12 - Long-Term Debt (Continued)

Construction Loans Payable

During 1996, the City entered into a loan agreement with the Kansas Department of Health and Environment's Kansas Water Pollution Control Revolving Fund. The agreement enabled the City to borrow $ 2,223,206 to finance improvements to the wastewater system. The loan is being repaid over twenty years at an interest rate of 3.22%. The outstanding balance of $ 795,917 is shown as a liability in the wastewater fund.

During 2000, the City entered into a loan agreement with the Kansas Department of Health and Environment's Kansas Water Pollution Control Revolving Fund. The agreement enabled the City to borrow $ 20,078,714 to finance improvements to the wastewater system. The loan is being repaid over twenty years at an interest rate of 3.30%. The outstanding balance of $ 14,003,672 is shown as a liability in the wastewater fund.

During 2006, the City entered into a loan agreement with the Kansas Department of Health and Environment's Kansas Water Pollution Control Revolving Fund. The agreement enabled the City to borrow $ 4,318,315 to finance improvements to the wastewater system. The loan will be repaid over twenty years at an interest rate of 2.40%. As of December 31, 2010, the City has drawn $ 3,498,315 on this loan. Payments of $ 179,570 were made in 2010, leaving a total outstanding balance of $ 2,520,046 which is shown as a liability in the wastewater fund. The debt service requirements to the maturity date will not be determinable until the final draw has been made.

During 2005, the City entered into a loan agreement with the Kansas Department of Health and Environment's Kansas Public Water Supply Loan Fund. The agreement enabled the City to borrow $ 7,582,910 to finance improvements to the water system. The loan will be repaid over twenty years at an interest rate of 3.14%. The total outstanding balance of $ 5,512,979 is shown as a liability in the water fund.

During 2006, the City entered into two loan agreements with the Kansas Department of Transportation. The agreements enabled the City to borrow $ 1,994,206 to finance significant street improvement projects. The loans will be repaid over ten years at an interest rate of 3.58%. The outstanding balance of $ 376,469 is shown as a liability in the governmental activities column of the statement of net assets.

12 - Long-Term Debt (Continued)

Construction Loans Payable (Continued)

During 2007, the City entered into a loan agreement with the Kansas Department of Transportation. The agreement enabled the City to borrow $ 2,003,593 to finance significant street improvement projects. The loans will be repaid over ten years at an interest rate of 3.37%. The outstanding balance of $ 1,039,308 is shown as a liability in the governmental activities column of the statement of net assets.

During 2009, the City entered into a loan agreement with the Kansas Department of Transportation. The agreement enabled the City to borrow up to $ 858,303 to finance a significant street improvement. The loan will be repaid over twenty years at an interest rate of 3.93%. The outstanding balance of $ 824,212 is shown as a liability in the governmental activities column of the statement of net assets.

During 2009, the City entered into a loan agreement with the Kansas Department of Transportation. The agreement enabled the City to borrow up to $ 5,141,697 to finance a significant street improvement project. The loan will be repaid over twenty years at an interest rate of 3.93%. As of December 31, 2010, the City has drawn $ 2,842,333 on this loan. The outstanding balance of $ 2,842,333 is shown as a liability in the governmental activities column of the statement of net assets. The debt service requirements to the maturity date will not be determinable until the final draw has been made.

The future annual debt service requirements for the amortizable loans payable are as follows:

	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2011	$ 251,119	$ 86,607	$ 1,212,276	$ 707,188
2012	260,551	77,175	1,415,096	662,625
2013	270,338	67,388	1,465,510	612,212
2014	280,493	57,232	1,517,719	560,002
2015	268,065	46,694	1,571,789	505,932
2016 - 2020	439,519	134,649	9,060,979	1,628,478
2021 - 2025	239,589	78,999	3,628,184	317,129
2026 - 2030	230,315	24,560	441,015	11,577
	$ 2,239,989	$ 573,304	$ 20,312,568	$ 5,005,143

12 - Long-Term Debt (Continued)

PBC Lease Revenue Bonds

The PBC has issued $ 4,000,000 of Public Building Commission lease revenue bonds series 2002A with interest rates ranging from 2.75% to 4.7% and with a final maturity in 2021. Principal payments are scheduled annually ranging from $ 160,000 to $ 505,000.

Future maturities of the PBC lease revenue bonds are as follows:

Year	Principal	Interest	Total
2011	$ 160,000	$ 153,743	$ 313,743
2012	180,000	146,863	326,863
2013	205,000	139,123	344,123
2014	235,000	130,308	365,308
2015	265,000	120,203	385,203
2016-2020	1,860,000	394,463	2,254,463
2021-2025	505,000	23,736	528,736
	$ 3,410,000	$ 1,108,439	$ 4,518,439

On August 1, 2002, the City entered into an irrevocable lease agreement with the PBC. The purpose of the lease agreement is for the City to rent the building financed by the PBC Lease Revenue Bonds, Series 2002A. The rental payments are the same as the scheduled 2002A debt payments.

Certificates of Participation

The City has issued $ 7,150,000 of certificates of participation series 2006D with interest rates ranging from 3.75% to 4% and with a final maturity in 2016. Principal payments are scheduled annually ranging from $ 475,000 to $ 1,195,000.

12 - Long-Term Debt (Continued)

Future maturities of the certificates of participation are as follows:

Year	Principal	Interest	Total
2011	$ 810,000	$ 195,863	$ 1,005,863
2012	755,000	165,488	920,488
2013	810,000	137,175	947,175
2014	1,000,000	106,800	1,106,800
2015	1,195,000	66,800	1,261,800
2016-2020	475,000	19,000	494,000
	$ 5,045,000	$ 691,126	$ 5,736,126

Capital Leases

The City has entered into the following capital lease in a proprietary fund:

	Vactor
Cost	$ 226,331
Accumulated depreciation at December 31, 2010	79,216
Interest rate	5.57%
Dated	02/12/07
Term	4 years

The annual debt service requirements for the capital lease to be paid with proprietary funds at December 31, 2010 are as follows:

Year	Principal	Interest	Total
2011	$ 47,647	$ 2,655	$ 50,302

2010 amortization of $ 22,633 on the asset acquired through a capital lease has been included in depreciation expense in the business-type activities.

12 - Long-Term Debt (Continued)

Changes in Long-Term Liabilities

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
General obligation bonds	$ 9,377,200	$ 2,770,000	$ 2,520,750	$ 9,626,450	$ 1,182,300
Plus deferred amounts:					
Issuance premiums	31,657	24,765	5,035	51,387	-
Special assessment debt with government commitment	10,307,972	-	702,972	9,605,000	715,000
Construction loans payable	4,065,034	1,302,327	285,039	5,082,322	251,119
Certificates of participation	5,665,000	-	620,000	5,045,000	810,000
PBC lease revenue bonds	3,545,000	-	135,000	3,410,000	160,000
Capital lease obligations	830,353	-	830,353	-	-
Compensated absences	222,422	219,986	259,995	182,413	170,315
Other postemployment benefit obligation	81,399	35,555	12,000	104,954	-
Governmental activities long-term liabilities	$ 34,126,037	$ 4,352,633	$ 5,371,144	$ 33,107,526	$ 3,288,734
Business-type activities:					
General obligation bonds	$ 23,524,828	$ -	$ 2,796,278	$ 20,728,550	$ 2,992,700
Construction loans payable	24,183,410	-	1,350,796	22,832,614	1,212,276
Capital lease obligations	92,781	-	45,134	47,647	47,647
Less deferred amounts:					
Issuance premiums	111,962	-	12,441	99,521	-
Refunding difference	(126,455)		(20,221)	(106,234)	-
Total	47,786,526	-	4,184,428	43,602,098	4,252,623
Compensated absences	71,213	106,461	88,576	89,098	83,187
Other postemployment benefit obligation	28,153	10,992	-	39,145	-
Business-type activities long-term liabilities	$ 47,885,892	$ 117,453	$ 4,273,004	$ 43,730,341	$ 4,335,810
Component unit:					
Loan payable to primary government	$ 152,399	$ -	$ 15,000	$ 137,399	$ 15,000

For the governmental activities, compensated absences and the other postemployment benefit obligation are generally liquidated by the general fund.

13 - Bond Anticipation Notes Payable

The City issues bond anticipation notes to provide temporary financing for capital improvement projects. Bond anticipation notes payable at December 31, 2010 were as follows:

Issue	Original Amount	Interest Rate	Maturity Date
2010B	$ 5,180,000	0.50%	10/1/2011

	Beginning Balance	Additions	Reductions	Ending Balance
Governmental activities:				
Bond anticipation notes	$ 5,515,000	$ 5,180,000	$ 5,515,000	$ 5,180,000

14 - Special Assessments

Kansas statutes require special benefit district projects financed in part by special assessments to be financed through the issuance of general obligation bonds that are secured by the full faith and credit of the City. Further, state statutes permit levying additional general ad valorem taxes in the City's Debt Service Fund to finance delinquent special assessments receivable. Accordingly, special assessments receivable are accounted for within the City's debt service fund. Special assessments are levied over the repayment period of the bonds and the annual installments are due and payable with annual ad valorem taxes. At December 31, 2010, the special assessment taxes levied are a lien on the property and are recorded as a special assessments receivable in the debt service fund with a corresponding amount recorded as deferred revenue. Special assessments receivable at December 31, 2010 was $ 13,147,239.

15 - Interfund Transactions

Interfund transfers for the year ended December 31, 2010 consisted of the following:

Fund	Transfers Out	Transfers In
Major funds		
General Fund	$ -	$ 1,383,562
Debt Service Fund	-	1,516,827
Electric Fund	741,369	-
Water Fund	1,097,333	-
Wastewater Fund	164,610	1,000,000
Nonmajor governmental funds	2,417,088	520,011
Total transfers	$ 4,420,400	$ 4,420,400

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

15 - Interfund Transactions (Continued)

Due to and due from other funds are reported in the financial statements as follows:

Amounts owed from North Moonlight fund to:		
General fund	$	942,004
Amounts owed from nonmajor governments funds to:		
175th & Moonlight Intersection fund	$	9,645
Nonmajor governmental funds		187,264
	$	196,909
Amounts owed from the nonmajor enterprise fund to:		
General fund	$	61,208
Amounts owed from the internal service funds to:		
General fund	$	20,465
Internal services funds		1,169
	$	21,634
Amounts owed from the water fund to:		
Wastewater fund	$	228
Electric fund		2,544
	$	2,772
Amounts owed from the wastewater fund to:		
General fund	$	6,664
Electric fund		22,096
	$	28,760
Amounts owed from the electric fund to:		
General fund	$	50

15 - Interfund Transactions (Continued)

The outstanding balances between nonmajor governmental funds were created to eliminate negative cash balances in the payable funds due to project payment timing.

The outstanding balance between proprietary funds was created to reflect the balance owed for services provided.

16 - Commitments and Contingencies

Litigation

The City is involved in various lawsuits incurred through normal operations. It is the opinion of the City's management that the outcome of this litigation will not result in a material loss to the City in excess of applicable insurance coverage.

Industrial Revenue Bonds

The City has issued industrial revenue bonds to finance the purchase of land and construction of a facility leased to a business that relocated to the City. The lease agreement provides for rentals sufficient to service the related bonds. The debt service on this issue is paid solely from lease agreements; this issue does not constitute a debt of the City. The lessee has the option of purchasing the leased property at any time during the lease period for an amount sufficient to retire the related outstanding bonds. At the end of the lease period, which conforms to bond maturity schedules, the lessee may either purchase the property for a nominal amount or renew the lease annually at a nominal amount. As of December 31, 2010, industrial revenue bonds of $ 46,722,724 are outstanding.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF GARDNER, KANSAS

Schedule of Funding Progress

Health Insurance Postemployment Benefits

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL)\ (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7/1/2007	$ -	$ 340,969	$ 340,969	0.0%	$ 6,197,639	5.5%
7/1/2009	-	296,691	296,691	0.0%	6,425,894	4.6%

OTHER SUPPLEMENTARY INFORMATION

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.

Airport Fund – This fund is used to account for receipt of loan payments for a loan the City made in 2002 to the Airport Association component unit for airport improvements.

Law Enforcement Trust Fund – This fund is used to account for monies forfeited to the City of Gardner Police Department relating to controlled substance investigation forfeitures. Expenditures from this fund shall be made only for authorized law enforcement purposes of the Gardner Police Department.

Park Sales Tax Fund – This fund is used to account for the sales tax revenues that are restricted to expenditures relating to the acquisition and construction of the new Celebration Park Complex and the Aquatics Center.

Special Alcohol/Drug Program Fund – This fund is used to account for special alcohol liquor tax revenues that are restricted for the purpose of funding programs for the education, treatment, and intervention of alcohol and drug abuse.

Street Improvement Fund – This fund is used to account for receipt of the City's excise fee on platted land. The expenditures in this fund are specifically restricted for the purpose of improvement of existing streets and the construction of new streets necessitated by the City's new development growth.

Special Highway Fund – This fund is used to account for county/city revenue sharing of a portion of the State's motor fuel tax. These revenues are restricted to the construction and maintenance of streets, the repair and replacement of curbs, and the repair and construction of sidewalks within the City's boundaries.

Special Parks and Recreation Fund – This fund is used to account for special alcohol liquor tax revenues that are restricted to expenditures for the purchase, establishment, maintenance, or expansion of park and recreational services, programs, and facilities.

East Santa Fe TIF District Fund – This fund is used to account for the captured ad valorem tax increment and sales tax increment from properties within the Redevelopment District created by Ordinance 2110, adopted June 21, 2004. The captured increments are to be used to reimburse the developer for "reimbursable project costs" as defined in the 175th and Cedar Niles Redevelopment Agreement dated January 3, 2005.

Economic Development Reserve Fund – This fund is used to account for transient guest tax revenues that are restricted for the purpose of convention and tourism promotion.

Risk Management Reserve Fund – This fund is used to account for monies that the City may transfer from other funds to cover any risk that would otherwise be insurable, such as deductibles, etc.

Capital Improvement Reserve Fund – This fund is used to account for monies that the City may transfer from time to time from other funds to finance multi-year capital projects.

Park Improvement Reserve Fund – This fund is used to account for impact fees assessed by the City on every new building permit and is restricted for the purpose of park improvements and park land purchases necessitated by the City's new development growth.

Capital Projects Funds

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 funds listed below are used to account for the construction of various capital projects as identified by the name of each fund:

Prairiebrooke Fund
Airport Runway Rehab Fund
City Hall Fund
University Park Fund
South Moonlight Fund
167th Street Fund
Waverly Street Fund
183rd Street Fund
Lincoln Lane Fund
Moonlight & Main Fund
Shean's Crossing Fund
Airport Hangars Fund
New Century Fund
Cedar Street Fund
Celebration Park Fund
Kill Creek Drive/Waterline
Center Street Commons
North Center Street
Nike School Sewer Fund
Public Safety Station #2 Fund
Pool Expansion Fund
Gardner Junction Park Fund

CITY OF GARDNER, KANSAS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

December 31, 2010

	Special Revenue	
	Airport	Law Enforcement Trust
ASSETS		
Deposits and investments	$ 8,624	$ 3,151
Receivables:		
Taxes	-	-
Intergovernmental	-	-
Airport Association	-	-
Restricted deposits and investments	-	-
Due from other funds	-	-
Total assets	$ 8,624	$ 3,151
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable	$ -	$ -
Temporary notes payable	-	-
Due to other funds	-	-
Total liabilities	-	-
Fund balances:		
Reserved for encumbrances	-	-
Reserved for long-term loan receivable	-	-
Unreserved, undesignated	8,624	3,151
Total fund balances	8,624	3,151
Total liabilities and fund balances	$ 8,624	$ 3,151

(Continued)

CITY OF GARDNER, KANSAS

COMBINING BALANCE SHEET
(Continued)

NONMAJOR GOVERNMENTAL FUNDS

December 31, 2010

	Special Revenue						
	Park Sales Tax	Special Alcohol/ Drug Program	Street Improvement	Special Highway	Special Parks and Recreation	E. Santa Fe TIF District	Economic Development Reserve
ASSETS							
Deposits and investments	$ -	$ 24,859	$ 2,166,456	$ 99,128	$ 35,752	$ -	$ 85,628
Receivables:							
Taxes	141,109	-	-	-	-	96,105	-
Intergovernmental	-	-	-	122,483	-	-	7,567
Airport Association	-	-	-	-	-	-	-
Restricted deposits and investments	215,973	-	-	-	-	-	-
Due from other funds	-	-	94,097	-	-	-	-
Total assets	$ 357,082	$ 24,859	$ 2,260,553	$ 221,611	$ 35,752	$ 96,105	$ 93,195
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Temporary notes payable	-	-	-	-	-	-	-
Due to other funds	93,400	-	-	-	-	697	-
Total liabilities	93,400	-	-	-	-	697	-
Fund balances:							
Reserved for encumbrances	-	-	141	8,450	-	-	-
Reserved for long-term loan receivable	-	-	-	-	-	-	-
Unreserved, undesignated	263,682	24,859	2,260,412	213,161	35,752	95,408	93,195
Total fund balances	263,682	24,859	2,260,553	221,611	35,752	95,408	93,195
Total liabilities and fund balances	$ 357,082	$ 24,859	$ 2,260,553	$ 221,611	$ 35,752	$ 96,105	$ 93,195

(Continued)

CITY OF GARDNER, KANSAS

COMBINING BALANCE SHEET
(Continued)

NONMAJOR GOVERNMENTAL FUNDS

December 31, 2010

	Special Revenue				Capital Projects		
	Risk Management Reserve	Capital Improvement Reserve	Park Improvement Reserve	Total	Prairiebrooke	Airport Runway Rehab	City Hall
ASSETS							
Deposits and investments	$ -	$ 186,785	$ 389,702	$ 3,000,085	$ -	$ -	$ -
Receivables:							
Taxes	-	-	54,462	291,676	-	-	-
Intergovernmental	-	32,364	-	162,414	-	-	-
Airport Association	-	4,368	-	4,368	-	137,399	-
Restricted deposits and investments	-	-	-	215,973	-	-	103
Due from other funds	-	-	-	94,097	-	-	-
Total assets	$ -	$ 223,517	$ 444,164	$ 3,768,613	$ -	$ 137,399	$ 103
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	$ -	$ 23,995	$ -	$ 23,995	$ -	$ -	$ -
Temporary notes payable	-	-	-	-	1,260,000	-	-
Due to other funds	-	-	-	94,097	1,127	-	-
Total liabilities	-	23,995	-	118,092	1,261,127	-	-
Fund balances:							
Reserved for encumbrances	-	76,021	-	84,612	58,026	-	-
Reserved for long-term loan receivable	-	-	-	-	-	137,399	-
Unreserved, undesignated	-	123,501	444,164	3,565,909	(1,319,153)	-	103
Total fund balances	-	199,522	444,164	3,650,521	(1,261,127)	137,399	103
Total liabilities and fund balances	$ -	$ 223,517	$ 444,164	$ 3,768,613	$ -	$ 137,399	$ 103

(Continued)

CITY OF GARDNER, KANSAS

COMBINING BALANCE SHEET
(Continued)

NONMAJOR GOVERNMENTAL FUNDS

December 31, 2010

	Capital Projects						
	Cedar Street	South Moonlight	167th Street	Waverly Street	183rd Street	Lincoln Lane	Moonlight & Main
ASSETS							
Deposits and investments	$ 35,865	$ 158,465	$ 22,952	$ 46,693	$ 68,141	$ 6,079	$ -
Receivables:							
Taxes	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Airport Association	-	-	-	-	-	-	-
Restricted deposits and investments	-	-	-	-	-	-	-
Due from other funds	-	-	-	93,167	-	-	-
Total assets	$ 35,865	$ 158,465	$ 22,952	$ 139,860	$ 68,141	$ 6,079	$ -
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	$ -	$ -	$ (15)	$ -	$ -	$ -	$ -
Temporary notes payable	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-
Total liabilities	-	-	(15)	-	-	-	-
Fund balances:							
Reserved for encumbrances	-	-	-	-	-	-	-
Reserved for long-term loan receivable	-	-	-	-	-	-	-
Unreserved, undesignated	35,865	158,465	22,967	139,860	68,141	6,079	-
Total fund balances	35,865	158,465	22,967	139,860	68,141	6,079	-
Total liabilities and fund balances	$ 35,865	$ 158,465	$ 22,952	$ 139,860	$ 68,141	$ 6,079	$ -

(Continued)

CITY OF GARDNER, KANSAS

COMBINING BALANCE SHEET
(Continued)

NONMAJOR GOVERNMENTAL FUNDS

December 31, 2010

	Capital Projects						
	Shean's Crossing	Airport Hangars	New Century	University Park	Kill Creek Drive/ Waterline	Center Street Commons	North Center Street
ASSETS							
Deposits and investments	$ -	$ 33,652	$ -	$ -	$ 26	$ 5,956	$ -
Receivables:							
Taxes	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Airport Association	-	-	-	-	-	-	-
Restricted deposits and investments	-	-	-	6,781	1,511	-	-
Due from other funds	-	-	-	-	-	-	-
Total assets	$ -	$ 33,652	$ -	$ 6,781	$ 1,537	$ 5,956	$ -
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Temporary notes payable	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-	-
Fund balances:							
Reserved for encumbrances	-	-	-	-	-	-	-
Reserved for long-term loan receivable	-	-	-	-	-	-	-
Unreserved, undesignated	-	33,652	-	6,781	1,537	5,956	-
Total fund balances	-	33,652	-	6,781	1,537	5,956	-
Total liabilities and fund balances	$ -	$ 33,652	$ -	$ 6,781	$ 1,537	$ 5,956	$ -

(Continued)

CITY OF GARDNER, KANSAS

COMBINING BALANCE SHEET
(Continued)

NONMAJOR GOVERNMENTAL FUNDS

December 31, 2010

	Capital Projects						Total Nonmajor Governmental Funds
	Nike School Sewer	Public Safety Station #2	Pool Expansion	Gardner Junction Park	Celebration Park	Total	
ASSETS							
Deposits and investments	$ -	$ 1,105	$ -	$ -	$ -	$ 378,934	$ 3,379,019
Receivables:							
Taxes	-	-	-	-	-	-	291,676
Intergovernmental	-	-	-	-	-	-	162,414
Airport Association	-	-	-	-	-	137,399	141,767
Restricted deposits and investments	-	-	-	-	-	8,395	224,368
Due from other funds	-	-	-	-	-	93,167	187,264
Total assets	$ -	$ 1,105	$ -	$ -	$ -	$ 617,895	$ 4,386,508
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	$ -	$ -	$ -	$ -	$ -	$ (15)	$ 23,980
Temporary notes payable	-	-	-	-	-	1,260,000	1,260,000
Due to other funds	-	-	-	8,518	93,167	102,812	196,909
Total liabilities	-	-	-	8,518	93,167	1,362,797	1,480,889
Fund balances:							
Reserved for encumbrances	-	-	-	-	10,000	68,026	152,638
Reserved for long-term loan receivable	-	-	-	-	-	137,399	137,399
Unreserved, undesignated	-	1,105	-	(8,518)	(103,167)	(950,327)	2,615,582
Total fund balances	-	1,105	-	(8,518)	(93,167)	(744,902)	2,905,619
Total liabilities and fund balances	$ -	$ 1,105	$ -	$ -	$ -	$ 617,895	$ 4,386,508

CITY OF GARDNER, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

Year Ended December 31, 2010

	Special Revenue	
	Airport	Law Enforcement Trust
Revenues:		
Property tax	$ -	$ -
Sales tax	-	-
Excise tax	-	-
Intergovernmental	-	3,150
Licenses and permits	-	-
Investment earnings	47	3
Other	-	-
Total revenues	47	3,153
Expenditures:		
Current:		
General government	-	-
Capital outlay	-	1,010
Debt service:		
Principal	-	-
Interest and fiscal charges	-	-
Other	-	-
Total expenditures	-	1,010
Excess of revenues over (under) expenditures	47	2,143
Other financing sources (uses):		
Transfers in	-	-
Transfers out	-	-
Total other financing sources (uses)	-	-
Net change in fund balances	47	2,143
Fund balances, beginning of year	8,577	1,008
Fund balances, end of year	$ 8,624	$ 3,151

(Continued)

CITY OF GARDNER, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
(Continued)

NONMAJOR GOVERNMENTAL FUNDS

Year Ended December 31, 2010

	Special Revenue						
	Park Sales Tax	Special Alcohol/ Drug Program	Street Improvement	Special Highway	Special Parks and Recreation	E. Santa Fe TIF District	Economic Development Reserve
Revenues:							
Property tax	$ -	$ -	$ -	$ -	$ -	$ 214,715	$ -
Sales tax	832,343	-	-	-	-	501,296	-
Excise tax	-	-	95,710	-	-	-	-
Intergovernmental	-	27,276	-	680,232	27,276	-	29,338
Licenses and permits	-	-	-	-	-	-	-
Investment earnings	38	141	15,390	1,319	326	213	409
Other	-	-	-	-	-	-	1,000
Total revenues	832,381	27,417	111,100	681,551	27,602	716,224	30,747
Expenditures:							
Current:							
General government	-	35,754	-	-	-	691,993	42,985
Capital outlay	-	-	80,823	510,912	-	-	-
Debt service:							
Principal	620,000	-	-	150,000	-	-	-
Interest and fiscal charges	219,113	-	-	-	-	-	-
Other	700	-	-	-	-	700	-
Total expenditures	839,813	35,754	80,823	660,912	-	692,693	42,985
Excess of revenues over (under) expenditures	(7,432)	(8,337)	30,277	20,639	27,602	23,531	(12,238)
Other financing sources (uses):							
Transfers in	490,000	-	-	-	-	-	-
Transfers out	(418,456)	-	(961,317)	(19,010)	(40,000)	(5,000)	-
Total other financing sources (uses)	71,544	-	(961,317)	(19,010)	(40,000)	(5,000)	-
Net change in fund balances	64,112	(8,337)	(931,040)	1,629	(12,398)	18,531	(12,238)
Fund balances, beginning of year	199,570	33,196	3,191,593	219,982	48,150	76,877	105,433
Fund balances, end of year	$ 263,682	$ 24,859	$ 2,260,553	$ 221,611	$ 35,752	$ 95,408	$ 93,195

(Continued)

CITY OF GARDNER, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
(Continued)

NONMAJOR GOVERNMENTAL FUNDS

Year Ended December 31, 2010

	Special Revenue				Capital Projects		
	Risk Management Reserve	Capital Improvement Reserve	Park Improvement Reserve	Total	Prairiebrooke	Airport Runway Rehab	City Hall
Revenues:							
Property tax	$ -	$ -	$ -	$ 214,715	$ -	$ -	$ -
Sales tax	-	-	-	1,333,639	-	-	-
Excise tax	-	-	-	95,710	-	-	-
Intergovernmental	-	160,236	272,075	1,199,583	-	-	-
Licenses and permits	-	-	165,823	165,823	-	-	-
Investment earnings	-	1,400	3,539	22,825	574	-	-
Other	-	115,761	-	116,761	-	-	-
Total revenues	-	277,397	441,437	3,149,056	574	-	-
Expenditures:							
Current:							
General government	-	-	-	770,732	-	-	-
Capital outlay	-	484,873	-	1,077,618	339,774	-	-
Debt service:							
Principal	-	-	-	770,000	-	-	-
Interest and fiscal charges	-	-	-	219,113	17,929	-	-
Other	-	-	-	1,400	10,054	-	-
Total expenditures	-	484,873	-	2,838,863	367,757	-	-
Excess of revenues over (under) expenditures	-	(207,476)	441,437	310,193	(367,183)	-	-
Other financing sources (uses):							
Transfers in	-	30,000	-	520,000	-	-	-
Transfers out	(92,762)	(400,000)	(450,000)	(2,386,545)	-	(15,000)	-
Total other financing sources (uses)	(92,762)	(370,000)	(450,000)	(1,866,545)	-	(15,000)	-
Net change in fund balances	(92,762)	(577,476)	(8,563)	(1,556,352)	(367,183)	(15,000)	-
Fund balances, beginning of year	92,762	776,998	452,727	5,206,873	(893,944)	152,399	103
Fund balances, end of year	$ -	$ 199,522	$ 444,164	$ 3,650,521	$ (1,261,127)	$ 137,399	$ 103

(Continued)

CITY OF GARDNER, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
(Continued)

NONMAJOR GOVERNMENTAL FUNDS

Year Ended December 31, 2010

	Capital Projects						
	Cedar Street	South Moonlight	167th Street	Waverly Street	183rd Street	Lincoln Lane	Moonlight & Main
Revenues:							
Property tax	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales tax	-	-	-	-	-	-	-
Excise tax	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Investment earnings	191	848	123	748	365	32	11
Other	-	-	-	-	-	-	-
Total revenues	191	848	123	748	365	32	11
Expenditures:							
Current:							
General government	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total expenditures	-	-	-	-	-	-	-
Excess of revenues over (under) expenditures	191	848	123	748	365	32	11
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	(2,311)
Total other financing sources (uses)	-	-	-	-	-	-	(2,311)
Net change in fund balances	191	848	123	748	365	32	(2,300)
Fund balances, beginning of year	35,674	157,617	22,844	139,112	67,776	6,047	2,300
Fund balances, end of year	$ 35,865	$ 158,465	$ 22,967	$ 139,860	$ 68,141	$ 6,079	$ -

(Continued)

CITY OF GARDNER, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
(Continued)

NONMAJOR GOVERNMENTAL FUNDS

Year Ended December 31, 2010

	Capital Projects						
	Shean's Crossing	Airport Hangars	New Century	University Park	Kill Creek Drive/Waterline	Center Street Commons	North Center Street
Revenues:							
Property tax	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales tax	-	-	-	-	-	-	-
Excise tax	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Investment earnings	-	180	-	32	24	32	61
Other	-	-	-	-	-	-	-
Total revenues	-	180	-	32	24	32	61
Expenditures:							
Current:							
General government	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	4,320
Debt service:							
Principal	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total expenditures	-	-	-	-	-	-	4,320
Excess of revenues over (under) expenditures	-	180	-	32	24	32	(4,259)
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	(4,775)	-	(8)	(370)	-	-	(1,315)
Total other financing sources (uses)	(4,775)	-	(8)	(370)	-	-	(1,315)
Net change in fund balances	(4,775)	180	(8)	(338)	24	32	(5,574)
Fund balances, beginning of year	4,775	33,472	8	7,119	1,513	5,924	5,574
Fund balances, end of year	$ -	$ 33,652	$ -	$ 6,781	$ 1,537	$ 5,956	$ -

(Continued)

CITY OF GARDNER, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
(Continued)

NONMAJOR GOVERNMENTAL FUNDS

Year Ended December 31, 2010

	Capital Projects						Total Nonmajor Governmental Funds
	Nike School Sewer	Public Safety Station #2	Pool Expansion	Gardner Junction Park	Celebration Park	Total	
Revenues:							
Property tax	$ -	$ -	$ -	$ -	$ -	$ -	$ 214,715
Sales tax	-	-	-	-	-	-	1,333,639
Excise tax	-	-	-	-	-	-	95,710
Intergovernmental	-	-	-	-	-	-	1,199,583
Licenses and permits	-	-	-	-	-	-	165,823
Investment earnings	-	6	34	-	-	3,261	26,086
Other	-	-	-	-	-	-	116,761
Total revenues	-	6	34	-	-	3,261	3,152,317
Expenditures:							
Current:							
General government	-	-	-	-	-	-	770,732
Capital outlay	-	-	(497)	-	84,951	428,548	1,506,166
Debt service:							
Principal	-	-	-	-	-	-	770,000
Interest and fiscal charges	-	-	-	-	-	17,929	237,042
Other	-	-	-	-	-	10,054	11,454
Total expenditures	-	-	(497)	-	84,951	456,531	3,295,394
Excess of revenues over (under) expenditures	-	6	531	-	(84,951)	(453,270)	(143,077)
Other financing sources (uses):							
Transfers in	11	-	-	-	-	11	520,011
Transfers out	-	-	(6,764)	-	-	(30,543)	(2,417,088)
Total other financing sources (uses)	11	-	(6,764)	-	-	(30,532)	(1,897,077)
Net change in fund balances	11	6	(6,233)	-	(84,951)	(483,802)	(2,040,154)
Fund balances, beginning of year	(11)	1,099	6,233	(8,518)	(8,216)	(261,100)	4,945,773
Fund balances, end of year	$ -	$ 1,105	$ -	$ (8,518)	$ (93,167)	$ (744,902)	$ 2,905,619

CITY OF GARDNER, KANSAS

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

LAW ENFORCEMENT TRUST

Year Ended December 31, 2010

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Taxes	$ -	$ 3,150	$ 3,150
Investment earnings	2	3	1
Total revenues	2	3,153	3,151
Expenditures:			
Contractual services	1,010	1,010	-
Total expenditures	1,010	1,010	-
Net change in fund balances	(1,008)	2,143	3,151
Fund balances, beginning of year	1,008	1,008	-
Fund balances, end of year	$ -	$ 3,151	$ 3,151

CITY OF GARDNER, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

PARK SALES TAX FUND

Year Ended December 31, 2010

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Taxes	$ 804,400	$ 832,343	$ 27,943
Investment earnings	800	38	(762)
Total revenues	805,200	832,381	27,181
Expenditures:			
Principal	620,000	620,000	-
Interest	219,100	219,113	(13)
Project reserve	102,380	-	102,380
Other expenditures	-	700	(700)
Total expenditures	941,480	839,813	101,667
Excess (deficit) of revenues over (under) expenditures	(136,280)	(7,432)	128,848
Other financing sources (uses):			
Transfers in	490,000	490,000	-
Transfers out	(418,500)	(418,456)	44
Total other financing sources (uses)	71,500	71,544	44
Net changes in fund balances	(64,780)	64,112	128,892
Fund balances, beginning of year	64,780	199,570	134,790
Fund balances, end of year	$ -	$ 263,682	$ 263,682

CITY OF GARDNER, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

SPECIAL ALCOHOL/DRUG PROGRAM FUND

Year Ended December 31, 2010

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Special alcohol tax	$ 36,000	$ 27,276	$ (8,724)
Investment earnings	400	141	(259)
Total revenues	36,400	27,417	(8,983)
Expenditures:			
Project reserve	37,017	-	37,017
Contractual services	35,800	35,754	46
Total expenditures	72,817	35,754	37,063
Net change in fund balances	(36,417)	(8,337)	28,080
Fund balances, beginning of year	36,417	33,196	(3,221)
Fund balances, end of year	$ -	$ 24,859	$ 24,859

CITY OF GARDNER, KANSAS

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

STREET IMPROVEMENT FUND

Year Ended December 31, 2010

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Excise tax	$ 460,800	$ 95,710	$ (365,090)
Intergovernmental - grants	601,000	-	(601,000)
Investment earnings	31,000	15,390	(15,610)
Total revenues	1,092,800	111,100	(981,700)
Expenditures:			
Capital outlay	649,000	34,125	614,875
Project reserve	2,751,844	-	2,751,844
Total expenditures	3,400,844	34,125	3,366,719
Excess (deficit) of revenues over (under) expenditures	(2,308,044)	76,975	2,385,019
Other financing uses:			
Transfers out	(1,004,800)	(961,317)	43,483
Net change in fund balances	(3,312,844)	(884,342)	2,428,502
Fund balances, beginning of year	3,360,144	3,144,754	(215,390)
Fund balances, end of year	$ 47,300	2,260,412	$ 2,213,112

Explanation of difference between budgetary and GAAP fund balances:

Encumbrances for equipment and supplies ordered but not received are not recorded for GAAP purposes until received	141
GAAP fund balance, end of year	$ 2,260,553

CITY OF GARDNER, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

SPECIAL HIGHWAY FUND

Year Ended December 31, 2010

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
State gasoline tax	$ 406,000	$ 476,929	$ 70,929
Intergovernmental - grants	-	203,303	203,303
Investment earnings	1,300	1,319	19
Total revenues	407,300	681,551	274,251
Expenditures:			
Project reserve	118,306	-	118,306
Capital outlay	300,000	301,452	(1,452)
Principal	150,000	150,000	-
Other financing uses:			
Transfers out	19,000	19,010	(10)
Expenditures and other financing uses subject to legal budget	$ 587,306	470,462	$ 116,844
Expenditures not subject to budget		203,303	
Total expenditures		673,765	
Excess (deficit) of revenues over (under) expenditures		7,786	
Fund balances, beginning of year		205,375	
Fund balances, end of year		213,161	
Explanation of difference between budgetary and GAAP fund balances:			
Encumbrances for equipment and supplies ordered but not received are not recorded for GAAP purposes until received		8,450	
GAAP fund balance, end of year		$ 221,611	

CITY OF GARDNER, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

SPECIAL PARKS AND RECREATION FUND

Year Ended December 31, 2010

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Special alcohol tax	$ 35,000	$ 27,276	$ (7,724)
Investment earnings	300	326	26
Total revenues	35,300	27,602	(7,698)
Expenditures:			
Capital outlay	-	(12,000)	12,000
Project reserve	31,541	-	31,541
Total expenditures	31,541	(12,000)	43,541
Excess of revenues over expenditures	3,759	39,602	35,843
Other financing uses:			
Transfers out:	(40,000)	(40,000)	-
Net change in fund balances	(36,241)	(398)	35,843
Fund balances, beginning of year	36,241	36,150	(91)
Fund balances, end of year	$ -	$ 35,752	$ 35,752

CITY OF GARDNER, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

EAST SANTA FE TIF DISTRICT

Year Ended December 31, 2010

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Taxes	$ 848,300	$ 716,011	$ (132,289)
Investment earnings	1,000	213	(787)
Total revenues	849,300	716,224	(133,076)
Expenditures:			
Contractual services	941,210	691,993	249,217
Other expenditures	-	700	(700)
Total expenditures	941,210	692,693	248,517
Excess (deficit) of revenues over (under) expenditures	(91,910)	23,531	115,441
Other financing uses:			
Transfers out	(5,000)	(5,000)	-
Net change in fund balances	(96,910)	18,531	115,441
Fund balances, beginning of year	96,910	76,877	(20,033)
Fund balances, end of year	$ -	$ 95,408	$ 95,408

CITY OF GARDNER, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

ECONOMIC DEVELOPMENT RESERVE FUND

Year Ended December 31, 2010

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Transient guest tax	$ 46,900	$ 29,338	$ (17,562)
Investment earnings	1,200	409	(791)
Other revenue	-	1,000	1,000
Total revenues	48,100	30,747	(17,353)
Expenditures:			
Project reserve	119,651	-	119,651
Contractual services	42,800	42,985	(185)
Total expenditures	162,451	42,985	119,466
Net change in fund balances	(114,351)	(12,238)	102,113
Fund balances, beginning of year	114,351	105,433	(8,918)
Fund balances, end of year	$ -	$ 93,195	$ 93,195

CITY OF GARDNER, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

RISK MANAGEMENT RESERVE FUND

Year Ended December 31, 2010

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Other financing uses:			
Transfers out	$ (92,924)	$ (92,762)	$ 162
Fund balances, beginning of year	92,924	92,762	(162)
Fund balances, end of year	$ -	$ -	$ -

CITY OF GARDNER, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

PARK IMPROVEMENT RESERVE FUND

Year Ended December 31, 2010

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Intergovernmental	$ 298,700	$ 272,075	$ (26,625)
Park impact fees	99,600	165,823	66,223
Investment earnings	4,800	3,539	(1,261)
Total revenues	403,100	441,437	38,337
Expenditures:			
Project reserve	456,348	-	456,348
Excess (deficit) of revenues over (under) expenditures	(53,248)	441,437	494,685
Other financing uses:			
Transfers out	(450,000)	(450,000)	-
Net change in fund balances	(503,248)	(8,563)	494,685
Fund balances, beginning of year	503,248	452,727	(50,521)
Fund balances, end of year	$ -	$ 444,164	$ 444,164

CITY OF GARDNER, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

DEBT SERVICE FUND

Year Ended December 31, 2010

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Taxes	$ 440,389	$ 446,124	$ 5,735
Special assessments	1,596,000	974,839	(621,161)
Investment earnings	3,100	2,794	(306)
Other	-	51,131	51,131
Total revenues	2,039,489	1,474,888	(564,601)
Expenditures:			
Principal	3,852,280	1,948,762	1,903,518
Interest	-	949,099	(949,099)
Other	-	66,493	(66,493)
Total expenditures	3,852,280	2,964,354	887,926
Excess (deficit) of revenues over (under) expenditures	(1,812,791)	(1,489,466)	323,325
Other financing sources:			
Transfers in	1,534,500	1,516,827	(17,673)
Net change in fund balances	(278,291)	27,361	305,652
Fund balances, beginning of year	278,291	78,023	(200,268)
Fund balances, end of year	$ -	$ 105,384	$ 105,384

Internal Service Funds

Internal service funds are used to account for the financing of goods or services provided by one department to other departments of the City on a cost reimbursement basis.

Information technology services fund – This fund is used to account for the accumulation and allocation of costs associated with electronic data processing.

Building maintenance fund – This fund is used to account for the accumulation and allocation of costs associated with maintenance and miscellaneous repairs at City Hall.

Risk management fund – This fund is used to account for the accumulation and allocation of costs associated with the City's risk financing activities.

Utility billing services fund – This fund is used to account for the accumulation and allocation of costs associated with calculating and billing amounts owed for services provided by the City's utilities.

CITY OF GARDNER, KANSAS

COMBINING STATEMENT OF NET ASSETS

INTERNAL SERVICE FUNDS

December 31, 2010

	Governmental Activities			Business-type Activities	
	Information Technology Services	Building Maintenance	Risk Management	Utility Billing Services	Total
Assets:					
Current assets:					
Deposits and investments	$ -	$ -	$ -	$ 2,110	$ 2,110
Due from other funds	-	-	-	1,169	1,169
Noncurrent assets:					
Capital assets:					
Machinery and equipment	93,831	-	-	10,509	104,340
Vehicles	-	14,749	-	-	14,749
Less accumulated depreciation	(21,171)	(6,637)	-	(1,051)	(28,859)
Total assets	72,660	8,112	-	12,737	93,509
Liabilities:					
Current liabilities:					
Accounts payable	4,979	1,842	609	9,000	16,430
Due to other funds	10,195	10,270	1,169	-	21,634
Accrued expenses	990	759	-	-	1,749
Noncurrent liabilities:					
Other postemployment benefit obligation	981	1,810	-	4,890	7,681
Total liabilities	17,145	14,681	1,778	13,890	47,494
Net assets:					
Invested in capital assets, net of related debt	72,660	8,112	-	9,458	90,230
Unrestricted	(17,145)	(14,681)	(1,778)	(10,611)	(44,215)
Total net assets	$ 55,515	$ (6,569)	$ (1,778)	$ (1,153)	$ 46,015

CITY OF GARDNER, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS

INTERNAL SERVICE FUNDS

Year Ended December 31, 2010

	Governmental Activities			Business-type Activities	
	Information Technology Services	Building Maintenance	Risk Management	Utility Billing Services	Total
Operating revenues:					
Charges for services	$ 276,760	$ 284,866	$ 547,341	$ 613,738	$ 1,722,705
Other	-	-	10,492	754	11,246
Total operating revenues	276,760	284,866	557,833	614,492	1,733,951
Operating expenses:					
Administration	71,240	49,296	-	361,442	481,978
Contractual services	151,826	199,342	557,559	163,300	1,072,027
Other supplies and expenses	20,969	27,140	365	13,366	61,840
Repairs and maintenance	20,863	9,637	-	5,887	36,387
Depreciation	8,784	1,475	-	1,051	11,310
Other	-	-	-	62,137	62,137
Total operating expenses	273,682	286,890	557,924	607,183	1,725,679
Operating income (loss)	3,078	(2,024)	(91)	7,309	8,272
Total net assets, beginning of year	52,437	(4,545)	(1,687)	(8,462)	37,743
Total net assets, end of year	$ 55,515	$ (6,569)	$ (1,778)	$ (1,153)	$ 46,015

CITY OF GARDNER, KANSAS

COMBINING STATEMENT OF CASH FLOWS

INTERNAL SERVICE FUNDS

Year Ended December 31, 2010

	Governmental Activities			Business-type Activities	
	Information Technology Services	Building Maintenance	Risk Management	Utility Billing Services	Total
Cash flows from operating activities:					
Receipts from customers	$ 276,760	$ 284,866	$ 547,341	$ 620,526	$ 1,729,493
Other	-	-	10,492	754	11,246
Payments to suppliers	(193,188)	(235,683)	(557,833)	(249,217)	(1,235,921)
Payments to employees	(71,572)	(49,183)	-	(361,003)	(481,758)
Net cash provided by operating activities	12,000	-	-	11,060	23,060
Cash flows from capital and related financing activities:					
Acquisition and construction of capital assets	(12,000)	-	-	(10,509)	(22,509)
Net increase in cash and cash equivalents	-	-	-	551	551
Cash and cash equivalents, beginning of year	-	-	-	1,559	1,559
Cash and cash equivalents, end of year	$ -	$ -	$ -	$ 2,110	$ 2,110
Reconciliation of operating income (loss) to net cash provided by operating activities:					
Operating income (loss)	$ 3,078	$ (2,024)	$ (91)	$ 7,309	$ 8,272
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Items not requiring cash:					
Depreciation expense	8,784	1,475	-	1,051	11,310
Other postemployment benefit obligation	222	549	-	2,019	2,790
Changes in:					
Due from other funds	-	-	-	6,788	6,788
Accounts payable	(5,069)	(2,499)	(331)	(6,107)	(14,006)
Due to other funds	4,787	2,489	422	-	7,698
Accrued liabilities	198	10	-	-	208
Net cash provided by operating activities	$ 12,000	$ -	$ -	$ 11,060	$ 23,060

CITY OF GARDNER, KANSAS

STATEMENT OF CASH FLOWS

AIRPORT ASSOCIATION COMPONENT UNIT

Year Ended December 31, 2010

Cash flows from operating activities:		
Receipts from customers	$	273,730
Payments to suppliers		(210,671)
Payments to employees		(6,366)
Net cash provided by operating activities		56,693
Cash flows from capital and related financing activities:		
Principal paid on capital debt		(28,118)
Acquisition and construction of capital assets		(39,700)
Net cash used by capital and related financing activities		(67,818)
Cash flows from investing activities:		
Interest received		1,394
Net decrease in cash and cash equivalents		(9,731)
Cash and cash equivalents, beginning of year		157,721
Cash and cash equivalents, end of year	$	147,990
Reconciliation of operating loss to net cash provided by operating activities:		
Operating loss	$	(17,004)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Items not requiring cash:		
Depreciation expense		75,077
Changes in:		
Receivables		(5,698)
Prepaid items		844
Inventories		(1,059)
Accounts payable		(1,180)
Due to related parties		4,368
Deferred revenue		1,345
Net cash provided by operating activities	$	56,693

CITY OF GARDNER, KANSAS

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

AGENCY FUND

Year Ended December 31, 2010

Alcohol Safety Action Program:

	Balance January 1, 2010	Additions	Deductions	Balance December 31, 2010
Assets:				
Deposits and investments	$ 30,627	$ 10,409	$ 11,100	$ 29,936
Liabilities:				
Due to others	$ 30,627	$ 10,409	$ 11,100	$ 29,936

Statistical Section

This part of the City of Gardner's 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 **103 - 106**

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

Revenue Capacity **107 - 115**

These schedules contain information to help the reader assess the factors affecting the City's ability to generate its most significant local revenue source, which is the electric, water and wastewater revenues, as well as its property taxes.

Debt Capacity **116- 119**

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.

Demographic and Economic Information **120 - 121**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time with other governments.

Operating Information **122- 124**

These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City of Gardner implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

City of Gardner, Kansas
Net Assets by Component
Last Eight Fiscal Years
(accrual basis of accounting)

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
Governmental activities								
Invested in capital assets, net of related debt	$ 7,460,781	$ 9,085,457	$ 14,068,012	$ 12,854,680	$ 15,189,970	$ 11,793,968	$ 11,427,079	$ 17,247,111
Restricted	619,460	209,186	8,375,348	8,637,479	8,508,190	11,654,614	17,997,310	16,045,557
Unrestricted	8,247,839	10,187,715	285,475	3,572,437	(146,614)	2,984,646	2,785,686	3,604,098
Total governmental activities net assets	$ 16,328,080	$ 19,482,358	$ 22,728,835	$ 25,064,596	$ 23,551,546	$ 26,433,228	$ 32,210,075	$ 36,896,766
Business-type activities								
Invested in capital assets, net of related debt	$ 22,669,570	$ 26,593,163	$ 37,238,650	$ 36,644,874	$ 43,009,998	$ 42,592,536	$ 45,202,862	$ 46,462,027
Unrestricted	8,574,639	9,868,088	4,437,961	8,438,191	7,383,676	7,570,921	7,587,496	9,547,927
Total business-type activities net assets	$ 31,244,209	$ 36,461,251	$ 41,676,611	$ 45,083,065	$ 50,393,674	$ 50,163,457	$ 52,790,358	$ 56,009,954
Primary government								
Invested in capital assets, net of related debt	$ 30,130,351	$ 35,678,620	$ 51,306,662	$ 49,499,554	$ 58,199,968	$ 54,386,504	$ 56,629,941	$ 63,709,138
Restricted	619,460	209,186	8,375,348	8,637,479	8,508,190	11,654,614	17,997,310	16,045,557
Unrestricted	16,822,478	20,055,803	4,723,436	12,010,628	7,237,062	10,555,567	10,373,182	13,152,025
Total primary government net assets	$ 47,572,289	$ 55,943,609	$ 64,405,446	$ 70,147,661	$ 73,945,220	$ 76,596,685	$ 85,000,433	$ 92,906,720

Note: *The city began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003.*

Source: *City of Gardner Finance Department*

City of Gardner, Kansas
Changes in Net Assets
Last Eight Fiscal Years
(accrual basis of accounting)

	2003	2004	2005	2006	2007	2008	2009	2010
Expenses								
Governmental activities:								
General government	$ 667,923	$ 2,481,063	$ 2,487,540	$ 2,283,679	$ 3,378,759	$ 3,467,896	$ 3,164,663	$ 2,822,418
Public Safety	1,578,382	1,793,104	2,133,175	2,698,278	3,248,539	3,653,003	3,567,111	3,565,454
Public Works	1,870,330	2,702,878	1,814,204	1,953,847	2,730,439	3,274,927	2,674,913	2,614,530
Culture and recreation	925,051	1,008,522	1,191,341	1,280,138	2,025,252	2,280,655	2,271,682	2,211,773
Interest on long-term debt	463,569	679,071	912,018	1,098,258	1,450,723	1,506,419	1,843,829	1,742,427
Total governmental activities expenses	5,505,255	8,664,638	8,538,278	9,314,200	12,833,712	14,182,900	13,522,198	12,956,602
Business-type activities:								
Electric	4,401,222	5,235,673	7,065,972	9,369,802	10,369,407	10,655,734	9,911,349	11,572,594
Water	2,074,904	1,809,446	2,045,852	2,353,432	2,606,773	2,829,545	2,874,987	2,952,669
Wastewater	2,763,238	2,980,535	3,176,131	3,215,418	3,659,179	4,194,130	3,678,278	3,661,411
Stormwater	-	-	-	-	75,643	220,061	70,817	71,086
Total business-type activities expenses	9,239,364	10,025,654	12,287,955	14,938,652	16,711,002	17,899,470	16,535,431	18,257,760
Total primary government expenses	$ 14,744,619	$ 18,690,292	$ 20,826,233	$ 24,252,852	$ 29,544,714	$ 32,082,370	$ 30,057,629	$ 31,214,362
Program Revenues								
Governmental activities:								
Charges for services:								
General government	$ 831,756	$ 1,241,976	$ 1,348,564	$ 1,132,996	$ 712,907	$ 606,513	$ 622,807	$ 502,102
Public Safety	-	5,655	4,737	11,443	10,344	13,021	13,141	10,458
Public Works	676,890	275	-	-	1,900	-	2,300	-
Culture and recreation	348,307	428,120	446,685	436,514	905,149	767,693	937,542	970,405
Operating grants and contributions	1,553,297	2,352,704	2,139,253	2,216,293	2,529,574	2,657,199	2,514,392	2,579,475
Capital grants and contributions	2,349,249	2,817,443	1,087,882	218,234	360,016	4,808,296	7,240,013	5,400,696
Total governmental activities program revenu	5,759,499	6,846,173	5,027,121	4,015,480	4,519,890	8,852,722	11,330,195	9,463,136
Business-type activities:								
Charges for services:								
Electric	6,998,195	7,887,555	10,240,759	10,229,014	11,805,651	11,688,030	12,661,952	14,329,969
Water	3,072,348	3,725,407	3,639,347	3,511,004	4,201,647	3,192,736	3,293,010	3,989,505
Wastewater	2,544,156	3,419,810	3,518,583	3,304,989	3,835,313	2,821,531	3,062,919	4,007,841
Capital grants and contributions	-	-	50,000	589,004	59,606	356,751	506,591	78,263
Total business-type program revenues	12,614,699	15,032,772	17,448,689	17,634,011	19,902,217	18,059,048	19,524,472	22,405,578
Total primary government program revenues	$ 18,374,198	$ 21,878,945	$ 22,475,810	$ 21,649,491	$ 24,422,107	$ 26,911,770	$ 30,854,667	$ 31,868,714
Net (Expense)/Revenue								
Governmental activities	$ 254,244	$ (1,818,465)	$ (3,511,157)	$ (5,298,720)	$ (8,313,822)	$ (5,330,178)	$ (2,192,003)	$ (3,493,466)
Business-type activities	3,375,335	5,007,118	5,160,734	2,695,359	3,191,215	159,578	2,989,041	4,147,818
Total primary government net expense	$ 3,629,579	$ 3,188,653	$ 1,649,577	$ (2,603,361)	$ (5,122,607)	$ (5,170,600)	$ 797,038	$ 654,352
General Revenues and Other Changes in Net Assets								
Governmental activities:								
Taxes								
Property taxes	$ 1,739,385	$ 2,030,664	$ 2,311,209	$ 2,676,275	$ 3,290,415	$ 3,667,858	$ 3,788,866	$ 3,798,207
Sales taxes	1,128,934	1,483,480	1,566,055	2,636,630	2,854,565	2,815,576	2,696,984	2,821,088
Franchise taxes	236,073	305,843	337,916	350,024	386,139	412,989	396,100	380,715
Excise taxes	-	1,211,458	1,455,739	1,289,599	819,908	395,182	456,384	95,710
Transient guest taxes	-	31,150	34,338	40,680	41,073	45,573	34,702	29,338
Other	-	-	-	-	-	-	-	3
Unrestricted investment earnings	88,024	181,268	497,681	831,916	993,815	296,824	49,100	49,689
Gain on disposal of asset	-	-	-	-	1,617	-	-	2,095
Transfers	34,641	989,891	329,158	(190,643)	(1,586,760)	577,858	546,714	1,003,312
Total governmental activities	3,227,057	6,233,754	6,532,096	7,634,481	6,800,772	8,211,860	7,968,850	8,180,157
Business-type activities:								
Unrestricted investment earnings	79,755	205,001	532,024	520,452	532,634	188,063	28,208	38,020
Transfers	(34,641)	(989,891)	(329,158)	190,643	1,586,760	(577,858)	(546,714)	(1,003,312)
Other	107,320	-	-	-	-	-	156,366	37,070
Total business-type activities	152,434	(784,890)	202,866	711,095	2,119,394	(389,795)	(362,140)	(928,222)
Total primary government	$ 3,379,491	$ 5,448,864	$ 6,734,962	$ 8,345,576	$ 8,920,166	$ 7,822,065	$ 7,606,710	$ 7,251,935
Change in Net Assets								
Governmental activities	$ 3,481,301	$ 4,415,289	$ 3,020,939	$ 2,335,761	$ (1,513,050)	$ 2,881,682	$ 5,776,847	$ 4,686,691
Business-type activities	3,527,769	4,222,228	5,363,600	3,406,454	5,310,609	(230,217)	2,626,901	3,219,596
Total primary government	$ 7,009,070	$ 8,637,517	$ 8,384,539	$ 5,742,215	$ 3,797,559	$ 2,651,465	$ 8,403,748	$ 7,906,287

Note: The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003.

Source: City of Gardner Finance Department

City of Gardner, Kansas
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Fund										
Reserved	$ 6,261	$ -	$ 73,395	$ -	$ -	$ 1,019,948	$ 15,151	$ 34,779	$ 39,182	$ 250
Unreserved	659,085	851,220	1,549,455	2,392,171	3,321,238	3,107,516	4,008,117	2,964,795	2,619,334	3,058,934
Total general fund	$ 665,346	$ 851,220	$ 1,622,850	$ 2,392,171	$ 3,321,238	$ 4,127,464	$ 4,023,268	$ 2,999,574	$ 2,658,516	$3,059,184
All Other Governmental Funds										
Reserved	$ 261,208	$ -	$ 57,500	$ -	$ -	$ 9,998,577	$ 2,164,409	$ 1,058,524	$ 1,479,432	$ 451,339
Unreserved, reported in:										
Debt service fund	193,608	329,980	488,565	313,625	258,152	184,701	237,844	310,091	78,023	105,384
Special revenue funds	1,546,341	1,903,127	3,124,695	4,953,169	5,597,454	6,771,640	6,525,624	5,383,372	5,119,227	3,565,909
Capital projects funds	3,632,057	4,948,112	2,370,633	(565,001)	(3,188,976)	(10,700,412)	(14,211,726)	(10,291,113)	(6,515,040)	(4,434,896)
Total all other governmental funds	$ 5,633,214	$ 7,181,219	$ 6,041,393	$ 4,701,793	$ 2,666,630	$ 6,254,506	$(5,283,849)	$(3,539,126)	$ 161,642	$ (312,264)

Note: *In 2004, in order to avoid arbitrage penalties, the City decided to fund Capital Projects with pooled cash during the beginning stages of construction.*

Source: *City of Gardner Finance Department*

City of Gardner, Kansas
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2001	2002	2003[a]	2004	2005	2006	2007	2008	2009	2010
Revenues										
Taxes	$ 2,099,438	$ 2,633,287	$ 4,366,955	$ 5,031,445	$ 5,670,919	$ 6,952,528	$ 7,351,027	$ 7,291,605	$ 7,338,334	$ 7,095,720
Licenses and permits	1,046,365	950,004	687,140	886,846	942,495	750,727	615,355	186,976	441,422	376,192
Fines and fees	129,166	188,099	204,886	265,911	282,659	316,720	240,072	305,001	263,248	217,900
Charges for services	250,978	133,748	161,889	335,289	423,579	337,022	654,973	792,935	727,625	800,534
Special assessments	34,221	76,161	77,341	466,514	298,989	229,317	345,883	300,420	387,736	974,839
Intergovernmental	1,403,072	1,889,659	2,641,553	2,611,934	3,262,304	2,352,409	2,415,554	2,606,764	2,383,778	7,722,154
Investment earnings	225,241	177,013	88,024	181,268	497,682	831,916	993,815	296,824	49,100	49,689
Loan revenue	-	-	32,652	37,465	35,378	41,875	-	-	-	-
Other revenues	204,486	119,734	155,056	221,921	147,338	257,407	347,542	321,922	438,029	224,533
Total revenues	5,392,967	6,167,705	8,415,496	10,038,593	11,561,343	12,069,921	12,964,221	12,102,447	12,029,272	17,461,561
Expenditures										
General government	1,730,428	2,117,659	588,524	2,220,815	2,170,591	2,068,118	3,055,358	3,210,270	2,901,931	2,588,787
Public safety	1,319,402	1,506,022	1,710,856	1,727,208	2,059,613	2,526,659	3,040,870	3,411,999	3,286,448	3,224,327
Public works	841,594	1,679,088	1,345,077	1,072,924	925,613	1,161,471	1,554,889	1,694,200	1,482,616	1,459,363
Culture and recreation	798,394	832,531	828,581	835,493	935,986	1,122,244	1,670,953	1,843,126	1,781,799	1,843,546
Capital outlay	1,497,192	3,933,507	5,160,746	4,248,331	9,831,552	11,992,665	14,508,283	4,431,783	3,563,318	9,102,539
Debt service:										
Interest	-	-	405,611	506,669	774,222	914,694	1,529,276	1,410,869	1,501,306	1,453,142
Principal	1,589,076	4,446,338	3,097,500	4,062,598	694,737	1,156,069	2,160,583	2,158,231	2,720,699	5,094,114
Other	12,000	-	43,268	12,127	96,444	202,359	61,669	183,014	314,416	159,058
Total expenditures	7,788,086	14,515,145	13,180,163	14,686,165	17,488,758	21,144,279	27,581,881	18,343,492	17,552,533	24,924,876
Excess of revenues over (under) expenditures	(2,395,119)	(8,347,440)	(4,764,667)	(4,647,572)	(5,927,415)	(9,074,358)	(14,617,660)	(6,241,045)	(5,523,261)	(7,463,315)
Other Financing Sources (Uses)										
Bonds issued	866,142	4,144,102	3,091,000	725,000	3,355,000	3,545,000	-	5,460,000	5,689,822	2,794,765
Premium on G.O. Bonds	-	-	-	-	-	-	-	36,180	-	-
Certificates of participation issued	-	-	-	-	-	7,150,000	-	-	-	-
Loan proceeds	-	-	-	-	-	1,053,190	-	-	-	-
Revenue bonds issued	1,000,000	-	-	-	-	-	-	-	-	-
Refunding bonds issued	-	-	-	105,000	-	-	-	-	-	-
Special assessment bonds issued	-	-	-	1,835,000	-	-	-	-	-	-
Temporary notes issued	-	4,500,000	1,095,750	-	-	-	-	-	-	-
Construction loan	-	-	-	-	-	-	910,757	651,632	2,570,970	1,302,327
Sale of capital assets	-	-	-	-	-	-	23,001	-	-	2,281,216
Capital leases	30,558	-	175,080	-	-	97,958	989,000	-	-	-
Insurance proceeds	-	-	-	-	-	19,302	3,053	997	-	8,457
Payments to escrow agent	-	(218,250)	-	(105,000)	-	-	-	-	-	-
Transfers in	2,747,452	2,291,197	743,534	2,982,920	2,625,016	2,796,990	2,441,559	2,513,128	3,181,035	3,420,400
Transfers out	(1,292,188)	(420,000)	(708,893)	(1,378,863)	(1,158,697)	(1,193,980)	(1,392,261)	(1,699,863)	(2,558,856)	(2,417,088)
Total other financing sources (uses)	3,351,964	10,297,049	4,396,471	4,164,057	4,821,319	13,468,460	2,975,109	6,962,074	8,882,971	7,390,077
Net change in fund balances	$ 956,845	$ 1,949,609	$ (368,196)	$ (483,515)	$ (1,106,096)	$ 4,394,102	$(11,642,551)	$ 721,029	$ 3,359,710	$ (73,238)
Debt service as a percentage of noncapital expenditures	25.3%	42.0%	40.6%	36.7%	17.8%	22.4%	26.9%	24.1%	29.2%	41.0%

Note: [a] Differences between 2003 and 2004 General Government expenditures are largely due to GAAP reporting categorization differences caused by a change in City accounting practices. In 2003, proprietary transfers to the General Fund were calculated as a percentage of services to General Government. GAAP direct such "interfund services" transfers to be netted against General Governmental expenditures. In 2004, proprietary transfers to the General Fund were a percentage of revenues, and GAAP direct these "interfund transfers" to be reported as transfers in. Without GAAP requirements, the General Government expenditures for 2003 was $2,163,840.

Source: City of Gardner Finance Department

City of Gardner, Kansas
Utilities Produced, Consumed, and Treated
Last Ten Fiscal Years

Fiscal Year	Electricity Generated & Purchased	Electricity Sold To Customers	[a]Electricity Consumed & Unbilled	[a]Average Percent Unbilled	Gallons of Water Produced & Purchased	Gallons of Water Sold	[a]Gallons of Water Unbilled	[a]Average Percent Unbilled	Gallons of Wastewater Treated	Total Direct Rate					
										Electric		Water		Wastewater	
										Base [d]Rate	Usage [e]Rate	Base [d]Rate	Usage [e]Rate	Base [d]Rate	Usage [e]Rate
2001	77,663	68,751	8,912	11.48%	509	381	128	25.15%	299	$5.00	$0.0839	$8.70	$3.94	$4.70	$3.80
2002	82,923	76,842	6,081	7.33%	583	444	139	23.84%	353	$5.00	$0.0839	$8.70	$3.94	$4.70	$3.80
2003	93,554	83,082	10,472	11.19%	519	414	105	20.23%	412	$5.00	$0.0839	$8.70	$3.94	$7.00	$4.45
2004	94,470	81,988	12,482	13.21%	598	463	135	22.59%	499	$5.00	$0.0839	$8.70	$3.94	$7.00	$4.45
[b,c] 2005	103,687	97,863	5,824	5.62%	691	469	223	32.21%	554	$6.00	$0.0862	$8.27	$3.75	$7.35	$4.68
2006	117,288	111,371	5,917	5.04%	712	494	218	30.62%	476	$6.00	$0.0905	$8.52	$3.86	$7.72	$4.91
2007	135,953	118,858	17,095	12.57%	723	488	235	32.50%	517	$6.20	$0.0932	$8.52	$3.86	$7.72	$4.91
2008	126,224	120,486	5,738	4.55%	758	552	206	27.18%	589	$6.40	$0.0960	$8.95	$4.05	$8.10	$5.16
2009	124,014	116,584	7,430	5.99%	717	473	244	34.03%	768	$6.72	$0.1008	$9.40	$4.25	$8.75	$5.57
2010	137,083	132,915	4,168	3.04%	721	497	224	31.07%	752	$6.72	$0.1008	$9.90	$4.45	$9.45	$6.00

Notes: Electricity is presented in MegaWatt Hours and gallons are presented in millions.

[a] Unbilled amounts include electric, water, and sewer used by the City of Gardner for government operations, and also amounts sold to wholesale customers through the EMP#1 pool.

[b] In 2005, the City implemented interdepartmental billing, thus reducing the amount of unbilled electric usage.

[c] In 2005, the increase to gallons of wastewater treated was due to a significant increase in rainfall.

[d] Rates shown are for residential customers. For more detail on utility rates see the Electric, Water, and Sewer Rate schedule in this section.

[e] Per 1,000 gallons.

Source: City of Gardner Public Works Department & Gardner Energy

City of Gardner, Kansas
Annual Electric and Water Meter Installations
Last Ten Fiscal Years

Fiscal Year	Electric Meter Installations		Water Meter Installations		Total Installations
	Residential	Commercial	Residential	Commercial	
2001	238	5	229	5	477
2002	384	15	384	6	789
2003	546	6	507	4	1,063
2004	563	4	510	7	1,084
2005	527	20	466	8	1,021
2006	345	24	307	7	683
2007	382	17	278	6	683
2008	89	1	89	1	180
2009	84	11	84	1	180
2010	128	1	87	1	217

Source: *City of Gardner Community Development Department*

City of Gardner, Kansas
Number of Electric, Water, and Wastewater Customers by Type
Last Ten Fiscal Years

Fiscal	Electric			Water			Wastewater			Total		
Year	Residential	Commercial	Industrial	Residential	Commercial	Industrial	Residential	Commercial	Industrial	Electric	Water	Wastewater
2001	3,881	259	7	3,874	172	7	3,724	166	4	4,147	4,053	3,894
2002	4,120	270	7	4,020	187	7	3,870	181	7	4,397	4,214	4,058
2003	4,252	270	7	4,744	195	7	4,560	189	7	4,529	4,946	4,756
2004	4,821	269	7	4,699	185	7	4,549	179	7	5,097	4,891	4,735
2005	5,254	283	6	5,439	204	6	5,278	198	6	5,543	5,649	5,482
2006	6,156	325	6	5,812	220	6	5,657	214	6	6,487	6,038	5,877
2007	6,547	407	5	6,065	253	5	5,958	197	5	6,959	6,323	6,160
2008	6,726	410	5	6,360	248	5	6,146	207	5	7,141	6,613	6,358
2009	6,867	418	6	6,476	243	5	6,239	206	5	7,291	6,724	6,450
2010	6,944	425	6	6,546	260	5	6,309	205	5	7,375	6,811	6,519

Source: City of Gardner Utility Department

City of Gardner, Kansas
Electric, Water, and Wastewater Rates
Last Ten Fiscal Years

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Water Rates										
(All Meter Sizes)										
Base Rate	$ 8.70	$ 8.70	$ 8.70	$ 8.70	$ 8.27	$ 8.52	$ 8.52	$ 8.95	$ 9.40	$ 9.90
Usage Rate (per 1,000 gallons) First 40,000 gallons	3.94	3.94	3.94	3.94	3.75	3.86	3.86	4.05	4.25	4.45
Usage Rate per 1,000 gallons) Over 40,000 gallons	3.15	3.15	3.15	3.15	3.00	3.10	3.10	3.26	3.42	3.60
Wastewater Rates										
Base Rate	$ 4.70	$ 4.70	$ 7.00	$ 7.00	$ 7.35	$ 7.72	$ 7.72	$ 8.10	$ 8.75	$ 9.45
Usage Rate (per 1,000 gallons)	3.80	3.80	4.45	4.45	4.68	4.91	4.91	5.16	5.57	6.00
Electric Rates										
Residential										
Base Rate	$ 5.00	$ 5.00	$ 5.00	$ 5.00	$ 6.00	$ 6.00	$ 6.20	$ 6.40	$ 6.72	$ 6.72
Usage Rate (per kWh)	0.08390	0.08390	0.08390	0.08390	0.08620	0.09051	0.09323	0.09603	0.10083	0.10083
Commercial										
Base Rate	$ 6.00	$ 6.00	$ 6.00	$ 6.00	$ 6.60	$ 6.80	$ 6.80	$ 7.00	$ 7.35	$ 7.35
Usage Rate (per kWh)	0.0890	0.0890	0.0890	0.0890	0.9350	0.0963	0.09631	0.09920	0.10416	0.10416
Commercial With Demand										
Base Rate for Demand	$ 100.00	$ 100.00	$ 100.00	$ 100.00	$ 15.00	$ 15.00	$ 15.45	$ 15.90	$ 16.70	$ 16.70
Usage Rate (per KW)	10.00	10.00	10.00	10.00	12.00	12.60	13.00	13.39	14.06	14.06
Usage Rate (per kWh) First 5,000 kWh	0.0432	0.0432	0.0432	0.0432	0.0436	0.0458	0.0472	0.0486	0.05099	0.05099
Usage Rate (per kWh) Over 5,000 kWh	0.0370	0.0370	0.0370	0.0370	0.0374	0.0393	0.0404	0.04165	0.04373	0.04373
Commercial Large With Demand										
Base Rate for Demand	$ 100.00	$ 100.00	$ 100.00	$ 100.00	$ 20.00	$ 20.00	$ 20.60	$ 21.20	$ 22.26	$ 22.26
Usage Rate (per KW)	10.00	10.00	10.00	10.00	12.00	12.60	13.00	13.39	14.06	14.06
Usage Rate (per kWh) First 5,000 kWh	0.04000	0.04000	0.04000	0.04000	0.04250	0.04463	0.04597	0.04735	0.04972	0.04972
Usage Rate (per kWh) Over 5,000 kWh	0.03470	0.03470	0.03470	0.03470	0.03690	0.03875	0.03991	0.04111	0.04317	0.04317
All Electric Rates										
Residential										
Base Rate	$ 5.00	$ 5.00	$ 5.00	$ 5.00	$ 6.00	$ 6.00	$ 6.20	$ 6.40	$ 6.72	$ 6.72
Summer Usage Rate (per kWh)	0.08390	0.08390	0.08390	0.08390	0.08850	0.09293	0.09572	0.09859	0.10352	0.10352
Winter Usage Rate (per kWh) First 800 kWh	0.06800	0.06800	0.06800	0.06800	0.07260	0.07623	0.07852	0.08088	0.10352	0.10352
Winter Usage Rate (per kWh) Over 800 kWh	0.02700	0.02700	0.02700	0.02700	0.03520	0.03696	0.03807	0.03921	0.04117	0.04117
Commercial										
Base Rate	$ 6.00	$ 6.00	$ 6.00	$ 6.00	$ 6.60	$ 6.60	$ 6.80	$ 7.00	$ 7.35	$ 7.35
Usage Rate (per KW)	-	-	-	-	4.55	4.78	4.90	5.05	5.30	5.30
Summer Usage Rate (per kWh)	0.08900	0.08900	0.08900	0.08900	0.02960	0.03108	0.03201	0.03297	0.03462	0.03462
Winter Usage Rate (per kWh)	0.02700	0.02700	0.02700	0.02700	0.02700	0.02835	0.02920	0.03008	0.03158	0.03158

Source: City of Gardner Utility Department

City of Gardner, Kansas
Ten Largest Electric, Water, and Wastewater Customers
Current Year and Nine Years Ago

Fiscal Year 2010

Electric Revenue			Water Revenue			Wastewater Revenue		
Customer	Amount	%	Customer	Amount	%	Customer	Amount	%
Walmart	$ 346,016.93	2.57%	New Century	$ 154,268.65	4.97%	USD 231 WMS	$ 20,988.96	0.73%
Price Chopper	265,127.76	1.97%	U.S.D. 231 - Gardner-Edgerton H.S. Irrigat	28,356.45	0.91%	Walmart	12,149.69	0.42%
U.S.D. 231 - Gardner-Edgerton H.S.	250,170.57	1.86%	USD 231 WMS	17,136.26	0.55%	R & B Autowash	11,981.77	0.42%
Coleman	220,315.51	1.64%	USD 231 Pioneer Ridge Irrigation	12,813.00	0.41%	Jacobs Properties	11,886.16	0.41%
USD 231 Pioneer Ridge	156,087.81	1.16%	USD 231 High School	10,695.14	0.34%	U.S.D. 231 - Gardner-Edgerton H.S.	10,850.04	0.38%
ITW Labels	136,433.50	1.01%	Jacobs Properties	10,533.86	0.34%	Medical Lodge	9,286.91	0.32%
Tradenet Publishing Expansion	98,626.90	0.73%	Walmart	8,203.04	0.26%	Pinnacle Healthcare	9,066.63	0.31%
USD 231 WMS	87,274.18	0.65%	R & B Autowash	7,698.32	0.25%	Pinnacle Healthcare	7,655.81	0.27%
USD 231 Moonlight Elem	78,278.31	0.58%	The Winbury Group	7,624.78	0.25%	Bristol Partners	7,560.27	0.26%
USD 231 Madison Elem	76,814.85	0.57%	Vintage Park	6,452.00	0.21%	The Winbury Group	6,445.98	0.22%
Subtotal (10 largest)	$ 1,715,146.32	12.73%	Subtotal (10 largest)	$ 263,781.50	8.50%	Subtotal (10 largest)	$ 107,872.22	3.74%
Balance from other customers	11,757,595	87.27%	Balance from other customers	2,839,494	91.50%	Balance from other customers	2,774,710	96.26%
Grand Totals	$ 13,472,742	100.00%	Grand Totals	$ 3,103,276	100.00%	Grand Totals	$ 2,882,582	100.00%

Fiscal Year 2001

Electric Revenue			Water Revenue			Wastewater Revenue		
Customer	Amount	%	Customer	Amount	%	Customer	Amount	%
Mid-America Plastics	$ 405,973.00	6.96%	New Century Air Center	$ 169,006.26	10.84%	Blazers Power Wash	$ 11,504.00	1.22%
Price Chopper	229,849.00	3.94%	Jacobs Properties	12,657.00	0.81%	Jacobs Property	12,053.00	1.28%
U.S.D. #231 425 N Waverly DAC	176,504.00	3.02%	Blazer's Power Wash	13,307.00	0.85%	Mid-America Plastics	8,497.10	0.90%
Dot Label	113,604.00	1.95%	U.S.D. #231 High School DAC	10,208.00	0.65%	CLC HealthCare	8,291.90	0.88%
Cramer Products, Inc.	106,555.63	1.83%	Mid America Plastics	7,516.00	0.48%	Medical Lodge of Gardner	8,056.30	0.86%
U.S.D. 231 - Wheat Ridge Middle School	80,930.00	1.39%	Medical Lodges	7,397.00	0.47%	U.S.D. #231 High School DAC	7,144.30	0.76%
U.S.D. 231 - Sunflower Elementary	78,749.00	1.35%	CLC Healthcare	7,346.00	0.47%	Super 8 Motel	5,760.20	0.61%
CLC Healthcare	40,121.05	0.69%	Gardner Super 8	6,771.00	0.43%	Dot Label	4,955.50	0.53%
Tradenet	39,939.00	0.68%	Price Chopper	5,790.70	0.37%	Price Chopper	4,803.50	0.51%
Gardner Super 8	31,083.21	0.53%	ITW Labels	4,529.00	0.29%	Cedar Niles	3,541.00	0.38%
Subtotal (10 largest)	$ 1,303,307.89	22.33%	Subtotal (10 largest)	$ 244,527.96	15.68%	Subtotal (10 largest)	$ 74,606.80	7.94%
Balance from other customers	4,533,534	77.67%	Balance from other customers	1,315,046	84.32%	Balance from other customers	865,065	92.06%
Grand Totals	$ 5,836,842	100.00%	Grand Totals	$ 1,559,574	100.00%	Grand Totals	$ 939,672	100.00%

Notes: Dollar values reflected include base rate charges, as well as multiple meters on various accounts.

Source: City of Gardner Utility Department

City of Gardner, Kansas
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Residential Property	Commercial Property	Not-for-Profit Property	Agricultural and Other Property	Not Otherwise Subclassified	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
2001	$ 33,838,364	$ 7,758,868	$ 1,326,019	$ 39,963	$ -	$ 42,963,214	$ 23	$ 336,464,237	12.77%
2002	40,961,196	8,765,345	1,198,167	331,626	-	51,256,334	22.850	402,334,372	12.74%
2003	45,593,076	10,257,888	1,434,550	1,921,260	-	59,206,774	22.854	515,395,275	11.49%
2004	53,793,458	12,073,033	1,492,565	72,441	-	67,431,497	23.914	603,016,135	11.18%
2005	61,026,225	12,090,961	2,290,585	325,419	-	75,733,190	23.994	678,670,888	11.16%
2006	73,120,689	13,675,841	2,279,893	112,374	-	89,188,797	24.092	801,727,555	11.12%
2007	87,598,362	18,592,967	2,717,458	108,681	-	109,017,468	24.080	976,309,650	11.17%
2008	97,621,749	23,111,451	3,371,852	104,208	165,123	124,374,383	24.108	1,115,603,821	11.15%
2009	101,303,291	23,619,198	2,637,597	96,501	-	127,656,587	24.606	1,160,488,730	11.00%
2010	99,793,594	21,148,834	2,277,327	90,384	-	123,310,139	31.119	971,642,165	12.69%

Note: Property in Johnson County is reassessed every year. The county assesses property at approximately 25 percent of actual value for commercial, 30 percent for agricultural, 12 percent for not-for-profit, and 11.5 percent for residential. Estimated actual taxable value is calculated by dividing taxable assessed value by those percentages. Tax rates are per $1,000 of assessed value.

Sources: *City of Gardner Finance Department and Johnson County Department of Records and Tax Administration - County Clerk's Office*

City of Gardner, Kansas
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

	Direct Rates			Overlapping Rates						
Fiscal Year	Gardner General Operating	Bond and Interest	Total Direct Rate - Gardner City [a]	State of Kansas	Johnson County	Johnson County Library	Johnson County Parks and Recreation	Johnson County Community College	U.S.D. 231 (School District)	Total Direct & Overlapping Rates
2001	18.693	4.078	22.771	1.500	15.676	2.981	1.322	7.646	75.318	127.214
2002	18.758	4.092	22.850	1.500	16.333	2.971	1.382	7.743	75.243	128.022
2003	19.822	3.032	22.854	1.500	16.221	2.948	1.602	9.428	75.494	130.047
2004	20.882	3.032	23.914	1.500	16.381	2.954	2.365	9.432	72.957	129.503
2005	20.952	3.042	23.994	1.500	16.041	2.956	2.367	9.438	73.008	129.304
2006	21.038	3.054	24.092	1.500	17.922	2.955	2.286	8.960	78.016	135.731
2007	21.028	3.052	24.080	1.500	17.949	2.960	2.290	8.872	76.546	134.197
2008	21.053	3.050	24.103	1.500	17.767	3.057	2.341	8.768	76.568	134.104
2009	21.551	3.055	24.606	1.500	17.716	3.151	2.346	8.784	78.539	136.642
2010	21.563	9.556	31.119	1.500	17.748	3.158	2.350	8.799	81.536	146.210

Note: One mill is $1 of property tax for each $1,000 of assessed valuation.

(a) During some of these years, there were both "Gardner with City Fire" and "Gardner - No Fire" mill rates because there were portions of Gardner that were assessed for fire protection by the Johnson County Fire District. In the interest of consistency, only "Gardner with City Fire" rates are shown here for those years in which there were multiple "Gardner City" mill rates.

Source: Johnson County Department of Records and Tax Administration - County Clerk's Office

City of Gardner, Kansas
Principal Property Tax Payers
Current Year and Nine Years Ago

		2010			2001		
Taxpayer	Type of Business	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Wal-Mart	Retail	$ 1,641,750	1	1.22%			
Moonlight Apartments L.L.C.	Real Estate	1,611,609	2	1.19%			
Martens Rentals, L.L.C.	Real Estate	1,453,621	3	1.08%			
C.L.S. Investment Company	Real Estate	1,254,075	4	0.93%			
Energy Center Industrial, LLC	Real Estate	1,143,501	5	0.85%			
DJC Properties, L.L.C.	Real Estate	939,034	6	0.70%	$ 960,020	3	1.61%
Bristol Partners XVI, L.L.C.	Real Estate	879,500	7	0.65%			
First Choice Properties, Inc.	Real Estate	743,475	8	0.55%			
Fountain Gate Village, LLC.	Real Estate	668,531	9	0.49%	486,929	6	0.82%
Woodstone Apartments, L.P.	Real Estate	647,565	10	0.48%			
Individual	Real Estate				1,458,820	1	2.45%
United Telephone Company	Utility				1,357,071	2	2.28%
Price Chopper	Grocery Store				760,676	4	1.28%
Mid America Plastics, Inc.	Manufacturing-Plastics				565,461	5	0.95%
Cramer Products, Inc.	Commercial - Industrial				420,356	7	0.71%
Kansas City Power & Light	Utility				418,159	8	0.70%
LTC-Gardner, Inc. (Meadowbrook)	Convalescent/Nursing Home				367,104	9	0.62%
Individual	Real Estate				358,310	10	0.60%
Totals		$ 10,982,661		8.13%	$ 7,152,906		12.02%

Source: Johnson County Clerk's Office

City of Gardner, Kansas
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended December 31	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Delinquent Tax Collections [a]	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2001	$ 1,194,589	$ 1,133,494	94.89%	$ 34,420	$ 1,167,914	97.77%
2002	1,437,687	1,369,550	95.26%	44,579	1,414,129	98.36%
2003	1,610,557	1,492,539	92.67%	102,075	1,594,614	99.01%
2004	1,953,944	1,845,505	94.45%	58,935	1,904,440	97.47%
2005	2,327,047	2,192,537	94.22%	72,463	2,265,000	97.33%
2006	2,675,243	2,542,334	95.03%	90,252	2,632,586	98.41%
2007	3,146,176	3,101,873	98.59%	60,952	3,162,825	100.53%
2008	3,488,729	3,439,440	98.59%	136,258	3,575,698	102.49%
2009	3,863,634	3,720,821	96.30%	74,105	3,794,926	98.22%
2010	4,399,898	4,140,074	94.09%	256,956	4,397,030	99.93%

Source: *Johnson County Treasurer's Office*

[a] Delinquent tax collections may include collections of prior year delinquencies and current year delinquencies.

City of Gardner, Kansas
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

	Government Activities						Business-type Activities					
Fiscal Year	General Obligation Bonds	Special Assessment GO Bonds	Certificates of Participation	Capital Leases	State Revolving Loans	Lease Revenue Bonds	General Obligation Bonds	Capital Leases	State Revolving Loans	Total Primary Government	Percentage of Personal Income [a]	Per Capita [a]
2001	$ 1,415,039	$ 648,561	$ -	$ 359,579	$ -	$ 1,000,000	$ 18,656,400	$ -	$ 8,521,192	$ 30,600,771	6.91%	$ 3,023
[b] 2002	1,087,843	752,057	-	114,008	-	4,000,000	17,685,100	-	20,270,974	43,909,982	9.36%	4,088
2003	3,112,272	1,321,128	-	191,747	-	4,000,000	16,416,600	-	20,285,005	45,326,752	8.75%	3,841
2004	4,129,800	3,200,000	-	94,749	-	3,960,000	16,025,200	-	19,643,931	47,053,680	7.64%	3,552
2005	6,873,400	3,035,000	-	54,412	-	3,905,000	15,466,600	-	18,976,298	48,310,710	8.42%	3,270
[c] 2006	9,757,850	2,790,000	7,150,000	108,152	911,889	3,840,000	20,337,150	-	24,996,620	69,891,661	10.78%	4,315
2007	9,162,650	2,270,000	6,535,000	1,056,393	1,513,022	3,760,000	17,482,350	176,030	25,349,440	67,304,885	9.39%	3,934
2008	10,483,950	5,255,000	6,140,000	911,755	1,799,761	3,660,000	23,891,050	135,533	25,433,886	77,710,935	10.73%	4,294
[d] 2009	9,377,200	10,307,972	5,665,000	830,353	4,065,034	3,545,000	23,524,828	92,781	24,183,410	81,591,578	11.07%	4,387
[e] 2010	9,626,450	9,605,000	5,045,000	-	5,082,322	3,410,000	20,728,550	47,647	22,832,614	76,377,583	14.61%	3,994

Notes: [a] See the Demographic and Economic Statistics schedule in this section for personal income and population data.

[b] In 2002, the City received a $20,078,700 revolving loan from the Kansas Department of Health and Environment for the construction of a new sewer plant. The City also issued $4,000,000 of Lease Revenue Bonds to finance the construction of a new City Hall.

[c] In 2006, the City issued Certificates of Participation in the amount of $7,150,000 for the purpose of the construction of a new park complex.

[d] In 2009, the City issued Special Assessment bonds in the amount of $5,437,972 to finance the completion of University Park and Kill Creek Waterline Benefit Districts.

[e] In 2010, the Cities fire services moved to Johnson County Fire District No 1. The County purchased a fire pumper the City was leasing.

Source: City of Gardner Finance Department

City of Gardner, Kansas
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Special Assessment GO Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Actual Taxable Value[a] of Property	Per Capita [b]
2001	20,071,439	648,561	193,608	20,526,392	5%	2,028
2002	18,772,943	752,057	329,980	19,195,020	4%	1,787
2003	19,528,872	1,321,128	488,565	20,361,435	3%	1,726
2004	20,155,000	3,200,000	313,625	23,041,375	3%	1,739
2005	22,340,000	3,035,000	258,152	25,116,848	3%	1,700
2006	30,095,000	2,790,000	184,701	32,700,299	3%	2,019
2007	26,645,000	2,270,000	237,844	28,677,156	3%	1,676
2008	34,375,000	5,255,000	310,091	39,319,909	3%	2,173
2009	32,902,028	10,307,972	78,023	43,131,977	4%	2,319
2010	30,355,000	9,605,000	105,384	39,854,616	4%	2,084

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

[a] Property value data can be found in the Assessed Value and Estimated Actual Value of Taxable Property schedule in this section.

[b] Population data can be found in the Demographic and Economic Statistics schedule in this section.

Sources: City of Gardner Finance Department and Johnson County Department of Records and Tax Administration - County Clerk's Office

City of Gardner, Kansas
Direct and Overlapping Governmental Activities Debt
As of December 31, 2010

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable [a]	Estimated Share of Direct and Overlapping Debt
GO Debt repaid with property taxes			
Unified School District No. 231	$ 95,420,000	57.30%	$ 54,675,660
Johnson County	19,909,385	1.73%	344,432
Johnson County Park and Recreation	3,335,000	1.73%	57,696
Other			
Johnson County: Public Building Commission	210,490,000	1.73%	3,641,477
Subtotal, overlapping debt			58,719,265
City Direct Debt			32,768,772
Total direct and overlapping debt			$ 91,488,037

Notes: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City.
[a] For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the governmental unit's taxable assessed value that is within the City's boundaries and dividing it by each unit's total taxable assessed value.

Sources: Johnson County's Office of Financial Management and the City of Gardner Finance Department

City of Gardner, Kansas
Legal Debt Margin Information
Last Ten Fiscal Years

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Debt Limit	$ 17,586,796	$ 23,173,071	$ 26,225,612	$ 29,025,556	$ 33,798,595	$ 40,485,098	$ 45,321,494	$ 46,494,676	$ 46,444,391	$ 44,909,263
Total net debt applicable to limit	4,272,679	6,403,815	11,052,125	12,405,932	14,375,447	13,046,486	12,546,504	17,272,700	17,092,536	14,841,700
Legal debt margin	$ 13,314,117	$ 16,769,256	$ 15,173,487	$ 16,619,624	$ 19,423,148	$ 27,438,612	$ 32,774,990	$ 29,221,976	$ 29,351,855	$ 30,067,563
Total net debt applicable to the limit as a percentage of debt limit	24.29%	27.63%	42.14%	42.74%	42.53%	32.23%	27.68%	37.15%	36.80%	33.05%

Legal Debt Margin Calculation for Fiscal Year 2010

Assessed value [a]	$ 149,697,544
Debt limit (30% of assessed value) [b]	44,909,263
Debt applicable to limit:	
G.O. Bonds and Temporary Notes Outstanding	45,140,000
Less: Amount set aside for utilities, refunding, and revenue-supported bonds	(30,298,300)
Total net debt applicable to limit	14,841,700
Legal debt margin	$ 30,067,563

Notes: [a] Assessed value includes property tax collected for motor vehicles.

[b] The City is subject to Kansas statutes which limit the amount of net bonded debt (exclusive of revenue, utility, and refunding bonds) the City may have outstanding to 30% of the current assessed valuation of property.

Source: City of Gardner Finance Department

City of Gardner, Kansas
Demographics and Economic Statistics
Last Ten Calendar Years

Calendar Year	Population [1]	Personal Income	Per Capita Personal Income [2]	Median Age [2]	School Enrollment [3]	Unemployment Rate [2]
2001	10,122	$ 442,594,572	$ 43,726	35.0	2,879	3.4%
2002	10,742	$ 468,909,784	$ 43,652	30.7	3,097	4.3%
2003	11,800	$ 518,161,600	$ 43,912	31.2	3,215	4.5%
2004	13,247	$ 615,959,006	$ 46,498	31.2	3,401	4.9%
2005	14,776	$ 573,914,616	$ 38,841	31.5	3,593	4.5%
2006	16,199	$ 648,105,791	$ 40,009	31.4	3,811	4.3%
2007	17,110	$ 716,515,470	$ 41,877	31.6	4,293	3.9%
2008	18,096	$ 724,002,864	$ 40,009	31.6	4,491	4.3%
2009	18,600	$ 736,727,400	$ 39,609	31.6	4,721	6.6%
2010	19,123	$ 522,765,451	$ 27,337	30.0	4,977	6.5%

Sources: City of Gardner Finance Department and

[1] City of Gardner Community Development Department

[2] Unemployment Rate is for Johnson County, Kansas. The City rate is not available. Provided by Southwest Johnson County Economic Development Corporation

[3] Unified School District No. 231

City of Gardner, Kansas
Principal Employers
Current Year and Ten Years Ago

	2010			2000 [a]		
Employer	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Unified School District No. 231	822	1	38.85%	424	1	19.27%
Walmart	256	2	12.10%			
Coleman	200	3	9.45%			
Meadowbrook Rehabilitation Hospital	184	4	8.70%	50	9	2.27%
Price Chopper	120	5	5.67%	85	5	3.86%
TradeNet Publishing	120	6	5.67%	150	4	6.82%
City of Gardner	117	7	5.53%	74	6	3.36%
Medical Lodge of Gardner	105	8	4.96%			
Cramer Products, Inc.	56	9	2.65%	65	8	2.95%
D.O.T. Label, Inc. (ITW)	34	10	1.61%	200	2	9.09%
Metcalf Bank	20	11	0.95%			
Gardner Bank	19	12	0.90%			
Central National Bank	14	13	0.66%			
Empire Plastics	6	14	0.28%	20	10	0.91%
Mid America Plastics, Inc.				175	3	7.95%
LSI Healthcare				72	7	3.27%
Total	2,073		97.97%	1,315		59.77%

Source: Southwest Johnson County Economic Development Corporation

(a) Ten year comparison because data for 2001 not available

City of Gardner, Kansas
Full-time Equivalent City Government Employees by Function
Last Ten Fiscal Years

Function	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General government										
Administration	2	2	2	2	3	3	3	3	3	3
Human Resources/City Clerk	1	1	2	2	2	2	2	3	3	3
Finance										
Accounting	3	4	4	5	5	5	5	4	4	4
Court	1	1	1	2	2	2	2	2	2	2
Utilities	5	6	7	8	8	8	8	8	8	8
Information Systems	-	-	-	-	-	1	1	1	1	1
Planning	3	3	3	4	4	5	4	4	4	1
Codes	3	4	5	5	5	6	7	5	5	2
Public Safety										
Administration	3	3	4	4	4	5	6	6	6	5
Operations	12	18	21	21	24	28	34	33	33	23
Animal Control	-	-	-	1	1	1	1	1	1	1
Public Works										
Administration	5	5	5	5	5	5	4	4	4	5
Fleet	-	1	1	1	1	1	1	1	1	1
Engineering	3	3	3	3	5	6	6	4	4	4
Building Maintenance	-	-	-	-	-	1	1	1	1	1
Streets & Line Maintenance	6	8	8	8	11	12	9	8	8	12
Electric	5	9	9	9	10	10	12	9	10	13
Water	4	5	6	6	8	9	10	10	10	5
Wastewater	4	4	6	6	7	9	10	10	9	5
Culture and Recreation										
Recreation Services	3	3	3	3	4	4	6	6	6	5
Park Maintenance	3	4	4	5	6	6	8	8	8	7
Total	66	84	94	100	115	129	140	131	131	111

Source: City of Gardner Human Resources Department

City of Gardner, Kansas
Operating Indicators by Function
Last Ten Fiscal Years

Function	2001	2002 [a]	2003	2004	2005	2006	2007 [b]	2008	2009	2010
General government [1]										
Building permits issued	202	319	432	505	475	300	255	98	96	266
Building inspections conducted	2,548	4,393	5,748	8,142	9,669	7,419	4,862	3,432	2,579	2,400
Public Safety [2]										
Traffic violations	2,652	2,938	2,820	2,931	3,366	3,799	2,742	3,763	2,459	2,087
Fire responses	247	298	257	298	333	319	364	430	432	331
Medical responses	634	650	616	640	824	871	922	901	980	825
Public Works [3]										
Street resurfacing (shown in linear feet)	6,400	9,500	5,860	12,766	8,420	11,080	19,183	5,280	3,370	1,100
Curb replacement (shown in linear feet)	1,000	1,435	1,505	2,897	2,547	4,340	8,627	-	1,165	-
Electric [4]										
Average daily consumption (in kWh)	218,683	363,002	214,543	224,965	287,326	292,556	327,896	322,695	319,408	364,150
Electric meters installed	243	399	552	567	547	369	399	90	95	129
Water [4]										
Average daily consumption (in thousands)	1,233	2,088	1,565	1,402	1,457	1,543	1,634	1,604	1,296	1,362
Water meters installed	229	398	511	514	477	317	284	90	85	88
Wastewater [4]										
Average daily sewage treatment (in thousands)	819	967	1,129	1,367	1,518	1,304	1,415	1,614	2,103	2,060
Culture and Recreation [5]										
Athletic Program Participants	1,883	1,622	1,903	1,823	1,863	2,132	2,182	2,428	2,984	4,462
Aquatic Admissions	22,945	22,294	17,175	14,057	21,969	27,174	100,247	103,206	97,984	89,163

Note: [a] In 2002, the City of Gardner implemented a new utility billing software. In order to convert to the new system, the City was required to process an extra billing cycle to bring the meter reading dates current, rather than for the 30 days prior to the billing date. The extra billing cycle in 2002 also explains the drop in consumption in 2003.

Note: [b] In 2007, the City of Gardner Streets Dept. began a new resurfacing program using slurry seal. The savings allowed more linear feet to be completed in both streets and curbs. Also in 2007, a new Aquatic Facility opened. The added features and capacity attracted patrons from miles around.

Sources: City of Gardner Finance Department and

[1] City of Gardner Community Development Department

[2] City of Gardner Public Safety Department

[3] City of Gardner Street Department

[4] City of Gardner Utility Department

[5] City of Gardner Parks and Recreation Department

City of Gardner, Kansas
Capital Asset Statistics by Function
Last Ten Fiscal Years

Function	2001	2002	2003	2004	2005	2006	2007[6]	2008[7]	2009	2010[8]
Public Safety [2]										
Stations	1	1	1	1	1	1	1	2	2	1
Patrol/AC Units	4	5	10	11	11	14	15	14	14	13
Fire Fleet	4	4	4	4	5	5	7	8	8	0
Public Works [3]										
Streets (miles)	39.76	42.08	47.91	53.23	60.84	66.34	87.40	91.93	93.53	99.33
Streetlights	801	853	908	964	1,022	1,070	1,085	1,134	1,139	1,139
Electric [4]										
Generators	2	2	2	2	2	2	2	2	2	2
Substations	2	2	2	2	2	3	3	3	3	3
Overhead lines (miles)	26	26	28	34	38	45	46	46	49.5	49.75
Underground lines (miles)	23	27	32	40	44	50	51	51	52.5	52.5
Water [4]										
Water mains (miles)	69.00	72.35	80.44	86.26	93.86	99.93	104.05	104.35	105.52	106.01
Treatment Plants	2	2	2	2	2	1	1	1	1	1
Wastewater [4]										
Sanitary sewers (miles)	61.49	71.77	84.45	93.27	107.68	112.54	119.40	122.66	122.6	123.35
Storm sewers (miles)	17.43	19.33	24.09	27.72	33.68	38.26	39.72	41.16	42.59	42.64
Treatment Plants	3	3	3	3	3	3	3	3	3	3
Culture and Recreation [5]										
Acreage	unavailable	unavailable	unavailable	96.04	177.06	196.40	226.93	330.58	332.24	332.24
Parks	8	8	9	9	10	10	10	13	13	13
Baseball/softball/soccer fields	4	4	4	4	4	4	4	14	14	14
Community Centers	1	1	1	1	1	1	1	1	1	1
Golf Course	1	1	1	1	1	1	1	1	1	1

Sources: City of Gardner Finance Department and
[1] City of Gardner Community Development Department
[2] City of Gardner Public Safety Department
[3] City of Gardner Street Department
[4] City of Gardner Utility Department
[5] City of Gardner Parks and Recreation Department
[6] Streets Dept. new inventory process begun in 2006 found unreported miles.
[7] Culture and Recreation acreage includes 19.21 acres undeveloped park land.
[8] The City sold its fire operations to the county in 2010.

BT & Co.
BERBERICH TRAHAN & CO., P.A.
Certified Public Accountants

INDEPENDENT AUDITOR'S 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*

BERBERICH TRAHAN & CO., P.A. 3630 SW Burlingame Rd., Topeka, KS 66611-2050 t 785.234.3427 toll free 800.530.5526 f 785.233.1768 btandcopa.com

Honorable Mayor, City Administrator and City Council
City of Gardner, Kansas:

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Gardner, Kansas (the City) as of and for the year ended December 31, 2010, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 27, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements of the Airport Association were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not extend to that component unit.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the 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'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 a 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. However, we identified a certain deficiency in internal control over financial reporting, described in the accompanying schedule of findings and responses as Finding 2010-1, that we consider to be a significant deficiency in internal control over financial reporting. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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*.

The City's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. We did not audit the City's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, others within the City, and the City Council and is not intended to be and should not be used by anyone other than these specified parties.

Berberich Trahan & Co., P.A.

June 27, 2011

CITY OF GARDNER, KANSAS

SCHEDULE OF FINDINGS AND RESPONSES

Year Ended December 31, 2010

Finding 2010-1 – Significant Deficiency

Condition – Significant adjustments to the trial balance were not initially identified by the City's internal control structure in order for the financial statements to be in accordance with generally accepted accounting principles (GAAP). Although the number of entries decreased from 33 in 2009 to 20 in 2010, this finding is repeated from the prior year.

Criteria – The financial statements are the responsibility of management. As such, the City's internal control over the financial statements should identify misstatements on a consistent basis.

Cause – Inappropriate application of generally accepted accounting principles.

Effect – There is the potential that the financial statements may be materially misstated.

Recommendation – We recommend that the City review its trial balance throughout the year and at year-end to ensure that all adjustments have been made for the financial statements to be in accordance with GAAP.

Management's Response/Corrective Action Plan (Unaudited) – Progress continues to be made to decrease the number of unidentified adjustments to the trial balance. In 2010, the number of journal entries made during the current audit decreased 39 % compared to the prior year. Additional progress to reduce the number of unidentified adjustments even further is expected with increased staff knowledge and experience for the fiscal year 2011 audit.

CITY OF GARDNER, KANSAS

SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES

Year Ended December 31, 2010

Finding 2009-1 – Significant Deficiency

Condition – Significant adjustments to the trial balance were not initially identified by the City's internal control structure in order for the financial statements to be in accordance with generally accepted accounting principles (GAAP). In addition, there were journal entries being posted to the general ledger that were not being reviewed or approved before they were posted. This finding is repeated from the prior year.

Criteria – The financial statements are the responsibility of management. As such, the City's internal control over the financial statements should identify misstatements on a consistent basis.

Cause – Inappropriate application of generally accepted accounting principles.

Effect – There is the potential that the financial statements may be materially misstated.

Recommendation – We recommend that the City review its trial balance throughout the year and at year-end to ensure that all adjustments have been made for the financial statements to be in accordance with GAAP. All journal entries should also be reviewed and approved before posting.

Management's Response/Corrective Action Plan (Unaudited) – Although the finance department was operating with newly promoted staff with new and unfamiliar responsibilities throughout the 2009 audit process, progress was still made to decrease the number of unidentified adjustments to the trial balance from the prior year. Additional progress to reduce the number of unidentified adjustments is expected with increased staff knowledge and experience for the fiscal year 2010 audit. Additional review and approval procedures have been implemented in 2010 for entries to the general ledger.

Follow –up – While the City recorded some identified adjustments in the current year, there were still significant journal entries made during the current year audit. The portion of the finding related to significant journal entries will be repeated as 2010-1. However, journal entries were properly reviewed and approved during 2010. Therefore, this portion of the finding will not be repeated.

Finding 2009-2 – Significant Deficiency

Condition – Bank reconciliations were not performed timely for 2009. The bank reconciliations were not completed until April 2010.

Criteria – The City's internal controls should be designed to ensure that all bank accounts are timely reconciled to the cash balances on the general ledger.

Cause – Deposits and disbursements were being reconciled on a monthly basis, but no bank reconciliation was being completed.

Effect – The City was vulnerable to the occurrence of fraud while the bank reconciliations were not being performed.

Recommendation – We recommend that bank reconciliations be performed on a timely basis.

Management's Response/Corrective Action Plan (Unaudited) – Restructured responsibilities combined with inexperience of newly promoted staff caused staff to prioritize their tasks and concentrate their efforts on the recording of capital asset additions and depreciation calculations in order to address a significant deficiency noted in the previous fiscal year's audit. Consequently, these efforts did indeed eliminate the prior year's deficiency regarding capital assets, but to the detriment of having a new deficiency for fiscal year 2009 regarding late bank reconciliations. New procedures developed by staff combined with increasing staff experience and knowledge will eliminate this finding in 2010.

Follow-up – During 2010, bank reconciliations were performed timely. This comment is considered resolved.