

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.

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.

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.

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.

Equipment Reserve Fund – This fund is used to account for monies that the City may transfer from time to time from other funds to finance the acquisition of equipment.

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.

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.

East Santa Fe TIF District – 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.

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.

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:

| | |
|-------------------------------|---|
| City Hall Fund | New Century Fund |
| Cedar Street Fund | Public Works Facility Fund |
| North Moonlight Fund | 175 th & Moonlight Intersection Fund |
| South Moonlight Fund | University Park Fund |
| 167 th Street Fund | Kill Creek Drive/Waterline |
| Waverly Street Fund | Center Street Commons |
| 183 rd Street Fund | North Center Street |
| Lincoln Lane Fund | Nike School Sewer Fund |
| Moonlight & Main Fund | Public Safety Station #2 Fund |
| Shean's Crossing Fund | Pool Expansion Fund |
| Airport Hangars Fund | Junction Park Fund |

Debt Service Fund

The debt service fund accounts for the resources accumulated and payments made for principal and interest on long-term debt of governmental funds.

CITY OF GARDNER, KANSAS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 December 31, 2006

| | Special Revenue | |
|--------------------------------------|--------------------|------------------------------------|
| | Special Highway | Special Parks and Recreation |
| Deposits and investments | \$ 75,470 | \$ 29,222 |
| Receivables: | | |
| Taxes | - | - |
| Special assessments | - | - |
| Intergovernmental | 144,477 | - |
| Other | - | - |
| Restricted deposits and investments | - | - |
| Due from other funds | - | 1,010 |
| Total assets | \$ 219,947 | \$ 30,232 |
| <u>LIABILITIES AND FUND BALANCES</u> | | |
| Liabilities: | | |
| Accounts payable | \$ - | \$ - |
| Temporary notes payable | - | - |
| Deferred revenue | - | - |
| Due to other funds | - | - |
| Total liabilities | - | - |
| Fund balances: | | |
| Reserved for encumbrances | - | - |
| Unreserved, undesignated | 219,947 | 30,232 |
| Total fund balances | 219,947 | 30,232 |
| Total liabilities and fund balances | \$ 219,947 | \$ 30,232 |

ASSETS

Deposits and investments
 Receivables:
 Taxes
 Special assessments
 Intergovernmental
 Other
 Restricted deposits and investments
 Due from other funds

 Total assets

LIABILITIES AND FUND BALANCES

Liabilities:
 Accounts payable
 Temporary notes payable
 Deferred revenue
 Due to other funds

 Total liabilities

 Fund balances:
 Reserved for encumbrances
 Unreserved, undesignated

 Total fund balances

 Total liabilities and fund balances

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CITY OF GARDNER, KANSAS

COMBINING BALANCE SHEET
(Continued)

NONMAJOR GOVERNMENTAL FUNDS

December 31, 2006

| | Special Revenue | | | | | | |
|--|----------------------------------|------------------------------------|-------------------------------|----------------------|-----------------------------------|--------------------------------|------------------|
| | Special Alcohol/ Drug Program | Economic Development Reserve | Risk Management Reserve | Equipment Reserve | Capital Improvement Reserve | Park Improvement Reserve | Airport |
| ASSETS | | | | | | | |
| Deposits and investments | \$ 19,029 | \$ 95,985 | \$ 102,189 | \$ - | \$ 603,520 | \$ 324 | \$ - |
| Receivables: | | | | | | | |
| Taxes | - | 10,843 | - | - | - | 50,173 | - |
| Special assessments | - | - | - | - | - | - | - |
| Intergovernmental | - | - | - | - | - | - | - |
| Other | - | - | - | - | 1,738 | - | 11,439 |
| Restricted deposits and investments | - | - | - | - | - | - | - |
| Due from other funds | - | - | - | - | 28,596 | - | - |
| Total assets | \$ 19,029 | \$ 106,828 | \$ 102,189 | \$ - | \$ 633,854 | \$ 50,497 | \$ 11,439 |
| LIABILITIES AND FUND BALANCES | | | | | | | |
| Liabilities: | | | | | | | |
| Accounts payable | \$ - | \$ 1,383 | \$ - | \$ - | \$ 4,212 | \$ - | \$ - |
| Temporary notes payable | - | - | - | - | - | - | - |
| Deferred revenue | - | - | - | - | - | - | - |
| Due to other funds | - | - | - | - | - | - | 3,606 |
| Total liabilities | - | 1,383 | - | - | 4,212 | - | 3,606 |
| Fund balances: | | | | | | | |
| Reserved for encumbrances | - | - | - | - | - | - | - |
| Unreserved, undesignated | 19,029 | 105,445 | 102,189 | - | 629,642 | 50,497 | 7,833 |
| Total fund balances | 19,029 | 105,445 | 102,189 | - | 629,642 | 50,497 | 7,833 |
| Total liabilities and fund balances | \$ 19,029 | \$ 106,828 | \$ 102,189 | \$ - | \$ 633,854 | \$ 50,497 | \$ 11,439 |

(Continued)

CITY OF GARDNER, KANSAS

COMBINING BALANCE SHEET
(Continued)

NONMAJOR GOVERNMENTAL FUNDS

December 31, 2006

| | Special Revenue | | | Capital Projects | | | |
|--|-----------------------------|-------------------|---------------------|------------------|------------------|--------------------|--------------------|
| | E. Santa Fe TIF District | Park Sales Tax | Total | City Hall | Cedar Street | North Moonlight | South Moonlight |
| ASSETS | | | | | | | |
| Deposits and investments | \$ 19,466 | \$ 63,191 | \$ 1,008,396 | \$ - | \$ 33,284 | \$ 42,611 | \$ 12,501 |
| Receivables: | | | | | | | |
| Taxes | 84,522 | 145,307 | 290,845 | - | - | - | - |
| Special assessments | - | - | - | - | - | - | - |
| Intergovernmental | - | - | 144,477 | - | - | - | - |
| Other | - | - | 13,177 | - | - | - | - |
| Restricted deposits and investments | - | 485,071 | 485,071 | 11,800 | - | - | - |
| Due from other funds | - | - | 29,606 | - | - | - | 134,558 |
| Total assets | \$ 103,988 | \$ 693,569 | \$ 1,971,572 | \$ 11,800 | \$ 33,284 | \$ 42,611 | \$ 147,059 |
| LIABILITIES AND FUND BALANCES | | | | | | | |
| Liabilities: | | | | | | | |
| Accounts payable | \$ - | \$ - | \$ 5,595 | \$ 6,329 | \$ - | \$ 1,772 | \$ - |
| Temporary notes payable | - | - | - | - | - | - | - |
| Deferred revenue | - | - | - | - | - | - | - |
| Due to other funds | - | - | 3,606 | - | - | - | - |
| Total liabilities | - | - | 9,201 | 6,329 | - | 1,772 | - |
| Fund balances: | | | | | | | |
| Reserved for encumbrances | - | - | - | - | - | 64,025 | - |
| Unreserved, undesignated | 103,988 | 693,569 | 1,962,371 | 5,471 | 33,284 | (23,186) | 147,059 |
| Total fund balances | 103,988 | 693,569 | 1,962,371 | 5,471 | 33,284 | 40,839 | 147,059 |
| Total liabilities and fund balances | \$ 103,988 | \$ 693,569 | \$ 1,971,572 | \$ 11,800 | \$ 33,284 | \$ 42,611 | \$ 147,059 |

(Continued)

CITY OF GARDNER, KANSAS

COMBINING BALANCE SHEET
(Continued)

NONMAJOR GOVERNMENTAL FUNDS

December 31, 2006

| | Capital Projects | | | | | | |
|--------------------------------------|------------------|-------------------|------------------|-----------------|---------------------|---------------------|--------------------|
| | 167th Street | Waverly Street | 183rd Street | Lincoln Lane | Moonlight & Main | Shean's Crossing | Airport Hangars |
| <u>ASSETS</u> | | | | | | | |
| Deposits and investments | \$ 21,886 | \$ 129,793 | \$ 63,236 | \$ - | \$ - | \$ - | \$ 31,230 |
| Receivables: | | | | | | | |
| Taxes | - | - | - | - | - | - | - |
| Special assessments | - | - | - | - | - | - | - |
| Intergovernmental | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - |
| Restricted deposits and investments | - | - | - | - | - | 4,458 | - |
| Due from other funds | - | - | - | - | - | - | - |
| Total assets | <u>\$ 21,886</u> | <u>\$ 129,793</u> | <u>\$ 63,236</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 4,458</u> | <u>\$ 31,230</u> |
| <u>LIABILITIES AND FUND BALANCES</u> | | | | | | | |
| Liabilities: | | | | | | | |
| Accounts payable | \$ - | \$ - | \$ - | \$ 325 | \$ - | \$ - | \$ - |
| Temporary notes payable | - | - | - | - | - | - | - |
| Deferred revenue | - | - | - | - | - | - | - |
| Due to other funds | - | - | - | 30,067 | 1,978 | - | - |
| Total liabilities | <u>-</u> | <u>-</u> | <u>-</u> | <u>30,392</u> | <u>1,978</u> | <u>-</u> | <u>-</u> |
| Fund balances: | | | | | | | |
| Reserved for encumbrances | - | - | - | - | - | - | - |
| Unreserved, undesignated | 21,886 | 129,793 | 63,236 | (30,392) | (1,978) | 4,458 | 31,230 |
| Total fund balances | <u>21,886</u> | <u>129,793</u> | <u>63,236</u> | <u>(30,392)</u> | <u>(1,978)</u> | <u>4,458</u> | <u>31,230</u> |
| Total liabilities and fund balances | <u>\$ 21,886</u> | <u>\$ 129,793</u> | <u>\$ 63,236</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 4,458</u> | <u>\$ 31,230</u> |

(Continued)

CITY OF GARDNER, KANSAS

COMBINING BALANCE SHEET
(Continued)

NONMAJOR GOVERNMENTAL FUNDS

December 31, 2006

| | Capital Projects | | | | | | |
|--------------------------------------|--------------------|-----------------------|--------------------------------|--------------------|----------------------------|-----------------------|---------------------|
| | New Century | Public Works Facility | 175th & Moonlight Intersection | University Park | Kill Creek Drive/Waterline | Center Street Commons | North Center Street |
| <u>ASSETS</u> | | | | | | | |
| Deposits and investments | \$ - | \$ 292,260 | \$ - | \$ 549 | \$ - | \$ - | \$ 83,956 |
| Receivables: | | | | | | | |
| Taxes | - | - | - | - | - | - | - |
| Special assessments | - | - | - | - | - | - | - |
| Intergovernmental | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - |
| Restricted deposits and investments | - | - | - | 969,770 | 286,967 | 100,950 | 16,473 |
| Due from other funds | - | - | - | - | - | - | - |
| Total assets | <u>\$ -</u> | <u>\$ 292,260</u> | <u>\$ -</u> | <u>\$ 970,319</u> | <u>\$ 286,967</u> | <u>\$ 100,950</u> | <u>\$ 100,429</u> |
| <u>LIABILITIES AND FUND BALANCES</u> | | | | | | | |
| Liabilities: | | | | | | | |
| Accounts payable | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Temporary notes payable | - | - | - | 3,195,000 | 2,420,980 | 585,000 | - |
| Deferred revenue | - | - | - | - | - | - | - |
| Due to other funds | 1,820,489 | - | 102,513 | - | - | - | - |
| Total liabilities | <u>1,820,489</u> | <u>-</u> | <u>102,513</u> | <u>3,195,000</u> | <u>2,420,980</u> | <u>585,000</u> | <u>-</u> |
| Fund balances: | | | | | | | |
| Reserved for encumbrances | - | - | - | - | - | - | - |
| Unreserved, undesignated | (1,820,489) | 292,260 | (102,513) | (2,224,681) | (2,134,013) | (484,050) | 100,429 |
| Total fund balances | <u>(1,820,489)</u> | <u>292,260</u> | <u>(102,513)</u> | <u>(2,224,681)</u> | <u>(2,134,013)</u> | <u>(484,050)</u> | <u>100,429</u> |
| Total liabilities and fund balances | <u>\$ -</u> | <u>\$ 292,260</u> | <u>\$ -</u> | <u>\$ 970,319</u> | <u>\$ 286,967</u> | <u>\$ 100,950</u> | <u>\$ 100,429</u> |

(Continued)

CITY OF GARDNER, KANSAS

COMBINING BALANCE SHEET
(Continued)

NONMAJOR GOVERNMENTAL FUNDS

December 31, 2006

| | Capital Projects | | | | | Debt Service | Total Nonmajor Governmental Funds |
|--------------------------------------|-------------------|--------------------------|---------------------|----------------|---------------------|---------------------|-----------------------------------|
| | Nike School Sewer | Public Safety Station #2 | Pool Expansion | Junction Park | Total | | |
| <u>ASSETS</u> | | | | | | | |
| Deposits and investments | \$ - | \$ - | \$ 9,944 | \$ - | \$ 721,250 | \$ 184,701 | \$ 1,914,347 |
| Receivables: | | | | | | | |
| Taxes | - | - | - | - | - | 342,891 | 633,736 |
| Special assessments | - | - | - | - | - | 2,881,730 | 2,881,730 |
| Intergovernmental | - | - | - | - | - | - | 144,477 |
| Other | - | - | - | - | - | - | 13,177 |
| Restricted deposits and investments | 190,648 | - | 2,017,672 | - | 3,598,738 | - | 4,083,809 |
| Due from other funds | - | - | - | - | 134,558 | - | 164,164 |
| Total assets | <u>\$ 190,648</u> | <u>\$ -</u> | <u>\$ 2,027,616</u> | <u>\$ -</u> | <u>\$ 4,454,546</u> | <u>\$ 3,409,322</u> | <u>\$ 9,835,440</u> |
| <u>LIABILITIES AND FUND BALANCES</u> | | | | | | | |
| Liabilities: | | | | | | | |
| Accounts payable | \$ 12,636 | \$ 1,945 | \$ 467,925 | \$ - | \$ 490,932 | \$ - | \$ 496,527 |
| Temporary notes payable | 380,000 | - | - | - | 6,580,980 | - | 6,580,980 |
| Deferred revenue | - | - | - | - | - | 3,224,621 | 3,224,621 |
| Due to other funds | - | 24,990 | - | 1,010 | 1,981,047 | - | 1,984,653 |
| Total liabilities | <u>392,636</u> | <u>26,935</u> | <u>467,925</u> | <u>1,010</u> | <u>9,052,959</u> | <u>3,224,621</u> | <u>12,286,781</u> |
| Fund balances: | | | | | | | |
| Reserved for encumbrances | 1,981 | 945,191 | 1,937,644 | 844 | 2,949,685 | - | 2,949,685 |
| Unreserved, undesignated | (203,969) | (972,126) | (377,953) | (1,854) | (7,548,098) | 184,701 | (5,401,026) |
| Total fund balances | <u>(201,988)</u> | <u>(26,935)</u> | <u>1,559,691</u> | <u>(1,010)</u> | <u>(4,598,413)</u> | <u>184,701</u> | <u>(2,451,341)</u> |
| Total liabilities and fund balances | <u>\$ 190,648</u> | <u>\$ -</u> | <u>\$ 2,027,616</u> | <u>\$ -</u> | <u>\$ 4,454,546</u> | <u>\$ 3,409,322</u> | <u>\$ 9,835,440</u> |

CITY OF GARDNER, KANSAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

Year Ended December 31, 2006

| | Special Revenue | |
|--|-------------------|------------------------------|
| | Special Highway | Special Parks and Recreation |
| Revenues: | | |
| Property tax | \$ - | \$ - |
| Sales tax | - | - |
| Special assessments | - | - |
| Intergovernmental | 406,305 | 22,270 |
| Licenses and permits | - | - |
| Investment earnings | 3,011 | 638 |
| Other | - | - |
| Total revenues | <u>409,316</u> | <u>22,908</u> |
| Expenditures: | | |
| Current: | | |
| General government | 149 | - |
| Culture and recreation | - | 360 |
| Capital outlay | 385,069 | - |
| Debt service: | | |
| Principal | - | - |
| Interest and fiscal charges | - | - |
| Other | - | - |
| Total expenditures | <u>385,218</u> | <u>360</u> |
| Excess of revenues over (under) expenditures | <u>24,098</u> | <u>22,548</u> |
| Other financing sources (uses): | | |
| General obligation bonds issued | - | - |
| Loan proceeds | - | - |
| Transfers in | - | - |
| Transfers out | (15,382) | - |
| Total other financing sources (uses) | <u>(15,382)</u> | <u>-</u> |
| Net change in fund balances | 8,716 | 22,548 |
| Fund balances, beginning of year | 211,231 | 7,684 |
| Fund balances, end of year | <u>\$ 219,947</u> | <u>\$ 30,232</u> |

(Continued)

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

NONMAJOR GOVERNMENTAL FUNDS

Year Ended December 31, 2006

| | Special Revenue | | | | | | Airport |
|--|-------------------------------------|------------------------------------|-------------------------------|----------------------|-----------------------------------|--------------------------------|-----------------|
| | Special Alcohol/ Drug Program | Economic Development Reserve | Risk Management Reserve | Equipment Reserve | Capital Improvement Reserve | Park Improvement Reserve | |
| Revenues: | | | | | | | |
| Property tax | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Sales tax | - | - | - | - | - | - | - |
| Special assessments | - | - | - | - | - | - | - |
| Intergovernmental | 22,270 | 40,680 | - | - | - | 267,336 | - |
| Licenses and permits | - | - | - | - | - | 186,405 | - |
| Investment earnings | 313 | 3,509 | - | 73 | 9,678 | 942 | 27 |
| Other | - | - | - | - | - | - | 657 |
| Total revenues | <u>22,583</u> | <u>44,189</u> | <u>-</u> | <u>73</u> | <u>9,678</u> | <u>454,683</u> | <u>684</u> |
| Expenditures: | | | | | | | |
| Current: | | | | | | | |
| General government | 16,000 | 43,499 | 520 | - | - | - | - |
| Culture and recreation | - | - | - | - | - | - | - |
| Capital outlay | - | - | 18,618 | 2,141 | 922,703 | 470,200 | - |
| Debt service: | | | | | | | |
| Principal | - | - | - | - | - | - | - |
| Interest and fiscal charges | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - |
| Total expenditures | <u>16,000</u> | <u>43,499</u> | <u>19,138</u> | <u>2,141</u> | <u>922,703</u> | <u>470,200</u> | <u>-</u> |
| Excess of revenues over (under) expenditures | <u>6,583</u> | <u>690</u> | <u>(19,138)</u> | <u>(2,068)</u> | <u>(913,025)</u> | <u>(15,517)</u> | <u>684</u> |
| Other financing sources (uses): | | | | | | | |
| General obligation bonds issued | - | - | - | - | - | - | - |
| Loan proceeds | - | - | - | - | - | - | - |
| Transfers in | - | - | - | - | 800,000 | - | - |
| Transfers out | - | - | - | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>800,000</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | <u>6,583</u> | <u>690</u> | <u>(19,138)</u> | <u>(2,068)</u> | <u>(113,025)</u> | <u>(15,517)</u> | <u>684</u> |
| Fund balances, beginning of year | 12,446 | 104,755 | 121,327 | 2,068 | 742,667 | 66,014 | 7,149 |
| Fund balances, end of year | <u>\$ 19,029</u> | <u>\$ 105,445</u> | <u>\$ 102,189</u> | <u>\$ -</u> | <u>\$ 629,642</u> | <u>\$ 50,497</u> | <u>\$ 7,833</u> |

(Continued)

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

NONMAJOR GOVERNMENTAL FUNDS

Year Ended December 31, 2006

| | Special Revenue | | | Capital Projects | | | |
|--|-----------------------------|-------------------|------------------|------------------|-----------------|--------------------|--------------------|
| | E. Santa Fe TIF District | Park Sales Tax | Total | City Hall | Cedar Street | North Moonlight | South Moonlight |
| Revenues: | | | | | | | |
| Property tax | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Sales tax | 103,988 | 677,303 | 781,291 | - | - | - | - |
| Special assessments | - | - | - | - | - | - | - |
| Intergovernmental | - | - | 758,861 | - | - | - | - |
| Licenses and permits | - | - | 186,405 | - | - | - | - |
| Investment earnings | - | 16,266 | 34,457 | 1,600 | 1,126 | 1,431 | 4,975 |
| Other | - | - | 657 | - | - | - | - |
| Total revenues | 103,988 | 693,569 | 1,761,671 | 1,600 | 1,126 | 1,431 | 4,975 |
| Expenditures: | | | | | | | |
| Current: | | | | | | | |
| General government | - | - | 60,168 | - | - | - | - |
| Culture and recreation | - | - | 360 | - | - | - | - |
| Capital outlay | - | - | 1,798,731 | 34,973 | - | 81,737 | - |
| Debt service: | | | | | | | |
| Principal | - | - | - | - | - | - | - |
| Interest and fiscal charges | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - |
| Total expenditures | - | - | 1,859,259 | 34,973 | - | 81,737 | - |
| Excess of revenues over (under) expenditures | 103,988 | 693,569 | (97,588) | (33,373) | 1,126 | (80,306) | 4,975 |
| Other financing sources (uses): | | | | | | | |
| General obligation bonds issued | - | - | - | - | - | - | - |
| Loan proceeds | - | - | - | - | - | 158,853 | - |
| Transfers in | - | - | 800,000 | - | - | - | - |
| Transfers out | - | - | (15,382) | - | - | - | - |
| Total other financing sources (uses) | - | - | 784,618 | - | - | 158,853 | - |
| Net change in fund balances | 103,988 | 693,569 | 687,030 | (33,373) | 1,126 | 78,547 | 4,975 |
| Fund balances, beginning of year | - | - | 1,275,341 | 38,844 | 32,158 | (37,708) | 142,084 |
| Fund balances, end of year | \$ 103,988 | \$ 693,569 | \$ 1,962,371 | \$ 5,471 | \$ 33,284 | \$ 40,839 | \$ 147,059 |

(Continued)

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

NONMAJOR GOVERNMENTAL FUNDS

Year Ended December 31, 2006

| | Capital Projects | | | | | | |
|--|------------------|-------------------|------------------|--------------------|---------------------|---------------------|--------------------|
| | 167th Street | Waverly Street | 183rd Street | Lincoln Lane | Moonlight & Main | Shean's Crossing | Airport Hangars |
| Revenues: | | | | | | | |
| Property tax | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Sales tax | - | - | - | - | - | - | - |
| Special assessments | - | - | - | - | - | - | - |
| Intergovernmental | - | - | - | - | - | - | - |
| Licenses and permits | - | - | - | - | - | - | - |
| Investment earnings | 40 | 4,391 | 2,139 | 61 | - | 383 | 1,057 |
| Other | - | - | - | - | - | - | - |
| Total revenues | 40 | 4,391 | 2,139 | 61 | - | 383 | 1,057 |
| Expenditures: | | | | | | | |
| Current: | | | | | | | |
| General government | - | - | - | - | - | - | - |
| Culture and recreation | - | - | - | - | - | - | - |
| Capital outlay | - | - | - | 36,774 | - | 5,156 | - |
| Debt service: | | | | | | | |
| Principal | - | - | - | - | - | - | - |
| Interest and fiscal charges | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - |
| Total expenditures | - | - | - | 36,774 | - | 5,156 | - |
| Excess of revenues over (under) expenditures | 40 | 4,391 | 2,139 | (36,713) | - | (4,773) | 1,057 |
| Other financing sources (uses): | | | | | | | |
| General obligation bonds issued | - | - | - | - | - | - | - |
| Loan proceeds | - | - | - | 135,401 | 89,521 | - | - |
| Transfers in | 242,938 | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - | - |
| Total other financing sources (uses) | 242,938 | - | - | 135,401 | 89,521 | - | - |
| Net change in fund balances | 242,978 | 4,391 | 2,139 | 98,688 | 89,521 | (4,773) | 1,057 |
| Fund balances, beginning of year | (221,092) | 125,402 | 61,097 | (129,080) | (91,499) | 9,231 | 30,173 |
| Fund balances, end of year | \$ 21,886 | \$ 129,793 | \$ 63,236 | \$ (30,392) | \$ (1,978) | \$ 4,458 | \$ 31,230 |

(Continued)

CITY OF GARDNER, KANSAS

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

NONMAJOR GOVERNMENTAL FUNDS

Year Ended December 31, 2006

| | Capital Projects | | | | | | North Center Street |
|--|-----------------------|-----------------------------|--------------------------------------|-----------------------|-------------------------------|--------------------------|---------------------------|
| | New Century | Public Works Facility | 175th & Moonlight Intersection | University Park | Kill Creek Drive/Waterline | Center Street Commons | |
| Revenues: | | | | | | | |
| Property tax | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Sales tax | - | - | - | - | - | - | - |
| Special assessments | - | - | - | - | - | - | - |
| Intergovernmental | - | - | - | - | - | - | - |
| Licenses and permits | - | - | - | - | - | - | - |
| Investment earnings | 36,512 | 9,887 | 21,551 | 26,017 | 44,957 | 6,010 | 6,768 |
| Other | - | - | - | - | - | - | - |
| Total revenues | <u>36,512</u> | <u>9,887</u> | <u>21,551</u> | <u>26,017</u> | <u>44,957</u> | <u>6,010</u> | <u>6,768</u> |
| Expenditures: | | | | | | | |
| Current: | | | | | | | |
| General government | - | - | - | - | - | - | - |
| Culture and recreation | - | - | - | - | - | - | - |
| Capital outlay | 152,450 | - | 80,842 | 1,198,691 | 1,352,500 | 419,835 | 217,626 |
| Debt service: | | | | | | | |
| Principal | - | - | - | - | - | - | - |
| Interest and fiscal charges | - | - | 89,290 | 93,754 | 67,246 | 12,158 | - |
| Other | - | - | - | 20,165 | - | 6,306 | - |
| Total expenditures | <u>152,450</u> | <u>-</u> | <u>170,132</u> | <u>1,312,610</u> | <u>1,419,746</u> | <u>438,299</u> | <u>217,626</u> |
| Excess of revenues over (under) expenditures | <u>(115,938)</u> | <u>9,887</u> | <u>(148,581)</u> | <u>(1,286,593)</u> | <u>(1,374,789)</u> | <u>(432,289)</u> | <u>(210,858)</u> |
| Other financing sources (uses): | | | | | | | |
| General obligation bonds issued | - | - | - | - | - | - | - |
| Loan proceeds | - | - | 239,188 | - | - | - | - |
| Transfers in | - | - | 833 | 874 | - | - | - |
| Transfers out | - | - | - | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>240,021</u> | <u>874</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | <u>(115,938)</u> | <u>9,887</u> | <u>91,440</u> | <u>(1,285,719)</u> | <u>(1,374,789)</u> | <u>(432,289)</u> | <u>(210,858)</u> |
| Fund balances, beginning of year | <u>(1,704,551)</u> | <u>282,373</u> | <u>(193,953)</u> | <u>(938,962)</u> | <u>(759,224)</u> | <u>(51,761)</u> | <u>311,287</u> |
| Fund balances, end of year | <u>\$ (1,820,489)</u> | <u>\$ 292,260</u> | <u>\$ (102,513)</u> | <u>\$ (2,224,681)</u> | <u>\$ (2,134,013)</u> | <u>\$ (484,050)</u> | <u>\$ 100,429</u> |

(Continued)

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

NONMAJOR GOVERNMENTAL FUNDS

Year Ended December 31, 2006

| | Capital Projects | | | | | Debt Service | Total Nonmajor Governmental Funds |
|--|---------------------|--------------------------|---------------------|-------------------|-----------------------|-------------------|-----------------------------------|
| | Nike School Sewer | Public Safety Station #2 | Pool Expansion | Junction Park | Total | | |
| Revenues: | | | | | | | |
| Property tax | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 339,742 | \$ 339,742 |
| Sales tax | - | - | - | - | - | - | 781,291 |
| Special assessments | - | - | - | - | - | 229,317 | 229,317 |
| Intergovernmental | - | - | - | - | - | - | 758,861 |
| Licenses and permits | - | - | - | - | - | - | 186,405 |
| Investment earnings | 9,463 | - | 101,180 | - | 279,548 | 20,239 | 334,244 |
| Other | - | - | - | - | - | 71,789 | 72,446 |
| Total revenues | 9,463 | - | 101,180 | - | 279,548 | 661,087 | 2,702,306 |
| Expenditures: | | | | | | | |
| Current: | | | | | | | |
| General government | - | - | - | - | - | - | 60,168 |
| Culture and recreation | - | - | - | 1,010 | 1,010 | - | 1,370 |
| Capital outlay | 259,458 | 26,935 | 2,042,773 | - | 5,909,750 | - | 7,708,481 |
| Debt service: | | | | | | | |
| Principal | - | - | - | - | - | 690,550 | 690,550 |
| Interest and fiscal charges | 7,897 | - | - | - | 270,345 | 413,833 | 684,178 |
| Other | 4,096 | - | 43,716 | - | 74,283 | 1,300 | 75,583 |
| Total expenditures | 271,451 | 26,935 | 2,086,489 | 1,010 | 6,255,388 | 1,105,683 | 9,220,330 |
| Excess of revenues over (under) expenditures | (261,988) | (26,935) | (1,985,309) | (1,010) | (5,975,840) | (444,596) | (6,518,024) |
| Other financing sources (uses): | | | | | | | |
| General obligation bonds issued | - | - | 3,545,000 | - | 3,545,000 | - | 3,545,000 |
| Loan proceeds | - | - | - | - | 622,963 | - | 622,963 |
| Transfers in | 60,000 | - | - | - | 304,645 | 371,145 | 1,475,790 |
| Transfers out | - | - | - | - | - | - | (15,382) |
| Total other financing sources (uses) | 60,000 | - | 3,545,000 | - | 4,472,608 | 371,145 | 5,628,371 |
| Net change in fund balances | (201,988) | (26,935) | 1,559,691 | (1,010) | (1,503,232) | (73,451) | (889,653) |
| Fund balances, beginning of year | - | - | - | - | (3,095,181) | 258,152 | (1,561,688) |
| Fund balances, end of year | \$ (201,988) | \$ (26,935) | \$ 1,559,691 | \$ (1,010) | \$ (4,598,413) | \$ 184,701 | \$ (2,451,341) |

CITY OF GARDNER, KANSAS

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

SPECIAL HIGHWAY FUND

Year Ended December 31, 2006

| | Original and Final Budgeted Amounts | Actual Amounts | Variance with Final Budget - Positive (Negative) |
|---|---|-------------------|---|
| Revenues: | | | |
| State gasoline tax | \$ 345,000 | \$ 406,305 | \$ 61,305 |
| Investment earnings | 1,400 | 3,011 | 1,611 |
| Total revenues | <u>346,400</u> | <u>409,316</u> | <u>62,916</u> |
| Expenditures: | | | |
| Project reserve | 59,750 | 149 | 59,601 |
| Capital outlay | 405,000 | 385,069 | 19,931 |
| Total expenditures | <u>464,750</u> | <u>385,218</u> | <u>79,532</u> |
| Excess (deficit) of revenues over (under) expenditures | (118,350) | 24,098 | 142,448 |
| Other financing uses: | | | |
| Transfers out | <u>(15,600)</u> | <u>(15,382)</u> | <u>218</u> |
| Net change in fund balances | (133,950) | 8,716 | 142,666 |
| Fund balances, beginning of year | <u>133,950</u> | <u>211,231</u> | <u>77,281</u> |
| Fund balances, end of year | <u>\$ -</u> | <u>\$ 219,947</u> | <u>\$ 219,947</u> |

CITY OF GARDNER, KANSAS

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

SPECIAL PARKS AND RECREATION FUND

Year Ended December 31, 2006

| | Original and Final Budgeted Amounts | Actual Amounts | Variance with Final Budget - Positive (Negative) |
|----------------------------------|---|-------------------|---|
| Revenues: | | | |
| Special alcohol tax | \$ 16,300 | \$ 22,270 | \$ 5,970 |
| Investment earnings | 100 | 638 | 538 |
| Total revenues | <u>16,400</u> | <u>22,908</u> | <u>6,508</u> |
| Expenditures: | | | |
| Contractual services | 22,000 | 360 | 21,640 |
| Project reserve | 809 | - | 809 |
| Total expenditures | <u>22,809</u> | <u>360</u> | <u>22,449</u> |
| Net change in fund balances | (6,409) | 22,548 | 28,957 |
| Fund balances, beginning of year | <u>6,409</u> | <u>7,684</u> | <u>1,275</u> |
| Fund balances, end of year | <u>\$ -</u> | <u>\$ 30,232</u> | <u>\$ 30,232</u> |

CITY OF GARDNER, KANSAS

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

SPECIAL ALCOHOL/DRUG PROGRAM FUND

Year Ended December 31, 2006

| | Original and Final Budgeted Amounts | Actual Amounts | Variance with Final Budget - Positive (Negative) |
|----------------------------------|---|-------------------|---|
| Revenues: | | | |
| Special alcohol tax | \$ 16,200 | \$ 22,270 | \$ 6,070 |
| Investment earnings | 100 | 313 | 213 |
| Total revenues | <u>16,300</u> | <u>22,583</u> | <u>6,283</u> |
| Expenditures: | | | |
| Project reserve | 11,327 | - | 11,327 |
| Contractual services | 16,000 | 16,000 | - |
| Total expenditures | <u>27,327</u> | <u>16,000</u> | <u>11,327</u> |
| Net change in fund balances | (11,027) | 6,583 | 17,610 |
| Fund balances, beginning of year | <u>11,027</u> | <u>12,446</u> | <u>1,419</u> |
| Fund balances, end of year | <u>\$ -</u> | <u>\$ 19,029</u> | <u>\$ 19,029</u> |

CITY OF GARDNER, KANSAS

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

ECONOMIC DEVELOPMENT RESERVE FUND

Year Ended December 31, 2006

| | Original and Final Budgeted Amounts | Actual Amounts | Variance with Final Budget - Positive (Negative) |
|----------------------------------|---|-------------------|---|
| Revenues: | | | |
| Transient guest tax | \$ 37,800 | \$ 40,680 | \$ 2,880 |
| Investment earnings | 1,700 | 3,509 | 1,809 |
| Total revenues | <u>39,500</u> | <u>44,189</u> | <u>4,689</u> |
| Expenditures: | | | |
| Project reserve | 127,586 | - | 127,586 |
| Commodities | - | 2,128 | (2,128) |
| Contractual services | 29,900 | 41,371 | (11,471) |
| Total expenditures | <u>157,486</u> | <u>43,499</u> | <u>113,987</u> |
| Net change in fund balances | (117,986) | 690 | 118,676 |
| Fund balances, beginning of year | <u>117,986</u> | <u>104,755</u> | <u>(13,231)</u> |
| Fund balances, end of year | <u>\$ -</u> | <u>\$ 105,445</u> | <u>\$ 105,445</u> |

CITY OF GARDNER, KANSAS

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

RISK MANAGEMENT RESERVE FUND

Year Ended December 31, 2006

| | Original and Final Budgeted Amounts | Actual Amounts | Variance with Final Budget - Positive (Negative) |
|----------------------------------|---|--------------------------|---|
| Expenditures: | | | |
| Contractual services | \$ 20,000 | \$ 520 | \$ 19,480 |
| Project reserve | 95,263 | - | 95,263 |
| Capital outlay | - | 18,618 | (18,618) |
| Total expenditures | <u>115,263</u> | <u>19,138</u> | <u>96,125</u> |
| Net change in fund balances | (115,263) | (19,138) | 96,125 |
| Fund balances, beginning of year | <u>115,263</u> | <u>121,327</u> | <u>6,064</u> |
| Fund balances, end of year | <u><u>\$ -</u></u> | <u><u>\$ 102,189</u></u> | <u><u>\$ 102,189</u></u> |

CITY OF GARDNER, KANSAS

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

CAPITAL IMPROVEMENT RESERVE FUND

Year Ended December 31, 2006

| | Original and Final Budgeted Amounts | Actual Amounts | Variance with Final Budget - Positive (Negative) |
|--|---|-----------------------------|---|
| | <u> </u> | <u> </u> | <u> </u> |
| Revenues: | | | |
| Interest income | \$ 200 | \$ 9,678 | \$ 9,478 |
| Expenditures: | | | |
| Capital outlay | 1,013,000 | 922,703 | 90,297 |
| Project reserve | 115,304 | - | 115,304 |
| Total expenditures | <u>1,128,304</u> | <u>922,703</u> | <u>205,601</u> |
| Deficit of revenues under expenditures | (1,128,104) | (913,025) | 215,079 |
| Other financing sources: | | | |
| Transfers in | <u>850,000</u> | <u>800,000</u> | <u>(50,000)</u> |
| Net change in fund balances | (278,104) | (113,025) | 165,079 |
| Fund balances, beginning of year | <u>278,104</u> | <u>742,667</u> | <u>464,563</u> |
| Fund balances, end of year | <u>\$ -</u> | <u>\$ 629,642</u> | <u>\$ 629,642</u> |

CITY OF GARDNER, KANSAS

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

PARK IMPROVEMENT RESERVE FUND

Year Ended December 31, 2006

| | Original and Final Budgeted Amounts | Actual Amounts | Variance with Final Budget - Positive (Negative) |
|---|---|-------------------|---|
| Revenues: | | | |
| Intergovernmental taxes | \$ - | \$ 267,336 | \$ 267,336 |
| Park impact fees | 400,000 | 186,405 | (213,595) |
| Interest income | 1,800 | 942 | (858) |
| | <u>401,800</u> | <u>454,683</u> | <u>52,883</u> |
| Expenditures: | | | |
| Project reserve | 141,670 | - | 141,670 |
| Capital outlay | 350,000 | 470,200 | (120,200) |
| | <u>491,670</u> | <u>470,200</u> | <u>21,470</u> |
| Excess (deficit) of revenues over (under) expenditures | (89,870) | (15,517) | 74,353 |
| Fund balances, beginning of year | <u>89,870</u> | <u>66,014</u> | <u>(23,856)</u> |
| Fund balances, end of year | <u>\$ -</u> | <u>\$ 50,497</u> | <u>\$ 50,497</u> |

CITY OF GARDNER, KANSAS

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

EAST SANTA FE TIF DISTRICT

Year Ended December 31, 2006

| | Original and Final Budgeted Amounts | Actual Amounts | Variance with Final Budget - Positive (Negative) |
|----------------------------------|---|-----------------------------|---|
| | <u> </u> | <u> </u> | <u> </u> |
| Revenues: | | | |
| Taxes | \$ 237,000 | \$ 103,988 | \$ (133,012) |
| | <u> </u> | <u> </u> | <u> </u> |
| Expenditures: | | | |
| Contractual services | 237,000 | - | 237,000 |
| | <u> </u> | <u> </u> | <u> </u> |
| Net change in fund balances | - | 103,988 | 103,988 |
| Fund balances, beginning of year | <u> </u> | <u> </u> | <u> </u> |
| | - | - | - |
| Fund balances, end of year | <u> </u> | <u> </u> | <u> </u> |
| | \$ - | \$ 103,988 | \$ 103,988 |

CITY OF GARDNER, KANSAS

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

PARK SALES TAX FUND

Year Ended December 31, 2006

| | Original and Final Budgeted Amounts | Actual Amounts | Variance with Final Budget - Positive (Negative) |
|----------------------------------|---|-------------------|---|
| Revenues: | | | |
| Taxes | \$ 700,000 | \$ 677,303 | \$ (22,697) |
| Investment earnings | - | 16,266 | 16,266 |
| Total revenues | <u>700,000</u> | <u>693,569</u> | <u>(6,431)</u> |
| Expenditures: | | | |
| Capital outlay | <u>700,000</u> | <u>-</u> | <u>700,000</u> |
| Net change in fund balances | - | 693,569 | 693,569 |
| Fund balances, beginning of year | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balances, end of year | <u>\$ -</u> | <u>\$ 693,569</u> | <u>\$ 693,569</u> |

CITY OF GARDNER, KANSAS

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

DEBT SERVICE FUND

Year Ended December 31, 2006

| | Original and Final Budgeted Amounts | Actual Amounts | Variance with Final Budget - Positive (Negative) |
|--|---|-------------------|---|
| Revenues: | | | |
| Taxes | \$ 338,850 | \$ 339,742 | \$ 892 |
| Special assessment | 396,451 | 229,317 | (167,134) |
| Investment earnings | 6,000 | 20,239 | 14,239 |
| Other | - | 71,789 | 71,789 |
| Total revenues | <u>741,301</u> | <u>661,087</u> | <u>(80,214)</u> |
| Expenditures: | | | |
| Principal | 1,350,336 | 690,550 | 659,786 |
| Interest | - | 413,833 | (413,833) |
| Other | - | 1,300 | (1,300) |
| Total expenditures | <u>1,350,336</u> | <u>1,105,683</u> | <u>244,653</u> |
| Deficit of revenues under expenditures | <u>(609,035)</u> | <u>(444,596)</u> | <u>164,439</u> |
| Other financing sources: | | | |
| Transfers in | <u>324,600</u> | <u>371,145</u> | <u>46,545</u> |
| Net change in fund balances | <u>(284,435)</u> | <u>(73,451)</u> | <u>210,984</u> |
| Fund balances, beginning of year | <u>284,435</u> | <u>258,152</u> | <u>(26,283)</u> |
| Fund balances, end of year | <u>\$ -</u> | <u>\$ 184,701</u> | <u>\$ 184,701</u> |

See accompanying notes to basic financial statements.

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 reimbursements 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.

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.

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

CITY OF GARDNER, KANSAS

COMBINING STATEMENT OF NET ASSETS

INTERNAL SERVICE FUNDS

December 31, 2006

| | Governmental Activities | | Business-type Activities | | Total |
|---|---------------------------------------|-------------------------|--------------------------------|--------------------|------------------|
| | Information Technology Services | Building Maintenance | Utility Billing Services | Risk Management | |
| Assets: | | | | | |
| Noncurrent assets: | | | | | |
| Capital assets: | | | | | |
| Machinery and equipment | \$ 27,645 | \$ - | \$ - | \$ - | \$ 27,645 |
| Vehicles | - | 14,749 | - | - | 14,749 |
| Less accumulated depreciation | (1,383) | (737) | - | - | (2,120) |
| Total assets | <u>26,262</u> | <u>14,012</u> | <u>-</u> | <u>-</u> | <u>40,274</u> |
| Liabilities: | | | | | |
| Current liabilities: | | | | | |
| Accounts payable | 3,036 | 1,286 | 6,142 | 2,159 | 12,623 |
| Accrued expenses | 1,809 | 1,309 | - | - | 3,118 |
| Total current liabilities | <u>4,845</u> | <u>2,595</u> | <u>6,142</u> | <u>2,159</u> | <u>15,741</u> |
| Net assets: | | | | | |
| Invested in capital assets, net of related debt | 26,262 | 14,012 | - | - | 40,274 |
| Unrestricted | (4,845) | (2,595) | (6,142) | (2,159) | (15,741) |
| Total net assets | <u>\$ 21,417</u> | <u>\$ 11,417</u> | <u>\$ (6,142)</u> | <u>\$ (2,159)</u> | <u>\$ 24,533</u> |

CITY OF GARDNER, KANSAS

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

INTERNAL SERVICE FUNDS

Year Ended December 31, 2006

| | Governmental Activities | | Business-type Activities | | Total |
|-------------------------------------|---------------------------------------|-------------------------|--------------------------------|--------------------|------------------|
| | Information Technology Services | Building Maintenance | Utility Billing Services | Risk Management | |
| Operating revenues: | | | | | |
| Charges for services | \$ 347,668 | \$ 141,187 | \$ 522,678 | \$ 485,552 | \$ 1,497,085 |
| Operating expenses: | | | | | |
| Administration | 28,304 | 25,430 | 330,791 | - | 384,525 |
| Contractual services | 160,737 | 76,587 | 109,204 | 482,201 | 828,729 |
| Other supplies and expenses | 61,163 | 16,852 | 16,923 | 5,510 | 100,448 |
| Repairs and maintenance | 74,664 | 10,164 | 2,065 | - | 86,893 |
| Depreciation | 1,383 | 737 | - | - | 2,120 |
| Other | - | - | 69,837 | - | 69,837 |
| Total operating expenses | <u>326,251</u> | <u>129,770</u> | <u>528,820</u> | <u>487,711</u> | <u>1,472,552</u> |
| Operating income (loss) | 21,417 | 11,417 | (6,142) | (2,159) | 24,533 |
| Total net assets, beginning of year | - | - | - | - | - |
| Total net assets, end of year | <u>\$ 21,417</u> | <u>\$ 11,417</u> | <u>\$ (6,142)</u> | <u>\$ (2,159)</u> | <u>\$ 24,533</u> |

CITY OF GARDNER, KANSAS

COMBINING STATEMENT OF CASH FLOWS

INTERNAL SERVICE FUNDS

Year Ended December 31, 2006

| | Governmental Activities | | Business-type Activities | | Total |
|---|---------------------------------------|-------------------------|--------------------------------|--------------------|------------------|
| | Information Technology Services | Building Maintenance | Utility Billing Services | Risk Management | |
| Cash flows from operating activities: | | | | | |
| Receipts from customers | \$ 347,668 | \$ 141,187 | \$ 522,678 | \$ 485,552 | \$ 1,497,085 |
| Payments to suppliers | (293,528) | (102,317) | (191,887) | (485,552) | (1,073,284) |
| Payments to employees | (26,495) | (24,121) | (330,791) | - | (381,407) |
| Net cash provided by operating activities | <u>27,645</u> | <u>14,749</u> | <u>-</u> | <u>-</u> | <u>42,394</u> |
| Cash flows from capital and related financing activities: | | | | | |
| Acquisition and construction of capital assets | (27,645) | (14,749) | - | - | (42,394) |
| Net cash used in capital and related financing activities | <u>(27,645)</u> | <u>(14,749)</u> | <u>-</u> | <u>-</u> | <u>(42,394)</u> |
| Net increase in cash and cash equivalents | - | - | - | - | - |
| Cash and cash equivalents, beginning of year | - | - | - | - | - |
| Cash and cash equivalents, end of year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Reconciliation of operating income (loss) to net cash provided by operating activities: | | | | | |
| Operating income (loss) | \$ 21,417 | \$ 11,417 | \$ (6,142) | \$ (2,159) | \$ 24,533 |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | | | | |
| Items not requiring cash: | | | | | |
| Depreciation expense | 1,383 | 737 | - | - | 2,120 |
| Changes in: | | | | | |
| Accounts payable | 3,036 | 1,286 | 6,142 | 2,159 | 12,623 |
| Accrued liabilities | 1,809 | 1,309 | - | - | 3,118 |
| Net cash provided by operating activities | <u>\$ 27,645</u> | <u>\$ 14,749</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 42,394</u> |

CITY OF GARDNER, KANSAS
STATEMENT OF CASH FLOWS
AIRPORT ASSOCIATION COMPONENT UNIT
Year Ended December 31, 2006

| | |
|---|-------------|
| Cash flows from operating activities: | |
| Receipts from customers | \$ 283,703 |
| Payments to suppliers | (227,327) |
| Payments to employees | (5,464) |
| | 50,912 |
| | |
| Cash flows from capital and related financing activities: | |
| Principal paid on loan to primary government | (23,344) |
| Interest paid on loan to primary government | (656) |
| | (24,000) |
| | |
| Cash flows from investing activities: | |
| Interest received | 3,864 |
| | 3,864 |
| | |
| Net increase in cash and cash equivalents | 30,776 |
| | |
| Cash and cash equivalents, beginning of year | 101,995 |
| | 101,995 |
| | |
| Cash and cash equivalents, end of year | \$ 132,771 |
| | 132,771 |
| | |
| Reconciliation of operating loss to net cash provided by operating activities: | |
| Operating loss | \$ (11,218) |
| Adjustments to reconcile operating loss to net cash provided by operating activities: | |
| Items not requiring cash: | |
| Depreciation expense | 58,209 |
| Changes in: | |
| Accounts receivable | (2,344) |
| Prepaid items | (1,115) |
| Inventories | 7,360 |
| Accounts payable | 1,285 |
| Deferred revenue | (1,265) |
| | (1,265) |
| Net cash provided by operating activities | \$ 50,912 |
| | 50,912 |

CITY OF GARDNER, KANSAS

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

AGENCY FUND

Year Ended December 31, 2006

Alcohol Safety Action Program:

| | Balance January 1, 2006 | Additions | Deductions | Balance December 31, 2006 |
|--------------------------|-------------------------------|-----------|------------|---------------------------------|
| Assets: | | | | |
| Deposits and investments | \$ 21,713 | \$ 10,150 | \$ 9,750 | \$ 22,113 |
| Liabilities: | | | | |
| Due to others | \$ 21,713 | \$ 10,150 | \$ 9,750 | \$ 22,113 |