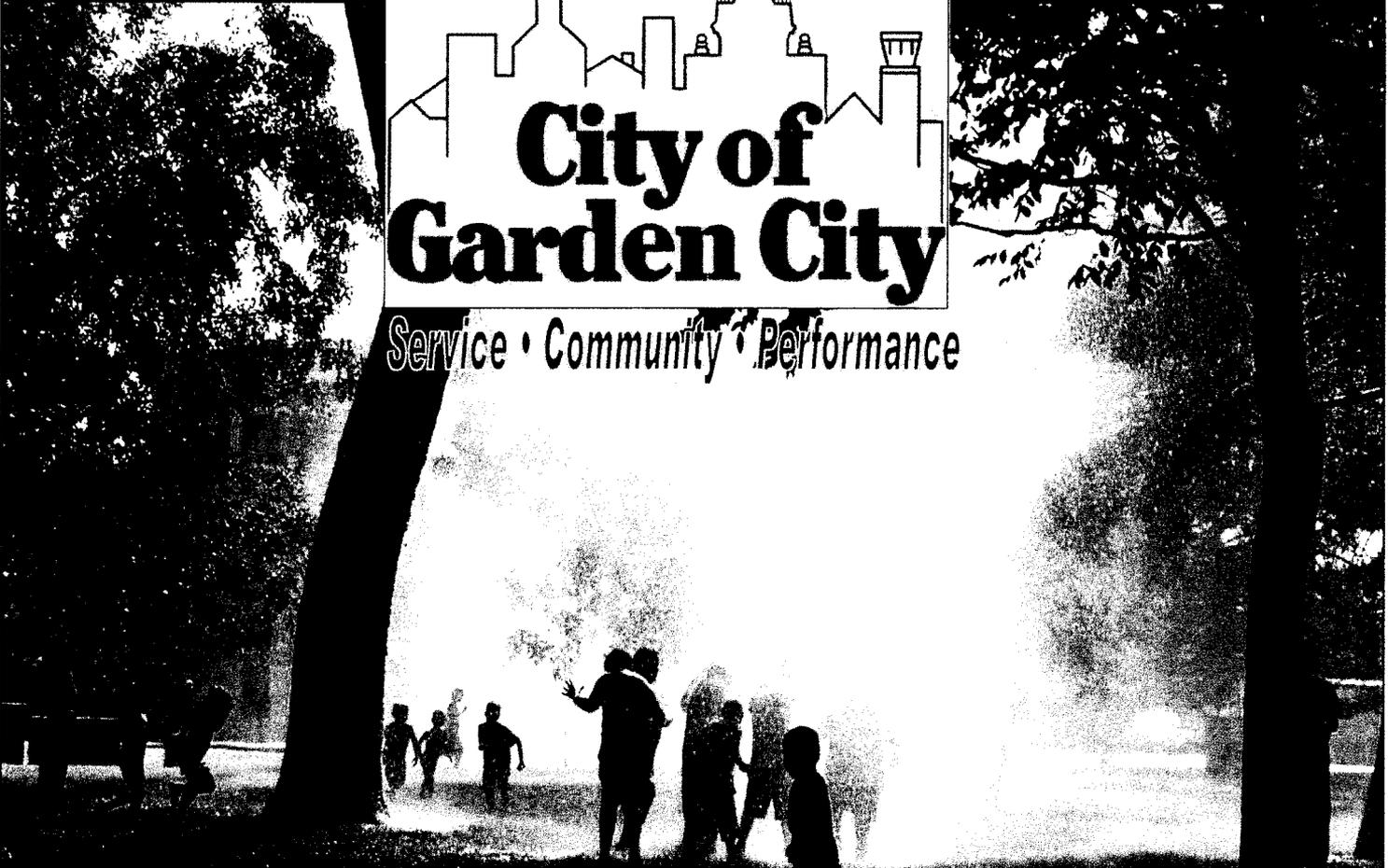


State of Kansas



Service • Community • Performance



Comprehensive Annual
Financial Report
Year Ending December 31, 2010

CITY OF GARDEN CITY, KANSAS

Comprehensive Annual Financial Report

Year Ended
December 31, 2010

Prepared by:

Melinda A. Hitz
Finance Director

INTRODUCTORY
SECTION

CITY OF GARDEN CITY, KANSAS
 Comprehensive Annual Financial Report
 Year ended December 31, 2010

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May 27, 2011

CITY COMMISSION

JAMES R. BEHAN,
Mayor

DAVID D. CRASE

JOHN DOLL

DAN FANKHAUSER

NANCY J. HARNESS

MATTHEW C. ALLEN
City Manager

MELINDA A. HITZ, CPA
Finance Director

RANDALL D. GRISELL
City Counselor

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

This is the Comprehensive Annual Financial Report (CAFR) of the City of Garden City, Kansas, (the City) for the calendar year ended December 31, 2010. 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, 2010.

Lewis, Hooper & Dick, LLC, Certified Public Accountants, have issued an unqualified ("clean") opinion on the City of Garden City's financial statements for the year ended December 31, 2010. 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 8.71 square miles and serves a population of 30,685. The City is empowered to levy a property tax on both real and personal property located within its boundaries. It is also empowered by state statute to extend its corporate limits by annexation, which it has done from time to time.

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

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Governmental Services

The City provides its citizens with various municipal services commonly associated with municipalities. The public safety area provides police, fire and emergency dispatch services. Construction and maintenance of the City's street and highway network is the responsibility of the public works area. The community development area 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 area is responsible for the general and financial administration of the City and includes the courts, the prosecution of violations of City codes and ordinances, the legal area of general counsel, human resource administration and information technology. Additionally, the City provides utility functions for water, wastewater, stormwater, solid waste, drainage, and electric utilities. More specialized areas include cemetery, airport, golf course, and GIS.

The City also is financially accountable for a recreation commission and housing authority, both of which are 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 legally separate entities can be found in the notes to the financial statements (see Note 1, item A).

Budgetary Controls

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

Local Economy

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

Unemployment is relatively stable. During the past ten years, the unemployment rate rose from an initial rate of 2.8% in 1999, to a decade high of 10.59% in 2001, only to descend once more to the current rate of 4.2%. The 2001 high resulted from a fire and the resulting facility shutdown of ConAgra Beef Processors, Inc.'s facility and loss of its 2,300 jobs. The unemployment rate is expected to either remain stable or decrease still further 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 2010, 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. For over twenty years, 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, County, State and Federal agencies.

One of the City Commission goals has been to increase citizen involvement in their City government. The CIP process, for both the 2009 and 2010 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 2010, 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 in use for the 2012 budget preparation.

Major Initiatives for the Year

In 2010, the City of Garden City continued a Citizen-based Capital Improvement Planning process. This is the fifth year for the City using this technique that precedes the annual budget season with a blend of citizen input tools, commission goal setting, multi-year financial forecasting and multi-year debt management analysis. Within this framework, the City Commission authorized capital investment of \$6,500,000. Major capital improvement projects in 2010 were the Taylor Avenue KLINK reconstruction project, reconstruction of a segment of Mary Street east of Taylor Avenue to Eighth Street, widening of Mary Street at Buffalo Way Boulevard - the entrance road to the new High School, the final phase of Taxiway A widening and reconstruction at Garden City Regional Airport and the Advanced Metering Infrastructure project which installed new radio read water and electric meters.

As referenced previously, increased citizen involvement in City government is a goal of the Governing Body. 2010 saw the third session of the Citizen's Academy, an up-close and personal view of City government taught by City Staff. As a result of the 2008 and 2010 Citizen surveys, which show that our citizens want enhanced communications with their local government, the City continued using two social networking venues - Facebook and Twitter.

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 South Main Street Pathway and the Finnup Drive Walking Trail along the south side of Finnup Park were completed in 2010; these pathways connect to our path & trail system and link our largest park, zoo and several ball fields, while landscaping the southern entrance into the City. The City's new Animal Shelter was opened in February of 2010.

Other 2010 initiatives were geared towards enhancing our standing as the regional center of southwest Kansas. Improvements at Garden City Regional Airport improve our opportunities for better commercial air service. Great Lakes Aviation provided service to Kansas City and Denver; enplanements again exceeded the 10,000 passenger level required to maintain our primary airport status. Completion of the taxiway projects improved our capability to handle increased volume of larger aircraft and provide enhanced air service to the community.

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 the CAFR for the fiscal year ended December 31, 2009. The City has been the recipient of this award fifteen times 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 governmental unit must publish an easily readable and efficiently organized CAFR that satisfies both accounting principles generally accepted in the United States and applicable legal requirements.

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

Acknowledgments

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

Respectfully submitted,



Matthew C. Allen
City Manager



Melinda A. Hitz
Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Garden City
Kansas

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

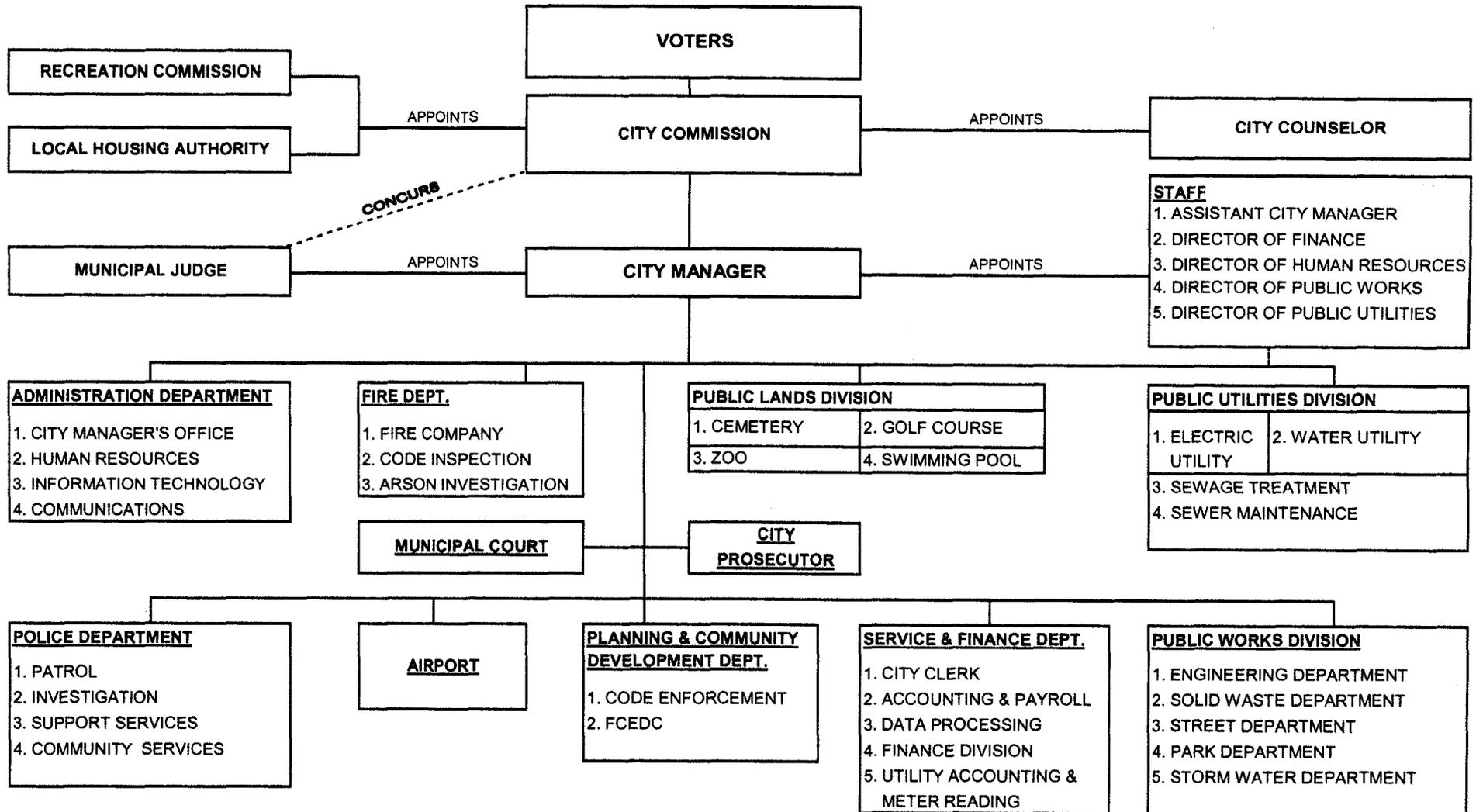
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



President

Executive Director

CITY OF GARDEN CITY, KANSAS ORGANIZATIONAL CHART



CITY OF GARDEN CITY, KANSAS

List of Principal Officials
December 31, 2010

Mayor

James R. Behan

City Commissioners

David D. Crase
John Doll
Dan Fankhauser
Nancy J. Harness

City Administration

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

FINANCIAL
SECTION

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Garden City, Kansas, and its aggregate discretely presented component units as of and for the year ended December 31, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Garden City's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Garden City Housing Authority, which represents 71.0% and 26.8%, 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.

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

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

In accordance with Government Auditing Standards, we have also issued a report dated May 27, 2011, on our consideration of the primary government of the City of Garden City, Kansas, internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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CPAs

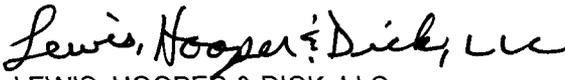
Charles H. Claar, Jr, CPA
Theresa Dasenbrock, CPA, CFE
David L. Hetrick, CPA
Steven D. Jossierand, CPA
Donald R. Linville, CPA
Gary A. Schlappe, CPA
Rodney Van Norden, CPA

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

The Honorable Mayor,
City Commissioners and City Manager
Page 2

The management's discussion and analysis, and schedule of funding progress on pages 3 through 12 and page 65 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Garden City, Kansas, basic financial statements. The introductory section; combining and individual nonmajor fund financial statements, including the budgetary comparison schedules; supplementary information and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is also not a required part of the basic financial statements of the City of Garden City, Kansas. The combining and individual nonmajor fund financial statements, including the budgetary comparison schedules; supplementary information and schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.


LEWIS, HOOPER & DICK, LLC

May 27, 2011

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, 2010. 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 \$106,064,876 (net assets). Of this amount, \$19,062,132 (unrestricted net assets) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net assets increased by \$3,078,168. Approximately 85% of this increase was attributable to the investment in fixed assets and infrastructure in the City's departmental operations.
- As of the close of the current fiscal year, the City of Garden City's governmental funds reported combined ending fund balances of \$10,277,795, a decrease of \$771,848 in comparison with the prior year. Approximately 98.2% of this total amount is available for spending at the City's discretion (unreserved fund balance).
- At the end of the current fiscal year, unreserved, undesignated fund balance for the general fund was \$5,100,420, or 30.0% of total general fund expenditures.
- The City of Garden City's total debt increased by \$2,143,705 (9.3%) during the current fiscal year. The key factor in this increase was the issuance of \$3,382,000 of general obligation bonds for internal improvements in the utility funds.

Overview of the Financial Statements

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

Government-wide Financial Statements

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

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

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

Both of the government-wide financial statements distinguish functions of the City of Garden City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, public works, parks and recreation. The business-type activities of the City include the electric utility, water and sewer utility, airport, solid waste utility, golf course operation and drainage utility.

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

The government-wide financial statements can be found on pages 15 through 17 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Garden City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Garden City can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds

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

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

The City of Garden City maintains twenty-four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund and the debt service fund, which are considered to be major funds. Data from the other twenty-two governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

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

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

Proprietary Funds

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

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

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

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

Fiduciary Funds

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

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

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 31 through 63 of this report.

Other Information

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

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of Garden City, assets exceeded liabilities by \$106,064,876 at the close of the most recent fiscal year.

By far the largest portion of the City of Garden City's net assets (80.4%) reflects its investment in capital assets (e.g., land, property, plant and equipment); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other resources, since the capital assets themselves cannot be used to liquidate these liabilities.

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Combined net assets of the City at December 31, 2010 and 2009, were:

City of Garden City's Net Assets

	2010			2009		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Current and other assets	\$ 17,530,575	\$ 14,247,687	\$ 31,778,262	\$ 18,306,688	\$ 12,874,932	\$ 31,181,620
Capital assets	41,406,500	68,984,657	110,391,157	40,696,025	64,154,660	104,850,685
Total assets	\$ 58,937,075	\$ 83,232,344	\$ 142,169,419	\$ 59,002,713	\$ 77,029,592	\$ 136,032,305
Long-term liabilities	\$ 9,536,794	\$ 14,111,866	\$ 23,648,660	\$ 9,643,225	\$ 11,913,956	\$ 21,557,181
Other liabilities	8,694,305	3,761,578	12,455,883	8,148,046	3,340,370	11,488,416
Total liabilities	\$ 18,231,099	\$ 17,873,444	\$ 36,104,543	\$ 17,791,271	\$ 15,254,326	\$ 33,045,597
Net assets:						
Invested in capital assets, net of related debt	\$ 31,975,036	\$ 53,353,800	\$ 85,328,836	\$ 29,427,337	\$ 51,227,064	\$ 80,654,401
Restricted for:						
Debt service	189,267	1,484,641	1,673,908	213,341	1,234,110	1,447,451
Unrestricted	8,541,673	10,520,459	19,062,132	11,570,764	9,314,092	20,884,856
Total net assets	\$ 40,705,976	\$ 65,358,900	\$ 106,064,876	\$ 41,211,442	\$ 61,775,266	\$ 102,986,708

An additional portion of the City of Garden City's net assets (1.6%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$19,062,132) may be used to meet the City's ongoing obligations to citizens and creditors.

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

There was an increase of \$250,531 in restricted net assets reported in connection with the City of Garden City's business-type activities. This increase is a result of new debt being issued.

The City's net assets increased by \$3,078,168 during the current fiscal year. About 85% of this increase was attributable to the investment in fixed assets and infrastructure in the City's departmental operations. The remainder of this growth largely reflects a decrease in expenses for governmental activities and the rapid rate of debt principal payments.

Governmental Activities

Governmental activities decreased the City of Garden City's net assets by \$505,466. Key elements of this decrease are as follows:

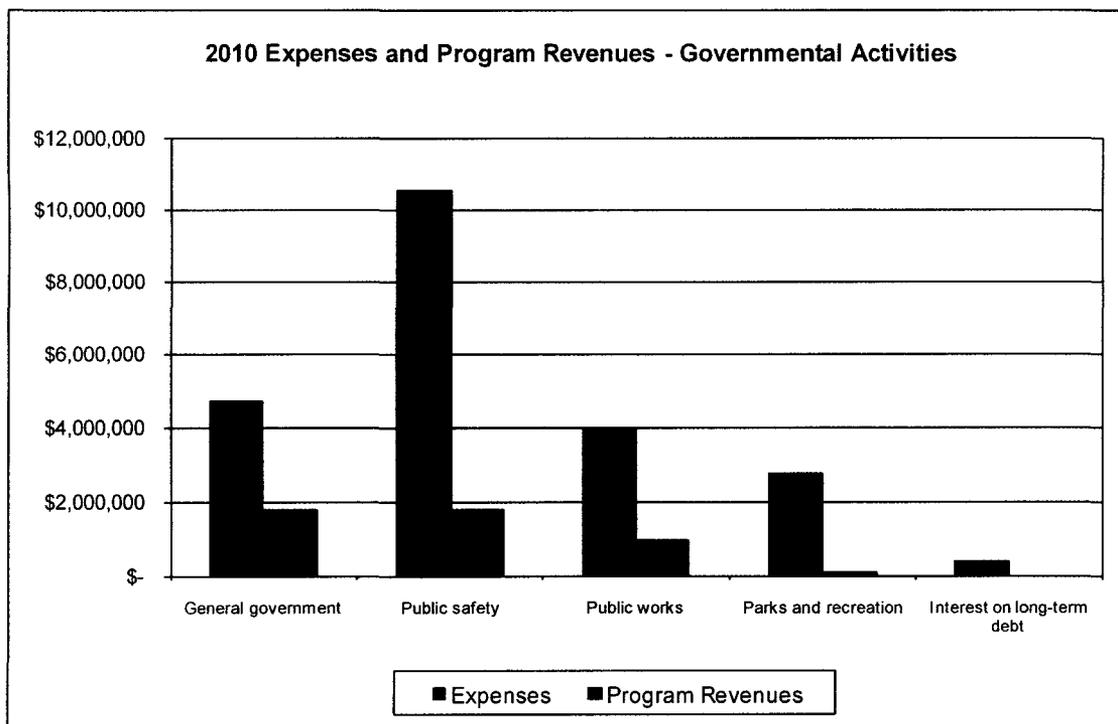
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City of Garden City's Changes in Net Assets

	2010			2009		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Revenues:						
Program revenues:						
Charges for services	\$ 2,060,687	\$ 33,839,842	\$ 35,900,529	\$ 1,885,994	\$ 30,775,279	\$ 32,661,273
Operating grants and contributions	1,657,675	1,629,530	3,287,205	2,403,258	3,432,840	5,836,098
Capital grants and contributions	837,029	-	837,029	615,363	-	615,363
General revenues:						
Property taxes	5,193,216	471,787	5,665,003	4,978,312	419,206	5,397,518
Sales taxes	8,505,990	-	8,505,990	7,843,971	-	7,843,971
Other taxes	1,469,234	-	1,469,234	1,529,905	-	1,529,905
Other	476,264	478,313	954,577	525,646	211,540	737,186
Total revenues	20,200,095	36,419,472	56,619,567	19,782,449	34,838,865	54,621,314
Expenses:						
General government	4,698,266	-	4,698,266	6,699,734	-	6,699,734
Public safety	10,520,505	-	10,520,505	9,631,721	-	9,631,721
Public works	3,997,877	29,939,161	33,937,038	2,768,845	27,519,462	30,288,307
Parks and recreation	2,766,802	763,293	3,530,095	3,854,085	708,671	4,562,756
Interest on long-term debt	400,611	454,884	855,495	372,770	475,650	848,420
Total expenses	22,384,061	31,157,338	53,541,399	23,327,155	28,703,783	52,030,938
Increase (decrease) in net assets before transfers:						
	(2,183,966)	5,262,134	3,078,168	(3,544,706)	6,135,082	2,590,376
Transfers	1,678,500	(1,678,500)	-	2,030,400	(2,030,400)	-
Change in net assets	(505,466)	3,583,634	3,078,168	(1,514,306)	4,104,682	2,590,376
Net assets, beginning of year	41,211,442	61,775,266	102,986,708	42,725,748	57,670,584	100,396,332
Net assets, end of year	\$ 40,705,976	\$ 65,358,900	\$ 106,064,876	\$ 41,211,442	\$ 61,775,266	\$ 102,986,708

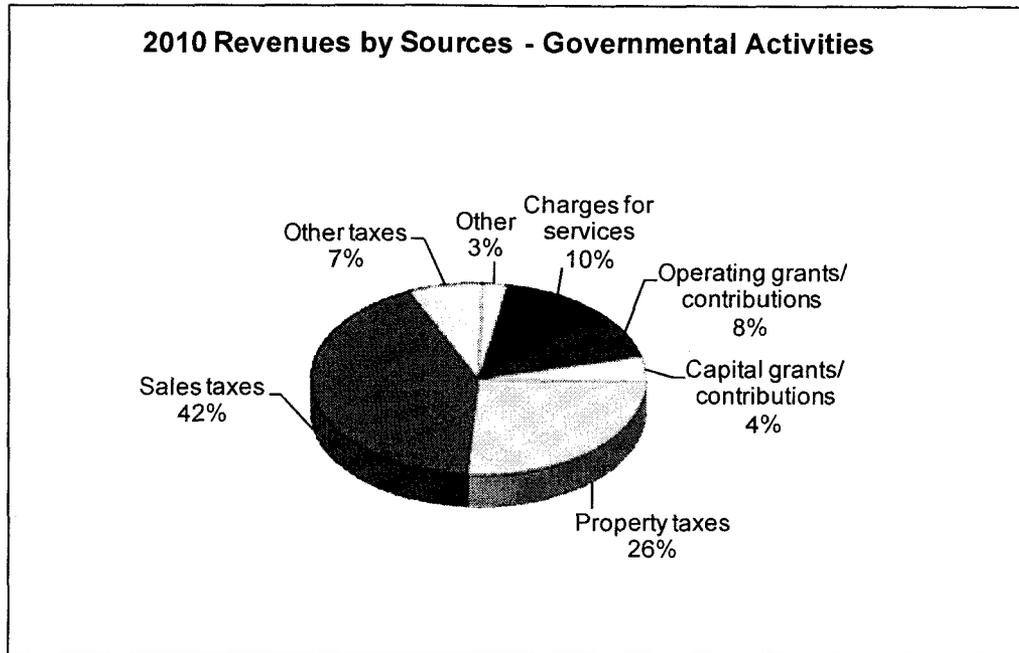
- Property taxes of the governmental activities increased \$214,904 (4.0%) during the year. This increase is primarily due to mill levy and property valuation increases over 2009.
- Sales tax collections increased \$662,019 during the year, an 8.4% increase from 2009 sales tax collections. The City's total sales tax collections were \$8,505,990.

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



For the most part, increases in expenses for general government and public safety closely paralleled inflation and growth in the demand for services. Expenses in public works and parks and recreation increased as more projects were taken on during the current fiscal year.

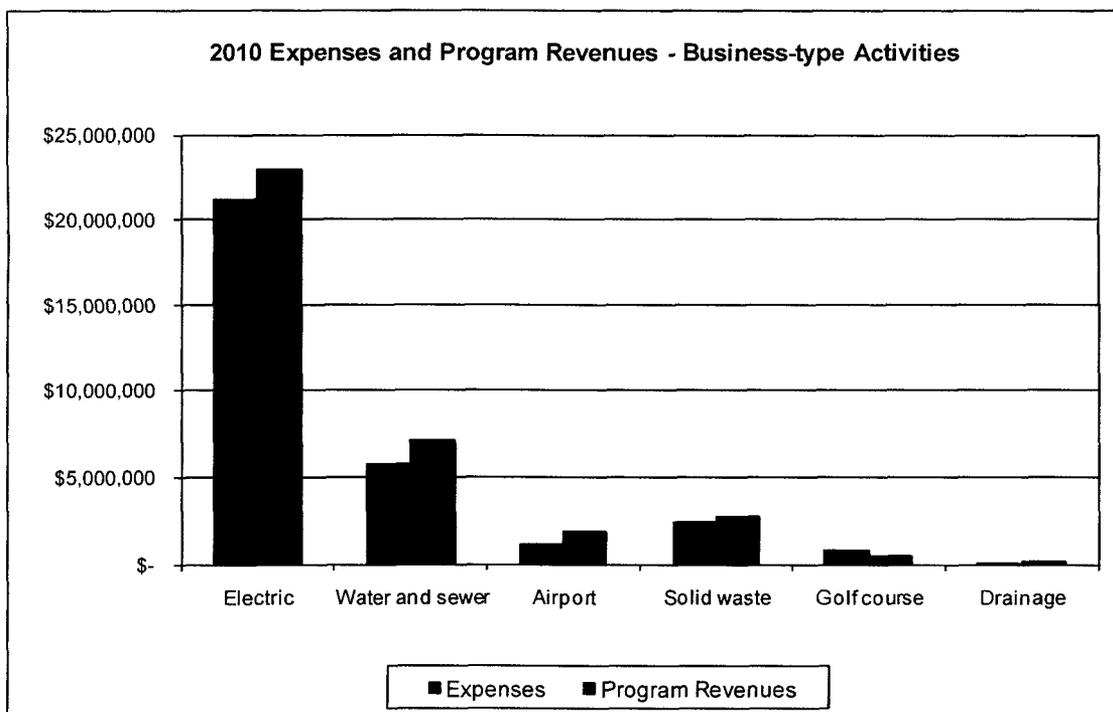
The following graph shows the composition of 2010 revenues by sources for the governmental activities.



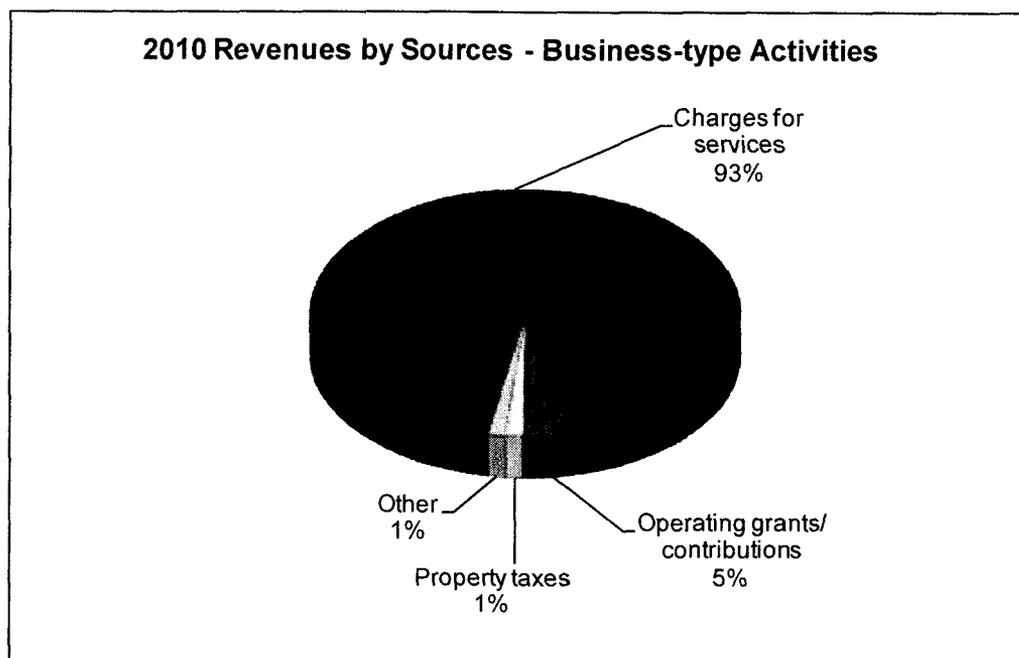
Business-type Activities

Business-type activities increased the City of Garden City's net assets by \$3,583,634, accounting for 116.4% of the total growth in the City's net assets. The key element of this increase was the ability of the utility funds to operate at a profit by monitoring rates charged for services and expenses incurred.

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



The following graph shows the composition of 2010 revenues by sources for the business-type activities.



Financial Analysis of the Government's Funds

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

Governmental Funds

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

As of the end of the current fiscal year, the City of Garden City's governmental funds reported combined ending fund balances of \$10,277,795, a decrease of \$771,848 in comparison with the prior year. Approximately 98.2% of this total amount (\$10,088,528) constitutes unreserved, undesignated fund balance, which is available for spending at the City's discretion. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed to pay debt service (\$189,267).

The general fund is the chief operating fund of the City of Garden City. At the end of the current fiscal year, unreserved, undesignated fund balance of the general fund was \$5,100,420, equal to the total fund balance. As a measure of the general fund's liquidity, it may be useful to compare the unreserved fund balance to total fund expenditures. The unreserved, undesignated fund balance represents 30.0% of total general fund expenditures.

The fund balance of the City of Garden City's general fund increased by \$169,864 during the current fiscal year. Key factors in this increase are as follows:

- Taxes increased \$843,118.
- Donations increased \$352,270.
- Police and municipal court revenues increased \$105,386
- Expenditures for general government increased \$393,518.
- Expenditures for public safety decreased \$47,781.

- Expenditures for parks and recreation increased \$137,665.
- Transfers out decreased \$254,212.

The debt service fund has a total fund balance of \$189,267, all of which is reserved for the payment of debt service. The net decrease in the fund balance during the current year in the debt service fund was \$24,074. This resulted from a decrease in the amount of taxes and special assessments received for the year.

Proprietary Funds

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

Unrestricted net assets of the electric utility at the end of the year amounted to \$6,838,573, and those for the water and sewer utility amounted to \$1,518,041. In addition, the airport fund's unrestricted net assets at the end of the year amounted to \$495,827; the other enterprise funds' unrestricted net assets at the end of the year totaled \$1,668,018. The total growth in net assets for all of the City's enterprise funds was \$3,583,634. This total includes growth in net assets of the electric utility of \$756,355 and a growth in net assets of the water and sewer utility of \$1,097,867. In addition, the airport experienced a growth in net assets of \$1,291,298. 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 2010. However, departments within the City are allowed to transfer budget authority between line items and between cost centers within a department. In addition, budget authority may be transferred out of cost centers to reflect insurance savings, budget cuts, etc. As a result of these budget transfers, the original budget and the final budgets may not be the same in some cost centers.

The following revenue and expenditure categories experienced significant differences between the final budget amount and the actual amount. The explanation of the difference is also included.

CATEGORY	EXPLANATION
Licenses and permits	Licenses and permits were budgeted conservatively due to the uncertain economy, but actual collections increased.
Use of money and property	Use of money and property was less than budgeted due to decreased investment rates and reimbursements were reported against expenditures.
General administration and capital improvements expenditures	General administration expenditures were \$669,917 less than budgeted and capital improvements were \$1,973,865 less than budgeted due to the budget process which requires an overstatement of expenditures to allow for cash carryovers.
Police expenditures	Police expenditures were \$401,349 less than budgeted due to vacancies in personnel throughout the year in all departments.
Fire	Fire expenditures were \$135,511 less than budgeted due to unfilled positions and employee benefits for positions not hired.
Parks and zoo expenditures	Parks and zoo expenditures were \$270,635 less than budgeted due to vacancies in personnel.

Capital Asset and Debt Administration

Capital Assets

The City of Garden City's investment in capital assets for its governmental and business-type activities as of December 31, 2010, was \$110,391,157 (net of accumulated depreciation). This investment in capital assets includes land; buildings and system; improvements; machinery and equipment; park, zoo and recreational facilities; and streets and bridges. The total increase in the City's investment in capital assets for the current fiscal year was 5.3% over the 2009 total (a 1.7% increase for governmental activities and a 7.5% 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)**

	2010			2009		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Land	\$ 1,183,776	\$ 361,870	\$ 1,545,646	\$ 1,183,776	\$ 361,870	\$ 1,545,646
Construction in progress	328,639	-	328,639	1,054,391	-	1,054,391
Buildings and improvements	8,464,583	66,913,850	75,378,433	7,566,036	62,101,276	69,667,312
Vehicles and equipment	3,302,808	1,708,937	5,011,745	3,140,142	1,691,514	4,831,656
Infrastructure	28,126,694	-	28,126,694	27,751,680	-	27,751,680
Total capital assets	\$ 41,406,500	\$ 68,984,657	\$ 110,391,157	\$ 40,696,025	\$ 64,154,660	\$ 104,850,685

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

Armory building	\$ 352,270
Finnup Center addition	618,885
SAP barn	204,000
2011 Pierce Freightline tanker	164,250
Airport improvements	1,715,296
Electrical infrastructure	1,096,563
AMI project - electrical	1,635,992
AMI project - water	1,729,609
Water infrastructure	263,384
Total	\$ 7,780,249

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

Long-term Debt

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

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

	2010			2009		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
General obligation bonds	\$ 9,823,000	\$ 15,277,000	\$ 25,100,000	\$ 10,028,700	\$ -	\$ 10,028,700
Revenue bonds and loans	-	-	-	-	12,927,595	12,927,595
Total	\$ 9,823,000	\$ 15,277,000	\$ 25,100,000	\$ 10,028,700	\$ 12,927,595	\$ 22,956,295

The City's total bonded debt increased by \$2,143,705 (9.3%) during the current fiscal year. The key factor in this increase was issuance of \$3,382,000 of general obligation bonds for internal improvements in the utility funds during 2010.

For the past 10 years, the City has received a credit rating of A2 from Moody's Investors Service.

State statutes limit the amount of general obligation debt the City may issue to 30% of its total assessed valuation. The current debt limitation for the City of Garden City is \$44,855,767, which is significantly in excess of the City's outstanding general obligation debt.

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

Economic Factors and Next Year's Budget and Rates

- The unemployment rate for the City of Garden City is currently 4.2%, which is up from 3.7% a year ago. Even though the rate increased, it compares favorably to the State's average unemployment rate of 6.4% and the national average rate of 9.4%.
- The occupancy rate of the City's central business district is at 89%, which remains unchanged from one year ago.
- Inflationary trends in the region compare favorably to national indices.

All of these factors were considered in preparing the City of Garden City's budget for the 2010 fiscal year.

During the current fiscal year, the unreserved, undesignated fund balance in the general fund decreased \$9,053, to \$3,310,971. The City has appropriated \$2,981,925 of the unreserved, undesignated fund balance for spending in the 2011 fiscal year budget. It is intended that this use of available fund balance will avoid the need to raise taxes or charges during the 2011 fiscal year. It also is intended to obviate the need for the transfer of additional resources to the general fund from the utility operations.

Requests for Information

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

Basic Financial Statements

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CITY OF GARDEN CITY, KANSAS
Statement of Net Assets
December 31, 2010

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Garden City Recreation Commission	Garden City Housing Authority
Assets					
Cash	\$ 8,563,152	\$ 7,751,790	\$ 16,314,942	\$ 616,123	\$ 134,915
Investments	1,673,077	300,000	1,973,077	-	174,400
Restricted assets:					
Cash	-	153,294	153,294	-	-
Investments	-	100,000	100,000	-	-
Receivables (net of allowances for uncollectibles):					
Taxes	7,132,248	389,860	7,522,108	-	-
Accounts and interest	321,983	1,489,851	1,811,834	-	4,355
Other	22,932	-	22,932	-	-
Internal balances	(250,000)	250,000	-	-	-
Prepaid expenses	-	-	-	11,956	41,072
Inventory	-	2,333,511	2,333,511	-	8,723
Deferred bond costs	67,183	-	67,183	-	-
Restricted assets:					
Cash	-	1,295,313	1,295,313	-	-
Deferred bond costs	-	184,068	184,068	-	-
Capital assets (net of accumulated depreciation):					
Land	1,183,776	361,870	1,545,646	-	426,144
Property, plant and equipment	39,894,085	68,622,787	108,516,872	440,927	1,615,313
Construction in progress	328,639	-	328,639	-	212,333
Total assets	\$ 58,937,075	\$ 83,232,344	\$ 142,169,419	\$ 1,069,006	\$ 2,617,255
Liabilities					
Accounts payable and accrued liabilities	\$ 814,513	\$ 1,604,693	\$ 2,419,206	\$ 28,639	\$ 29,701
Unearned revenue	5,326,858	389,860	5,716,718	-	5,097
Accrued interest	115,403	49,131	164,534	-	-
Current portion of long-term liabilities	2,437,531	1,469,860	3,907,391	43,785	1,772
Payable from restricted assets:					
Customer deposits and refunds	-	248,034	248,034	-	21,263
Noncurrent liabilities:					
Long-term liabilities due in more than one year	9,536,794	14,111,866	23,648,660	75,885	15,948
Total liabilities	\$ 18,231,099	\$ 17,873,444	\$ 36,104,543	\$ 148,309	\$ 73,781
Net Assets					
Invested in capital assets, net of related debt	\$ 31,975,036	\$ 53,353,800	\$ 85,328,836	\$ 357,063	\$ 2,253,790
Restricted for:					
Debt service	189,267	1,484,641	1,673,908	-	-
Other purposes	-	-	-	21,067	-
Unrestricted	8,541,673	10,520,459	19,062,132	542,567	289,684
Total net assets	\$ 40,705,976	\$ 65,358,900	\$ 106,064,876	\$ 920,697	\$ 2,543,474

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, 2010

Functions/Programs	Program Revenues			
Primary government:	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 4,698,266	\$ 449,462	\$ 517,374	\$ 812,029
Public safety	10,520,505	1,594,491	158,108	-
Public works	3,997,877	-	910,936	25,000
Parks and recreation	2,766,802	16,734	71,257	-
Interest on long-term debt	400,611	-	-	-
Total governmental activities	22,384,061	2,060,687	1,657,675	837,029
Business-type activities:				
Electric	21,157,506	23,072,844	-	-
Water and sewer	5,666,156	7,092,827	-	-
Airport	1,107,934	286,326	1,629,530	-
Solid waste	2,364,421	2,733,879	-	-
Golf course	763,293	448,690	-	-
Drainage	98,028	205,276	-	-
Total business-type activities	31,157,338	33,839,842	1,629,530	-
Total primary government	\$ 53,541,399	\$ 35,900,529	\$ 3,287,205	\$ 837,029
Component units:				
Garden City Recreation Commission	\$ 1,778,421	\$ 373,301	\$ 171,234	\$ -
Garden City Housing Authority	703,854	261,069	280,017	93,758
Total component units	\$ 2,482,275	\$ 634,370	\$ 451,251	\$ 93,758
General revenues:				
Taxes:				
Property taxes levied for general purposes				
Property taxes levied for debt service				
Property taxes levied for contributed capital purposes				
Sales taxes				
Franchise taxes				
Other taxes				
Investment earnings				
Miscellaneous				
Gain on disposal of capital assets				
Transfers				
Total general revenues and transfers				
Change in net assets				
Net assets, beginning of year				
Net assets, end of year				

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

Net (Expense) Revenue and Changes in Net Assets				
Primary Government			Component Units	
Governmental Activities	Business-type Activities	Total	Garden City Recreation Commission	Garden City Housing Authority
\$ (2,919,401)	\$ -	\$ (2,919,401)	\$ -	\$ -
(8,767,906)	-	(8,767,906)	-	-
(3,061,941)	-	(3,061,941)	-	-
(2,678,811)	-	(2,678,811)	-	-
(400,611)	-	(400,611)	-	-
<u>(17,828,670)</u>	<u>-</u>	<u>(17,828,670)</u>	<u>-</u>	<u>-</u>
-	1,915,338	1,915,338	-	-
-	1,426,671	1,426,671	-	-
-	807,922	807,922	-	-
-	369,458	369,458	-	-
-	(314,603)	(314,603)	-	-
-	107,248	107,248	-	-
-	<u>4,312,034</u>	<u>4,312,034</u>	<u>-</u>	<u>-</u>
<u>(17,828,670)</u>	<u>4,312,034</u>	<u>(13,516,636)</u>	<u>-</u>	<u>-</u>
-	-	-	(1,233,886)	-
-	-	-	-	(69,010)
-	-	-	<u>(1,233,886)</u>	<u>(69,010)</u>
3,822,597	-	3,822,597	1,169,037	-
1,370,619	-	1,370,619	-	-
-	471,787	471,787	-	-
8,505,990	-	8,505,990	-	-
707,656	-	707,656	-	-
761,578	-	761,578	4,000	-
301,284	5,929	307,213	13,308	2,985
174,980	471,116	646,096	6,872	-
-	1,268	1,268	-	-
1,678,500	<u>(1,678,500)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>17,323,204</u>	<u>(728,400)</u>	<u>16,594,804</u>	<u>1,193,217</u>	<u>2,985</u>
(505,466)	3,583,634	3,078,168	(40,669)	(66,025)
<u>41,211,442</u>	<u>61,775,266</u>	<u>102,986,708</u>	<u>961,366</u>	<u>2,609,499</u>
<u>\$ 40,705,976</u>	<u>\$ 65,358,900</u>	<u>\$ 106,064,876</u>	<u>\$ 920,697</u>	<u>\$ 2,543,474</u>

CITY OF GARDEN CITY, KANSAS
Balance Sheet
Governmental Funds
December 31, 2010

	<u>General</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>Assets</u>				
Cash	\$ 3,572,858	\$ 189,267	\$ 3,686,919	\$ 7,449,044
Investments	-	-	1,548,077	1,548,077
Receivables (net of allowances for uncollectibles):				
Taxes	4,921,920	1,278,940	931,388	7,132,248
Special assessments	-	1,491,917	-	1,491,917
Accounts and interest	321,983	-	-	321,983
Other	-	-	22,932	22,932
Interfund receivable	3,980	-	-	3,980
 Total assets	 <u>\$ 8,820,741</u>	 <u>\$ 2,960,124</u>	 <u>\$ 6,189,316</u>	 <u>\$ 17,970,181</u>
 <u>Liabilities and Fund Balances</u>				
Liabilities:				
Accounts payable and accrued liabilities	\$ 408,032	\$ -	\$ 211,599	\$ 619,631
Interfund payable	-	-	3,980	3,980
Deferred revenue	3,312,289	2,770,857	735,629	6,818,775
Temporary notes payable	-	-	250,000	250,000
 Total liabilities	 <u>3,720,321</u>	 <u>2,770,857</u>	 <u>1,201,208</u>	 <u>7,692,386</u>
Fund balances:				
Reserved for debt service	-	189,267	-	189,267
Unreserved, reported in:				
General fund	5,100,420	-	-	5,100,420
Special revenue funds	-	-	4,198,268	4,198,268
Capital project funds	-	-	789,840	789,840
 Total fund balances	 <u>5,100,420</u>	 <u>189,267</u>	 <u>4,988,108</u>	 <u>10,277,795</u>
 Total liabilities and fund balances	 <u>\$ 8,820,741</u>	 <u>\$ 2,960,124</u>	 <u>\$ 6,189,316</u>	 <u>\$ 17,970,181</u>

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

CITY OF GARDEN CITY, KANSAS
 Reconciliation of the Balance Sheet to the
 Statement of Net Assets - Governmental Funds
 December 31, 2010

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

Fund balances - total governmental funds	\$ 10,277,795
--	---------------

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.	41,406,500
--	------------

Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	67,183
--	--------

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

Governmental bonds payable	\$ (9,823,000)	
Capital leases payable	(744,533)	
Accrued interest payable on long-term debt	(115,403)	
Compensated absences	<u>(956,598)</u>	(11,639,534)

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>594,032</u>
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Net assets of governmental activities	<u><u>\$ 40,705,976</u></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, 2010

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	\$ 12,244,326	\$ 1,370,619	\$ 845,839	\$ 14,460,784
Special assessment taxes	-	348,077	-	348,077
Intergovernmental revenue	191,931	25,000	1,465,744	1,682,675
Franchises	707,656	-	-	707,656
Licenses and permits	339,459	-	-	339,459
Use of money and property	221,278	874	77,938	300,090
Miscellaneous	1,566	-	173,414	174,980
Donations	352,270	-	111,682	463,952
Cemetery	102,460	-	3,300	105,760
Police and municipal court	1,262,325	-	-	1,262,325
Fire	195,861	-	-	195,861
Inspection	136,305	-	-	136,305
Planning and zoning	4,243	-	-	4,243
Parks and zoo	16,734	-	-	16,734
Total revenues	<u>15,776,414</u>	<u>1,744,570</u>	<u>2,677,917</u>	<u>20,198,901</u>
Expenditures:				
Current:				
General government	3,454,811	-	381,260	3,836,071
Public safety	10,150,577	-	66,691	10,217,268
Public works	1,141,802	-	610,779	1,752,581
Parks and recreation	2,239,715	-	881,308	3,121,023
Capital outlay and capital projects	-	-	3,014,771	3,014,771
Debt service:				
Principal	-	1,623,700	-	1,623,700
Interest and fiscal charges	-	359,944	-	359,944
Bond issuance costs	-	-	4,341	4,341
Total expenditures	<u>16,986,905</u>	<u>1,983,644</u>	<u>4,959,150</u>	<u>23,929,699</u>
Revenues under expenditures	<u>(1,210,491)</u>	<u>(239,074)</u>	<u>(2,281,233)</u>	<u>(3,730,798)</u>
Other financing sources (uses):				
Transfers in	1,648,500	-	635,595	2,284,095
Transfers out	(375,595)	-	(475,000)	(850,595)
Bonds issued	-	215,000	1,203,000	1,418,000
Issuance of capital leases	107,450	-	-	107,450
Total other financing sources (uses)	<u>1,380,355</u>	<u>215,000</u>	<u>1,363,595</u>	<u>2,958,950</u>
Net change in fund balances	169,864	(24,074)	(917,638)	(771,848)
Fund balance, beginning of year	<u>4,930,556</u>	<u>213,341</u>	<u>5,905,746</u>	<u>11,049,643</u>
Fund balance, end of year	<u>\$ 5,100,420</u>	<u>\$ 189,267</u>	<u>\$ 4,988,108</u>	<u>\$ 10,277,795</u>

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

CITY OF GARDEN CITY, KANSAS
 Reconciliation of the Statement of Revenues, Expenditures and
 Changes in Fund Balances of Governmental Funds
 to the Statement of Activities
 For the Year Ended December 31, 2010

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 \$ (771,848)

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

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

Expenditures for capital assets	\$ 3,139,669	
Less current year depreciation	(2,055,692)	
Less current year disposals (net of depreciation)	<u>(373,502)</u>	710,475

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

Accrued interest expense on long-term debt, net change	(34,616)	
Change in compensated absences	<u>(168,287)</u>	(202,903)

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

Bonds issued	(1,418,000)	
Bond issuance costs, net of amortization	(1,710)	
Principal payments	<u>1,623,700</u>	203,990

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

Capital leases issued	(107,450)	
Principal payments	<u>302,607</u>	195,157

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.

(640,337)

Changes in net assets of governmental activities

\$ (505,466)

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

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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, 2010

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts Budgetary Basis	
Revenues:				
Administration:				
Taxes	\$ 12,090,525	\$ 12,090,525	\$ 12,033,652	\$ (56,873)
Intergovernmental revenue	145,000	145,000	191,931	46,931
Franchises	830,000	830,000	739,413	(90,587)
Licenses and permits	238,084	238,084	339,459	101,375
Use of money and property	255,000	836,500	221,278	(615,222)
Reimbursements	581,500	-	-	-
Miscellaneous	49,566	49,566	1,566	(48,000)
Total administration	14,189,675	14,189,675	13,527,299	(662,376)
Cemetery	109,250	109,250	102,460	(6,790)
Police and municipal court	1,255,400	1,255,400	1,262,325	6,925
Fire	200,000	200,000	195,861	(4,139)
Inspection	150,500	150,500	136,305	(14,195)
Planning and zoning	-	-	4,243	4,243
Parks and zoo	18,000	18,000	16,734	(1,266)
Total revenues	15,922,825	15,922,825	15,245,227	(677,598)
Expenditures:				
Current:				
General government:				
General administration	1,515,820	1,515,820	845,903	669,917
Human resources	132,000	132,000	131,172	828
Cemetery	516,000	516,000	440,774	75,226
Development services	243,750	243,750	249,057	(5,307)
Capital improvements	3,220,500	3,220,500	1,246,635	1,973,865
Employee benefits	189,000	189,000	189,000	-
Public safety:				
Police	6,649,700	6,649,700	6,248,351	401,349
Fire	2,804,650	2,804,650	2,669,139	135,511
Inspection	294,650	294,650	243,588	51,062
Municipal court	1,023,380	1,023,380	989,499	33,881
Highways and streets:				
Engineering	264,000	264,000	214,691	49,309
Street	1,033,500	1,033,500	927,111	106,389
Recreation:				
Parks and zoo	2,510,350	2,510,350	2,239,715	270,635
Total expenditures	20,397,300	20,397,300	16,634,635	3,762,665
Revenues over (under) expenditures	(4,474,475)	(4,474,475)	(1,389,408)	3,085,067
Other financing sources (uses):				
Transfers in	1,498,500	1,498,500	1,648,500	150,000
Transfers out	(275,000)	(275,000)	(375,595)	(100,595)
Capital lease proceeds	-	-	107,450	107,450
Net change in fund balances	(3,250,975)	(3,250,975)	(9,053)	3,241,922
Fund balance, beginning of year	3,250,975	3,250,975	3,320,024	69,049
Fund balance, end of year	\$ -	\$ -	\$ 3,310,971	\$ 3,310,971

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

CITY OF GARDEN CITY, KANSAS
Balance Sheet
Proprietary Funds
December 31, 2010

	Business-type Activities - Enterprise					
	Electric Utility	Electric Utility	Water and Sewer Utility	Water and Sewer Utility	Airport	Airport
	Current Year	Prior Year	Current Year	Prior Year	Current Year	Prior Year
Assets						
Current assets:						
Cash	\$ 4,828,608	\$ 4,901,323	\$ 1,120,011	\$ 521,469	\$ 521,655	\$ 509,388
Investments, at fair value	-	-	-	-	-	-
Temporary notes receivable	250,000	-	-	-	-	-
Restricted assets:						
Cash	148,034	195,544	-	-	-	-
Investments	100,000	50,000	-	-	-	-
Taxes receivable	-	-	-	-	389,860	399,586
Accounts receivable	996,884	901,495	303,723	261,362	13,597	6,820
Inventory	2,035,542	2,102,231	297,969	213,006	-	-
Total current assets	8,359,068	8,150,593	1,721,703	995,837	925,112	915,794
Noncurrent assets:						
Restricted assets:						
Cash	-	-	1,295,313	1,215,998	-	-
Deferred bond costs	19,083	-	164,985	-	-	-
Total restricted assets	19,083	-	1,460,298	1,215,998	-	-
Capital assets:						
Land	103,041	103,041	120,329	120,329	-	-
Production, storage and distribution equipment	27,529,772	24,797,218	45,876,424	43,883,431	-	-
Less accumulated depreciation	(10,035,990)	(9,507,028)	(17,877,680)	(16,976,397)	-	-
Golf course, club house and equipment	-	-	-	-	-	-
Less accumulated depreciation	-	-	-	-	-	-
Vehicles and equipment	970,448	971,054	1,029,024	1,022,116	1,147,512	1,130,265
Less accumulated depreciation	(808,045)	(785,606)	(921,814)	(855,373)	(237,383)	(209,891)
Containers	-	-	-	-	-	-
Less accumulated depreciation	-	-	-	-	-	-
Airport improvement	-	-	-	-	26,372,411	24,657,115
Less accumulated depreciation	-	-	-	-	(7,055,807)	(6,633,085)
Total capital assets	17,759,226	15,578,679	28,226,283	27,194,106	20,226,733	18,944,404
Total noncurrent assets	17,778,309	15,578,679	29,686,581	28,410,104	20,226,733	18,944,404
Total assets	\$ 26,137,377	\$ 23,729,272	\$ 31,408,284	\$ 29,405,941	\$ 21,151,845	\$ 19,860,198
Liabilities						
Current liabilities:						
Accounts payable and accrued liabilities	\$ 1,272,461	\$ 1,285,110	\$ 203,662	\$ 167,465	\$ 39,425	\$ 29,350
Unearned revenue	-	-	-	-	389,860	399,586
Accrued interest	6,909	-	42,222	173,074	-	-
Current portion of revenue bonds payable	124,500	-	1,345,360	1,013,639	-	-
Payable from restricted assets:						
Customer deposits	248,034	245,544	-	-	-	-
Total current liabilities	1,651,904	1,530,654	1,591,244	1,354,178	429,285	428,936
Noncurrent liabilities:						
Net OPEB obligation	-	-	-	-	-	-
Revenue bonds payable	1,530,500	-	12,581,366	11,913,956	-	-
Total noncurrent liabilities	1,530,500	-	12,581,366	11,913,956	-	-
Total liabilities	3,182,404	1,530,654	14,172,610	13,268,134	429,285	428,936
Net Assets						
Invested in capital assets, net of related debt	16,097,317	15,578,679	14,257,335	14,266,511	20,226,733	18,944,404
Restricted for debt service	19,083	-	1,460,298	1,215,998	-	-
Restricted for health insurance	-	-	-	-	-	-
Restricted for workers compensation	-	-	-	-	-	-
Unrestricted	6,838,573	6,619,939	1,518,041	655,298	495,827	486,858
Total net assets	22,954,973	22,198,618	17,235,674	16,137,807	20,722,560	19,431,262
Total liabilities and net assets	\$ 26,137,377	\$ 23,729,272	\$ 31,408,284	\$ 29,405,941	\$ 21,151,845	\$ 19,860,198

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

Funds				Governmental Activities
Other Enterprise Funds	Other Enterprise Funds	Totals	Totals	Internal Service Funds
Current Year	Prior Year	Current Year	Prior Year	
\$ 1,281,516	\$ 1,141,390	\$ 7,751,790	\$ 7,073,570	\$ 1,114,108
300,000	300,000	300,000	300,000	125,000
-	-	250,000	-	-
5,260	18,112	153,294	213,656	-
-	-	100,000	50,000	-
-	-	389,860	399,586	-
175,647	137,208	1,489,851	1,306,885	-
-	-	2,333,511	2,315,237	-
<u>1,762,423</u>	<u>1,596,710</u>	<u>12,768,306</u>	<u>11,658,934</u>	<u>1,239,108</u>
-	-	1,295,313	1,215,998	-
-	-	184,068	-	-
-	-	1,479,381	1,215,998	-
138,500	138,500	361,870	361,870	-
337,232	157,933	73,743,428	68,838,582	-
(8,520)	(1,645)	(27,922,190)	(26,485,070)	-
1,675,157	1,675,157	1,675,157	1,675,157	-
(944,592)	(910,770)	(944,592)	(910,770)	-
1,720,859	1,550,468	4,867,843	4,673,903	-
(1,191,664)	(1,131,519)	(3,158,906)	(2,982,389)	-
3,175,803	3,042,503	3,175,803	3,042,503	-
(2,130,360)	(2,083,156)	(2,130,360)	(2,083,156)	-
-	-	26,372,411	24,657,115	-
-	-	(7,055,807)	(6,633,085)	-
<u>2,772,415</u>	<u>2,437,471</u>	<u>68,984,657</u>	<u>64,154,660</u>	<u>-</u>
<u>2,772,415</u>	<u>2,437,471</u>	<u>70,464,038</u>	<u>65,370,658</u>	<u>-</u>
<u>\$ 4,534,838</u>	<u>\$ 4,034,181</u>	<u>\$ 83,232,344</u>	<u>\$ 77,029,592</u>	<u>\$ 1,239,108</u>
\$ 89,145	\$ 26,602	\$ 1,604,693	\$ 1,508,527	\$ 194,882
-	-	389,860	399,586	-
-	-	49,131	173,074	-
-	-	1,469,860	1,013,639	-
-	-	248,034	245,544	-
<u>89,145</u>	<u>26,602</u>	<u>3,761,578</u>	<u>3,340,370</u>	<u>194,882</u>
-	-	-	-	450,194
-	-	14,111,866	11,913,956	-
-	-	14,111,866	11,913,956	450,194
<u>89,145</u>	<u>26,602</u>	<u>17,873,444</u>	<u>15,254,326</u>	<u>645,076</u>
2,772,415	2,437,471	53,353,800	51,227,065	-
5,260	18,112	1,484,641	1,234,110	-
-	-	-	-	224,353
-	-	-	-	369,679
<u>1,668,018</u>	<u>1,551,996</u>	<u>10,520,459</u>	<u>9,314,091</u>	<u>-</u>
<u>4,445,693</u>	<u>4,007,579</u>	<u>65,358,900</u>	<u>61,775,266</u>	<u>594,032</u>
<u>\$ 4,534,838</u>	<u>\$ 4,034,181</u>	<u>\$ 83,232,344</u>	<u>\$ 77,029,592</u>	<u>\$ 1,239,108</u>

CITY OF GARDEN CITY, KANSAS
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended December 31, 2010

	Business-type Activities - Enterprise					
	Electric Utility	Electric Utility	Water and Sewer Utility	Water and Sewer Utility	Airport	Airport
	Current Year	Prior Year	Current Year	Prior Year	Current Year	Prior Year
Operating revenues:						
Charges for services	\$ 23,072,844	\$ 21,424,209	\$ 7,092,827	\$ 6,266,262	\$ -	\$ -
Reimbursements	-	-	-	-	-	-
Rents and utilities	-	-	-	-	286,326	326,444
Miscellaneous	4,664	1,619	2,096	19,993	1,039	291
Membership and fees	-	-	-	-	-	-
Concessions	-	-	-	-	-	-
Total operating revenues	23,077,508	21,425,828	7,094,923	6,286,255	287,365	326,735
Operating expenses:						
Personnel services	-	-	-	-	252,457	275,245
Contractual services	-	-	-	-	244,067	162,843
Commodities	23,857	24,946	-	-	161,196	424,730
Depreciation	573,769	565,198	992,532	983,133	450,214	442,764
Production expense	17,698,105	15,444,101	3,135,225	3,084,777	-	-
Distribution expense	1,239,878	1,083,505	463,569	435,801	-	-
Commercial and general expense	761,519	768,902	489,406	467,324	-	-
Sundry expenses	852,201	905,248	130,913	114,186	-	-
Total operating expenses	21,149,329	18,791,900	5,211,645	5,085,221	1,107,934	1,305,582
Operating income (loss)	1,928,179	2,633,928	1,883,278	1,201,034	(820,569)	(978,847)
Nonoperating revenues (expenses):						
Intergovernmental revenue	-	-	-	-	1,629,530	3,432,840
Interest income	68	-	790	4,474	-	193
Rent and royalties	-	-	-	-	10,550	7,068
Sale of materials	321,285	48,919	34,310	48,126	-	-
Interest expense	(6,909)	-	(447,975)	(475,650)	-	-
Loss on disposal of assets	(1,268)	(6,130)	(6,536)	(27,176)	-	-
Total nonoperating revenues (expenses)	313,176	42,789	(419,411)	(450,226)	1,640,080	3,440,101
Income (loss) before operating transfers	2,241,355	2,676,717	1,463,867	750,808	819,511	2,461,254
Capital contributions	-	-	-	-	471,787	419,206
Transfers in	-	-	-	-	-	267,100
Transfers out	(1,485,000)	(2,192,000)	(366,000)	(295,500)	-	-
Change in net assets	756,355	484,717	1,097,867	455,308	1,291,298	3,147,560
Total net assets, beginning of year	22,198,618	21,713,901	16,137,807	15,682,499	19,431,262	16,283,702
Total net assets, end of year	\$ 22,954,973	\$ 22,198,618	\$ 17,235,674	\$ 16,137,807	\$ 20,722,560	\$ 19,431,262

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

Funds				Governmental Activities
Other Enterprise Funds Current Year	Other Enterprise Funds Prior Year	Totals Current Year	Totals Prior Year	Internal Service Funds
\$ 2,939,155	\$ 2,321,298	\$ 33,104,826	\$ 30,011,769	\$ -
-	-	-	-	2,284,530
-	-	286,326	326,444	-
8,162	3,501	15,961	25,404	-
383,846	367,575	383,846	367,575	-
64,844	69,491	64,844	69,491	-
<u>3,396,007</u>	<u>2,761,865</u>	<u>33,855,803</u>	<u>30,800,683</u>	<u>2,284,530</u>
1,481,896	1,411,182	1,734,353	1,686,427	-
1,077,658	949,443	1,321,725	1,112,286	3,171,061
384,977	372,287	570,030	821,963	-
265,792	261,882	2,282,307	2,252,977	-
-	-	20,833,330	18,528,878	-
-	-	1,703,447	1,519,306	-
-	-	1,250,925	1,236,226	-
-	-	983,114	1,019,434	-
<u>3,210,323</u>	<u>2,994,794</u>	<u>30,679,231</u>	<u>28,177,497</u>	<u>3,171,061</u>
185,684	(232,929)	3,176,572	2,623,186	(886,531)
-	-	1,629,530	3,432,840	-
5,071	9,267	5,929	13,934	1,194
4,500	11,100	15,050	18,168	-
84,510	56,989	440,105	154,034	-
-	-	(454,884)	(475,650)	-
(14,151)	(17,330)	(21,955)	(50,636)	-
<u>79,930</u>	<u>60,026</u>	<u>1,613,775</u>	<u>3,092,690</u>	<u>1,194</u>
265,614	(172,903)	4,790,347	5,715,876	(885,337)
-	-	471,787	419,206	-
325,000	250,000	325,000	517,100	245,000
(152,500)	(60,000)	(2,003,500)	(2,547,500)	-
438,114	17,097	3,583,634	4,104,682	(640,337)
<u>4,007,579</u>	<u>3,990,482</u>	<u>61,775,266</u>	<u>57,670,584</u>	<u>1,234,369</u>
<u>\$ 4,445,693</u>	<u>\$ 4,007,579</u>	<u>\$ 65,358,900</u>	<u>\$ 61,775,266</u>	<u>\$ 594,032</u>

CITY OF GARDEN CITY, KANSAS
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2010

	Business-type Activities - Enterprise					
	Electric Utility	Electric Utility	Water and Sewer Utility	Water and Sewer Utility	Airport	Airport
	Current Year	Prior Year	Current Year	Prior Year	Current Year	Prior Year
Cash flows from operating activities:						
Receipts from customers	\$ 22,977,455	\$ 21,350,769	\$ 7,050,466	\$ 6,222,365	\$ 279,549	\$ 340,774
Other receipts	4,664	1,619	2,096	19,993	1,039	291
Payments to suppliers	(18,978,654)	(16,930,353)	(2,829,404)	(2,782,791)	(395,188)	(627,348)
Payments for personnel services	(1,542,866)	(1,468,168)	(1,438,475)	(1,399,001)	(252,457)	(275,245)
Claims paid	-	-	-	-	-	-
Net cash provided (used) by operating activities	<u>2,460,599</u>	<u>2,953,867</u>	<u>2,784,683</u>	<u>2,060,566</u>	<u>(367,057)</u>	<u>(561,528)</u>
Cash flows from noncapital financing activities:						
Customer deposits	2,490	1,781	-	-	-	-
Subsidy from federal grants	-	-	-	-	1,629,530	3,432,840
Transfers in	-	-	-	-	-	267,100
Transfers out	(1,485,000)	(2,192,000)	(366,000)	(295,500)	-	-
Net cash provided (used) by noncapital financing activities	<u>(1,482,510)</u>	<u>(2,190,219)</u>	<u>(366,000)</u>	<u>(295,500)</u>	<u>1,629,530</u>	<u>3,699,940</u>
Cash flows from capital and related financing activities:						
Receipts from sale of materials	321,285	48,919	34,310	48,126	-	-
Purchases of capital assets	(2,755,584)	(646,559)	(2,031,245)	(379,048)	(1,732,543)	(3,363,067)
Capital contributions	-	-	-	-	471,787	419,206
Proceeds from issuance of long-term debt	1,655,000	-	13,622,000	-	-	-
Premium from issuance of long-term debt	-	-	304,726	-	-	-
Payment of long-term debt	-	-	(12,927,595)	(978,574)	-	-
Interest paid on long-term debt	-	-	(578,827)	(488,572)	-	-
Bond issuance costs	(19,083)	-	(164,985)	-	-	-
Net cash provided (used) by capital and related financing activities	<u>(798,382)</u>	<u>(597,640)</u>	<u>(1,741,616)</u>	<u>(1,798,068)</u>	<u>(1,260,756)</u>	<u>(2,943,861)</u>
Cash flows from investing activities:						
Interest income	68	-	790	4,474	-	193
Proceeds from sale of investments	100,000	150,000	-	945,000	-	90,000
Purchase of investments	(400,000)	(100,000)	-	-	-	-
Rents and royalties	-	-	-	-	10,550	7,068
Net cash provided (used) by investing activities	<u>(299,932)</u>	<u>50,000</u>	<u>790</u>	<u>949,474</u>	<u>10,550</u>	<u>97,261</u>
Net increase (decrease) in cash	(120,225)	216,008	677,857	916,472	12,267	291,812
Cash, beginning of year	5,096,867	4,880,859	1,737,467	820,995	509,388	217,576
Cash, end of year	<u>\$ 4,976,642</u>	<u>\$ 5,096,867</u>	<u>\$ 2,415,324</u>	<u>\$ 1,737,467</u>	<u>\$ 521,655</u>	<u>\$ 509,388</u>
Balance sheet classification:						
Current assets	\$ 4,828,608	\$ 4,901,323	\$ 1,120,011	\$ 521,469	\$ 521,655	\$ 509,388
Restricted assets	148,034	195,544	1,295,313	1,215,998	-	-
Total cash, end of year	<u>\$ 4,976,642</u>	<u>\$ 5,096,867</u>	<u>\$ 2,415,324</u>	<u>\$ 1,737,467</u>	<u>\$ 521,655</u>	<u>\$ 509,388</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
Operating income (loss)	\$ 1,928,179	\$ 2,633,928	\$ 1,883,278	\$ 1,201,034	\$ (820,569)	\$ (978,847)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:						
Depreciation	573,769	565,198	992,532	983,133	450,214	442,764
Change in assets and liabilities:						
(Increase) decrease in receivables	(95,389)	(73,440)	(42,361)	(43,897)	(6,777)	14,330
(Increase) decrease in inventory	66,689	(255,379)	(84,963)	25,346	-	-
Increase (decrease) in accounts payable	(12,649)	83,560	36,197	(105,050)	10,075	(39,775)
Increase in net OPEB obligations	-	-	-	-	-	-
Net cash provided (used) by operating activities	<u>\$ 2,460,599</u>	<u>\$ 2,953,867</u>	<u>\$ 2,784,683</u>	<u>\$ 2,060,566</u>	<u>\$ (367,057)</u>	<u>\$ (561,528)</u>

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

Funds				Governmental Activities
Other Enterprise Funds	Other Enterprise Funds	Totals	Totals	Internal Service Funds
Current Year	Prior Year	Current Year	Prior Year	
\$ 3,349,406	\$ 2,745,865	\$ 33,656,876	\$ 30,659,773	\$ -
8,162	3,501	15,961	25,404	2,284,530
(1,400,092)	(1,443,768)	(23,603,338)	(21,784,260)	-
(1,481,896)	(1,411,182)	(4,715,694)	(4,553,596)	-
-	-	-	-	(2,957,385)
<u>475,580</u>	<u>(105,584)</u>	<u>5,353,805</u>	<u>4,347,321</u>	<u>(672,855)</u>
-	-	2,490	1,781	-
-	-	1,629,530	3,432,840	-
325,000	250,000	325,000	517,100	245,000
<u>(152,500)</u>	<u>(60,000)</u>	<u>(2,003,500)</u>	<u>(2,547,500)</u>	<u>-</u>
<u>172,500</u>	<u>190,000</u>	<u>(46,480)</u>	<u>1,404,221</u>	<u>245,000</u>
84,510	56,989	440,105	154,034	-
(614,887)	(429,812)	(7,134,259)	(4,818,486)	-
-	-	471,787	419,206	-
-	-	15,277,000	-	-
-	-	304,726	-	-
-	-	(12,927,595)	(978,574)	-
-	-	(578,827)	(488,572)	-
-	-	(184,068)	-	-
<u>(530,377)</u>	<u>(372,823)</u>	<u>(4,331,131)</u>	<u>(5,712,392)</u>	<u>-</u>
5,071	9,267	5,929	13,934	1,194
300,000	550,000	400,000	1,735,000	-
(300,000)	(300,000)	(700,000)	(400,000)	-
<u>4,500</u>	<u>11,100</u>	<u>15,050</u>	<u>18,168</u>	<u>-</u>
<u>9,571</u>	<u>270,367</u>	<u>(279,021)</u>	<u>1,367,102</u>	<u>1,194</u>
127,274	(18,040)	697,173	1,406,252	(426,661)
<u>1,159,502</u>	<u>1,177,542</u>	<u>8,503,224</u>	<u>7,096,972</u>	<u>1,540,769</u>
<u>\$ 1,286,776</u>	<u>\$ 1,159,502</u>	<u>\$ 9,200,397</u>	<u>\$ 8,503,224</u>	<u>\$ 1,114,108</u>
\$ 1,281,516	\$ 1,141,390	\$ 7,751,790	\$ 7,073,570	\$ 1,114,108
5,260	18,112	1,448,607	1,429,654	-
<u>\$ 1,286,776</u>	<u>\$ 1,159,502</u>	<u>\$ 9,200,397</u>	<u>\$ 8,503,224</u>	<u>\$ 1,114,108</u>
\$ 185,684	\$ (232,929)	\$ 3,176,572	\$ 2,623,186	\$ (886,531)
265,792	261,882	2,282,307	2,252,977	-
(38,439)	(12,499)	(182,966)	(115,506)	-
-	-	(18,274)	(230,033)	-
62,543	(122,038)	96,166	(183,303)	(11,421)
-	-	-	-	225,097
<u>\$ 475,580</u>	<u>\$ (105,584)</u>	<u>\$ 5,353,805</u>	<u>\$ 4,347,321</u>	<u>\$ (672,855)</u>

CITY OF GARDEN CITY, KANSAS
Statement of Fiduciary Net Assets
Fiduciary Funds
December 31, 2010

	<u>Agency Accounts</u>
<u>Assets</u>	
Cash	\$ 131,282
Total assets	<u>\$ 131,282</u>
<u>Liabilities</u>	
Accounts payable	\$ 131,282
Total liabilities	<u>\$ 131,282</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, 2010

1. Summary of Significant Accounting Policies

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

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

A. Financial Reporting Entity

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

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

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

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

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

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

Garden City Housing Authority
606 Pershing
Garden City, KS 67846

CITY OF GARDEN CITY, KANSAS
Notes to the Financial Statements
December 31, 2010

1. Summary of Significant Accounting Policies (continued)

B. Government-wide and Fund Financial Statements

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

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

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

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

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

CITY OF GARDEN CITY, KANSAS
Notes to the Financial Statements
December 31, 2010

1. Summary of Significant Accounting Policies (continued)

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

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

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

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

The City reports the following nonmajor governmental funds:

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

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

The City reports the following major proprietary funds:

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

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

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

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

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

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

CITY OF GARDEN CITY, KANSAS
Notes to the Financial Statements
December 31, 2010

1. Summary of Significant Accounting Policies (continued)

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

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

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

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

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

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

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

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

CITY OF GARDEN CITY, KANSAS
Notes to the Financial Statements
December 31, 2010

1. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities, and Net Assets or Equity

Deposits and Investments

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

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

State statutes authorize the City to invest idle funds in U.S. government securities, temporary notes, no-fund warrants, repurchase agreements and the Kansas Municipal Investment Pool. The Kansas Municipal Investment Pool operates in accordance with appropriate State laws and regulations. The reported value of the investment in the Kansas Municipal Investment Pool is the same as the fair value of its pool shares. Other investments of the City and its component units are stated at fair value, which equals cost. The aggregate value of the investments, including certificates of deposit, at December 31, 2010, is \$2,073,077.

Receivables and Payables

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

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

All trade and property tax receivables are shown net of an allowance for uncollectibles. Trade accounts receivable in excess of 90 days comprise the trade accounts receivable allowance for uncollectibles. The property tax receivable allowance is equal to 4.16% of outstanding property taxes at December 31, 2010.

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, 2010, such taxes are a lien on the property and are recorded as taxes receivable, net of anticipated delinquencies of \$248,105, 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, 2010, are not significant.

CITY OF GARDEN CITY, KANSAS
Notes to the Financial Statements
December 31, 2010

1. Summary of Significant Accounting Policies (continued)

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

Receivables and Payables (continued)

Kansas statutes require projects financed in part by special assessments to be financed through the issuance of general obligation bonds which are secured by the full faith and credit of the City. Special assessments received prior to or after the issuance of general obligation bonds are recorded as revenue in the appropriate project fund. Further, state statutes require levying additional general ad valorem property taxes in the Debt Service Fund to finance delinquent special assessments receivable. Accordingly, special assessments receivable are accounted for within the Debt Service Fund and no provision is made for potentially delinquent receivables. Special assessments are levied over a ten or fifteen year period and annual installments are due and payable with annual ad valorem property taxes. The City may foreclose liens against property benefited by special assessments when delinquent assessments are two years in arrears. At December 31, 2010, the special assessment taxes levied are a lien on the property and are recorded as special assessments receivable in the applicable fund with a corresponding amount recorded as unearned revenue.

Inventories and Prepaid Items

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

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

Restricted Assets

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

Capital Assets

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

CITY OF GARDEN CITY, KANSAS
Notes to the Financial Statements
December 31, 2010

1. Summary of Significant Accounting Policies (continued)

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

Capital Assets (continued)

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities) the City chose to include all such items regardless of their acquisition date or amount. The City was able to estimate the historical cost for the initial reporting of these assets through engineering records. As the City constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate. In the case of donations the City values these capital assets at the estimated fair value of the item at the date of its donation.

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

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

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

Compensated Absences

The City's policy regarding vacation leave pay permits employees to accumulate leave days at a maximum rate of 18 days per year up to 40 days. Vacation leave pay is accrued when incurred in the government-wide and proprietary funds' financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The City has estimated the value of accrued vacation leave pay at December 31, 2010, to be \$956,598 of which \$639,023 is expected to be used in 2011.

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

CITY OF GARDEN CITY, KANSAS
Notes to the Financial Statements
December 31, 2010

1. Summary of Significant Accounting Policies (continued)

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

Long-term Obligations

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

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

Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or those that are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans, which are subject to change.

Net Assets

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

Comparative Date

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

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CITY OF GARDEN CITY, KANSAS
Notes to the Financial Statements
December 31, 2010

2. Stewardship, Compliance and Accountability

A. Budgetary Information

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

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5th.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

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

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

Fund	Increase
Debt Service Fund	\$ 215,000
Special Improvements Fund	202,000
Special Recreation and Parks Fund	74,001
Finnup Trust Fund	78,067
Electric Utility Fund	1,655,000
Security Deposits Fund	355,850
Water and Sewer Utility Fund	13,926,726
Health Insurance Fund	208,000
Workers Compensation Fund	82,028

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

CITY OF GARDEN CITY, KANSAS
Notes to the Financial Statements
December 31, 2010

2. Stewardship, Compliance and Accountability (continued)

A. Budgetary Information (continued)

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

A legal operating budget is not required for certain special revenue funds and capital projects funds. Spending in funds which are not subject to the legal annual operating budget requirement are controlled by federal regulations, other statutes or by the use of internal spending limits established by the governing body. Special revenue funds of the City controlled by federal regulations and state statutes include the JAG ARRA Grant, COPS Grant Technology and Project Development funds. Capital projects controlled by spending limits established by the governing body include the 2010-A GO Bond Projects, 2010 Temporary Note Projects, 2009 GO Bond Projects, 2008-A GO Bond Projects, and 2007-A GO Bond Projects funds.

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

B. Excess of Expenditures over Appropriations

Under Kansas statutes, expenditures are mandated to be controlled, so that no indebtedness is created in excess of budgeted limits. Management is not aware of any statutory violations.

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CITY OF GARDEN CITY, KANSAS
Notes to the Financial Statements
December 31, 2010

2. Stewardship, Compliance and Accountability (continued)

C. Budgetary Compliance – Non-GAAP Financial Statements

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

	General Fund	Debt Service Fund
Revenues (budgetary basis)	\$ 15,245,227	\$ 1,744,570
Less 2009 accrued revenues	(1,610,532)	-
Plus 2010 accrued revenues	1,789,449	-
Capital asset donation considered revenue for GAAP purposes	352,270	-
Revenues (GAAP basis)	\$ 15,776,414	\$ 1,744,570
Expenditures (budgetary basis)	\$ 16,634,635	\$ 1,983,644
Capital asset donation considered expense for GAAP purposes	352,270	-
Expenditures (GAAP basis)	\$ 16,986,905	\$ 1,983,644

D. Deficit Fund Equity

The COPS Grant Technology special revenue fund had a deficit fund balance of \$3,980 as of December 31, 2010. The fund incurred expenditures in anticipation of receipt of grant proceeds.

The 2010 Temporary Note Projects capital project fund had a deficit fund balance of \$228,885 as of December 31, 2010. The fund incurred expenditures paid through the issuance of temporary notes. The City plans to issue bonds to finance the Projects in 2011.

E. Compliance with Kansas Statutes

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

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CITY OF GARDEN CITY, KANSAS
Notes to the Financial Statements
December 31, 2010

3. Detailed Notes on All Funds

A. Deposits and Investments

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

Cash	\$	16,314,942
Investments, at fair value		1,973,077
Restricted assets:		
Cash		1,448,607
Investments, at fair value		<u>100,000</u>
Total cash and investments	\$	<u><u>19,836,626</u></u>
Cash on hand	\$	450
Carrying amount of deposits		19,717,458
Less agency funds		(131,282)
Carrying amount of investments		<u>250,000</u>
Total cash and investments	\$	<u><u>19,836,626</u></u>

Investments

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

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

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

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

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

Concentration of Credit Risk

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

CITY OF GARDEN CITY, KANSAS
Notes to the Financial Statements
December 31, 2010

3. Detailed Notes on All Funds (continued)

A. Deposits and Investments (continued)

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City or the Federal Home Loan Bank of Topeka except during designated "peak periods" when required coverage is 50%. The City's designated "peak periods" are with Commerce Bank from January 6 to March 7 and June 6 to August 5.

At year end, the City's carrying amount of deposits was \$19,717,458 and the bank balance was \$20,205,679. Ninety-seven percent of the bank balance was held by four banks resulting in a concentration of credit risk. Of the bank balance, \$5,835,268 was covered by federal depository insurance; \$14,370,411 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 shown below.

	Bank balance covered by			Total bank balance
	FDIC coverage	Pledged securities at market value	Unsecured	
Commerce Bank	\$ 2,835,194	\$ 8,127,618	\$ -	\$ 10,962,812
Western State Bank	250,000	1,242,164	-	1,492,164
First National Bank	2,250,074	849,577	-	3,099,651
American State Bank	250,000	3,868,394	-	4,118,394
Garden City State Bank	250,000	282,658	-	532,658
Total	\$ 5,835,268	\$ 14,370,411	\$ -	\$ 20,205,679

The carrying amount of deposits for the Garden City Recreation Commission, a discretely presented component unit, was \$616,123 and the bank balance was \$638,910. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, \$395,310 was covered by federal depository insurance and \$243,600 was collateralized with securities held by the pledging financial institutions' agents in the Recreation Commission's name.

The carrying amount of deposits for the Garden City Housing Authority, a discretely presented component unit, was \$309,315 and the bank balance was \$312,797. All of the bank balance was covered by federal depository insurance.

Custodial Credit Risk - Investments

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

CITY OF GARDEN CITY, KANSAS
Notes to the Financial Statements
December 31, 2010

3. Detailed Notes on All Funds (continued)

B. Receivables

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

	General	Debt Service	Electric Utility	Water and Sewer Utility	Airport	Nonmajor and Other Funds	Total
Receivables:							
Taxes	\$ 5,065,673	\$ 1,334,446	\$ -	\$ -	\$ 406,780	\$ 963,314	\$ 7,770,213
Special assessments	-	1,491,917	-	-	-	-	1,491,917
Accounts and interest	321,983	-	1,260,163	389,274	13,597	229,927	2,214,944
Other	-	-	-	-	-	22,932	22,932
Gross receivables	5,387,656	2,826,363	1,260,163	389,274	420,377	1,216,173	11,500,006
Less allowance for uncollectibles	(143,753)	(55,506)	(263,279)	(85,551)	(16,920)	(86,206)	(651,215)
Net total receivables	<u>\$ 5,243,903</u>	<u>\$ 2,770,857</u>	<u>\$ 996,884</u>	<u>\$ 303,723</u>	<u>\$ 403,457</u>	<u>\$ 1,129,967</u>	<u>\$ 10,848,791</u>

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CITY OF GARDEN CITY, KANSAS
Notes to the Financial Statements
December 31, 2010

3. Detailed Notes on All Funds (continued)

C. Capital Assets

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

	Balance 01-01-10	Additions	Deductions	Balance 12-31-10
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 1,183,776	\$ -	\$ -	\$ 1,183,776
Construction in progress	1,054,391	1,073,816	1,799,568	328,639
Total capital assets not being depreciated	2,238,167	1,073,816	1,799,568	1,512,415
Capital assets being depreciated:				
Buildings and improvements	13,383,226	1,239,316	-	14,622,542
Equipment	3,631,595	490,612	82,448	4,039,759
Vehicles	4,781,130	335,925	247,892	4,869,163
Furniture and fixtures	15,463	-	-	15,463
Infrastructure	48,923,751	1,484,620	-	50,408,371
Total capital assets being depreciated	70,735,165	3,550,473	330,340	73,955,298
Less accumulated depreciation for:				
Buildings and improvements	5,817,190	340,769	-	6,157,959
Equipment	1,779,594	279,718	26,734	2,032,578
Vehicles	3,493,127	325,599	245,052	3,573,674
Furniture and fixtures	15,325	-	-	15,325
Infrastructure	21,172,071	1,109,606	-	22,281,677
Total accumulated depreciation	32,277,307	2,055,692	271,786	34,061,213
Total capital assets being depreciated, net	38,457,858	1,494,781	58,554	39,894,085
Governmental activities capital assets, net	\$ 40,696,025	\$ 2,568,597	\$ 1,858,122	\$ 41,406,500

CITY OF GARDEN CITY, KANSAS
Notes to the Financial Statements
December 31, 2010

3. Detailed Notes on All Funds (continued)

C. Capital Assets (continued)

	Balance 01-01-10	Additions	Deductions	Balance 12-31-10
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 361,870	\$ -	\$ -	\$ 361,870
Total capital assets not being depreciated	<u>361,870</u>	<u>-</u>	<u>-</u>	<u>361,870</u>
Capital assets being depreciated:				
Production, storage and distribution equipment	68,838,582	4,904,846	-	73,743,428
Golf course, club house and equipment	1,675,157	-	-	1,675,157
Vehicles and equipment	4,673,903	397,492	203,552	4,867,843
Containers and equipment	3,042,503	133,300	-	3,175,803
Airport improvements	24,657,115	1,715,296	-	26,372,411
Total capital assets being depreciated	<u>102,887,260</u>	<u>7,150,934</u>	<u>203,552</u>	<u>109,834,642</u>
Less accumulated depreciation for:				
Production, storage and distribution equipment	26,485,070	1,437,120	-	27,922,190
Golf course, club house and equipment	910,770	33,822	-	944,592
Vehicles and equipment	2,982,389	341,439	164,922	3,158,906
Containers and equipment	2,083,156	47,204	-	2,130,360
Airport improvements	6,633,085	422,722	-	7,055,807
Total accumulated depreciation	<u>39,094,470</u>	<u>2,282,307</u>	<u>164,922</u>	<u>41,211,855</u>
Total capital assets being depreciated, net	<u>63,792,790</u>	<u>4,868,627</u>	<u>38,630</u>	<u>68,622,787</u>
Business-type activities capital assets, net	<u>\$ 64,154,660</u>	<u>\$ 4,868,627</u>	<u>\$ 38,630</u>	<u>\$ 68,984,657</u>

CITY OF GARDEN CITY, KANSAS
Notes to the Financial Statements
December 31, 2010

3. Detailed Notes on All Funds (continued)

C. Capital Assets (continued)

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

Governmental activities:	
General government	\$ 118,834
Public safety	369,792
Public works	1,268,548
Parks and recreation	<u>298,518</u>
Total additions to accumulated depreciation - governmental activities	<u>\$ 2,055,692</u>
Business-type activities:	
Electric	\$ 573,769
Water and sewer	992,532
Airport	450,214
Solid waste	196,549
Golf course	62,368
Drainage	<u>6,875</u>
Total additions to accumulated depreciation - business-type activities	<u>\$ 2,282,307</u>

Capital Projects and Commitments

The City had several capital projects in progress at December 31, 2010. At year-end, the City's open project expenditures and remaining commitments with contractors, by category were as follows:

	Project Authorization	Expended to 12-31-10	Committed
Airport Taxiway A Phase II reconstruction	\$ 647,977	\$ 549,883	\$ 98,094
Airport Taxiway A Phase III reconstruction	2,463,467	2,270,675	192,792
Airport Taxiway A Phase 7 reconstruction	1,332,649	1,263,689	68,960
Jennie Barker Road design engineering	299,617	297,538	2,079
2009 street improvement projects	13,640	3,194	10,446
Security room expansion	14,000	3,000	11,000
Household hazardous waster project	16,050	6,840	9,210
Garcia Soccer Park parking	180,769	180,665	104
2010 street improvement projects	1,573,709	235,323	1,338,386
East Cambridge Square	261,658	127,482	134,176
Zoo building improvements	31,728	25,004	6,724
Hail damage repairs	43,102	-	43,102
Eagle Crest Addition	267,777	83,174	184,603
Crack sealing project	132,000	-	132,000
Finnup Scout Park restroom	7,600	-	7,600
Advanced metering infrastructure	<u>3,603,579</u>	<u>3,483,978</u>	<u>119,601</u>
Total	<u>\$ 10,889,322</u>	<u>\$ 8,530,445</u>	<u>\$ 2,358,877</u>

CITY OF GARDEN CITY, KANSAS
Notes to the Financial Statements
December 31, 2010

3. Detailed Notes on All Funds (continued)

C. Capital Assets (continued)

Capital Projects and Commitments (continued)

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

	Project Authorization
Airport security room expansion	\$ 159,850
Household hazardous waste facility	228,000
Street sealing	398,571
Wildlife fence at airport	773,984
Total	\$ 1,560,405

Discretely Presented Component Units

Capital asset activity for the Garden City Recreation Commission for the year ended December 31, 2010, was as follows:

	Balance 01-01-10	Additions	Deductions	Balance 12-31-10
Governmental activities:				
Capital assets being depreciated:				
Buildings and improvements	\$ 271,645	\$ 11,220	\$ -	\$ 282,865
Equipment	1,244,653	75,667	-	1,320,320
Total capital assets being depreciated	1,516,298	86,887	-	1,603,185
Less accumulated depreciation for:				
Buildings and improvements	214,651	11,241	-	225,892
Equipment	825,624	110,742	-	936,366
Total accumulated depreciation	1,040,275	121,983	-	1,162,258
Recreation Commission capital assets, net	\$ 476,023	\$ (35,096)	\$ -	\$ 440,927

CITY OF GARDEN CITY, KANSAS
Notes to the Financial Statements
December 31, 2010

3. Detailed Notes on All Funds (continued)

C. Capital Assets (continued)

Discretely Presented Component Units (continued)

Capital asset activity for the Garden City Housing Authority for the year ended December 31, 2010, was as follows:

	Balance 01-01-10	Additions	Deductions	Balance 12-31-10
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 426,144	\$ -	\$ -	\$ 426,144
Construction in progress	334,341	44,149	166,157	212,333
Total capital assets not being depreciated	760,485	44,149	166,157	638,477
Capital assets being depreciated:				
Buildings and improvements	3,624,077	166,157	-	3,790,234
Equipment	340,898	64,047	-	404,945
Total capital assets being depreciated	3,964,975	230,204	-	4,195,179
Less accumulated depreciation	2,440,741	139,125	-	2,579,866
Total capital assets being depreciated, net	1,524,234	91,079	-	1,615,313
Housing Authority capital assets, net	<u>\$ 2,284,719</u>	<u>\$ 135,228</u>	<u>\$ 166,157</u>	<u>\$ 2,253,790</u>

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CITY OF GARDEN CITY, KANSAS
Notes to the Financial Statements
December 31, 2010

3. Detailed Notes on All Funds (continued)

D. Interfund Receivables, Payables and Transfers

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Temporary notes:		
Electric Utility	Nonmajor capital projects fund	\$ 250,000
Total		<u>\$ 250,000</u>

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

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

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

	Transfers in:						Total
	General	Debt Service	Airport	Nonmajor Governmental Funds	Nonmajor Proprietary Funds	Internal Service Funds	
Transfers out:							
General	\$ -	\$ -	\$ -	\$ 100,595	\$ 100,000	\$ 175,000	\$ 375,595
Electric Utility	1,185,000	-	-	270,000	-	30,000	1,485,000
Water and Sewer Utility	331,000	-	-	15,000	-	20,000	366,000
Nonmajor Governmental Funds	-	-	-	250,000	225,000	-	475,000
Nonmajor Proprietary Funds	132,500	-	-	-	-	20,000	152,500
Total	<u>\$ 1,648,500</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 635,595</u>	<u>\$ 325,000</u>	<u>\$ 245,000</u>	<u>\$ 2,854,095</u>

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

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

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CITY OF GARDEN CITY, KANSAS
Notes to the Financial Statements
December 31, 2010

3. Detailed Notes on All Funds (continued)

E. Leases

Capital Leases

The City has entered into various lease agreements to finance the acquisition of fire and police department vehicles and equipment, street department equipment, and a copier for the planning and community development department. These leases qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

The following is a summary of assets acquired through these capital lease agreements by the City at December 31, 2010:

	Governmental Activities
Vehicles and equipment	\$ 880,932
Less accumulated depreciation	(253,891)
Total	\$ 627,041

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2010, are as follows:

	Governmental Activities
2011	\$ 264,310
2012	163,352
2013	195,792
2014	79,284
2015	79,284
2016	39,642
Total minimum lease payments	821,664
Less amount representing interest	(77,131)
Present value of future minimum lease payments	\$ 744,533

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CITY OF GARDEN CITY, KANSAS
Notes to the Financial Statements
December 31, 2010

3. Detailed Notes on All Funds (continued)

E. Leases (continued)

Capital Leases (continued)

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

The following is a summary of assets acquired through these capital lease agreements by the Garden City Recreation Commission at December 31, 2010:

	Governmental Activities
Vehicles and equipment	\$ 214,157
Less accumulated depreciation	(83,505)
Total	\$ 130,652

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, 2010, are as follows:

	Governmental Activities
2011	\$ 47,441
2012	34,248
2013	7,833
Total minimum lease payments	89,522
Less amount representing interest	(5,658)
Present value of future minimum lease payments	\$ 83,864

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CITY OF GARDEN CITY, KANSAS
Notes to the Financial Statements
December 31, 2010

3. Detailed Notes on All Funds (continued)

F. Long-Term Debt

General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction or improvement of major capital assets. General obligation bonds have been issued for both governmental and business-type activities. The original principal amount of general obligation bonds issued in prior years was \$17,645,000. During the year, general obligation bonds totaling \$16,695,000 were issued, including \$12,110,000 to refund both general obligation and revenue bonds and loans.

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 12-31-10</u>
Governmental activities:				
Internal Improvement	10-01-01	11-01-11	4.10%	\$ 160,000
Internal Improvement	12-01-02	11-01-11	3.70%	85,000
Refunding	12-01-03	11-01-13	3.25 to 3.60%	120,000
Internal Improvement	12-01-03	11-01-14	3.35 to 3.75%	280,000
Internal Improvement	09-01-05	11-01-15	3.45 to 3.80%	760,000
Internal Improvement	12-15-05	11-01-11	3.50%	105,000
Internal Improvement	05-01-06	11-01-16	3.75 to 4.00%	905,000
Internal Improvement	04-01-07	11-01-17	3.50 to 3.65%	1,330,000
Internal Improvement	09-01-08	11-01-18	2.75 to 3.70%	2,625,000
Internal Improvement	07-01-09	11-01-19	2.00 to 3.30%	2,035,000
Internal Improvement	08-01-10	11-01-20	1.50 to 2.75%	1,203,000
Refunding	12-01-10	09-01-24	2.00 to 3.25%	215,000
Business-type activities:				
Internal Improvement	08-01-10	11-01-20	1.50 to 2.75%	3,382,000
Refunding	12-01-10	09-01-24	2.00 to 3.25%	11,895,000
Total general obligation bonds payable				<u>\$ 25,100,000</u>

Subsequent to year end, the City Commissioners authorized staff to proceed with a \$1,931,400 bond sale for 2011 and 2012 projects.

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CITY OF GARDEN CITY, KANSAS
Notes to the Financial Statements
December 31, 2010

3. Detailed Notes on All Funds (continued)

F. Long-Term Debt (continued)

General Obligation Bonds (continued)

The annual debt service requirements to maturity for general obligation bonds outstanding at December 31, 2010, including interest payments, are as follows:

Year ending December 31,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2011	\$ 1,565,500	\$ 314,110	\$ 1,439,500	\$ 294,790
2012	1,281,250	257,167	1,438,750	320,338
2013	1,216,500	218,914	1,473,500	293,056
2014	1,224,000	182,590	1,506,000	265,018
2015	1,193,050	144,737	1,541,950	236,165
2016-2020	3,342,700	240,476	7,302,300	644,652
2021-2024	-	-	575,000	42,005
Total	\$ 9,823,000	\$ 1,357,994	\$ 15,277,000	\$ 2,096,024

Bond Covenants

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

Current Refunding

The City issued \$12,110,000 of general obligation bonds for a current refunding of \$215,000 of general obligation bonds and \$11,913,957 of revenue bonds and loans. The refunding was undertaken to reduce total future debt service payments. The reacquisition price exceeded the net carrying amount of the old debt by \$18,957. This amount is being netted against the new debt and amortized over the new debt's life, which is the same as the refunded debt. The transaction also resulted in an economic gain of \$1,191 and a reduction of \$751,201 in future debt service payments.

Changes in Long-Term Liabilities

Long-term liability activity for the City for the year ended December 31, 2010, was as follows:

	Balance 01-01-10	Additions	Retired	Balance 12-31-10	Due Within One Year
Governmental activities:					
General obligation bonds	\$ 10,028,700	\$ 1,418,000	\$ 1,623,700	\$ 9,823,000	\$ 1,565,500
Capital leases	939,690	107,450	302,607	744,533	233,008
Compensated absences	788,311	786,357	618,070	956,598	639,023
Net OPEB obligation	225,097	225,097	-	450,194	-
Total governmental activities long-term liabilities	\$ 11,981,798	\$ 2,536,904	\$ 2,544,377	\$ 11,974,325	\$ 2,437,531
Business-type activities:					
General obligation bonds	\$ -	\$ 15,277,000	\$ -	\$ 15,277,000	1,439,500
State revolving loans	12,927,595	-	12,927,595	-	-
Plus bond premium	-	304,726	-	304,726	30,360
Total business-type activities long-term liabilities	\$ 12,927,595	\$ 15,581,726	\$ 12,927,595	\$ 15,581,726	\$ 1,469,860

CITY OF GARDEN CITY, KANSAS
Notes to the Financial Statements
December 31, 2010

3. Detailed Notes on All Funds (continued)

F. Long-Term Debt (continued)

Changes in Long-Term Liabilities (continued)

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

Long-term liability activity for the Garden City Recreation Commission for the year ended December 31, 2010, was as follows:

	Balance 01-01-10	Additions	Retired	Balance 12-31-10	Due Within One Year
Governmental activities:					
Capital leases	\$ 85,322	\$ 51,748	\$ 53,206	\$ 83,864	\$ 43,785
Compensated absences	35,224	581	-	35,805	-
Total governmental activities long-term liabilities	\$ 120,546	\$ 52,329	\$ 53,206	\$ 119,669	\$ 43,785

Long-term liability activity for the Garden City Housing Authority for the year ended December 31, 2010, was as follows:

	Balance 01-01-10	Additions	Retired	Balance 12-31-10	Due Within One Year
Governmental activities:					
Compensated absences	\$ 16,057	\$ 1,663	\$ -	\$ 17,720	\$ 1,772

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, 2010, there were 6 series of Industrial Revenue Bonds outstanding, with an aggregate principal amount payable of \$19,895,451.

G. Segment Information

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

CITY OF GARDEN CITY, KANSAS
Notes to the Financial Statements
December 31, 2010

3. Detailed Notes on All Funds (continued)

H. Restricted Assets

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

Cash:	
Maintenance reserve	\$ 809,893
Repair and replacement	485,421
Building	5,260
Security deposits	148,033
Investments:	
Security deposits	100,000
Deferred bond costs	184,068
	184,068
Total restricted assets	\$ 1,732,675

4. Other Information

A. Risk Management and Self-Insurance

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the City carries commercial insurance. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years. In addition, the City has established, through ordinances, the following risk management and self-insurance funds:

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

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

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

CITY OF GARDEN CITY, KANSAS
Notes to the Financial Statements
December 31, 2010

4. Other Information (continued)

A. Risk Management and Self-Insurance (continued)

The City's self-insurance coverage for workers compensation applies up to \$400,000 per accident on electrical employees and up to \$300,000 per accident on all other employees. The City carries additional commercial insurance to cover risk above the preceding limits up to \$1,000,000 per accident. The City's self-insurance policy for medical insurance contains a stop/loss clause of \$100,000 per individual and an aggregate stop/loss clause that covers claims above \$1,976,060. Since the City became self-insured in these areas, payments from City departments have exceeded claims.

Changes in the funds' claims liability amount in fiscal years 2009 and 2010 were:

	<u>Health Insurance Fund</u>		<u>Workers Compensation Fund</u>	
	<u>12-31-09</u>	<u>12-31-10</u>	<u>12-31-09</u>	<u>12-31-10</u>
Beginning of fiscal year liability	\$ 159,606	\$ 198,853	\$ 3,581	\$ 7,450
Current year claims and changes in estimates	2,806,768	2,850,643	143,231	320,418
Claim payments	<u>(2,767,521)</u>	<u>(2,860,431)</u>	<u>(139,362)</u>	<u>(322,051)</u>
Balance at fiscal year end	<u>\$ 198,853</u>	<u>\$ 189,065</u>	<u>\$ 7,450</u>	<u>\$ 5,817</u>

B. Related Party Transactions

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

C. Commitments and Contingencies

Contracts

The City has entered into an operating agreement for the airport air traffic control tower. This is an annual agreement with fees totaling \$50,963 for the year ended December 31, 2010.

Commitments

Prior to year end the City entered into real estate purchase options for two properties with potential cost of \$295,000. The options expire on March 15, 2011. The City completed the purchases at that time.

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.

CITY OF GARDEN CITY, KANSAS
Notes to the Financial Statements
December 31, 2010

4. Other Information (continued)

C. Commitments and Contingencies (continued)

Grant Audits

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

Subsequent Events

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

2012	\$	55,663
2013		55,663
2014		55,663
2015		55,663
2016		55,663
2017-2021		278,315
Total minimum payments	\$	556,630

On February 15, 2011, the City purchased real estate in the amount of \$54,624 for a utility substation. On April 5, 2011, the City accepted a bid for the purchase of a solid waste sideload collection truck in the amount of \$130,709.

D. Airport Fund

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

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CITY OF GARDEN CITY, KANSAS
Notes to the Financial Statements
December 31, 2010

4. Other Information (continued)

E. Jointly Governed Organization

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

Garden City Information Technologies Cooperative is a jointly governed organization between the City of Garden City, Kansas; the County of Finney, Kansas; Unified School District No. 457; Garden City Community College; and St. Catherine Hospital, created under KSA 12-2901. Garden City Information Technologies Cooperative is governed by a board appointed by the participating parties. The purpose of Garden City Information Technologies Cooperative is to enhance the coordination and technology sharing among the members of the Cooperative, address the long term goals of the Cooperative that provide an enhanced community and regional telecommunications and integrated community network, and to seek out the opportunities that are identified by the Cooperative that provide services to local and regional interests and lead to the use of the Cooperative as a tool for economic development. This is accomplished by coordinating technology purchases and training, development of communication networks within Garden City and southwest Kansas, and providing videoconferencing, telecommuting and office access within the community. The primary source of funding for Garden City Information Technologies Cooperative is from the general funds of the participating parties and through procuring grants. The City of Garden City, Kansas, contributed \$7,000 to the operations of Garden City Information Technologies Cooperative during the year ended December 31, 2010. The City of Garden City, Kansas, has no equity interest nor does the City materially contribute to the continued existence of Garden City Information Technologies Cooperative. Garden City Information Technologies Cooperative has a December 31st year end.

F. Post-Employment Health Care Benefits

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the City makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured. This program is offered for a duration of 18 months after the employee's termination date. There is no cost to the City under this program, and there were three participants in the program at December 31, 2010.

G. Other Post Employment Healthcare Benefits

Description

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

CITY OF GARDEN CITY, KANSAS
Notes to the Financial Statements
December 31, 2010

4. Other Information (continued)

G. Other Post Employment Healthcare Benefits (continued)

Funding policy

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

Currently, eligible retirees receive no direct contribution from the City for their medical, prescription drug and dental premium rates as established annually by the City. The required retiree contribution rate equals the carrier-charged premium. The carrier-charged premium for the year ended December 31, 2010, ranged from \$187 to \$594 per month per retiree participant. The City appropriates funds annually for the costs associated with the retirement benefit and provides funding for the expenditures on a pay-as-you-go basis.

Annual OPEB cost and net OPEB obligation

The City's annual OPEB (Other Post Employment 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	\$	176,115
Amortization of unfunded actuarial accrued liability		89,982
Annual required contribution		266,097
Contributions made		41,000
Increase in net OPEB obligation		225,097
Net OPEB Obligation, January 1		225,097
Net OPEB Obligation, December 31	\$	450,194

Fiscal Year	Annual OPEB Cost	Employer Contributions	Percentage Contributed	Net OPEB Obligation
2009	\$ 266,097	\$ 41,000	15.4 %	\$ 225,097
2010	266,097	41,000	15.4	450,194

Funded Status and Funding Progress

As of January 1, 2009, the most recent actuarial valuation date, the actuarial accrued liability for benefits was \$1,939,286. 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 \$1,939,286. The covered payroll (annual payroll of active employees covered by the plan) was \$10,384,185 and the ratio of the UAAL to the covered payroll was 18.7%.

CITY OF GARDEN CITY, KANSAS
Notes to the Financial Statements
December 31, 2010

4. Other information (continued)

G. Other Post Employment Healthcare Benefits (continued)

Funded Status and Funding Progress (continued)

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

Actuarial Methods and Assumptions

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

In the December 31, 2010, actuarial valuation, the projection unit credit method was applied. The actuarial assumptions included a 4.0% investment rate of return which is based on long term return experience of asset classes stipulated in the investment policy underlying applicable funds and on recent return experience of the City. The valuation assumed annual healthcare cost trend rates of 9% to 7% in the first three years and an ultimate rate of 5.5% after three years. The valuation followed generally accepted actuarial methods and included tests as considered necessary to assure the accuracy of the results. The UAAL is being amortized over a 30 year open period in level dollar amounts.

H. Defined Benefit Pension Plan

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

Funding policy: K.S.A. 74-4919 establishes the KPERS member-employee contribution rate at up to 6% of covered salary. K.S.A. 74-4975 establishes KP&F member-employee contribution rate at up to 7% of covered salary. The employer collects and remits member-employee contributions according to the provisions of section 414(h) of the Internal Revenue Code. State law provides that the employer contribution rates be determined annually based on the results of an annual actuarial valuation. KPERS and KP&F are funded on an actuarial reserve basis. State law sets a limitation on annual increases in the contribution rates. The KPERS employer rate established by statute for calendar year 2010 is 7.14%. The City of Garden City, Kansas, contributions to KPERS for the years ending December 31, 2010, 2009 and 2008, were \$561,262, \$448,232, and \$396,191, respectively, equal to the statutory required contributions for each year. The KP&F employer rate established by statute for fiscal years beginning in 2010 is 12.86%. Employers participating in KP&F also make contributions to amortize the liability for past service costs, if any, which is determined separately for each participating employer.

CITY OF GARDEN CITY, KANSAS
Notes to the Financial Statements
December 31, 2010

4. Other information (continued)

H. Defined Benefit Pension Plan (continued)

The City of Garden City, Kansas, contributions to KP&F for the year ending December 31, 2010, 2009 and 2008, were \$551,548, \$594,483, and \$550,794, respectively, equal to the statutory required contributions for each year as set forth by the legislature.

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

I. New Pronouncements

The GASB has issued the following statement which will have an impact on the City's future financial reporting, although it is not yet required to be implemented by the City:

- GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, issued March, 2009, will be effective for the City beginning with its year ending December 31, 2011. This Statement is intended to improve the usefulness of information provided to financial report users about fund balances by providing clearer, more structured fund balance classifications, and by clarifying the definitions of existing governmental fund types. Fund balance information is among the most widely and frequently used information in state and local government financial reports. The GASB developed this standard to address the diversity of practice and resulting lack of consistency that had evolved in fund balance reporting. To reduce confusion, the new standard establishes a hierarchy of fund balance classification based primarily on the extent to which a government is bound to observe spending constraints.

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

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Required Supplementary Information

CITY OF GARDEN CITY, KANSAS
 Schedule of Funding Progress –
 Other Post Employment Benefits
 December 31, 2010

As of January 1, 2009, the most recent actuarial valuation date, the actuarial accrued liability for benefits was \$1,939,286. 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 \$1,939,286. The covered payroll (annual payroll of active employees covered by the plan) was \$10,384,185 and the ratio of the UAAL to the covered payroll was 18.7%.

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)
2009	\$ -	\$ 1,939,286	\$ 1,939,286	0.0%	\$ 10,384,185	18.7%

Combining and Individual Fund Statements and Schedules

Nonmajor Governmental Funds

Special Revenue Funds

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

Community Trust:

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

Capital Improvements:

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

Recreation:

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

Special Trafficway:

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

Special Improvements:

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

Cemetery Endowment:

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

Special Recreation and Parks:

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

Special Alcohol Programs:

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

Nonmajor Governmental Funds

Special Revenue Funds

Finnup Trust Fund:

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

Special Liability:

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

Drug Enforcement:

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

DEA Forfeiture:

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

Community Development Loan Fund:

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

Economic Development:

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

Enhanced Wireless 911:

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

Community Development Grant:

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

JAG ARRA Grant:

This fund is used to account for a federal grant received and expenditures made for equipment for community police services.

COPS Grant Technology:

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

Project Development:

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

Nonmajor Governmental Funds

Capital Projects Funds

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

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

- 2010-A GO Bond Projects
- 2010 Temporary Note Projects
- 2009 GO Bond Projects
- 2008-A GO Bond Projects
- 2007-A GO Bond Projects

CITY OF GARDEN CITY, KANSAS
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2010

<u>Assets</u>	<u>Community Trust</u>	<u>Capital Improvements</u>	<u>Recreation</u>	<u>Special Trafficway</u>
Cash	\$ 830,732	\$ 200,939	\$ 5,476	\$ 459,928
Investments, at fair value	1,000,000	100,000	-	308,767
Receivables (net of allowances for uncollectibles):				
Taxes	-	-	735,629	195,759
Other	-	-	-	-
Total assets	<u>\$ 1,830,732</u>	<u>\$ 300,939</u>	<u>\$ 741,105</u>	<u>\$ 964,454</u>
 <u>Liabilities and Fund Balances</u>				
Liabilities:				
Accounts payable	\$ -	\$ 4,318	\$ -	\$ 24,061
Interfund payable	-	-	-	-
Deferred revenue	-	-	735,629	-
Temporary notes payable	-	-	-	-
Total liabilities	<u>-</u>	<u>4,318</u>	<u>735,629</u>	<u>24,061</u>
Fund balances:				
Unreserved	<u>1,830,732</u>	<u>296,621</u>	<u>5,476</u>	<u>940,393</u>
Total fund balances	<u>1,830,732</u>	<u>296,621</u>	<u>5,476</u>	<u>940,393</u>
Total liabilities and fund balances	<u>\$ 1,830,732</u>	<u>\$ 300,939</u>	<u>\$ 741,105</u>	<u>\$ 964,454</u>

Special Revenues					
Special Improvements	Cemetery Endowment	Special Recreation and Parks	Special Alcohol Programs	Finnup Trust Fund	Special Liability
\$ 77,549	\$ 7,192	\$ 77,458	\$ 26,434	\$ 50,784	\$ 140,820
-	14,310	-	-	-	-
-	-	-	-	-	-
13,650	-	-	-	-	-
<u>\$ 91,199</u>	<u>\$ 21,502</u>	<u>\$ 77,458</u>	<u>\$ 26,434</u>	<u>\$ 50,784</u>	<u>\$ 140,820</u>
\$ -	\$ -	\$ 185	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	185	-	-	-
91,199	21,502	77,273	26,434	50,784	140,820
91,199	21,502	77,273	26,434	50,784	140,820
<u>\$ 91,199</u>	<u>\$ 21,502</u>	<u>\$ 77,458</u>	<u>\$ 26,434</u>	<u>\$ 50,784</u>	<u>\$ 140,820</u>

CITY OF GARDEN CITY, KANSAS
 Combining Balance Sheet
 Nonmajor Governmental Funds
 December 31, 2010

	<u>Drug Enforcement</u>	<u>DEA Forfeiture</u>	<u>Community Development Loan Fund</u>	<u>Economic Development</u>
<u>Assets</u>				
Cash	\$ 27,290	\$ 41,260	\$ 5,753	\$ 187,990
Investments, at fair value	-	-	-	125,000
Receivables (net of allowances for uncollectibles):				
Taxes	-	-	-	-
Other	-	-	-	-
Total assets	<u>\$ 27,290</u>	<u>\$ 41,260</u>	<u>\$ 5,753</u>	<u>\$ 312,990</u>
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Accounts payable	\$ 144	\$ 1,376	\$ -	\$ -
Interfund payable	-	-	-	-
Deferred revenue	-	-	-	-
Temporary notes payable	-	-	-	-
Total liabilities	<u>144</u>	<u>1,376</u>	<u>-</u>	<u>-</u>
Fund balances:				
Unreserved	<u>27,146</u>	<u>39,884</u>	<u>5,753</u>	<u>312,990</u>
Total fund balances	<u>27,146</u>	<u>39,884</u>	<u>5,753</u>	<u>312,990</u>
Total liabilities and fund balances	<u>\$ 27,290</u>	<u>\$ 41,260</u>	<u>\$ 5,753</u>	<u>\$ 312,990</u>

Special Revenues					
Enhanced Wireless 911 Fund	Community Development Grant	JAG ARRA Grant	COPS Grant Technology	Project Development	Totals
\$ 75,959	\$ -	\$ -	\$ -	\$ 250,000	\$ 2,465,564
-	-	-	-	-	1,548,077
-	-	-	-	-	931,388
9,282	-	-	-	-	22,932
<u>\$ 85,241</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 250,000</u>	<u>\$ 4,967,961</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,084
-	-	-	3,980	-	3,980
-	-	-	-	-	735,629
-	-	-	-	-	-
-	-	-	3,980	-	769,693
85,241	-	-	(3,980)	250,000	4,198,268
85,241	-	-	(3,980)	250,000	4,198,268
<u>\$ 85,241</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 250,000</u>	<u>\$ 4,967,961</u>

CITY OF GARDEN CITY, KANSAS
 Combining Balance Sheet
 Nonmajor Governmental Funds
 December 31, 2010

	2010-A GO Bond Projects	2010 Temporary Note Projects	Capital 2009 GO Bond Projects
<u>Assets</u>			
Cash	\$ 893,156	\$ 74,303	\$ 245,268
Investments, at fair value	-	-	-
Receivables (net of allowances for uncollectibles):			
Taxes	-	-	-
Other	-	-	-
	-	-	-
Total assets	\$ 893,156	\$ 74,303	\$ 245,268
 <u>Liabilities and Fund Balances</u>			
Liabilities:			
Accounts payable	\$ 109,048	\$ 53,188	\$ 19,279
Interfund payable	-	-	-
Deferred revenue	-	-	-
Temporary notes payable	-	250,000	-
	109,048	303,188	19,279
Total liabilities	109,048	303,188	19,279
Fund balances:			
Unreserved	784,108	(228,885)	225,989
	784,108	(228,885)	225,989
Total fund balances	784,108	(228,885)	225,989
Total liabilities and fund balances	\$ 893,156	\$ 74,303	\$ 245,268

Projects			Total
2008-A GO Bond Projects	2007-A GO Bond Projects	Totals	Nonmajor Governmental Funds
\$ 8,628	\$ -	\$ 1,221,355	\$ 3,686,919
-	-	-	1,548,077
-	-	-	931,388
-	-	-	22,932
<u>\$ 8,628</u>	<u>\$ -</u>	<u>\$ 1,221,355</u>	<u>\$ 6,189,316</u>
\$ -	\$ -	\$ 181,515	\$ 211,599
-	-	-	3,980
-	-	-	735,629
-	-	250,000	250,000
-	-	431,515	1,201,208
8,628	-	789,840	4,988,108
8,628	-	789,840	4,988,108
<u>\$ 8,628</u>	<u>\$ -</u>	<u>\$ 1,221,355</u>	<u>\$ 6,189,316</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, 2010

	Community Trust	Capital Improvements	Recreation	Special Trafficway
Revenues:				
Taxes	\$ -	\$ -	\$ 845,839	\$ -
Intergovernmental revenue	275,195	-	-	777,913
Use of money and property	6,069	-	-	1,663
Miscellaneous	-	-	-	7
Donations	-	11,682	-	-
Sale of spaces	-	-	-	-
Total revenues	281,264	11,682	845,839	779,583
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	610,779
Parks and recreation	-	-	850,037	-
Capital outlay	279,341	85,818	-	129,244
Debt service:				
Bond issuance costs	-	-	-	-
Total expenditures	279,341	85,818	850,037	740,023
Revenues over (under) expenditures	1,923	(74,136)	(4,198)	39,560
Other financing sources (uses):				
Transfers in	250,000	100,595	-	-
Transfers out	(450,000)	-	-	-
Bonds issued	-	-	-	-
Net change in fund balances	(198,077)	26,459	(4,198)	39,560
Fund balances, beginning of year	2,028,809	270,162	9,674	900,833
Fund balances (deficit), end of year	\$ 1,830,732	\$ 296,621	\$ 5,476	\$ 940,393

(continued)

Special Revenues					
Special Improvements	Cemetery Endowment	Special Recreation and Parks	Special Alcohol Programs	Finnup Trust Fund	Special Liability
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	71,257	71,258	-	-
-	1,221	10,414	-	-	-
51,998	-	-	-	100,000	-
-	3,300	-	-	-	-
<u>51,998</u>	<u>4,521</u>	<u>81,671</u>	<u>71,258</u>	<u>100,000</u>	<u>-</u>
174,275	3,861	-	69,814	4,933	5,773
-	-	-	-	-	-
-	-	31,271	-	-	-
-	5,756	34,102	-	112,850	-
-	-	-	-	-	-
<u>174,275</u>	<u>9,617</u>	<u>65,373</u>	<u>69,814</u>	<u>117,783</u>	<u>5,773</u>
(122,277)	(5,096)	16,298	1,444	(17,783)	(5,773)
-	-	-	-	-	35,000
-	-	(25,000)	-	-	-
-	-	-	-	-	-
<u>(122,277)</u>	<u>(5,096)</u>	<u>(8,702)</u>	<u>1,444</u>	<u>(17,783)</u>	<u>29,227</u>
<u>213,476</u>	<u>26,598</u>	<u>85,975</u>	<u>24,990</u>	<u>68,567</u>	<u>111,593</u>
<u>\$ 91,199</u>	<u>\$ 21,502</u>	<u>\$ 77,273</u>	<u>\$ 26,434</u>	<u>\$ 50,784</u>	<u>\$ 140,820</u>

CITY OF GARDEN CITY, KANSAS
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2010

	Drug Enforcement	DEA Forfeiture	Community Development Loan Fund	Economic Development
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue	9,683	-	-	-
Use of money and property	100	97	12,774	42,844
Miscellaneous	44,603	13,445	-	-
Donations	-	-	-	-
Sale of spaces	-	-	-	-
Total revenues	54,386	13,542	12,774	42,844
Expenditures:				
Current:				
General government	-	-	11,646	1,386
Public safety	56,614	10,077	-	-
Public works	-	-	-	-
Parks and recreation	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Bond issuance costs	-	-	-	-
Total expenditures	56,614	10,077	11,646	1,386
Revenues over (under) expenditures	(2,228)	3,465	1,128	41,458
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Bonds issued	-	-	-	-
Net change in fund balances	(2,228)	3,465	1,128	41,458
Fund balances, beginning of year	29,374	36,419	4,625	271,532
Fund balances (deficit), end of year	\$ 27,146	\$ 39,884	\$ 5,753	\$ 312,990

(continued)

Special Revenues					
Enhanced Wireless 911	Community Development Grant	JAG ARRA Grant	COPS Grant Technology	Project Development	Totals
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 845,839
-	50,248	23,245	53,922	-	1,332,721
-	-	-	-	-	75,182
63,361	-	-	-	-	173,414
-	-	-	-	-	111,682
-	-	-	-	-	3,300
<u>63,361</u>	<u>50,248</u>	<u>23,245</u>	<u>53,922</u>	<u>-</u>	<u>2,542,138</u>
59,324	50,248	-	-	-	381,260
-	-	-	-	-	66,691
-	-	-	-	-	610,779
-	-	-	-	-	881,308
-	-	23,245	57,902	-	728,258
-	-	-	-	-	-
<u>59,324</u>	<u>50,248</u>	<u>23,245</u>	<u>57,902</u>	<u>-</u>	<u>2,668,296</u>
4,037	-	-	(3,980)	-	(126,158)
-	-	-	-	250,000	635,595
-	-	-	-	-	(475,000)
-	-	-	-	-	-
4,037	-	-	(3,980)	250,000	34,437
<u>81,204</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,163,831</u>
<u>\$ 85,241</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,980)</u>	<u>\$ 250,000</u>	<u>\$ 4,198,268</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, 2010

	2010-A GO Bond Projects	2010 Temporary Note Projects	Capital 2009 GO Bond Projects
Revenues:			
Taxes	\$ -	\$ -	\$ -
Intergovernmental revenue	-	-	-
Use of money and property	2,756	-	-
Miscellaneous	-	-	-
Donations	-	-	-
Sale of spaces	-	-	-
Total revenues	2,756	-	-
Expenditures:			
Current:			
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Parks and recreation	-	-	-
Capital outlay	417,307	228,885	1,107,502
Debt service:			
Bond issuance costs	4,341	-	-
Total expenditures	421,648	228,885	1,107,502
Revenues over (under) expenditures	(418,892)	(228,885)	(1,107,502)
Other financing sources (uses):			
Transfers in	-	-	-
Transfers out	-	-	-
Bonds issued	1,203,000	-	-
Net change in fund balances	784,108	(228,885)	(1,107,502)
Fund balances, beginning of year	-	-	1,333,491
Fund balances (deficit), end of year	\$ 784,108	\$ (228,885)	\$ 225,989

Projects			Total
2008-A GO Bond Projects	2007-A GO Bond Projects	Totals	Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ 845,839
133,023	-	133,023	1,465,744
-	-	2,756	77,938
-	-	-	173,414
-	-	-	111,682
-	-	-	3,300
<u>133,023</u>	<u>-</u>	<u>135,779</u>	<u>2,677,917</u>
-	-	-	381,260
-	-	-	66,691
-	-	-	610,779
-	-	-	881,308
486,767	46,052	2,286,513	3,014,771
-	-	4,341	4,341
<u>486,767</u>	<u>46,052</u>	<u>2,290,854</u>	<u>4,959,150</u>
(353,744)	(46,052)	(2,155,075)	(2,281,233)
-	-	-	635,595
-	-	-	(475,000)
-	-	1,203,000	1,203,000
<u>(353,744)</u>	<u>(46,052)</u>	<u>(952,075)</u>	<u>(917,638)</u>
<u>362,372</u>	<u>46,052</u>	<u>1,741,915</u>	<u>5,905,746</u>
<u>\$ 8,628</u>	<u>\$ -</u>	<u>\$ 789,840</u>	<u>\$ 4,988,108</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, 2010

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 1,377,000	\$ 1,377,000	\$ 1,370,619	\$ (6,381)
Special assessment taxes	290,000	290,000	348,077	58,077
Intergovernmental revenue	25,000	25,000	25,000	-
Interest	6,000	6,000	874	(5,126)
Total revenues	<u>1,698,000</u>	<u>1,698,000</u>	<u>1,744,570</u>	<u>46,570</u>
Expenditures:				
Bond principal	1,623,700	1,623,700	1,623,700	-
Bond interest	359,065	359,065	359,944	(879)
Fiscal and bond rating fees	75,235	75,235	-	75,235
Total expenditures	<u>2,058,000</u>	<u>2,058,000</u>	<u>1,983,644</u>	<u>74,356</u>
Revenues over (under) expenditures	(360,000)	(360,000)	(239,074)	120,926
Other financing sources:				
Proceeds of refunding bonds	215,000	215,000	215,000	-
Net change in fund balances	(145,000)	(145,000)	(24,074)	120,926
Fund balance, beginning of year	<u>145,000</u>	<u>145,000</u>	<u>213,341</u>	<u>68,341</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 189,267</u>	<u>\$ 189,267</u>

CITY OF GARDEN CITY, KANSAS
Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
Community Trust Fund
For the Year Ended December 31, 2010

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental revenue	\$ 250,000	\$ 250,000	\$ 275,195	\$ 25,195
Use of money and property	25,000	25,000	6,069	(18,931)
Total revenues	275,000	275,000	281,264	6,264
Expenditures:				
Capital outlay	2,310,000	2,310,000	279,341	2,030,659
Total expenditures	2,310,000	2,310,000	279,341	2,030,659
Revenues over (under) expenditures	(2,035,000)	(2,035,000)	1,923	2,036,923
Other financing sources (uses):				
Transfers in	250,000	250,000	250,000	-
Transfers out	(200,000)	(200,000)	(450,000)	(250,000)
Net change in fund balance	(1,985,000)	(1,985,000)	(198,077)	1,786,923
Fund balance, beginning of year	1,985,000	1,985,000	2,028,809	43,809
Fund balance, end of year	\$ -	\$ -	\$ 1,830,732	\$ 1,830,732

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, 2010

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Use of money and property	\$ 1,219	\$ 1,219	\$ -	\$ (1,219)
Reimbursements	157,200	157,200	-	(157,200)
Donations	-	-	11,682	11,682
Total revenues	<u>158,419</u>	<u>158,419</u>	<u>11,682</u>	<u>(146,737)</u>
Expenditures:				
Capital outlay	<u>317,000</u>	<u>317,000</u>	<u>85,818</u>	<u>231,182</u>
Total expenditures	<u>317,000</u>	<u>317,000</u>	<u>85,818</u>	<u>231,182</u>
Revenues over (under) expenditures	(158,581)	(158,581)	(74,136)	84,445
Other financing sources (uses):				
Transfers in	<u>-</u>	<u>-</u>	<u>100,595</u>	<u>100,595</u>
Net change in fund balance	(158,581)	(158,581)	26,459	185,040
Fund balance, beginning of year	<u>158,581</u>	<u>158,581</u>	<u>270,162</u>	<u>111,581</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 296,621</u>	<u>\$ 296,621</u>

CITY OF GARDEN CITY, KANSAS
 Schedule of Revenues, Expenditures and Changes in
 Fund Balances - Budget and Actual
 Recreation Fund
 For the Year Ended December 31, 2010

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 847,501	\$ 847,501	\$ 845,839	\$ (1,662)
Total revenues	<u>847,501</u>	<u>847,501</u>	<u>845,839</u>	<u>(1,662)</u>
Expenditures:				
Distribution to organization's treasurer	<u>850,037</u>	<u>850,037</u>	<u>850,037</u>	<u>-</u>
Total expenditures	<u>850,037</u>	<u>850,037</u>	<u>850,037</u>	<u>-</u>
Revenues under expenditures	(2,536)	(2,536)	(4,198)	(1,662)
Fund balance, beginning of year	<u>2,536</u>	<u>-</u>	<u>9,674</u>	<u>9,674</u>
Fund balance, end of year	<u><u>\$ -</u></u>	<u><u>\$ (2,536)</u></u>	<u><u>\$ 5,476</u></u>	<u><u>\$ 8,012</u></u>

CITY OF GARDEN CITY, KANSAS
Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
Special Trafficway Fund
For the Year Ended December 31, 2010

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental revenue	\$ 725,000	\$ 725,000	\$ 778,171	\$ 53,171
Use of money and property	3,000	3,000	1,663	(1,337)
Reimbursements	11,700	11,700	-	(11,700)
Miscellaneous	-	-	7	7
Total revenues	739,700	739,700	779,841	40,141
Expenditures:				
Current:				
Contractual services	334,500	334,500	174,040	160,460
Commodities	103,850	103,850	436,739	(332,889)
Capital outlay	907,000	907,000	129,244	777,756
Total expenditures	1,345,350	1,345,350	740,023	605,327
Revenues over (under) expenditures	(605,650)	(605,650)	39,818	645,468
Fund balance, beginning of year	605,650	605,650	704,816	99,166
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 744,634</u>	<u>\$ 744,634</u>

CITY OF GARDEN CITY, KANSAS
 Schedule of Revenues, Expenditures and Changes in
 Fund Balances - Budget and Actual
 Special Improvements Fund
 For the Year Ended December 31, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Miscellaneous	\$ 26,000	\$ 26,900	\$ 51,998	\$ 25,098
Total revenues	<u>26,000</u>	<u>26,900</u>	<u>51,998</u>	<u>25,098</u>
Expenditures:				
Current:				
Contractual services	28,000	230,000	174,275	55,725
Total expenditures	<u>28,000</u>	<u>230,000</u>	<u>174,275</u>	<u>55,725</u>
Revenues over (under) expenditures	(2,000)	(203,100)	(122,277)	80,823
Fund balance, beginning of year	<u>2,000</u>	<u>213,476</u>	<u>213,476</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ 10,376</u>	<u>\$ 91,199</u>	<u>\$ 80,823</u>

CITY OF GARDEN CITY, KANSAS
 Schedule of Revenues, Expenditures and Changes in
 Fund Balances - Budget and Actual
 Cemetery Endowment Fund
 For the Year Ended December 31, 2010

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Use of money and property	\$ 750	\$ 750	\$ 1,221	\$ 471
Sale of spaces	4,000	4,000	3,300	(700)
Total revenues	<u>4,750</u>	<u>4,750</u>	<u>4,521</u>	<u>(229)</u>
Expenditures:				
Current:				
Commodities	-	-	3,861	(3,861)
Capital outlay	14,250	14,250	5,756	8,494
Total expenditures	<u>14,250</u>	<u>14,250</u>	<u>9,617</u>	<u>4,633</u>
Revenues over (under) expenditures	(9,500)	(9,500)	(5,096)	4,404
Fund balance, beginning of year	<u>9,500</u>	<u>9,500</u>	<u>26,598</u>	<u>17,098</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,502</u>	<u>\$ 21,502</u>

CITY OF GARDEN CITY, KANSAS
 Schedule of Revenues, Expenditures and Changes in
 Fund Balances - Budget and Actual
 Special Recreation and Parks Fund
 For the Year Ended December 31, 2010

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental revenue	\$ 65,868	\$ 70,000	\$ 71,257	\$ 1,257
Use of money and property	-	-	10,414	10,414
Reimbursements	5,303	8,025	-	(8,025)
Total revenues	71,171	78,025	81,671	3,646
Expenditures:				
Current:				
Contractual services	65,000	139,001	31,271	107,730
Capital outlay	-	-	34,102	(34,102)
Total expenditures	65,000	139,001	65,373	73,628
Revenues over (under) expenditures	6,171	(60,976)	16,298	77,274
Other financing sources (uses):				
Transfers out	(25,000)	(25,000)	(25,000)	-
Net change in fund balance	(18,829)	(85,976)	(8,702)	77,274
Fund balance, beginning of year	18,829	85,976	85,975	(1)
Fund balance, end of year	\$ -	\$ -	\$ 77,273	\$ 77,273

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, 2010

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental revenue	\$ 66,000	\$ 66,000	\$ 71,258	\$ 5,258
Total revenues	66,000	66,000	71,258	5,258
Expenditures:				
Current:				
Contractual services	79,000	79,000	69,814	9,186
Total expenditures	79,000	79,000	69,814	9,186
Revenues over (under) expenditures	(13,000)	(13,000)	1,444	14,444
Fund balance, beginning of year	13,000	13,000	24,990	11,990
Fund balance, end of year	\$ -	\$ -	\$ 26,434	\$ 26,434

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, 2010

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Reimbursements	5,500	10,000	\$ -	\$ (10,000)
Donations	85,000	90,000	100,000	10,000
Total revenues	90,500	100,000	100,000	-
Expenditures:				
Current:				
Personnel services	-	-	4,933	(4,933)
Capital outlay	90,500	168,567	112,850	55,717
Total expenditures	90,500	168,567	117,783	50,784
Revenues over (under) expenditures	-	(68,567)	(17,783)	50,784
Fund balance, beginning of year	-	68,567	68,567	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,784</u>	<u>\$ 50,784</u>

CITY OF GARDEN CITY, KANSAS
Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
Special Liability Fund
For the Year Ended December 31, 2010

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Reimbursements	\$ -	\$ -	\$ -	-
Total revenues	-	-	-	-
Expenditures:				
Current:				
Contractual services	82,500	82,500	5,773	76,727
Total expenditures	82,500	82,500	5,773	76,727
Revenues over (under) expenditures	(82,500)	(82,500)	(5,773)	76,727
Other financing sources (uses):				
Transfers in	40,000	40,000	35,000	(5,000)
Net change in fund balance	(42,500)	(42,500)	29,227	71,727
Fund balance, beginning of year	42,500	42,500	111,593	69,093
Fund balance, end of year	\$ -	\$ -	\$ 140,820	\$ 140,820

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, 2010

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental revenue	\$ -	\$ -	\$ 9,683	\$ 9,683
Use of money and property	500	500	100	(400)
Miscellaneous	26,500	26,500	44,603	18,103
Total revenues	<u>27,000</u>	<u>27,000</u>	<u>54,386</u>	<u>27,386</u>
Expenditures:				
Current:				
Contractual services	76,000	76,000	56,614	19,386
Total expenditures	<u>76,000</u>	<u>76,000</u>	<u>56,614</u>	<u>19,386</u>
Revenues over (under) expenditures	(49,000)	(49,000)	(2,228)	46,772
Fund balance, beginning of year	<u>49,000</u>	<u>49,000</u>	<u>29,374</u>	<u>(19,626)</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,146</u>	<u>\$ 27,146</u>

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, 2010

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Use of money and property	\$ 500	\$ 500	\$ 97	\$ (403)
Miscellaneous	15,000	15,000	13,445	(1,555)
Total revenues	<u>15,500</u>	<u>15,500</u>	<u>13,542</u>	<u>(1,958)</u>
Expenditures:				
Current:				
Contractual services	<u>38,500</u>	<u>38,500</u>	<u>10,077</u>	<u>28,423</u>
Total expenditures	<u>38,500</u>	<u>38,500</u>	<u>10,077</u>	<u>28,423</u>
Revenues over (under)				
• expenditures	(23,000)	(23,000)	3,465	26,465
Fund balance, beginning of year	<u>23,000</u>	<u>23,000</u>	<u>36,419</u>	<u>13,419</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 39,884</u>	<u>\$ 39,884</u>

CITY OF GARDEN CITY, KANSAS
Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
Community Development Loan Fund
For the Year Ended December 31, 2010

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Use of money and property	\$ 15,000	\$ 15,000	\$ 12,774	\$ (2,226)
Total revenues	15,000	15,000	12,774	(2,226)
Expenditures:				
Current:				
Contractual services	16,750	16,750	11,646	5,104
Total expenditures	16,750	16,750	11,646	5,104
Revenues over (under) expenditures	(1,750)	(1,750)	1,128	2,878
Fund balance, beginning of year	1,750	1,750	4,625	2,875
Fund balance, end of year	\$ -	\$ -	\$ 5,753	\$ 5,753

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, 2010

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Use of money and property	\$ 50,000	\$ 50,000	\$ 42,844	\$ (7,156)
Total revenues	50,000	50,000	42,844	(7,156)
Expenditures:				
Current:				
Contractual	296,000	296,000	1,386	294,614
Total expenditures	296,000	296,000	1,386	294,614
Revenues over (under) expenditures	(246,000)	(246,000)	41,458	287,458
Fund balance, beginning of year	246,000	246,000	271,532	25,532
Fund balance, end of year	\$ -	\$ -	\$ 312,990	\$ 312,990

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, 2010

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Miscellaneous	\$ 57,000	\$ 57,000	\$ 67,073	\$ 10,073
Intergovernmental revenue	-	-	-	-
Total revenues	<u>57,000</u>	<u>57,000</u>	<u>67,073</u>	<u>10,073</u>
Expenditures:				
Capital outlay	<u>100,000</u>	<u>100,000</u>	<u>59,324</u>	<u>40,676</u>
Total expenditures	<u>100,000</u>	<u>100,000</u>	<u>59,324</u>	<u>40,676</u>
Revenues over (under) expenditures	(43,000)	(43,000)	7,749	50,749
Fund balance, beginning of year	<u>43,000</u>	<u>43,000</u>	<u>68,210</u>	<u>25,210</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 75,959</u>	<u>\$ 75,959</u>

CITY OF GARDEN CITY, KANSAS
 Schedule of Revenues, Expenditures and Changes in
 Fund Balances - Budget and Actual
 Community Development Grant Fund
 For the Year Ended December 31, 2010

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental revenue	\$ 100,000	\$ 100,000	\$ 50,248	\$ (49,752)
Total revenues	<u>100,000</u>	<u>100,000</u>	<u>50,248</u>	<u>(49,752)</u>
Expenditures:				
Current:				
Contractual	<u>100,000</u>	<u>100,000</u>	<u>50,248</u>	<u>49,752</u>
Total expenditures	<u>100,000</u>	<u>100,000</u>	<u>50,248</u>	<u>49,752</u>
Revenues over expenditures	-	-	-	-
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

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

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

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

CITY OF GARDEN CITY, KANSAS
Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
2009 GO Bond Projects
From Inception and For the Year Ended December 31, 2010

	Prior Years	Current Year	Total to Date	Project Authorization
Revenues:				
Use of money and property	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
Expenditures:				
Capital outlay:				
Construction contracts	484,155	1,107,502	1,591,657	2,073,199
Engineering and other	369,000	-	369,000	369,000
Debt service:				
Bond issuance costs	28,253	-	28,253	40,000
Total expenditures	881,408	1,107,502	1,988,910	2,482,199
Revenues under expenditures	(881,408)	(1,107,502)	(1,988,910)	(2,482,199)
Other financing sources (uses):				
Bonds issued	2,173,700	-	2,173,700	2,173,700
Transfers in	308,299	-	308,299	308,499
Transfers out	(267,100)	-	(267,100)	-
Net change in fund balance	\$ 1,333,491	(1,107,502)	\$ 225,989	\$ -
Fund balance, beginning of year		1,333,491		
Fund balance, end of year		<u>\$ 225,989</u>		

CITY OF GARDEN CITY, KANSAS
Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
2008-A GO Bond Projects
From Inception and For the Year Ended December 31, 2010

	Prior Years	Current Year	Total to Date	Project Authorization
Revenues:				
Use of money and property	\$ 9,140	\$ -	\$ 9,140	\$ -
Intergovernmental revenue	272,865	133,023	405,888	-
Total revenues	282,005	133,023	415,028	-
Expenditures:				
Capital outlay:				
Construction contracts	2,000,315	486,767	2,487,082	2,101,200
Debt service:				
Bond issuance costs	12,830	-	12,830	70,800
Total expenditures	2,013,145	486,767	2,499,912	2,172,000
Revenues under expenditures	(1,731,140)	(353,744)	(2,084,884)	(2,172,000)
Other financing sources (uses):				
Bonds issued	2,191,512	-	2,191,512	2,172,000
Transfers out	(98,000)	-	(98,000)	-
Net change in fund balance	\$ 362,372	(353,744)	\$ 8,628	\$ -
Fund balance, beginning of year		362,372		
Fund balance, end of year		\$ 8,628		

CITY OF GARDEN CITY, KANSAS
Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
2007-A GO Bond Projects
From Inception and For the Year Ended December 31, 2010

	Prior Years	Current Year	Total to Date	Project Authorization
Revenues:				
Use of money and property	\$ 43,849	\$ -	\$ 43,849	\$ -
Total revenues	<u>43,849</u>	<u>-</u>	<u>43,849</u>	<u>-</u>
Expenditures:				
Capital outlay:				
Construction contracts	1,512,421	46,052	1,558,473	1,731,460
Engineering and other	23,836	-	23,836	-
Debt service:				
Bond issuance costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,840</u>
Total expenditures	<u>1,536,257</u>	<u>46,052</u>	<u>1,582,309</u>	<u>1,755,300</u>
Revenues under expenditures	(1,492,408)	(46,052)	(1,538,460)	(1,755,300)
Other financing sources (uses):				
Bonds issued	1,556,300	-	1,556,300	1,755,300
Transfers in	99,160	-	99,160	-
Transfers out	<u>(117,000)</u>	<u>-</u>	<u>(117,000)</u>	<u>-</u>
Net change in fund balance	<u>\$ 46,052</u>	(46,052)	<u>\$ -</u>	<u>\$ -</u>
Fund balance, beginning of year		<u>46,052</u>		
Fund balance, end of year		<u>\$ -</u>		

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Proprietary Funds

Nonmajor Enterprise Funds

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

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

Solid Waste Utility:

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

Recreation Area:

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

Drainage Utility:

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

CITY OF GARDEN CITY, KANSAS
Combining Balance Sheet
Nonmajor Proprietary Funds
December 31, 2010

	Business-type Activities -			
	Solid Waste Utility	Solid Waste Utility	Recreation Area	Recreation Area
	Current Year	Prior Year	Current Year	Prior Year
<u>Assets</u>				
Current assets:				
Cash	\$ 981,301	\$ 844,348	\$ 149,838	\$ 89,305
Investments, at fair value	200,000	200,000	-	-
Restricted assets:				
Cash	-	-	5,260	18,112
Accounts receivable	162,831	118,316	-	6,970
Total current assets	<u>1,344,132</u>	<u>1,162,664</u>	<u>155,098</u>	<u>114,387</u>
Capital assets:				
Land	68,500	68,500	-	-
Production, storage and distribution equipment	-	-	-	-
Less accumulated depreciation	-	-	-	-
Golf course, club house and equipment	-	-	1,675,157	1,675,157
Less accumulated depreciation	-	-	(944,592)	(910,770)
Vehicles and equipment	1,505,118	1,397,164	215,741	153,304
Less accumulated depreciation	(993,306)	(983,963)	(198,358)	(147,556)
Containers	3,175,803	3,042,503	-	-
Less accumulated depreciation	(2,130,360)	(2,083,156)	-	-
Total capital assets	<u>1,625,755</u>	<u>1,441,048</u>	<u>747,948</u>	<u>770,135</u>
Total assets	<u>\$ 2,969,887</u>	<u>\$ 2,603,712</u>	<u>\$ 903,046</u>	<u>\$ 884,522</u>
<u>Liabilities</u>				
Current liabilities:				
Accounts payable and accrued liabilities	\$ 76,713	\$ 16,257	\$ 5,814	\$ 8,787
Total liabilities	<u>76,713</u>	<u>16,257</u>	<u>5,814</u>	<u>8,787</u>
<u>Net Assets</u>				
Invested in capital assets, net of related debt	1,625,755	1,441,048	747,948	770,135
Restricted for debt service	-	-	5,260	18,112
Unrestricted	1,267,419	1,146,407	144,024	87,488
Total net assets	<u>2,893,174</u>	<u>2,587,455</u>	<u>897,232</u>	<u>875,735</u>
Total liabilities and net assets	<u>\$ 2,969,887</u>	<u>\$ 2,603,712</u>	<u>\$ 903,046</u>	<u>\$ 884,522</u>

Enterprise Funds

Drainage Utility		Drainage Utility		Totals		Totals	
Current Year	Prior Year	Current Year	Prior Year	Current Year	Prior Year	Current Year	Prior Year
\$ 150,377	\$ 207,737	\$ 1,281,516	\$ 1,141,390				
100,000	100,000	300,000	300,000				
-	-	5,260	18,112				
12,816	11,922	175,647	137,208				
<u>263,193</u>	<u>319,659</u>	<u>1,762,423</u>	<u>1,596,710</u>				
70,000	70,000	138,500	138,500				
337,232	157,933	337,232	157,933				
(8,520)	(1,645)	(8,520)	(1,645)				
-	-	1,675,157	1,675,157				
-	-	(944,592)	(910,770)				
-	-	1,720,859	1,550,468				
-	-	(1,191,664)	(1,131,519)				
-	-	3,175,803	3,042,503				
-	-	(2,130,360)	(2,083,156)				
<u>398,712</u>	<u>226,288</u>	<u>2,772,415</u>	<u>2,437,471</u>				
<u>\$ 661,905</u>	<u>\$ 545,947</u>	<u>\$ 4,534,838</u>	<u>\$ 4,034,181</u>				
\$ 6,618	\$ 1,558	\$ 89,145	\$ 26,602				
<u>6,618</u>	<u>1,558</u>	<u>89,145</u>	<u>26,602</u>				
398,712	226,288	2,772,415	2,437,471				
-	-	5,260	18,112				
256,575	318,101	1,668,018	1,551,996				
<u>655,287</u>	<u>544,389</u>	<u>4,445,693</u>	<u>4,007,579</u>				
<u>\$ 661,905</u>	<u>\$ 545,947</u>	<u>\$ 4,534,838</u>	<u>\$ 4,034,181</u>				

CITY OF GARDEN CITY, KANSAS
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Nonmajor Proprietary Funds
For the Year Ended December 31, 2010

	Business-type Activities -			
	Solid Waste Utility	Solid Waste Utility	Recreation Area	Recreation Area
	Current Year	Prior Year	Current Year	Prior Year
Operating revenues:				
Charges for services	\$ 2,733,879	\$ 2,116,312	\$ -	\$ -
Miscellaneous	650	2,806	7,512	695
Membership and fees	-	-	383,846	367,575
Concessions	-	-	64,844	69,491
Total operating revenues	<u>2,734,529</u>	<u>2,119,118</u>	<u>456,202</u>	<u>437,761</u>
Operating expenses:				
Personnel services	983,928	945,021	450,158	419,331
Contractual services	976,961	872,145	104,378	76,997
Commodities	191,564	186,132	146,389	152,514
Depreciation	196,549	200,408	62,368	59,829
Total operating expenses	<u>2,349,002</u>	<u>2,203,706</u>	<u>763,293</u>	<u>708,671</u>
Operating income (loss)	<u>385,527</u>	<u>(84,588)</u>	<u>(307,091)</u>	<u>(270,910)</u>
Nonoperating revenues (expense):				
Interest income	3,621	6,567	-	-
Rent and royalties	-	-	2,300	11,100
Sale of materials	84,490	56,675	20	314
Gain (loss) on disposal of assets	(15,419)	(17,330)	1,268	-
Total nonoperating revenues (expense)	<u>72,692</u>	<u>45,912</u>	<u>3,588</u>	<u>11,414</u>
Income (loss) before operating transfers	458,219	(38,676)	(303,503)	(259,496)
Transfers in	-	-	325,000	250,000
Transfers out	(152,500)	(60,000)	-	-
Change in net assets	305,719	(98,676)	21,497	(9,496)
Total net assets, beginning of year	<u>2,587,455</u>	<u>2,686,131</u>	<u>875,735</u>	<u>885,231</u>
Total net assets, end of year	<u>\$ 2,893,174</u>	<u>\$ 2,587,455</u>	<u>\$ 897,232</u>	<u>\$ 875,735</u>

Enterprise Funds

Drainage Utility		Drainage Utility		Totals		Totals	
Current Year		Prior Year		Current Year		Prior Year	
\$ 205,276	\$ 204,986	\$ 2,939,155	\$ 2,321,298				
-	-	8,162	3,501				
-	-	383,846	367,575				
-	-	64,844	69,491				
<u>205,276</u>	<u>204,986</u>	<u>3,396,007</u>	<u>2,761,865</u>				
47,810	46,830	1,481,896	1,411,182				
(3,681)	301	1,077,658	949,443				
47,024	33,641	384,977	372,287				
6,875	1,645	265,792	261,882				
<u>98,028</u>	<u>82,417</u>	<u>3,210,323</u>	<u>2,994,794</u>				
<u>107,248</u>	<u>122,569</u>	<u>185,684</u>	<u>(232,929)</u>				
1,450	2,700	5,071	9,267				
2,200	-	4,500	11,100				
-	-	84,510	56,989				
-	-	(14,151)	(17,330)				
<u>3,650</u>	<u>2,700</u>	<u>79,930</u>	<u>60,026</u>				
110,898	125,269	265,614	(172,903)				
-	-	325,000	250,000				
-	-	(152,500)	(60,000)				
110,898	125,269	438,114	17,097				
<u>544,389</u>	<u>419,120</u>	<u>4,007,579</u>	<u>3,990,482</u>				
<u>\$ 655,287</u>	<u>\$ 544,389</u>	<u>\$ 4,445,693</u>	<u>\$ 4,007,579</u>				

CITY OF GARDEN CITY, KANSAS
Combining Statement of Cash Flows
Nonmajor Proprietary Funds
For the Year Ended December 31, 2010

	Business-type Activities -			
	Solid Waste Utility	Solid Waste Utility	Recreation Area	Recreation Area
	Current Year	Prior Year	Current Year	Prior Year
Cash flows from operating activities:				
Receipts from customers	\$ 2,689,364	\$ 2,110,344	\$ 455,660	\$ 430,963
Other receipts	650	2,806	7,512	695
Payments to suppliers	(1,108,069)	(1,165,722)	(253,740)	(242,372)
Payments for personnel services	(983,928)	(945,021)	(450,158)	(419,331)
Net cash provided (used) by operating activities	598,017	2,407	(240,726)	(230,045)
Cash flows from noncapital financing activities:				
Transfers in	-	-	325,000	250,000
Transfers out	(152,500)	(60,000)	-	-
Net cash provided (used) by noncapital financing activities	(152,500)	(60,000)	325,000	250,000
Cash flows from capital and related financing activities:				
Receipts from sale of materials	84,490	56,675	20	314
Acquisition of property, plant and equipment	(396,675)	(255,729)	(38,913)	(16,150)
Net cash used by capital and related financing activities	(312,185)	(199,054)	(38,893)	(15,836)
Cash flows from investing activities:				
Interest income	3,621	6,567	-	-
Proceeds from sale of investments	200,000	450,000	-	-
Purchase of investments	(200,000)	(200,000)	-	-
Rents and royalties	-	-	2,300	11,100
Net cash provided by investing activities	3,621	256,567	2,300	11,100
Net increase (decrease) in cash	136,953	(80)	47,681	15,219
Cash, beginning of year	844,348	844,428	107,417	92,198
Cash, end of year	\$ 981,301	\$ 844,348	\$ 155,098	\$ 107,417
Balance sheet classification:				
Current assets	\$ 981,301	\$ 844,348	\$ 149,838	\$ 89,305
Restricted assets	-	-	5,260	18,112
Total cash, end of year	\$ 981,301	\$ 844,348	\$ 155,098	\$ 107,417
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ 385,527	\$ (84,588)	\$ (307,091)	\$ (270,910)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation	196,549	200,408	62,368	59,829
Change in assets and liabilities:				
(Increase) decrease in receivables	(44,515)	(5,968)	6,970	(6,103)
Increase (decrease) in accounts payable	60,456	(107,445)	(2,973)	(12,861)
Net cash provided (used) by operating activities	\$ 598,017	\$ 2,407	\$ (240,726)	\$ (230,045)

Enterprise Funds

Drainage Utility		Drainage Utility		Totals		Totals	
Current Year	Prior Year	Current Year	Prior Year	Current Year	Prior Year	Current Year	Prior Year
\$ 204,382	\$ 204,558	\$ 3,349,406	\$ 2,745,865				
-	-	8,162	3,501				
(38,283)	(35,674)	(1,400,092)	(1,443,768)				
(47,810)	(46,830)	(1,481,896)	(1,411,182)				
<u>118,289</u>	<u>122,054</u>	<u>475,580</u>	<u>(105,584)</u>				
-	-	325,000	250,000				
-	-	(152,500)	(60,000)				
-	-	<u>172,500</u>	<u>190,000</u>				
-	-	84,510	56,989				
(179,299)	(157,933)	(614,887)	(429,812)				
(179,299)	(157,933)	(530,377)	(372,823)				
1,450	2,700	5,071	9,267				
100,000	100,000	300,000	550,000				
(100,000)	(100,000)	(300,000)	(300,000)				
2,200	-	4,500	11,100				
<u>3,650</u>	<u>2,700</u>	<u>9,571</u>	<u>270,367</u>				
(57,360)	(33,179)	127,274	(18,040)				
<u>207,737</u>	<u>240,916</u>	<u>1,159,502</u>	<u>1,177,542</u>				
\$ 150,377	\$ 207,737	\$ 1,286,776	\$ 1,159,502				
\$ 150,377	\$ 207,737	\$ 1,281,516	\$ 1,141,390				
-	-	5,260	18,112				
\$ 150,377	\$ 207,737	\$ 1,286,776	\$ 1,159,502				
\$ 107,248	\$ 122,569	\$ 185,684	\$ (232,929)				
6,875	1,645	265,792	261,882				
(894)	(428)	(38,439)	(12,499)				
<u>5,060</u>	<u>(1,732)</u>	<u>62,543</u>	<u>(122,038)</u>				
\$ 118,289	\$ 122,054	\$ 475,580	\$ (105,584)				

Proprietary Funds

Internal Service Funds

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

Health Insurance:

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

Workers Compensation:

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

CITY OF GARDEN CITY, KANSAS
Combining Balance Sheet
Internal Service Funds
December 31, 2010

	<u>Health Insurance</u>	<u>Workers Compensation</u>	<u>Totals</u>
<u>Assets</u>			
Current assets:			
Cash	\$ 863,612	\$ 250,496	\$ 1,114,108
Investments, at fair value	-	125,000	125,000
Total assets	<u><u>\$ 863,612</u></u>	<u><u>\$ 375,496</u></u>	<u><u>\$ 1,239,108</u></u>
 <u>Liabilities</u>			
Current liabilities:			
Accounts payable	\$ 189,065	\$ 5,817	\$ 194,882
Noncurrent liabilities:			
Net OPEB obligation	450,194	-	450,194
Total liabilities	<u>639,259</u>	<u>5,817</u>	<u>645,076</u>
 <u>Net Assets</u>			
Restricted for health insurance	224,353	-	224,353
Restricted for workers compensation	-	369,679	369,679
Total net assets	<u>224,353</u>	<u>369,679</u>	<u>594,032</u>
Total liabilities and net assets	<u><u>\$ 863,612</u></u>	<u><u>\$ 375,496</u></u>	<u><u>\$ 1,239,108</u></u>

CITY OF GARDEN CITY, KANSAS
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Internal Service Funds
For the Year Ended December 31, 2010

	<u>Health Insurance</u>	<u>Workers Compensation</u>	<u>Total</u>
Operating revenues:			
Department billings	<u>\$ 2,284,530</u>	<u>\$ -</u>	<u>\$ 2,284,530</u>
Total operating revenues	<u>2,284,530</u>	<u>-</u>	<u>2,284,530</u>
Operating expenses:			
Contractual	<u>2,850,643</u>	<u>320,418</u>	<u>3,171,061</u>
Total operating expenses	<u>2,850,643</u>	<u>320,418</u>	<u>3,171,061</u>
Operating loss	(566,113)	(320,418)	(886,531)
Nonoperating revenues:			
Interest income	<u>-</u>	<u>1,194</u>	<u>1,194</u>
Loss before operating transfers	(566,113)	(319,224)	(885,337)
Operating transfers between funds:			
Transfers in	<u>-</u>	<u>245,000</u>	<u>245,000</u>
Change in net assets	(566,113)	(74,224)	(640,337)
Total net assets, beginning of year	<u>790,466</u>	<u>443,903</u>	<u>1,234,369</u>
Total net assets, end of year	<u>\$ 224,353</u>	<u>\$ 369,679</u>	<u>\$ 594,032</u>

CITY OF GARDEN CITY, KANSAS
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2010

	Health Insurance	Workers Compensation	Total
Cash flows from operating activities:			
Other receipts	\$ 2,284,530	\$ -	\$ 2,284,530
Claims paid	(2,635,334)	(322,051)	(2,957,385)
Net cash used by operating activities	(350,804)	(322,051)	(672,855)
Cash flows from noncapital financing activities:			
Transfers in	-	245,000	245,000
Net cash provided by noncapital financing activities	-	245,000	245,000
Cash flows from investing activities:			
Interest income	-	1,194	1,194
Net cash provided by investing activities	-	1,194	1,194
Net decrease in cash	(350,804)	(75,857)	(426,661)
Cash, beginning of year	1,214,416	326,353	1,540,769
Cash, end of year	\$ 863,612	\$ 250,496	\$ 1,114,108
Reconciliation of operating loss to net cash used by operating activities:			
Operating loss	\$ (566,113)	\$ (320,418)	\$ (886,531)
Adjustments to reconcile operating loss to net cash used by operating activities:			
Decrease in accounts payable	(9,788)	(1,633)	(11,421)
Increase in net OPEB obligation	225,097	-	225,097
Net cash used by operating activities	\$ (350,804)	\$ (322,051)	\$ (672,855)

Fiduciary Funds

Agency Accounts

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

Payroll Clearing Account:

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

Bail Bonds Account:

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

Special Investigations Account:

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

CITY OF GARDEN CITY, KANSAS
 Combining Statement of Changes in Assets and Liabilities
 Agency Accounts
 For the Year Ended December 31, 2010

	Balance 01-01-10	Additions	Deductions	Balance 12-31-10
Payroll Clearing Account:				
<u>Assets</u>				
Cash	\$ 15,792	\$ 12,681,745	\$ 12,697,548	\$ (11)
<u>Liabilities</u>				
Accounts payable	\$ 15,792	\$ 12,681,745	\$ 12,697,548	\$ (11)
 Bail Bonds Account:				
<u>Assets</u>				
Cash	\$ 81,489	\$ 230,048	\$ 191,361	\$ 120,176
<u>Liabilities</u>				
Accounts payable	\$ 81,489	\$ 230,048	\$ 191,361	\$ 120,176
 Special Investigations Account:				
<u>Assets</u>				
Cash	\$ 4,100	\$ 22,517	\$ 15,500	\$ 11,117
<u>Liabilities</u>				
Accounts payable	\$ 4,100	\$ 22,517	\$ 15,500	\$ 11,117
 Totals:				
<u>Assets</u>				
Cash	\$ 101,381	\$ 12,934,310	\$ 12,904,409	\$ 131,282
<u>Liabilities</u>				
Accounts payable	\$ 101,381	\$ 12,934,310	\$ 12,904,409	\$ 131,282

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, 2010

<u>Idle Funds</u>	
Certificates of deposit	\$ 5,095,269
Total Idle Funds investments	5,095,269
<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	308,767
Cemetery Endowment - Certificates of deposit	14,310
Economic Development - Certificates of deposit	125,000
Total Special Revenue Funds investments	1,548,077
<u>Electric Utility</u>	
General - Temporary notes	250,000
Security Deposit - Certificates of deposit	100,000
Total Electric Utility investments	350,000
<u>Solid Waste Utility</u>	
General - Certificates of deposit	200,000
<u>Drainage Utility</u>	
General - Certificates of deposit	100,000
<u>Workers Compensation Reserve</u>	
Certificates of deposit	125,000
Total investment - all funds	\$ 7,418,346

CITY OF GARDEN CITY, KANSAS
Comparison of Cash Balances with Encumbrances and Composition of Cash
For the Year Ended December 31, 2010

<u>Fund</u>	Unencumbered Cash Balance 01-01-10	Receipts and Transfers	Expenditures and Transfers	Unencumbered Cash Balance 12-31-10	Add Payables and Encumbrances	Treasurer's Cash 12-31-10
Operating						
General	\$ 3,320,024	\$ 17,001,177	\$ 17,010,230	\$ 3,310,971	\$ 408,032	\$ 3,719,003
Debt Service Fund						
Bond and Interest	213,341	1,959,570	1,983,644	189,267	-	189,267
Special Revenue Funds						
Community Trust	2,028,809	531,264	729,341	1,830,732	-	1,830,732
Capital Improvements	270,162	112,277	85,818	296,621	4,318	300,939
Recreation	9,674	845,839	850,037	5,476	-	5,476
Special Trafficway	704,816	779,841	740,023	744,634	24,061	768,695
Special Improvements	213,476	51,998	174,275	91,199	-	91,199
Cemetery Endowment	26,598	4,521	9,617	21,502	-	21,502
Special Recreation and Parks	85,975	81,671	90,373	77,273	185	77,458
Special Alcohol Programs	24,990	71,258	69,814	26,434	-	26,434
Finnup Trust Fund	68,567	100,000	117,783	50,784	-	50,784
Special Liability	111,593	35,000	5,773	140,820	-	140,820
Drug Enforcement	29,374	54,386	56,614	27,146	144	27,290
DEA Forfeiture	36,419	13,542	10,077	39,884	1,376	41,260
Community Development Loan Fund	4,625	12,774	11,646	5,753	-	5,753
Economic Development	271,532	42,844	1,386	312,990	-	312,990
Enhanced Wireless 911	68,210	67,073	59,324	75,959	-	75,959
Community Development Grant	-	50,248	50,248	-	-	-
JAG ARRA Grant	-	23,245	23,245	-	-	-
COPS Grant Technology	-	53,922	57,902	(3,980)	-	(3,980)
Project Development	-	250,000	-	250,000	-	250,000
Total Special Revenue	3,954,820	3,181,703	3,143,296	3,993,227	30,084	4,023,311
Capital Projects Funds						
2010-A GO Bond Projects	-	1,205,756	421,648	784,108	109,048	893,156
2010 Temporary Note Projects	-	250,000	228,885	21,115	53,188	74,303
2009 GO Bond Projects	1,333,491	-	1,107,502	225,989	19,279	245,268
2008-A GO Bond Projects	362,372	133,023	486,767	8,628	-	8,628
2007-A GO Bond Projects	46,052	-	46,052	-	-	-
Total Capital Projects	1,741,915	1,588,779	2,290,854	1,039,840	181,515	1,221,355
Enterprise Funds						
Electric Utility:						
General	3,638,389	24,951,477	24,768,538	3,821,328	1,272,461	5,093,789
Security Deposits	245,544	122,531	120,041	248,034	-	248,034
Total Electric Utility	3,883,933	25,074,008	24,888,579	4,069,362	1,272,461	5,341,823
Water and Sewer Utility:						
General	360,511	20,936,812	20,372,728	924,595	203,662	1,128,257
Water and Sewage Maintenance Reserve	762,091	197,801	150,000	809,892	-	809,892
Wastewater Repair and Replacement	453,906	131,515	100,000	485,421	-	485,421
Total Water and Sewer Utility	1,576,508	21,266,128	20,622,728	2,219,908	203,662	2,423,570
Airport:						
General	280,142	769,702	674,967	374,877	39,425	414,302
Airport Improvement	206,716	1,629,530	1,715,296	120,950	-	120,950
Total Airport	486,858	2,399,232	2,390,263	495,827	39,425	535,252
Solid Waste Utility:						
General	1,028,589	2,777,848	2,701,628	1,104,809	76,713	1,181,522
Recreation Area:						
General Golf Course	81,488	778,443	715,907	144,024	5,814	149,838
Golf Course Building	24,112	5,079	23,931	5,260	-	5,260
Total Recreation Area	105,600	783,522	739,838	149,284	5,814	155,098
Drainage Utility:						
General	306,179	208,307	270,452	244,034	6,618	250,652
Internal Service Funds						
Health Insurance	(209,534)	2,624,530	2,850,643	(435,647)	639,259	203,612
Health Insurance Reserve	1,000,000	-	340,000	660,000	-	660,000
Workers Compensation	7,430	245,000	255,418	(2,988)	5,817	2,829
Workers Compensation Reserve	436,473	1,194	65,000	372,667	-	372,667
Total Internal Service	1,234,369	2,870,724	3,511,061	594,032	645,076	1,239,108

(continued)

CITY OF GARDEN CITY, KANSAS
Comparison of Cash Balances with Encumbrances and Composition of Cash
For the Year Ended December 31, 2010

<u>Fund</u>	<u>Unencumbered Cash Balance 01-01-10</u>	<u>Receipts and Transfers</u>	<u>Expenditures and Transfers</u>	<u>Unencumbered Cash Balance 12-31-10</u>	<u>Add Payables and Encumbrances</u>	<u>Treasurer's Cash 12-31-10</u>
<i>(continued)</i>						
<u>Agency Accounts</u>						
Payroll Clearing Account	\$ -	\$ 12,681,745	\$ 12,681,745	\$ -	\$ (11)	\$ (11)
Bail Bonds Account	-	230,048	230,048	-	120,176	120,176
Special Investigations Account	-	22,517	22,517	-	11,117	11,117
Total Agency Accounts	-	<u>12,934,310</u>	<u>12,934,310</u>	-	<u>131,282</u>	<u>131,282</u>
Total all funds (memorandum only)	<u>\$ 17,852,136</u>	<u>\$ 92,045,308</u>	<u>\$ 92,486,883</u>	<u>\$ 17,410,561</u>	<u>\$ 3,000,682</u>	<u>\$ 20,411,243</u>
<u>Composition of Treasurer's Cash</u>						
Commerce Bank					\$ 5,217,801	
Western State Bank					492,164	
First National Bank					3,099,651	
American State Bank					3,893,394	
Garden City State Bank					332,658	
Plus deposits in transit					3,682	
Less outstanding checks					<u>(240,237)</u>	
Total cash in banks						\$ 12,799,113
Utility petty cash accounts						450
Accounts receivable						193,334
Investments						<u>7,418,346</u>
Total cash						<u>\$ 20,411,243</u>

CITY OF GARDEN CITY, KANSAS
Schedule of Insurance
December 31, 2010

<u>Type of Insurance - Insurer</u>	<u>Policy Number</u>	<u>Expiration Date</u>	<u>Insured Amount</u>
Buildings and personal property - The St. Paul Travelers Companies	GP09314453	12/31/2010	\$ 52,477,587
Commercial auto - The St. Paul Travelers Companies	GP09314453	12/31/2010	1,000,000/1,000,000
Commercial general liability - The St. Paul Travelers Companies	GP09314453	12/31/2010	1,000,000
Aviation insurance and airport liability - Global Aerospace, Inc.	ALI14000619	02/01/2011	1,000,000
Law enforcement liability - The St. Paul Travelers Companies	GP09314453	12/31/2010	1,000,000
Employee dishonesty coverage - The St. Paul Travelers Companies	GP09314453	12/31/2010	250,000
Public officials liability - The St. Paul Travelers Companies	GP09314453	12/31/2010	1,000,000/1,000,000
Gas well liability - Mid-Continent Casualty Company	04GL000776078	12/07/2011	1,000,000

STATISTICAL
SECTION

Statistical Section

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

Contents	Page
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	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.

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

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

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

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

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

Year			
2007	2008	2009	2010
\$ 32,766,383	\$ 32,525,667	\$ 31,454,153	\$ 31,975,036
232,006	256,240	213,341	189,267
<u>8,468,785</u>	<u>9,943,841</u>	<u>9,543,948</u>	<u>8,541,673</u>
<u>\$ 41,467,174</u>	<u>\$ 42,725,748</u>	<u>\$ 41,211,442</u>	<u>\$ 40,705,976</u>
\$ 45,622,009	\$ 47,733,618	\$ 51,227,065	\$ 53,353,800
1,137,405	1,259,840	1,234,110	1,484,641
<u>8,918,876</u>	<u>8,677,126</u>	<u>9,314,091</u>	<u>10,520,459</u>
<u>\$ 55,678,290</u>	<u>\$ 57,670,584</u>	<u>\$ 61,775,266</u>	<u>\$ 65,358,900</u>
\$ 78,388,392	\$ 80,259,285	\$ 82,681,218	\$ 85,328,836
1,369,411	1,516,080	1,447,451	1,673,908
<u>17,387,661</u>	<u>18,620,967</u>	<u>18,858,039</u>	<u>19,062,132</u>
<u>\$ 97,145,464</u>	<u>\$ 100,396,332</u>	<u>\$ 102,986,708</u>	<u>\$ 106,064,876</u>

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

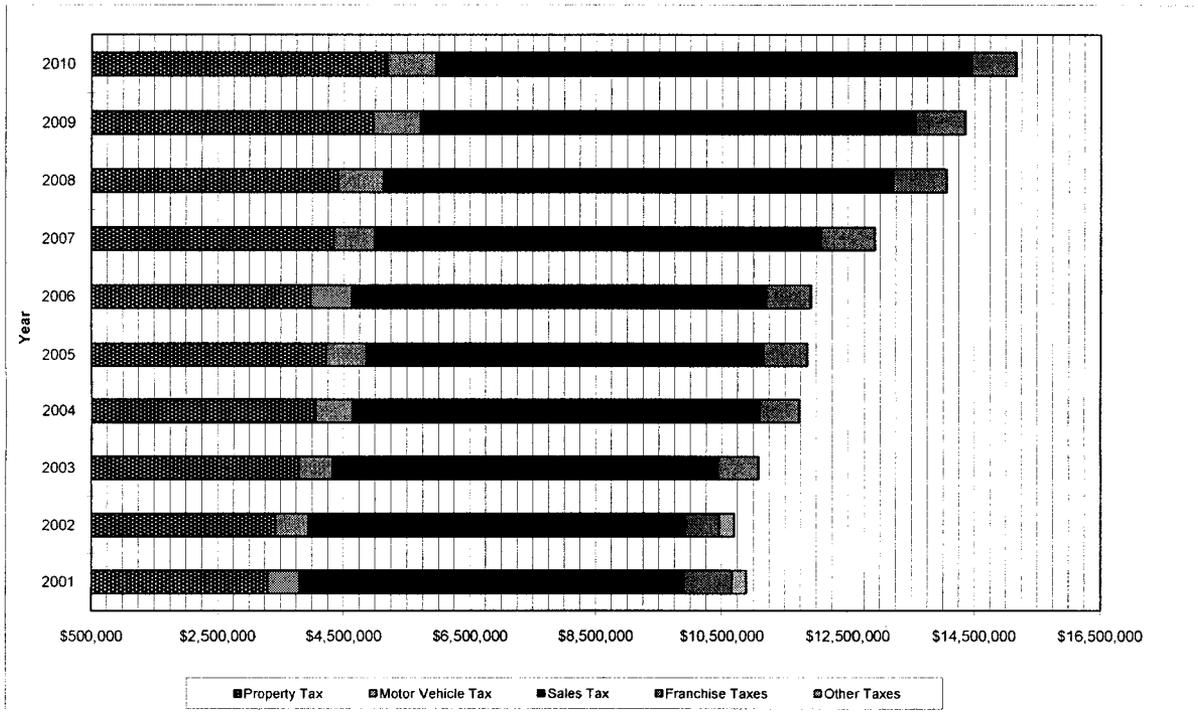
	Fiscal Year				
	2003	2004	2005	2006	2007
Expenses					
Governmental activities:					
General government	\$ 6,425,634	\$ 6,507,206	\$ 7,316,396	\$ 8,515,542	\$ 6,838,681
Public safety	5,837,395	5,897,958	5,867,304	6,326,228	6,930,303
Public works	1,787,800	1,341,869	771,928	2,238,682	865,762
Parks and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

	2008	2009	2010
\$	6,653,078	6,699,734	4,698,266
	7,312,265	9,631,721	10,520,505
	2,425,119	2,768,845	3,997,877
	2,958,139	3,854,085	2,766,802
	328,853	372,770	400,611
	<u>19,677,454</u>	<u>23,327,155</u>	<u>22,384,061</u>
	19,396,414	18,798,030	21,157,506
	5,393,462	5,588,047	5,666,156
	1,354,229	1,305,582	1,107,934
	2,149,923	2,221,036	2,364,421
	632,179	708,671	763,293
	1,905	-	-
	98,346	82,417	98,028
	<u>29,026,458</u>	<u>28,703,783</u>	<u>31,157,338</u>
\$	<u>48,703,912</u>	<u>52,030,938</u>	<u>53,541,399</u>
\$	542,897	373,066	449,462
	1,356,357	1,458,791	1,594,491
	32,698	-	-
	17,764	54,137	16,734
	2,079,099	2,403,258	1,657,675
	642,208	615,363	837,029
	<u>4,671,023</u>	<u>4,904,615</u>	<u>4,555,391</u>
	20,784,933	21,424,209	23,072,844
	5,596,886	6,266,262	7,092,827
	319,904	326,444	286,326
	2,096,321	2,116,312	2,733,879
	407,705	437,066	448,690
	202,133	204,986	205,276
	2,175,426	3,432,840	1,629,530
	<u>31,583,308</u>	<u>34,208,119</u>	<u>35,469,372</u>
\$	<u>36,254,331</u>	<u>39,112,734</u>	<u>40,024,763</u>
\$	(15,006,431)	(18,422,540)	(17,828,670)
	2,556,850	5,504,336	4,312,034
\$	<u>(12,449,581)</u>	<u>(12,918,204)</u>	<u>(13,516,636)</u>
\$	4,407,894	4,978,312	5,193,216
	8,076,358	7,843,971	8,505,990
	848,048	776,554	707,656
	725,920	753,351	761,578
	714,423	395,687	301,284
	151,646	129,959	174,980
	1,340,716	2,030,400	1,678,500
	<u>16,265,005</u>	<u>16,908,234</u>	<u>17,323,204</u>
	363,283	419,206	471,787
	104,615	13,934	5,929
	308,262	197,606	471,116
	-	-	1,268
	(1,340,716)	(2,030,400)	(1,678,500)
	<u>(564,556)</u>	<u>(1,399,654)</u>	<u>(728,400)</u>
\$	<u>15,700,449</u>	<u>15,508,580</u>	<u>16,594,804</u>
\$	1,258,574	(1,514,306)	(505,466)
	1,992,294	4,104,682	3,583,634
\$	<u>3,250,868</u>	<u>2,590,376</u>	<u>3,078,168</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
2001	\$ 3,288,445	\$ 508,717	\$ 6,090,330	\$ 763,910	\$ 232,105	\$ 10,883,507
2002	3,416,999	522,150	5,967,700	548,443	237,200	10,692,492
2003	3,786,725	536,777	6,110,402	642,811	-	11,076,715
2004	4,054,769	583,511	6,449,808	627,919	17,677	11,733,684
2005	4,215,809	642,697	6,289,182	705,538	4,404	11,857,630
2006	3,972,128	652,469	6,562,890	720,481	10,976	11,918,944
2007	4,337,090	650,440	7,079,556	839,308	9,369	12,915,763
2008	4,400,476	725,920	8,076,358	848,048	7,418	14,058,220
2009	4,963,808	753,351	7,843,971	776,554	14,504	14,352,188
2010	5,181,820	761,578	8,505,990	707,656	11,396	15,168,440



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

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
General fund:				
Unreserved	\$ 3,119,961	\$ 2,130,785	\$ 3,499,186	\$ 4,331,026
Total general fund	<u>\$ 3,119,961</u>	<u>\$ 2,130,785</u>	<u>\$ 3,499,186</u>	<u>\$ 4,331,026</u>
All other governmental funds:				
Reserved	\$ 291,849	\$ 257,191	\$ 319,897	\$ 234,496
Unreserved, reported in:				
Special revenue funds	2,458,700	2,443,293	3,001,545	2,914,907
Capital project funds	<u>1,885,068</u>	<u>604,561</u>	<u>(114,668)</u>	<u>223,430</u>
Total all other governmental funds	<u>\$ 4,635,617</u>	<u>\$ 3,305,045</u>	<u>\$ 3,206,774</u>	<u>\$ 3,372,833</u>

Fiscal Year					
2005	2006	2007	2008	2009	2010
\$ 4,644,051	\$ 4,686,557	\$ 4,599,827	\$ 4,857,753	\$ 4,930,556	\$ 5,100,420
<u>\$ 4,644,051</u>	<u>\$ 4,686,557</u>	<u>\$ 4,599,827</u>	<u>\$ 4,857,753</u>	<u>\$ 4,930,556</u>	<u>\$ 5,100,420</u>
\$ 322,545	\$ 141,758	\$ 232,006	\$ 256,240	\$ 213,341	\$ 189,267
2,563,468	3,327,295	3,844,311	4,401,327	4,163,831	4,198,268
<u>1,248,935</u>	<u>819,556</u>	<u>19,309</u>	<u>1,857,190</u>	<u>1,741,915</u>	<u>789,840</u>
<u>\$ 4,134,948</u>	<u>\$ 4,288,609</u>	<u>\$ 4,095,626</u>	<u>\$ 6,514,757</u>	<u>\$ 6,119,087</u>	<u>\$ 5,177,375</u>

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

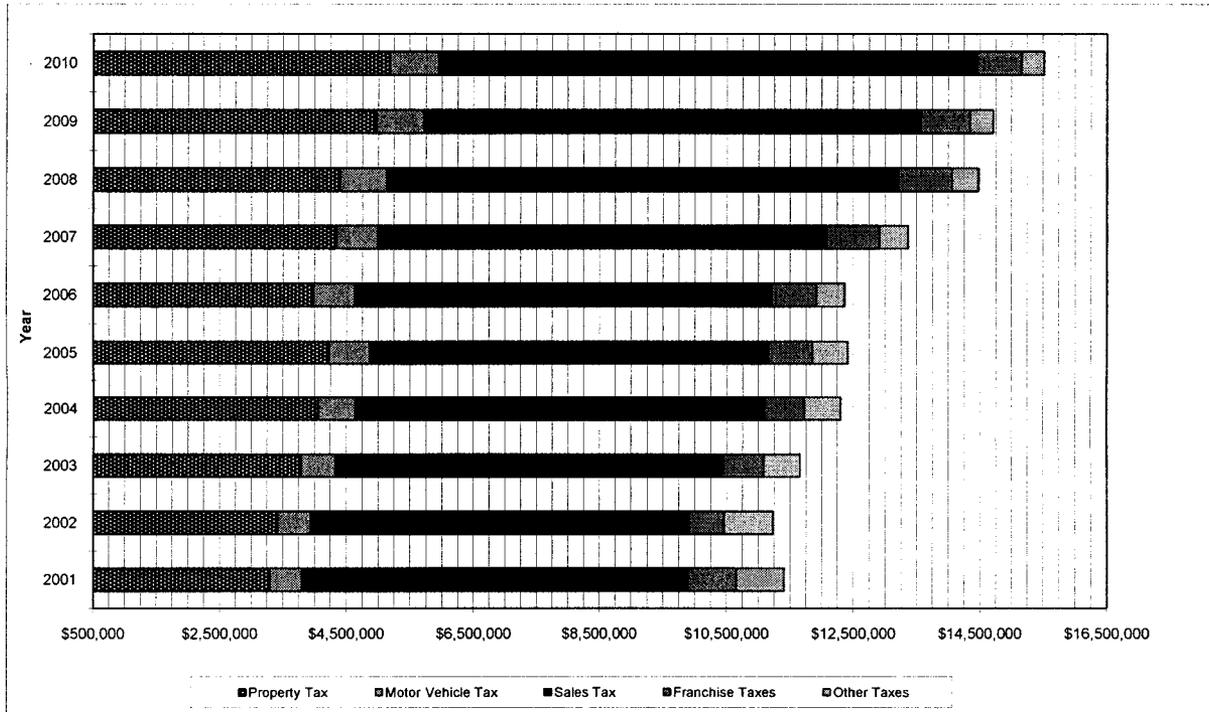
	2001	2002	2003	2004
Revenues:				
Taxes	\$ 10,119,597	\$ 10,144,049	\$ 10,433,904	\$ 11,105,765
Special assessment taxes	515,549	533,498	576,363	561,948
Intergovernmental revenue	1,556,846	1,374,629	1,337,959	1,463,983
Franchises	763,910	548,443	642,811	627,919
Licenses and permits	137,322	133,258	142,507	101,215
Use of money and property	680,439	355,892	326,700	299,767
Reimbursements/Insurance proceeds	1,121,025	1,260,340	1,779,139	1,282,342
Miscellaneous	93,250	57,706	50,053	42,873
Donations	85,000	95,000	70,950	403,301
Cemetery	99,529	100,385	101,860	97,564
Police and municipal court	683,907	790,405	991,385	1,280,006
Fire	113,012	150,734	32,281	120,845
Engineering	-	-	373	17,319
Inspection	38,332	3,471	79,877	81,782
Planning and zoning	4,038	4,824	4,251	2,905
Parks and zoo	30,384	29,918	18,655	18,532
Total revenues	16,042,140	15,582,552	16,589,068	17,508,066
Expenditures:				
Current:				
General government	4,592,842	5,262,239	4,186,318	4,502,985
Public safety	5,902,145	5,588,030	5,516,313	5,853,879
Public works	942,990	758,875	1,382,576	1,428,731
Parks and recreation	2,000,714	2,097,180	2,152,716	2,131,701
Capital outlay and capital projects	2,140,285	2,902,335	2,242,796	1,863,194
Debt service:				
Principal	2,300,000	2,572,000	2,930,000	2,845,000
Interest and fiscal charges	651,992	633,591	444,428	337,942
Refunding and bond issuance costs	-	51,446	-	-
Total expenditures	18,530,968	19,865,696	18,855,147	18,963,432
Excess of revenues under expenditures	(2,488,828)	(4,283,144)	(2,266,079)	(1,455,366)
Other financing sources (uses):				
Transfers in	2,795,561	2,878,054	3,265,671	3,617,236
Transfers out	(1,788,022)	(1,963,610)	(1,812,084)	(1,843,335)
Bonds issued	2,622,000	4,745,000	350,000	614,000
Payment to refunded bond escrow agent	-	(3,784,288)	-	-
Issuance of capital leases	586,212	88,240	-	65,364
Total other financing sources (uses)	4,215,751	1,963,396	1,803,587	2,453,265
Net change in fund balances	\$ 1,726,923	\$ (2,319,748)	\$ (462,492)	\$ 997,899
Debt service as a percentage of noncapital expenditures	17.04%	17.16%	19.59%	19.20%

Fiscal Year					
2005	2006	2007	2008	2009	2010
\$ 11,152,092	\$ 11,198,463	\$ 12,076,455	\$ 13,210,172	\$ 13,575,634	\$ 14,460,784
553,004	442,787	448,123	409,466	352,286	348,077
1,373,840	2,282,281	1,433,246	1,489,754	2,428,258	1,682,675
705,538	720,481	836,308	848,048	776,554	707,656
101,818	233,954	216,907	442,022	259,885	339,459
470,251	904,927	819,395	667,398	380,785	300,090
959,432	-	-	589,345	-	-
65,898	201,909	109,734	151,646	129,959	174,980
83,247	92,000	225,989	232,742	238,077	463,952
120,560	102,778	100,430	97,731	106,695	105,760
1,255,877	1,181,481	1,032,772	1,068,948	1,156,939	1,262,325
154,074	163,485	178,364	178,979	162,268	195,861
141	48	-	32,698	-	-
97,583	85,340	136,095	108,430	139,584	136,305
4,430	3,159	1,634	3,144	6,486	4,243
19,201	18,063	79,529	17,764	54,137	16,734
<u>17,116,986</u>	<u>17,631,156</u>	<u>17,694,981</u>	<u>19,548,287</u>	<u>19,767,547</u>	<u>20,198,901</u>
5,258,070	5,534,780	5,177,643	5,909,715	3,999,678	3,836,071
6,040,126	6,585,437	6,831,003	7,314,638	10,264,218	10,217,268
1,507,574	1,442,581	1,777,833	1,825,338	1,567,406	1,752,581
2,157,063	2,160,162	2,307,451	2,429,367	2,934,845	3,121,023
1,942,931	2,812,883	2,993,041	2,099,230	3,647,370	3,014,771
2,124,000	1,635,000	1,445,000	1,450,300	1,452,000	1,623,700
279,701	270,201	318,197	323,200	349,881	359,944
-	21,693	195	31,780	28,253	4,341
<u>19,309,465</u>	<u>20,462,737</u>	<u>20,850,363</u>	<u>21,383,568</u>	<u>24,243,651</u>	<u>23,929,699</u>
<u>(2,192,479)</u>	<u>(2,831,581)</u>	<u>(3,155,382)</u>	<u>(1,835,281)</u>	<u>(4,476,104)</u>	<u>(3,730,798)</u>
2,124,347	1,908,950	1,828,212	1,801,896	2,788,596	2,284,095
(903,701)	(804,778)	(851,331)	(611,180)	(1,544,366)	(850,595)
1,885,000	1,370,000	1,755,300	3,072,000	2,173,700	1,418,000
-	-	-	-	-	-
161,973	553,576	143,488	249,622	735,307	107,450
<u>3,267,619</u>	<u>3,027,748</u>	<u>2,875,669</u>	<u>4,512,338</u>	<u>4,153,237</u>	<u>2,958,950</u>
<u>\$ 1,075,140</u>	<u>\$ 196,167</u>	<u>\$ (279,713)</u>	<u>\$ 2,677,057</u>	<u>\$ (322,867)</u>	<u>\$ (771,848)</u>
14.34%	10.11%	10.43%	9.25%	8.22%	9.54%

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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
2001	\$ 3,288,445	\$ 508,717	\$ 6,090,330	\$ 763,910	\$ 747,654	\$ 11,399,056
2002	3,416,999	522,150	5,967,700	548,443	770,698	11,225,990
2003	3,786,725	536,777	6,110,402	642,811	576,363	11,653,078
2004	4,054,769	584,591	6,449,808	627,919	578,545	12,295,632
2005	4,215,809	642,697	6,289,182	705,538	557,408	12,410,634
2006	3,972,128	652,469	6,562,890	720,481	453,763	12,361,731
2007	4,337,090	650,440	7,079,556	836,308	457,492	13,360,886
2008	4,400,476	725,920	8,076,358	848,048	416,884	14,467,686
2009	4,963,808	753,351	7,843,971	776,554	366,790	14,704,474
2010	5,181,820	761,578	8,505,990	707,656	359,473	15,516,517

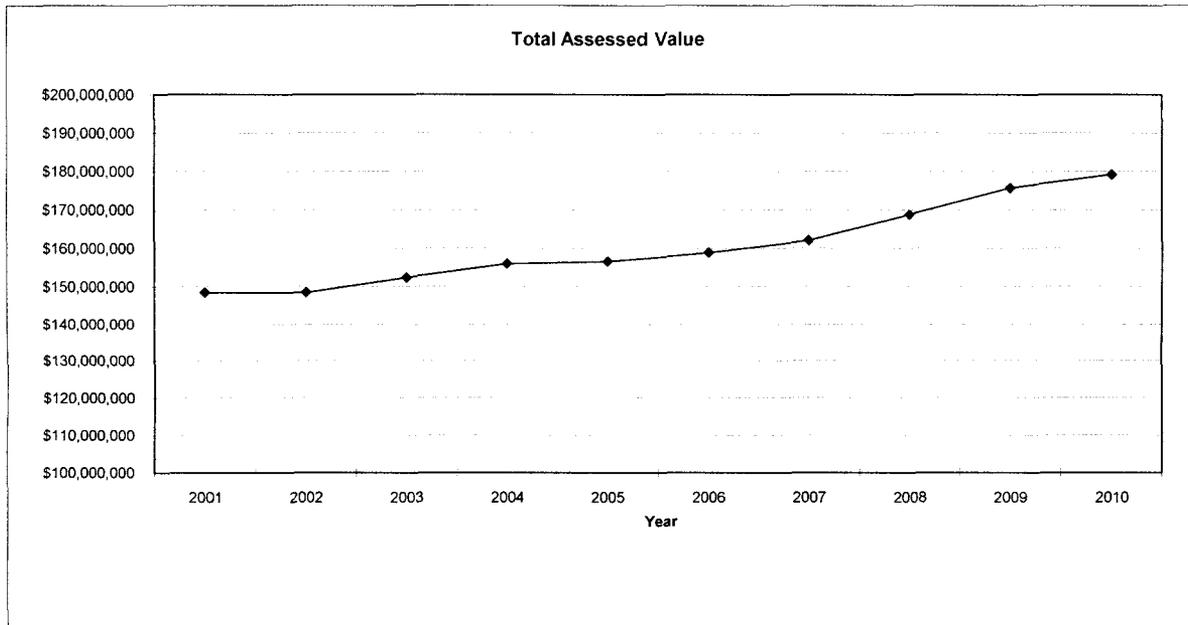


CITY OF GARDEN CITY, KANSAS
 Assessed Value and Estimated Actual Value of Taxable Property
 Retail Sales and Retail Sales Tax Rate
 Last Ten Fiscal Years

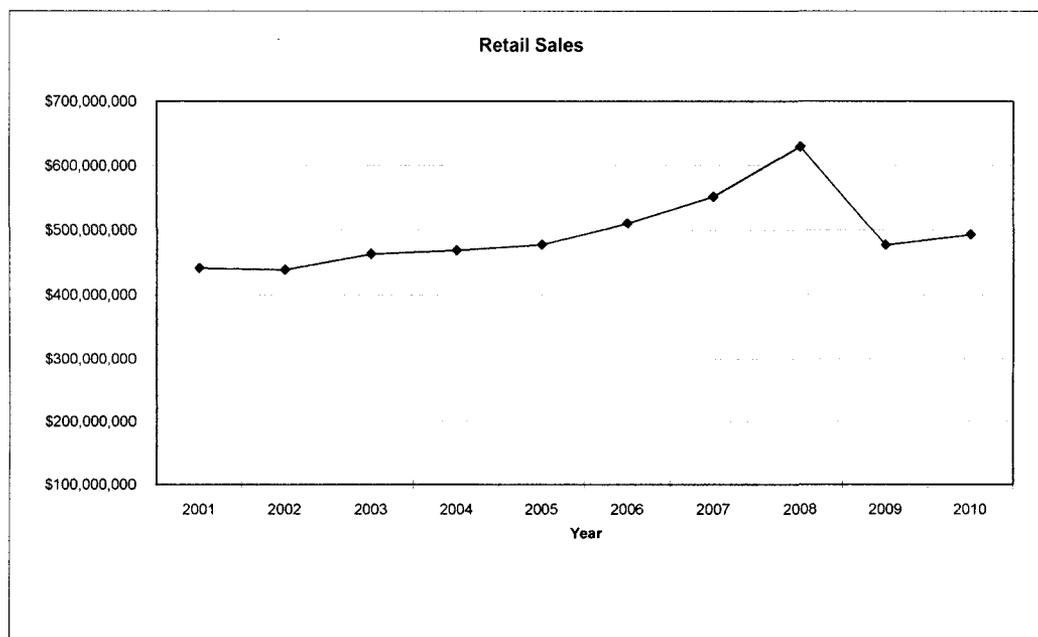
Fiscal Year	Assessed Value				Total Taxable Assessed Value	Total Direct Tax Rate
	Real Estate	Personal Property	State Utility	Motor Vehicle		
2001	\$ 112,244,059	\$ 10,593,418	\$ 3,633,086	\$ 21,931,724	\$ 148,402,287	\$ 30.97
2002	112,890,882	9,748,740	3,571,846	22,245,797	148,457,265	30.93
2003	116,939,959	9,346,846	3,008,807	23,082,605	152,378,217	33.27
2004	120,617,527	9,563,754	2,913,615	22,879,911	155,974,807	33.93
2005	120,934,099	9,594,386	3,085,731	22,972,740	156,586,956	33.70
2006	122,887,690	9,265,313	2,953,087	23,770,228	158,876,318	33.74
2007	126,090,517	8,417,385	3,077,141	24,480,511	162,065,554	34.90
2008	131,094,161	7,677,368	2,920,903	27,137,490	168,829,922	34.96
2009	139,283,065	6,973,993	2,571,161	26,913,876	175,742,095	37.98
2010	144,481,953	6,334,757	2,544,753	25,886,364	179,247,827	37.85

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.



Estimated Actual Taxable Value Real Estate	Assessed Value as a Percentage of Actual Value	Taxable Retail Sales*	Retail Sales Tax Rate
\$ 914,352,046	16.23 %	\$ 440,930,962	1.00 %
931,202,021	15.94	438,220,872	1.00
955,244,056	15.95	462,942,679	1.00
991,826,169	15.73	468,255,563	1.00
995,962,188	15.72	477,108,515	1.00
1,035,874,909	15.34	509,956,935	1.00
1,073,053,496	15.10	551,741,758	1.00
1,117,175,220	15.11	629,398,070	1.00
1,169,648,551	15.03	476,508,922	1.00
1,214,518,251	14.76	492,834,585	1.00

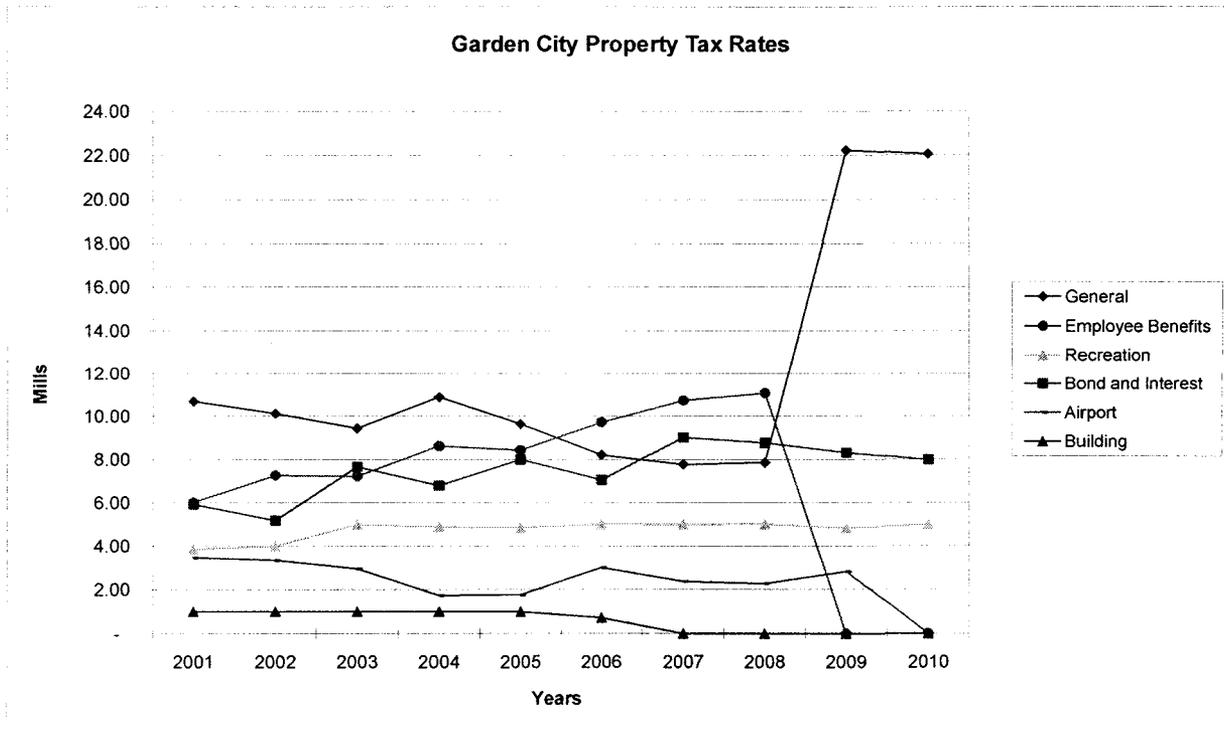


CITY OF GARDEN CITY, KANSAS
Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years

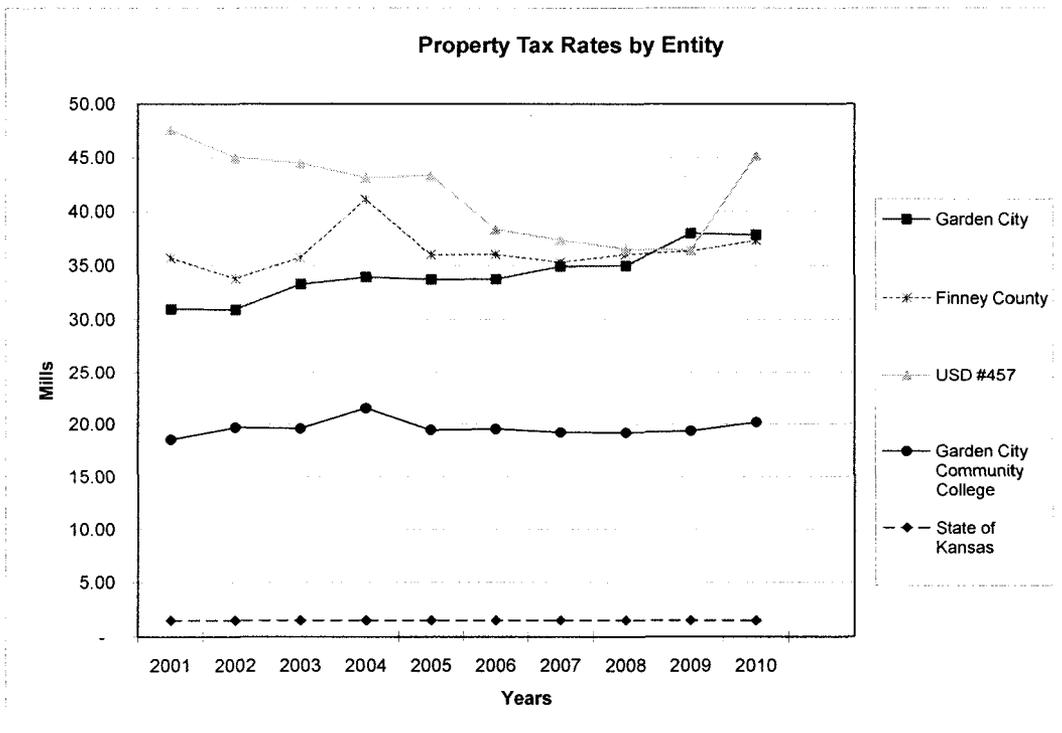
Fiscal Year	Garden City						Total
	General	Employee Benefits	Recreation	Bond and Interest	Airport	Building	
2001	10.69	6.02	3.86	5.93	3.47	1.00	30.97
2002	10.13	7.27	4.00	5.18	3.35	1.00	30.93
2003	9.44	7.22	5.00	7.66	2.95	1.00	33.27
2004	10.90	8.62	4.89	6.79	1.73	1.00	33.93
2005	9.65	8.43	4.86	8.00	1.76	1.00	33.70
2006	8.21	9.73	5.01	7.06	3.01	0.72	33.74
2007	7.77	10.74	5.00	9.02	2.37	-	34.90
2008	7.85	11.07	5.01	8.76	2.27	-	34.96
2009	22.24	-	4.83	8.31	2.60	-	37.98
2010	22.07	-	4.98	7.98	2.82	-	37.85

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	35.69	18.53	47.59	134.28
1.50	33.77	19.69	45.02	130.91
1.50	35.72	19.59	44.49	134.57
1.50	41.10	21.53	43.13	141.19
1.50	35.99	19.45	43.34	133.98
1.50	36.03	19.54	38.38	129.19
1.50	35.31	19.22	37.38	128.31
1.50	36.02	19.20	36.54	128.22
1.50	36.33	19.36	36.42	131.59
1.50	37.32	20.18	45.20	142.05



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

Name	2010			2001		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Wal-Mart Real Estate Business Trust	\$ 2,625,000	1	1.71 %	\$ 2,487,142	1	1.97 %
Sam's Real Estate Business Trust	1,762,148	2	1.15			
HD Development of Maryland (Home Depot)	1,419,110	3	0.93			
Garden City Plaza LLC	1,285,298	4	0.84			
Dayton Hudson Corp (Target)	1,139,018	5	0.74	1,087,960	6	0.86
Southwestern Bell Telephone Co.	1,119,812	6	0.73	2,238,832	2	1.77
Black Hills Corp. (Peoples Natural Gas)	1,090,951	7	0.71	1,092,199	5	0.86
Art Mortgage Borrower Prop Co (Americold)	1,051,595	8	0.69			
Indy Lube Investments (Sears)	980,000	9	0.64			
Shriva Hotels	948,353	10	0.62			
Dillons				1,425,290	3	1.13
Wheat Lands Motel				1,062,919	7	0.84
Garden City Coop				1,192,573	8	0.94
Inland Container Corp.				1,150,855	4	0.91
CBL & Associates				959,255	9	0.76
Garden City Plaza Inn				840,526	10	0.66
Other taxpayers	139,939,578		91.24	112,933,012		89.30
Total	\$ 153,360,863		100.00 %	\$ 126,470,563		100.00 %

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

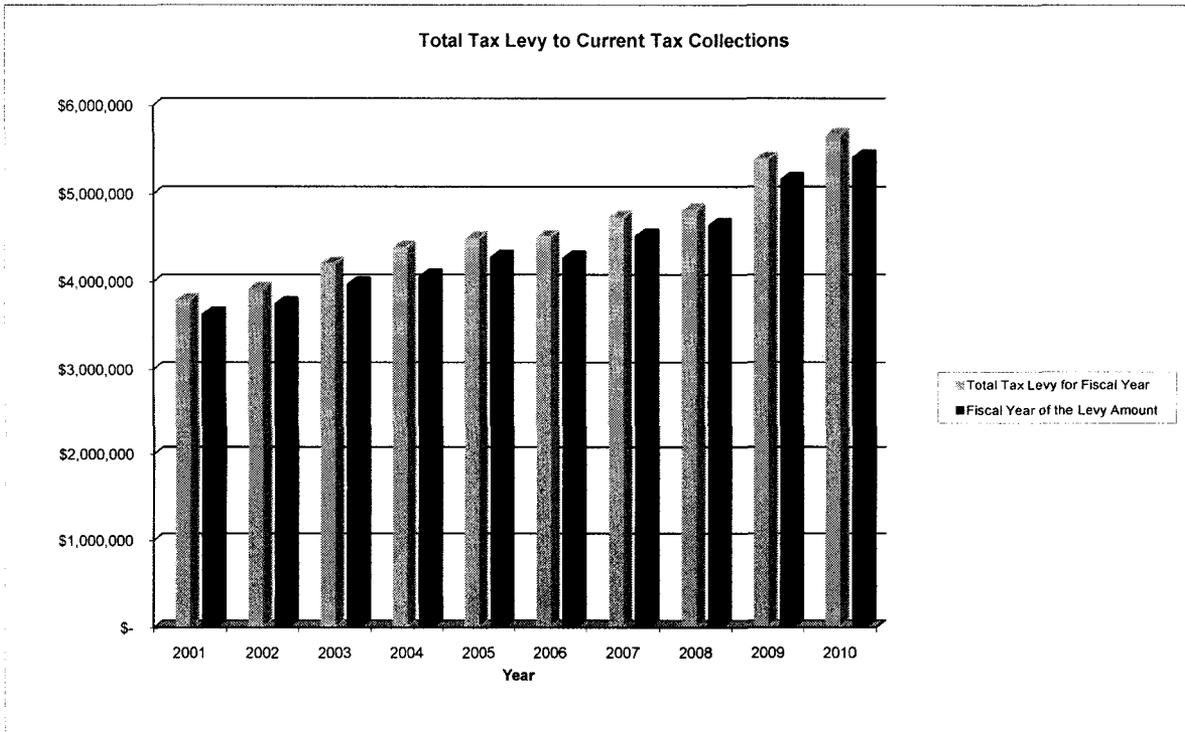
Principal Sales Taxpayers by NAICS Code
Current Year and Nine Years Ago

NAICS Code	2010			2001		
	Taxable Retail Sales	Rank	Percentage of Total Taxable Retail Sales	Taxable Retail Sales	Rank	Percentage of Total Taxable Retail Sales
Retail Trade	\$ 357,271,198	1	72.49 %	\$ 262,637,334	1	71.24 %
Accommodation and Food Services	50,843,444	2	10.32	34,461,630	2	9.35
Information	22,101,934	3	4.48	18,108,951	3	4.91
Wholesale Trade	12,654,980	4	2.57	8,519,957	6	2.31
Other Services (except Public Administration)	11,324,351	5	2.30	13,630,475	4	3.70
Utilities	9,562,639	6	1.94	6,549,965	7	1.78
Construction	6,733,529	7	1.37	10,214,387	5	2.77
Manufacturing	6,270,339	8	1.27	3,376,337	9	0.92
Real Estate and Rental and Leasing	4,181,508	9	0.85	4,096,665	8	1.11
Administrative and Waste	2,502,474	10	0.51	1,094,850		0.30
Finance and Insurance			-	1,244,347	10	0.34
Other codes	9,388,189		1.90	4,744,509		1.27
Total within Garden City	\$ 492,834,585		100.00 %	\$ 368,679,407		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
2001	\$ 3,781,195	\$ 3,626,485	95.91 %	\$ 154,710	\$ 3,781,195	100.00 %
2002	3,911,861	3,744,483	95.72	167,378	3,911,861	100.00
2003	4,198,929	3,968,795	94.52	230,134	4,198,929	100.00
2004	4,384,802	4,059,527	92.58	325,275	4,384,802	100.00
2005	4,484,633	4,278,421	95.40	174,633	4,453,054	99.30
2006	4,508,411	4,266,334	94.63	206,188	4,472,522	99.20
2007	4,724,466	4,519,744	95.67	191,388	4,711,132	99.72
2008	4,809,613	4,642,217	96.52	153,509	4,795,726	99.71
2009	5,387,799	5,156,267	95.70	40,370	5,196,637	96.45
2010	5,660,199	5,412,175	95.62	-	5,412,175	95.62



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

Fiscal Year	Governmental Activities			Business-Type Activities		
	General Obligation Bonds	Limited Obligation Bonds	Capital Leases	General Obligation Bonds	Revenue Bonds	Revenue Loans
2001	\$ 13,832,000	\$ 355,000	\$ 577,824	\$ -	\$ 265,000	\$ 16,284,561
2002	12,510,000	180,000	523,075	-	225,000	16,462,650
2003	10,110,000	-	380,212	-	185,000	17,973,761
2004	7,879,000	-	339,074	-	140,000	17,510,030
2005	7,640,000	-	372,290	-	95,000	16,643,688
2006	7,375,000	-	677,630	-	50,000	15,763,041
2007	7,685,300	-	458,669	-	-	14,850,919
2008	9,307,000	-	465,606	-	-	13,906,169
2009	10,028,700	-	939,690	-	-	12,927,595
2010	9,823,000	-	744,533	15,277,000	-	-

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.

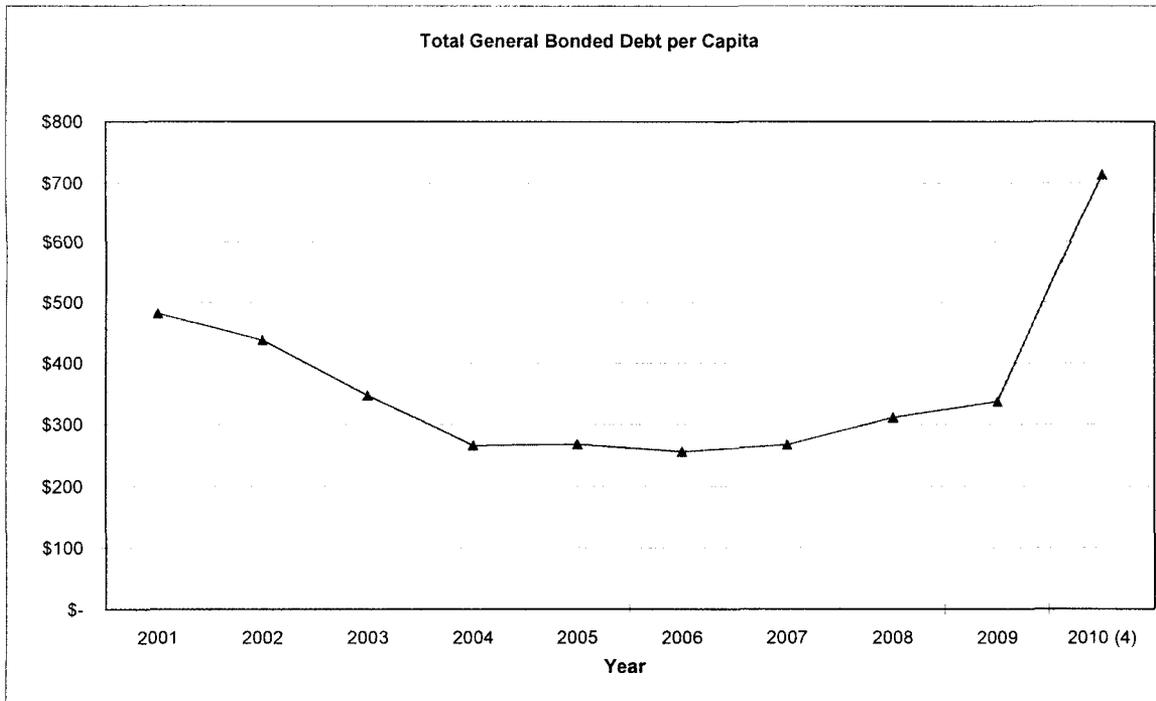
Capital Leases	Total Primary Government	Percentage of Personal Income *	Per Capita *
\$ -	\$ 31,314,385	15.27 %	\$ 1,114
-	29,900,725	14.62	1,068
-	28,648,973	13.47	1,016
43,160	25,911,264	11.68	903
22,165	24,773,143	10.85	908
-	23,865,671	10.20	828
-	22,994,888	9.36	800
-	23,678,775	9.80	812
-	23,895,985	11.38	821
-	25,844,533	7.29	842

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)
2001	\$ 13,832,000	\$ 291,849	\$ 13,540,151	0.01 %	\$ 482
2002	12,510,000	257,191	12,252,809	0.01	438
2003	10,110,000	319,897	9,790,103	0.01	347
2004	7,879,000	234,496	7,644,504	0.01	266
2005	7,640,000	322,545	7,317,455	0.01	268
2006	7,375,000	141,758	7,233,242	0.01	256
2007	7,685,300	232,006	7,453,294	0.01	267
2008	9,307,000	256,240	9,050,760	0.01	311
2009	10,028,700	213,341	9,815,359	0.01	337
2010 (4)	25,100,000	189,267	24,910,733	0.02	714

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 136 through 137 property value data.
- (3) Population data can be found in the Schedule of Demographic and Economic Statistics on page 149.
- (4) In 2010, the City issued \$15,277,000 of general obligation bonds for internal improvements and to refinance debt in its utility funds due to the lower interest rates available on the general obligation bonds. Although these bonds are general obligation bonds, it is the intent of the City to use utility revenues to meet the debt service requirements.



CITY OF GARDEN CITY, KANSAS
 Direct and Overlapping Governmental Activities Debt
 As of December 31, 2010

<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	\$ 25,100,000	100.00 %	\$ 25,100,000
Overlapping:			
Finney County	5,875,000	34.01	1,998,088
Garden City Community College	9,111,813	34.01	3,098,928
USD #457	<u>99,200,000</u>	55.27	<u>54,827,840</u>
Total overlapping debt	<u>114,186,813</u>		<u>59,924,856</u>
Total direct and overlapping debt	<u>\$ 139,286,813</u>		<u>\$ 85,024,856</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>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
Debt limit	\$ 44,520,686	\$ 44,537,180	\$ 45,713,465	\$ 38,788,684
Total net debt applicable to limit	<u>13,832,000</u>	<u>12,510,000</u>	<u>10,110,000</u>	<u>7,879,000</u>
Legal debt margin	<u>\$ 30,688,686</u>	<u>\$ 32,027,180</u>	<u>\$ 35,603,465</u>	<u>\$ 30,909,684</u>
Total net debt applicable to the limit as a percentage of debt limit	31.07%	28.09%	22.12%	20.31%

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					
2005	2006	2007	2008	2009	2010
\$ 39,928,469	\$ 40,084,265	\$ 40,616,113	\$ 41,275,513	\$ 42,561,015	\$ 46,030,674
7,640,000	7,375,000	7,685,300	9,307,000	10,028,700	9,823,000
<u>\$ 32,288,469</u>	<u>\$ 32,709,265</u>	<u>\$ 32,930,813</u>	<u>\$ 31,968,513</u>	<u>\$ 32,532,315</u>	<u>\$ 36,207,674</u>
19.13%	18.40%	18.92%	22.55%	23.56%	21.34%

Assessed value	<u>\$ 153,435,579</u>
Debt limit (30% of total assessed value)	<u>\$ 46,030,674</u>
Debt applicable to limit:	
General obligation bonds	<u>\$ 25,100,000</u>
Total net debt applicable to limit	<u>\$ 25,100,000</u>
Legal debt margin	<u>\$ 20,930,674</u>

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

Fiscal Year	Sales Tax Revenue Bonds				Coverage
	Sales Tax Collections	Debt Service			
		Principal	Interest		
2001	\$ 46,561	\$ 35,000	\$ 13,252	0.96	
2002	50,049	40,000	11,800	0.97	
2003	49,374	40,000	10,120	0.99	
2004	52,469	45,000	8,400	0.98	
2005	50,501	45,000	6,420	0.98	
2006	48,325	45,000	4,395	0.98	
2007	6,470	50,000	2,325	0.12	

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

Fiscal Year	Water and Sewer Loans					Coverage
	Water and Sewer Charges and Other	Less: Operating Expenses	Net Available Revenue	Debt Service		
				Principal	Interest	
2001	\$ 5,120,919	\$ 2,257,413	\$ 2,863,506	\$ 947,304	\$ 515,851	1.96
2002	5,425,104	2,676,876	2,748,228	869,263	375,897	2.21
2003	5,240,443	2,465,964	2,774,479	850,988	555,432	1.97
2004	5,075,101	3,104,847	1,970,254	795,415	585,076	1.43
2005	5,384,839	3,351,478	2,033,361	866,342	604,795	1.38
2006	5,430,773	3,395,097	2,035,676	880,647	574,920	1.40
2007	5,376,144	3,543,845	1,832,299	912,122	543,015	1.26
2008	5,596,999	3,895,952	1,701,047	944,750	509,939	1.17
2009	6,286,255	4,102,088	2,184,167	978,574	475,650	1.50
2010	7,092,827	4,219,113	2,873,714	1,013,639	453,507	1.96

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

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

Fiscal Year	Population (1)	Personal Income (amounts expressed in thousands)	Per Capita Personal Income (2)	Median Age (3)	Education Level in Years of Formal Schooling (4)	School Enrollment (4)	Unemployment Rate (5)
2001	28,116	\$ 825,366	\$ 20,511	28	12	7,761	10.59 %
2002	27,999	806,369	20,452	28	13	7,757	4.10
2003	28,190	831,616	21,263	28	13	7,670	3.70
2004	28,707	870,163	22,188	28	13	7,543	4.40
2005	27,295	891,582	22,827	28	13	7,400	4.20
2006	28,832	902,781	23,404	28	13	7,391	3.60
2007	28,743	971,130	24,564	28	13	7,249	3.30
2008	29,095	932,034	24,089	31	13	7,218	3.30
2009	29,093	839,960	20,999	31	13	7,400	3.70
2010	30,685	1,088,104	35,460	30	13	7,461	4.20

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	2010			2001		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Tyson Fresh Meats, Inc. (Iowa Beef Processors, Inc.)	3,100	1	22.05 %	3,000	1	24.09 %
Unified School District No. 457	1,100	2	7.82	1,231	2	9.88
St. Catherine Hospital	677	3	4.82	650	3	5.22
Garden City Community College	500	4	3.56	500	4	4.01
Wal-Mart	450	5	3.20	450	5	3.61
Finney County	325	6	2.31	325	6	2.61
City of Garden City	290	7	2.06	290	7	2.33
Dillons	260	8	1.85	271	8	2.18
Beef Products, Inc.	216	9	1.54			
Brookover Feed Yards (Brookover Companies)	200	10	1.42	200	9	1.61
Garden Valley Retirement Village				162	10	1.30
Sunflower Electric						
Other employers	6,941		49.37	5,375		43.16
Total	14,059		100.00 %	12,454		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,									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General government	66	64	62	57	61	61	69	59	54	55
Public safety:										
Police:										
Officers	63	63	58	55	55	44	50	51	58	57
Civilians	34	34	31	26	31	32	26	29	30	34
Fire:										
Firefighters and officers	25	29	29	30	32	30	34	38	34	36
Civilians	1	1	1	1	1	1	1	1	1	1
Streets:										
Engineering	6	6	6	6	5	5	4	4	3	4
Maintenance	17	17	17	17	16	16	16	16	16	16
Sanitation	15	13	13	14	14	14	14	14	20	23
Culture and recreation	29	32	24	34	38	35	32	39	42	46
Water	12	12	12	12	11	11	13	12	13	13
Sewer	12	13	12	12	14	15	13	13	13	15
Electric	21	19	19	19	20	21	18	20	19	22.5
Total	301	303	284	283	298	285	290	296	303	322.5

Source: City Human Resource Office.

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

Function	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Police:										
Physical arrests	3,690	3,819	4,212	4,003	4,372	4,125	3,509	3,242	4,294	4,557
Parking violations	363	402	626	479	261	243	181	211	344	471
Traffic violations	5,371	6,456	7,276	8,261	6,390	4,751	3,962	3,405	5,239	7,170
Fire:										
Number of calls answered	914	794	764	704	669	731	707	779	751	772
Inspections	735	714	1,527	1,601	841	119	868	923	759	850
Streets:										
Street resurfacing (improved miles)	117	118	120	120	96	124	120	120	121	121
Potholes patch/tons	693	891	535	768	543	329	733	614	580	430
Sanitation:										
Refuse collected (tons/day)	74	71	72	74	71	64	72	70	71	69
Recyclables collected (tons/day)	1.53	1.50	1.26	1.83	1.69	2.22	4.00	3.80	4.48	7.21
Culture and recreation:										
Golf memberships issued	271	303	274	179	154	196	260	271	166	249
Zoo admissions	211,542	195,841	218,665	198,036	209,785	200,003	190,530	181,559	198,731	182,137
Water:										
New connections	73	73	84	47	20	24	27	32	26	22
Water mains breaks	4	8	8	9	20	14	25	14	22	10
Average daily consumption (thousands of gallons)	5,553	6,271	5,639	5,040	5,416	5,585	5,489	5,705	5,365	5,472
Sewer:										
Average daily sewage treatment (thousands of gallons)	3,102	3,481	3,380	3,281	3,235	3,164	3,215	3,301	2,902	2,466
Electric:										
New connections	142	93	93	114	5	20	12	11	48	31
Average daily usage (thousands of kilowatts)	580	576	571	577	605	611	654	696	686	683

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									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Public safety:										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	26	24	24	25	26	26	26	30	30	30
Fire stations	2	2	2	2	2	2	2	2	2	2
Streets:										
Street (miles)	119	119	124	125	125	125	125	125	125	125
Streetlights	*	*	1,873	2,120	2,738	3,066	2,571	2,559	2,556	2,665
Traffic signals	27	27	30	30	29	29	30	30	30	33
Sanitation:										
Collection trucks	10	10	10	10	10	10	11	12	12	12
Culture and recreation:										
Park acreage	161.8	161.8	161.8	161.8	161.8	183	182	182	185	185
Parks	11	11	11	11	11	12	12	12	12	12
Swimming pools	1	1	1	1	1	1	1	1	1	1
Tennis courts	12	12	8	8	8	8	8	8	8	8
Senior centers	1	1	1	1	1	1	1	1	1	1
Water:										
Water mains (miles)	126.01	135.84	136.17	138.12	138.84	139	139	139	139	147
Fire hydrants	735	757	765	765	881	891	895	902	906	918
Maximum daily capacity (thousands of gallons)	27,000	27,000	27,000	29,000	29,000	29,000	29,000	29,000	29,000	29,000
Sewer:										
Sanitary sewer (miles)	104.97	113.27	113.69	112.30	112.30	112	113	113	113	113
Storm sewer (miles)	31	31	31	31	31	31	33	33	33	33
Average daily sewage treatment (thousands of gallons)	3,102	3,481	3,380	3,281	3,235	3,164	3,215	3,301	2,902	2,466
Electric:										
Number of distribution stations	9	9	9	9	9	9	8	8	8	8
Miles of service lines	313	316	318	320	320	321	321	322	322	322

Sources: Various City departments.

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

* No indicators available.

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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 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, Kansas, as of and for the year ended December 31, 2010, which collectively comprise the City of Garden City's basic financial statements and have issued our report thereon dated May 27, 2011. Our report was modified to include a reference to other auditors. We conducted our audit of the primary government in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. The financial statements of the Garden City Recreation Commission were not audited in accordance with Government Auditing Standards; accordingly, this report does not extend to that component unit. In addition, other auditors audited the financial statements of the Garden City Housing Authority, as described in our report on the City of Garden City, Kansas, financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

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

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

405 North Sixth Street | P.O. Box 699
Garden City, KS 67846
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The Honorable Mayor,
City Commissioners and City Manager
Page 2

Compliance and Other Matters

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

We noted certain matters that we have reported to the management of the City of Garden City in a separate letter dated May 27, 2011.

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

Lewis, Hooper & Dick, LLC
LEWIS, HOOPER & DICK, LLC

May 27, 2011

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH REQUIREMENTS THAT COULD HAVE A DIRECT
AND MATERIAL EFFECT ON EACH MAJOR 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

Compliance

We have audited the compliance of the primary government of the City of Garden City, Kansas, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2010. The City of Garden City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the management of the City of Garden City. Our responsibility is to express an opinion on the primary government of the City of Garden City's compliance based on our audit.

The City of Garden City's basic financial statements include the operations of the Garden City Recreation Commission, which received no federal awards during the year ended December 31, 2010. Our audit, described below, did not include the operations of the Garden City Recreation Commission because the component unit was not subject to an audit in accordance with OMB Circular A-133. The City of Garden City's basic financial statements include the operations of the Garden City Housing Authority, which expended \$373,775 in federal awards which is not included in the schedule during the year ended December 31, 2010. Our audit, described below, did not include the operations of the Garden City Housing Authority because the component unit was not subject to an audit in accordance with OMB Circular A-133.

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

The Honorable Mayor,
City Commissioners and City Manager
Page 2

In our opinion, the primary government of the City of Garden City, Kansas, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2010.

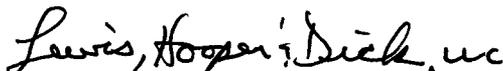
Internal Control Over Compliance

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

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

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

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


LEWIS, HOOPER & DICK, LLC

May 27, 2011

CITY OF GARDEN CITY, KANSAS
Schedule of Findings and Questioned Costs
 December 31, 2010

I. SUMMARY OF AUDIT RESULTS

A. Financial Statements

- Type of auditors' report issued: Unqualified
- Internal control over financial reporting as reported in the INDEPENDENT AUDITORS' REPORT ON 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*:
 - Material weaknesses identified: None
 - Significant deficiencies identified: None reported
- Noncompliance material to financial statements noted: None

B. Federal Awards

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

Program	CFDA	Grant Number	Expenditures
Airport Improvement Program	20.106	3-20-0024-30	\$ 1,457,283
Airport Improvement Program	20.106	3-20-0024-29	116,113
Airport Improvement Program	20.106	3-20-0024-28	56,134
- Dollar threshold used to distinguish between type A and B programs: \$300,000
- Auditee qualified as low-risk auditee: No

II. FINANCIAL STATEMENT FINDINGS

None

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

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Corrective Action Plan
and Comments on Audit Resolution Matters Relating
to the Federal Award Programs
December 31, 2010

CITY COMMISSION

JAMES R. BEHAN,
Mayor

DAVID D. CRASE

JOHN DOLL

DAN FANKHAUSER

NANCY J. HARNES

May 27, 2011

The City of Garden City, Kansas, respectfully submits the following corrective action plan for the year ended December 31, 2010.

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

Audit period: January 1, 2010 through December 31, 2010

The findings from the December 31, 2010, 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.

MATTHEW C. ALLEN
City Manager

II. FINANCIAL STATEMENT FINDINGS

None

MELINDA A. HITZ, CPA
Finance Director

III. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None

RANDALL D. GRISELL
City Counselor

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

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CITY OF GARDEN CITY, KANSAS
 Schedule of Expenditures of Federal Awards
 For the Year Ended December 31, 2010

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	\$ -	\$ 1,386
Emergency Shelter Grants Program	14.231		ESG-FFY2009	69,700	51,948
DEPARTMENT OF JUSTICE					
Direct Programs:					
Bulletproof Vest Grant Partnership Program	16.607		1121-0235	51,583	5,414
Public Safety Partnerships and Community Policing Program	16.710		2009CKWX0398	150,000	57,901
ARRA Edward Byrne Memorial Justice Assistance Grant Program	ARRA - 16.804		2009-SB-B9-2351	100,400	40,415
Drug Enforcement State & Local Task Force Grant Program	16.XXX		DEA Garden City	31,146	9,836
DEPARTMENT OF TRANSPORTATION					
Direct Programs:					
Airport Improvement Program	20.106		3-20-0024-30	1,568,604	1,457,283
Airport Improvement Program	20.106		3-20-0024-29	1,765,135	116,113
Airport Improvement Program	20.106		3-20-0024-28	631,247	56,134
Passed through State Department of Transportation:					
Highway Planning and Construction	20.205		28 TE-0294-01	414,400	132,523
State and Community Highway Safety	20.600		OP-0992-11	6,500	642
State and Community Highway Safety	20.600		OP-0992-10	6,200	6,200
State and Community Highway Safety	20.600		AL-9476-10	5,931	3,897
DEPARTMENT OF HOMELAND SECURITY					
Direct Programs:					
Law Enforcement Officer Reimbursement Agreement Program	97.090		HST0208HSLR151	630,000	40,036
Passed through Kansas Highway Patrol:					
State Domestic Preparedness Support Program	97.067			45,074	<u>45,074</u>
TOTAL FEDERAL EXPENDITURES - PRIMARY GOVERNMENT					<u>\$ 2,024,802</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, 2010

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, 2010, totaled \$219,203.

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