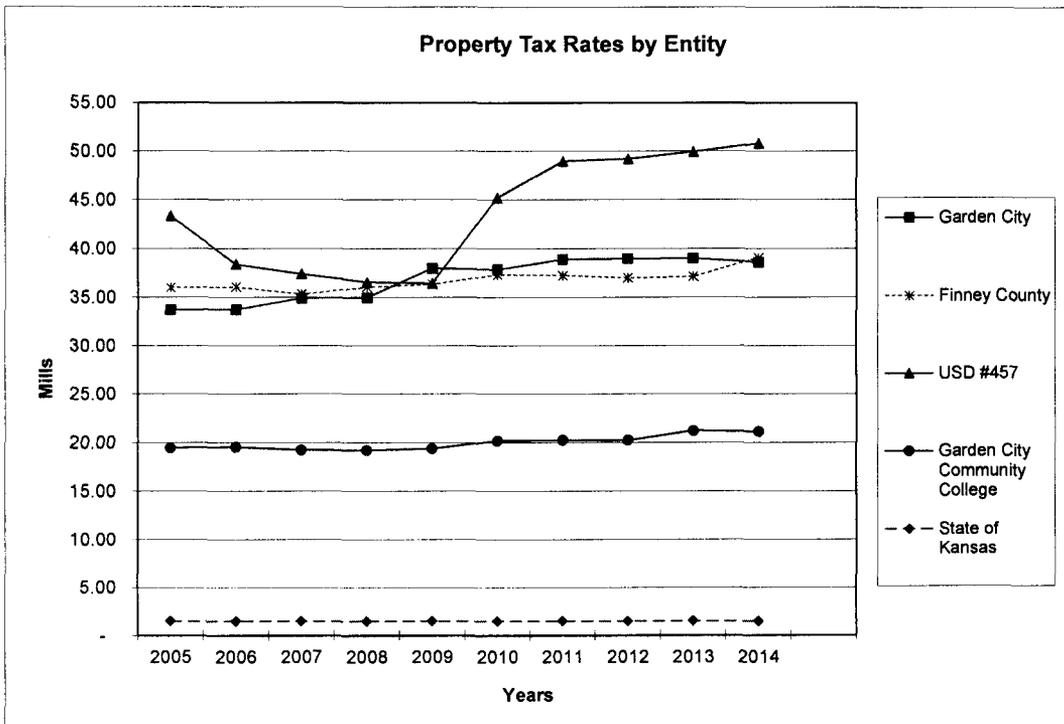
Fiscal Year	Garden City						Total
	General	Employee Benefits	Recreation	Bond and Interest	Airport	Building	
2005	9.65	8.43	4.86	8.00	1.76	1.00	33.70
2006	8.21	9.73	5.01	7.06	3.01	0.72	33.74
2007	7.77	10.74	5.00	9.02	2.37	-	34.90
2008	7.85	11.07	5.01	8.76	2.27	-	34.96
2009	22.24	-	4.83	8.31	2.60	-	37.98
2010	22.07	-	4.98	7.98	2.82	-	37.85
2011	22.53	-	5.00	8.70	2.65	-	38.88
2012	21.82	-	5.00	8.10	4.04	-	38.96
2013	21.93	-	5.00	9.02	3.03	-	38.98
2014	21.38	-	4.96	3.83	8.43	-	38.60

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	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
1.50	36.98	20.24	49.19	146.87
1.50	37.12	21.20	49.92	148.72
1.50	39.07	21.13	50.79	151.09



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

Name	2014			2005		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Menard, Inc.	\$ 3,219,363	1	1.79 %	\$		%
Wal-Mart Real Estate Business Trust	2,854,658	2	1.59	2,396,154	2	1.53
Sam's Real Estate Business Trust	1,770,701	3	0.98			
Golden Plains Credit Union	1,751,945	4	0.97			
Garden City Plaza LLC	1,731,723	5	0.96	1,861,279	4	1.19
Black Hills Corp. (KS Division)	1,579,600	6	0.88			
HD Development of Maryland (Home Depot)	1,388,108	7	0.77	1,050,691	6	0.67
Dayton Hudson Corp (Target)	1,230,098	8	0.68	954,534	9	0.61
Kansas Lodging, LLC	1,132,705	9	0.63			
Art Mortgage Borrower Propco	1,115,150	10	0.62			
ART Mortgage Borrower Prop Co (Americold)				1,028,911	7	0.66
Southwestern Bell Telephone Co.				2,079,939	3	1.33
St. Catherine Hospital (Imaging Center)				2,452,477	1	1.57
Galileo CMBS (Mall)				1,138,420	5	0.73
Steve & Ann Burgess				997,915	8	0.64
Western Building Corp.				933,362	10	0.60
Other taxpayers	162,235,032		90.13	141,693,274		90.47
Total	\$ 180,009,083		100.00 %	\$ 156,586,956		100.00 %

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

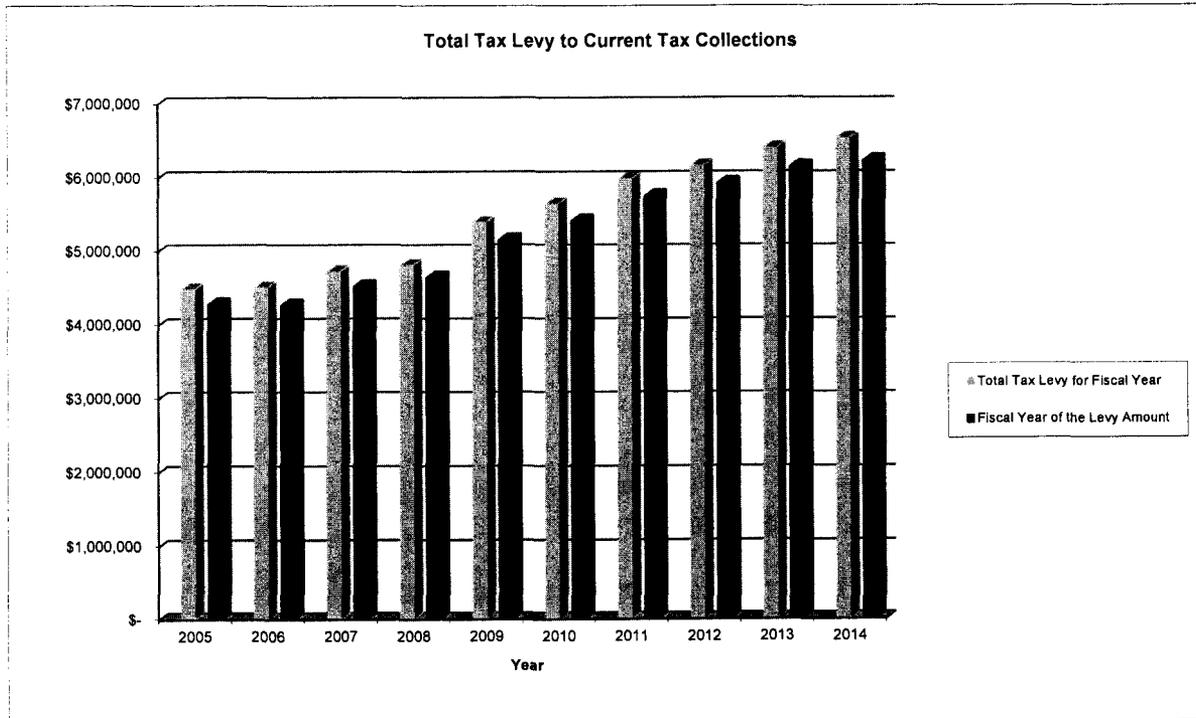
Principal Sales Taxpayers by NAICS Code
Current Year and Nine Years Ago

NAICS Code	2014			2005		
	Taxable Retail Sales	Rank	Percentage of Total Taxable Retail Sales	Taxable Retail Sales	Rank	Percentage of Total Taxable Retail Sales
Retail Trade	\$ 431,279,011	1	71.96 %	\$ 281,064,541	1	72.39 %
Accommodation and Food Services	64,362,578	2	10.74	38,239,380	2	9.85
Information	23,551,897	3	3.93	19,562,308	3	5.04
Wholesale Trade	17,954,757	4	3.00	11,032,131	4	2.84
Other Services (except Public Administration)	13,829,902	5	2.31	9,746,067	5	2.51
Utilities	12,215,103	6	2.04	7,043,389	6	1.81
Construction	8,887,694	7	1.48	5,997,270	7	1.54
Manufacturing	8,726,261	8	1.46	4,356,868	8	1.12
Real Estate and Rental and Leasing	7,544,160	9	1.26	3,581,731	9	0.92
Arts, Entertainment and Recreation	3,067,149	10	0.51	1,088,870		0.28
Administrative, Support and Waste Management	1,978,636		0.33	1,364,392		0.35
Professional, Scientific and Technical Services	1,412,317		0.24	1,621,305		0.42
Educational Services	1,142,245		0.19	610,236		0.16
Health Care and Social Assistance	1,058,949		0.18	876,405		0.23
Mining, Quarrying, and Oil & Gas Extraction	996,819		0.17	1,727,007	10	0.44
Other codes	1,321,139		0.20	367,367		0.10
Total within Garden City	\$ 599,328,617		100.00 %	\$ 388,279,267		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
2005	\$ 4,484,633	\$ 4,278,421	95.40 %	\$ 206,212	\$ 4,484,633	100.00 %
2006	4,508,411	4,266,334	94.63	242,077	4,508,411	100.00
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	231,532	5,387,799	100.00
2010	5,643,613	5,412,175	95.90	229,682	5,641,857	99.97
2011	5,981,461	5,748,296	96.10	227,606	5,975,902	99.91
2012	6,164,521	5,924,602	96.11	77,134	6,001,736	97.36
2013	6,402,605	6,145,708	95.99	40,806	6,186,514	96.62
2014	6,534,431	6,222,003	95.22	-	6,222,003	95.22



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	Capital Leases	General Obligation Bonds	Revenue Bonds	Revenue Loans	Capital Leases
2005	\$ 7,640,000	\$ 372,290	\$ -	\$ 95,000	\$ 16,643,688	\$ 22,165
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	15,581,726	-	-	-
2011	10,617,500	694,026	14,111,866	-	-	-
2012	10,041,250	586,104	12,643,909	-	-	15,147
2013	10,787,162	1,109,674	17,262,278	-	-	38,837
2014	21,030,453	858,251	16,939,627	-	218,139	42,022,759

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 149 for personal income and population data.

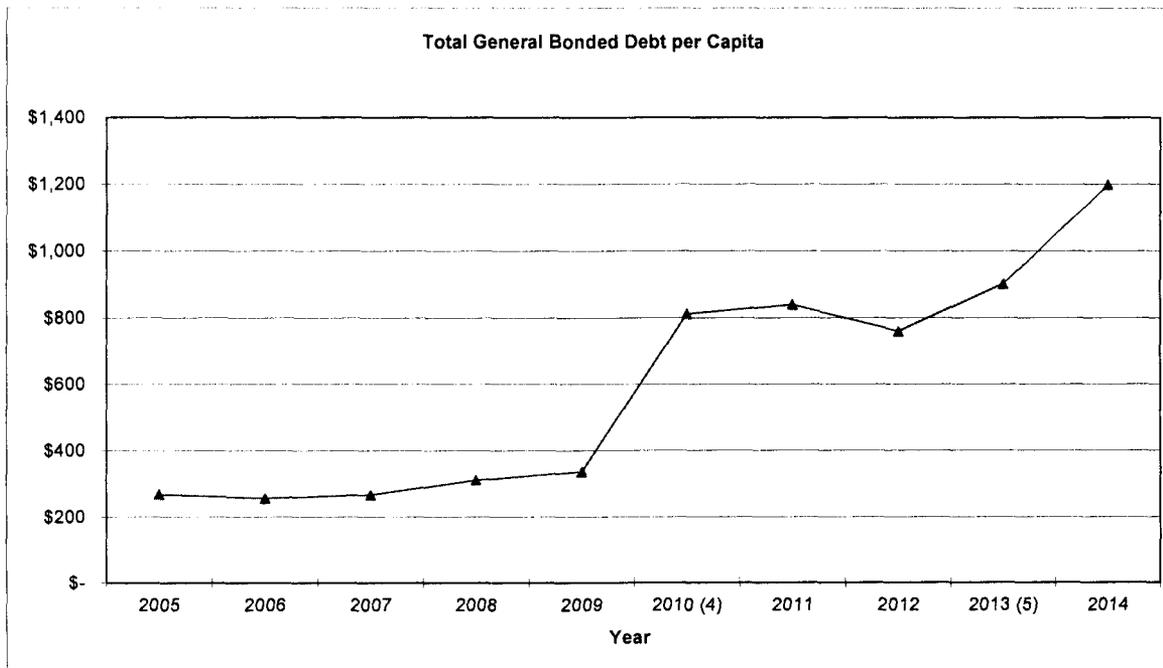
<u>Total Primary Government</u>	<u>Percentage of Personal Income *</u>	<u>Per Capita *</u>
\$ 24,773,143	2.78 %	\$ 908
23,865,671	2.64	828
22,994,888	2.37	800
23,678,775	2.54	812
23,895,985	2.84	821
26,149,259	2.40	842
25,423,392	2.28	872
23,286,410	2.39	872
29,197,951	2.66	952
81,069,229	6.45	2,635

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)
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)	25,404,726	189,267	25,215,459	0.02	812
2011	24,729,366	239,073	24,490,293	0.02	839
2012	22,685,159	276,747	22,408,412	0.02	760
2013 (5)	28,049,440	394,287	27,655,153	0.02	901
2014	37,970,080	1,092,119	36,877,961	0.02	1,199

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.
- (5) In 2013, the City issued \$6,121,588 of general obligation bonds for internal improvements and improvements 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, 2014

<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	<u>\$ 21,888,704</u>	100.00 %	<u>\$ 21,888,704</u>
Overlapping:			
Finney County	7,775,541	33.96	2,640,574
Garden City Community College	11,004,102	33.96	3,736,993
USD #457	<u>95,660,000</u>	51.82	<u>49,571,012</u>
Total overlapping debt	<u>114,439,643</u>		<u>55,948,579</u>
Total direct and overlapping debt	<u>\$ 136,328,347</u>		<u>\$ 77,837,283</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>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Debt limit	\$ 46,976,087	\$ 47,662,895	\$ 48,619,666	\$ 50,648,977
Total net debt applicable to limit	<u>7,640,000</u>	<u>7,375,000</u>	<u>7,685,300</u>	<u>9,307,000</u>
Legal debt margin	<u>\$ 39,336,087</u>	<u>\$ 40,287,895</u>	<u>\$ 40,934,366</u>	<u>\$ 41,341,977</u>
Total net debt applicable to the limit as a percentage of debt limit	16.26%	15.47%	15.81%	18.38%

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					
2009	2010	2011	2012	2013	2014
\$ 52,722,629	\$ 53,774,348	\$ 59,158,934	\$ 57,174,410	\$ 58,880,959	\$ 62,163,363
10,028,700	25,654,726	24,754,366	35,123,159	49,189,440	47,310,080
<u>\$ 42,693,929</u>	<u>\$ 28,119,622</u>	<u>\$ 34,404,568</u>	<u>\$ 22,051,251</u>	<u>\$ 9,691,519</u>	<u>\$ 14,853,283</u>
19.02%	47.71%	41.84%	61.43%	83.54%	76.11%

Assessed value	<u>\$ 207,211,210</u>
Debt limit (30% of total assessed value)	<u>\$ 62,163,363</u>
Debt applicable to limit:	
General obligation bonds - governmental activities	\$ 21,030,453
General obligation bonds - business-type activities	16,939,627
Temporary notes payable	<u>9,340,000</u>
Total net debt applicable to limit	<u>\$ 47,310,080</u>
Legal debt margin	<u>\$ 14,853,283</u>

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

Fiscal Year	Sales Tax Revenue Bonds			
	Sales Tax Collections	Debt Service		Coverage
		Principal	Interest	
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
2012	26,096,656	24,758,379	1,338,277	149,712	31,317	7.39
2013	29,862,109	26,681,452	3,180,657	655,336	29,129	4.65
2014	31,574,660	23,161,845	8,412,815	655,336	1,731,199	3.53

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	
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
2012	7,776,945	4,629,827	3,147,118	1,292,500	289,021	1.99
2013	7,376,943	4,513,934	2,863,009	1,320,000	263,927	1.81
2014	7,820,838	5,041,035	2,779,803	1,433,076	270,242	1.63

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

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Personal Income (amounts expressed in thousands)</u>	<u>Per Capita Personal Income (2)</u>	<u>Median Age (3)</u>	<u>Education Level in Years of Formal Schooling (4)</u>	<u>School Enrollment (4)</u>	<u>Unemployment Rate (5)</u>
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
2012	29,176	974,975	33,417	31	13	7,578	4.70
2013	30,678	1,099,162	35,829	31	13	7,573	3.30
2014	30,761	1,256,201	38,699	31	13	7,638	3.50

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	2014			2005		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Tyson Fresh Meats, Inc. (Iowa Beef Processors, Inc.)	2,200	1	15.35 %	3,100	1	25.77 %
Unified School District No. 457	1,200	2	8.37	1,100	2	9.15
St. Catherine Hospital	641	3	4.47	504	3	4.19
Garden City Community College	400	4	2.79	225	7	1.87
Finney County	350	5	2.44	350	5	2.91
Wal-Mart	315	6	2.20	405	4	3.37
City of Garden City	298	7	2.08	298	6	2.48
Dillons	250	8	1.74	210	10	1.75
Sunflower Electric Power Corp.	225	9	1.57	217	8	1.80
Unified School District No. 363	211	10	1.47			
Beef Products, Inc.			-	216	9	1.80
Other employers	8,239		57.52	5,403		44.91
Total	14,329		100.00 %	12,028		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,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General government	61	61	69	59	54	55	57	54	54	52
Public safety:										
Police:										
Officers	55	44	50	51	58	57	60	56	50	53
Civilians	31	32	26	29	30	34	29	32	26	33
Fire:										
Firefighters and officers	32	30	34	38	34	36	34	34	34	34
Civilians	1	1	1	1	1	1	1	1	1	1
Streets:										
Engineering	5	5	4	4	3	4	5	4	4	4
Maintenance	16	16	16	16	16	16	16	20	19	20
Sanitation	14	14	14	14	20	23	16	15	10	16
Culture and recreation	38	35	32	39	42	46	43	45	46	45
Water	11	11	13	12	13	13	12	14	13	12
Sewer	14	15	13	13	13	15	10	8	11	10
Electric	20	21	18	20	19	22.5	21	20	19	18
Total	298	285	290	296	303	323	304	303	287	298

Source: City Human Resource Office.

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

Function	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Police:										
Physical arrests	4,372	4,125	3,509	3,242	4,294	4,557	3,407	3,169	2,477	2,774
Parking violations	261	243	181	211	344	471	360	283	154	154
Traffic violations	6,390	4,751	3,962	3,405	5,239	7,170	7,747	6,710	5,107	3,501
Fire:										
Number of calls answered	669	731	707	779	751	772	847	908	806	843
Inspections	841	119	868	923	759	850	738	923	736	742
Streets:										
Street resurfacing (improved miles)	96	124	120	120	121	121	121	122	123	125
Potholes patch/tons	543	329	733	614	580	430	381	347	355	896
Sanitation:										
Refuse collected (tons/day)	71	64	72	70	71	69	67	69	71	74
Recyclables collected (tons/day)	1.69	2.22	4.00	3.80	4.48	7.21	3.62	2.27	2.24	2.61
Culture and recreation:										
Golf memberships issued	154	196	260	271	166	249	338	275	247	224
Zoo admissions	209,785	200,003	190,530	181,559	198,731	182,137	183,130	155,549	190,833	218,507
Water:										
New connections	20	24	27	32	26	22	30	28	89	88
Water mains breaks	20	14	25	14	22	10	20	8	17	30
Average daily consumption (thousands of gallons)	5,416	5,585	5,489	5,705	5,365	5,472	7,426	7,396	6,432	6,194
Sewer:										
Average daily sewage treatment (thousands of gallons)	3,235	3,164	3,215	3,301	2,902	2,466	2,696	2,980	2,480	2,560
Electric:										
New connections	5	20	12	11	48	31	27	28	89	83
Average daily usage (thousands of kilowatts)	605	611	654	696	686	683	711	729	745	771

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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Public safety:										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	26	26	26	30	30	30	29	26	26	30
Motorcycle patrol units	-	-	-	4	4	6	6	6	6	7
Fire stations	2	2	2	2	2	2	2	2	2	2
Streets:										
Street (miles)	125	125	125	125	125	125	125	126	129	130
Streetlights	2,738	3,066	2,571	2,559	2,556	2,665	3,407	3,507	3,407	3,424
Traffic signals	29	29	30	30	30	33	35	35	34	38
Sanitation:										
Collection trucks	10	10	11	12	12	12	12	13	13	13
Culture and recreation:										
Park acreage	161.8	182.8	182	182	185	185	185	185	185	186
Parks	11	12	12	12	12	12	12	12	12	12
Swimming pools	1	1	1	1	1	1	1	1	1	1
Tennis courts	8	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)	138.84	138.84	139	139	139	147	148	149	152	163
Fire hydrants	881	891	895	902	906	918	922	923	927	1,040
Maximum daily capacity (thousands of gallons)	29,000	29,000	29,000	29,000	29,000	29,000	27,000	28,000	28,000	25,578
Sewer:										
Sanitary sewer (miles)	112.30	112.30	113	113	113	113	113	114	117	120
Storm sewer (miles)	31	31	33	33	33	33	33	34	67	67
Average daily sewage treatment (thousands of gallons)	3,235	3,164	3,215	3,301	2,902	2,466	2,696	2,552	2,480	2,560
Electric:										
Number of distribution stations	9	9	8	8	8	8	8	9	11	12
Miles of service lines	320	321	321	322	322	322	323	328	333	337

Sources: Various City departments.

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

CITY OF GARDEN CITY, KANSAS
Jameson Energy Center
Current Year and One Year Ago

	Fiscal Year	
	2013	2014
System Rates	same as 2012	same as 2013
Peak Load	62,690	66,168
System Revenues by Sector:		
Residential:		
Energy	\$ 7,290,171	\$ 8,789,639
Customer Charge	2,612,829	2,443,690
Commercial/Industrial:		
Energy	17,638,014	17,212,428
Customer Charge	830,986	814,234
Miscellaneous:		
Security Lights	57,468	54,839
Total	<u>\$ 28,429,468</u>	<u>\$ 29,314,830</u>
MWh Sales by Sector:		
Residential	84,150	82,837
Industrial	171,750	183,362
	<u>255,900</u>	<u>266,199</u>

Ten Largest Customers:

Name	2013		2014	
	Sales	Rank	Sales	Rank
Bonanza	\$ 2,433,179	1	\$ 2,685,117	1
Petrosantander	1,606,269	2	1,927,088	2
ART Mortgage Borrower Prop Co (Americold)	468,502	3	678,584	3
Unified School District No. 457	311,807	6	465,179	6
Inland Container	461,352	4	460,689	4
Wal-Mart	418,319	5	402,608	5
Waste Water Treatment Plant			333,382	7
Sam's Club	268,429	7	262,422	8
St. Catherine Hospital	242,644	9	234,415	9
Dillons #6	220,144	10	223,349	10
Dillons #5	248,212	8		
Total	<u>\$ 6,430,645</u>		<u>\$ 7,672,833</u>	

SINGLE AUDIT

SECTION



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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the *Kansas Municipal Audit and Accounting Guide*, issued by the State of Kansas, the 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 as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 10, 2015. 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. Our report includes a reference to other auditors who audited the financial statements of the Garden City Housing Authority, as described in our report on the City of Garden City's 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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

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

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The Honorable Mayor,
City Commissioners and City Manager
Page 2

there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2014-1, 2013-1 and 2012-1 to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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*.

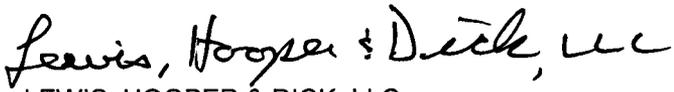
We noted certain matters that we have reported to management of the City of Garden City in a separate letter dated June 10, 2015.

City of Garden City's Response to Findings

The City of Garden City's response to the findings identified in our audit is described in the accompanying corrective action plan. The City of Garden City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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


LEWIS, HOOPER & DICK, LLC

June 10, 2015

INDEPENDENT AUDITORS' REPORT
ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133

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

Report on Compliance for Each Major Federal Program

We have audited the compliance 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 the City's major federal programs for the year ended December 31, 2014. The City of Garden City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Garden City's major federal programs based on our audit of the types of compliance requirements referred to above. The City of Garden City's financial statements include the operations of the Garden City Recreation Commission, which received no federal awards during the year ended December 31, 2014, and the Garden City Housing Authority, which received \$205,636 in federal awards during the year ended December 31, 2014, which are not included in the schedule. Our compliance audit, described below, did not include the operations of the Garden City Recreation Commission because it expended no federal awards or the Garden City Housing Authority because the component unit engaged other auditors to perform an audit which was not in accordance with OMB Circular A-133 as the Garden City Housing Authority only expended \$205,636 in federal expenditures.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the *Kansas Municipal Audit and Accounting Guide*, issued by the State of Kansas; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City 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 on compliance for each major federal program. However, our audit does not provide a legal determination on the City of Garden City's compliance.

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The Honorable Mayor,
City Commissioners and City Manager
Page 2

Opinion on Each Major Federal Program

In our opinion, the City of Garden City, Kansas, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2014.

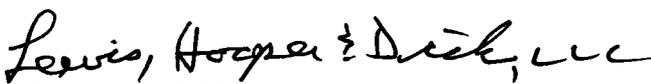
Report on Internal Control Over Compliance

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

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

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

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


LEWIS, HOOPER & DICK, LLC

June 10, 2015

CITY OF GARDEN CITY, KANSAS
Schedule of Findings and Questioned Costs
 December 31, 2014

I. SUMMARY OF AUDIT RESULTS

A. Financial Statements

- Type of auditors' report issued: Unmodified
- 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: Yes
 - Significant deficiencies identified: None reported
- Noncompliance material to financial statements noted: None

B. Federal Awards

- Type of auditors' report issued on compliance for major programs: Unmodified
- 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
- 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
Highway Planning and Construction	20.605	TE-0359-01	\$ 451,819

- Dollar threshold used to distinguish between type A and B programs: \$300,000
- Is the auditee qualified as low-risk auditee?: Yes

CITY OF GARDEN CITY, KANSAS
Schedule of Findings and Questioned Costs
December 31, 2014

II. FINANCIAL STATEMENT FINDINGS

Finding 2014-1:

Type of Finding: Material weakness in internal control over financial reporting.

Finding: The Schedule of Expenditures of Federal Awards was not properly prepared.

Criteria: The Schedule of Expenditure of Federal Awards an entity submits for an audit performed under OMB Circular A-133 should be materially complete and accurate.

Condition/Context: Management did not provide complete information for all the federal grants to allow the preparation of a complete Schedule of Expenditure of Federal Awards.

Cause: Grant documentation was not properly forwarded to the Finance department.

Effect: As a result, the Windsor Hotel grant was not included on the Schedule of Expenditures of Federal Awards submitted for audit.

Recommendation: Because federal grants are a significant funding source of the City, we believe the individual overseeing the federal awards should monitor grant activity on a more frequent, routine basis and maintain copies of all applications, approvals, budgets, reports and correspondence.

Responsible Official's

Response: The City will designate one person as responsible for all of the federal programs of the City. This individual will monitor grant activity on a more frequent routine basis; maintain copies of all applications, approvals, budgets, reports and correspondence; and prepare the draft Schedule of Expenditures of Federal Awards. Program directors will be required to provide documentation to support the financial reports submitted and these will be verified and maintained by the designated individual who should also be the designated agent signing all reports submitted.

Finding 2013-1:

Type of Finding: Material weakness in internal control over financial reporting.

Finding: Control procedures over the recording of journal entries were not functioning as intended.

Criteria: Control procedures over the recording of journal entries should be in place to prevent, detect, and correct potential misstatement of transactions. This includes reviewing the impact of the posted journal entries to ensure the transactions are accurate.

Condition: In the current year we noted journal entries were posted as approved, but the impact of the journal entries was not reviewed. This resulted in material misstatement in several revenue and expense accounts.

Context: Incorrect journal entries resulting in material misstatements were posted as follows:

(continued)

CITY OF GARDEN CITY, KANSAS
Schedule of Findings and Questioned Costs
December 31, 2014

A journal entry was posted to move funds between capital project funds. However, the entry was posted as a reimbursement of expenses of \$1,176,883, resulting in a deficit expense account balance. Of the amount posted, \$1,176,883 should have been reflected as a transfer in and out of the two affected capital project funds.

An audit entry was posted to correct this journal entry.

Cause: This finding results from a lack of review of the results of journal entries posted by the City.

Effect or Potential Effect: Failure to review the results of journal entries posted could result in a material misstatement in the financial statements which could lead to management decisions based on inaccurate information.

Recommendation: We recommend the effect of journal entries be reviewed by management to ensure proper recording of all transactions.

Responsible Official's Response: The importance of reviewing the results of approved journal entries posted to the City's accounts will be stressed by management.

Finding 2012-1:

Type of Finding: Material weakness in internal control over financial reporting.

Finding: Control procedures over the recording of fixed asset transactions were not functioning as designed.

Criteria: Control procedures over fixed assets should be in place to prevent, detect, and correct potential misstatement of fixed assets. This includes consistent application of the City's policies, and correct calculation of fixed asset additions and deletions. Fixed asset additions and deletions should be reconciled to the general ledger and construction in progress records by the City staff to ensure they are properly stated.

Condition: In the current year we noted transactions affecting the fixed asset listing which were not properly recorded in accordance with City policy. In addition, when reconciling the fixed asset listing to the general ledger we noted several material adjustments were required as follows:

1. Infrastructure at the electric department was materially misstated.
2. Substations at the electric department were materially overstated.
3. The SCADA addition and expenses at the electric department were materially misstated.
4. Infrastructure at the water department was overstated while the completed waste water SCADA addition was omitted.

(continued)

CITY OF GARDEN CITY, KANSAS
Schedule of Findings and Questioned Costs
December 31, 2014

5. The cost of the snow removal equipment building was materially understated.

Context: Infrastructure at the electric department originally included \$513,598 of costs also capitalized as other assets. The infrastructure was also understated by \$626,736 due to use of an incorrect inventory adjustment in calculating the amount of infrastructure expenditures. The net change to the electric department infrastructure was an increase of \$113,138.

Substations at the electric department were materially overstated due to the proposed 2014 capitalized amount including costs which were already capitalized as infrastructure in prior years. This resulted in a decrease of \$2,541,102.

The SCADA addition at the electric department included in costs \$31,180 which had already been capitalized as infrastructure in prior years and \$372,301 which was expensed in 2012.

Infrastructure at the water department was overstated by \$28,377 due to use of an incorrect inventory adjustment in calculating the amount of infrastructure expenditures. In addition, the waste water SCADA addition for \$372,125 was not included in capital assets.

The cost of the snow removal equipment building was materially understated by \$144,030 due to the engineering costs not being included in the cost of the asset.

Audit entries were posted to correct these items.

Cause: This finding results from a lack of adherence to the City's policy in recording transactions affecting the determination of fixed asset additions, deletions and construction in progress.

Effect or Potential Effect: Failure to properly record fixed asset transactions could result in a material misstatement in the financial statements.

Recommendation: We recommend the effect of journal entries impacting fixed asset transactions and the resulting fixed asset listing be reviewed by management to ensure proper recording of all transactions, additions and deletions in compliance with the City's policy. The fixed asset listing and construction in progress records should be reconciled to the general ledger prior to calculation of depreciation for the year.

Responsible Official's Response: The importance of adhering to the City's policy in determining fixed asset additions and deletions will be reinforced. In addition, a review of the fixed asset reports will be performed prior to submitting the records for audit. The effect of journal entries on fixed asset transactions will be reviewed by management. Construction in progress records will be reconciled to the general ledger.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None



Corrective Action Plan
and Comments on Audit Resolution Matters Relating
to the Federal Award Programs
December 31, 2014

CITY COMMISSION

June 10, 2015

JANET A. DOLL,
Mayor

The City of Garden City, Kansas, respectfully submits the following corrective action plan for the year ended December 31, 2014.

ROY CESSNA

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

MELVIN L. DALE

DAN FANKHAUSER

Audit period: January 1, 2014 through December 31, 2014

J. CHRISTOPHER LAW

The findings from the December 31, 2014, 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

MATTHEW C. ALLEN
City Manager

Finding 2014-1

Planned Corrective Action:

The City will designate one person as responsible for all of the federal programs of the City. This individual will monitor grant activity on a more frequent routine basis; maintain copies of all applications, approvals, budgets, reports and correspondence; and prepare the draft Schedule of Expenditures of Federal Awards. Program directors will be required to provide documentation to support the financial reports submitted and these will be verified and maintained by the designated individual who should also be the designated agent signing all reports submitted.

MELINDA A. HITZ, CPA
Finance Director

RANDALL D. GRISELL
City Counselor

Finding 2013-1

Planned Corrective Action:

The importance of reviewing the results of approved journal entries posted to the City's accounts will be stressed by management. The City will follow the same process used to review monthly and year-end reports. Financial statements, including a report of expenditures compared to budget, are prepared by the finance department and will be provided to the department heads, including the year-end reports which will be reviewed prior to submitting them for audit.

CITY ADMINISTRATIVE
CENTER

301 N. 8TH
P.O. BOX 998
GARDEN CITY, KS
67846-0998
620.276.1160
FAX 620.276.1169
www.garden-city.org

Finding 2012-1

Planned Corrective Action:

The importance of adhering to the City's policy in determining fixed asset additions and deletions will be reinforced to all department heads as a means of preventing, detecting, and correcting potential misstatement of fixed assets. This includes consistent application of the City's policies and correct calculation of fixed asset additions and deletions. Fixed asset additions and deletions, and construction in progress will be reconciled to the general ledger by the City staff to ensure they are properly stated. In addition, a review of the fixed asset reports by management will be performed prior to submitting the records for audit.

(continued)

Corrective Action Plan
and Comments on Audit Resolution Matters Relating
to the Federal Award Programs
December 31, 2014

III. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

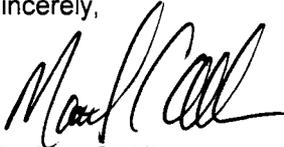
None

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,



Matthew C. Allen
City Manager

CITY OF GARDEN CITY, KANSAS
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2014

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	\$ 538	\$ 538
Passed through Kansas Housing Resources Corporation:					
Emergency Shelter Grants Program	14.231		ESG-FF72012	118,226	13,279
DEPARTMENT OF JUSTICE					
Direct Programs:					
Bulletproof Vest Grant Partnership Program	16.607		1121-0235	63,201	2,819
Edward Byrne Memorial Justice Assistance Grant Program	16.738	A	2014-DJ-BX-0870	12,995	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	A	2013-DJ-BX-0857	11,942	11,942
Drug Enforcement State & Local Task Force Grant Program	16.XXX		DEA Garden City	31,146	12,369
DEPARTMENT OF TRANSPORTATION					
Direct Programs:					
Airport Improvement Program	20.106		3-20-0024-34-2013	680,715	206,494
Airport Improvement Program	20.106		3-20-0024-34-2013	166,627	106,204
Passed through State Department of Transportation:					
State and Community Highway Safety	20.600		OP-0992-13	7,000	6,414
Highway Planning and Construction	20.605		TE-0359-01	739,538	451,819
DEPARTMENT OF HOMELAND SECURITY					
Direct Programs:					
Law Enforcement Officer Reimbursement Agreement Program	97.090		HST0208HSLR151	630,000	20,375
Passed through Kansas Highway Patrol:					
Homeland Security Grant Program	97.067			14,199	<u>14,199</u>
TOTAL FEDERAL EXPENDITURES - PRIMARY GOVERNMENT					<u><u>\$ 846,452</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, 2014

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, 2014, totaled \$185,780.

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