

CITY OF DODGE CITY, KANSAS

BASIC FINANCIAL STATEMENTS
with
INDEPENDENT AUDITOR'S REPORT
YEAR ENDED DECEMBER 31, 2011

KENNEDY MCKEE & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS
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CITY OF DODGE CITY, KANSAS

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OTHER AUDIT

Dodge City Public Library

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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
City Commissioners
Dodge City, Kansas

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

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

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

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Dodge City, Kansas' financial statements as a whole. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Kennedy McKee & Company LLP

August 9, 2012

MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF DODGE CITY

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

December 31, 2011

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the City of Dodge City's financial performance provides an overview of the City's financial activities for the year ended December 31, 2011. It should be read in conjunction with the City's basic financial statements, listed in the table of contents.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The government-wide statements consist of the Statement of Net Assets and the Statement of Activities. These provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Fund financial statements follow the government-wide statements. For governmental activities, these statements tell how the services of the City were financed in the short term as well as what remains for future spending. Fund financial statements report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds.

The Statement of Net Assets and the Statement of Activities

One of the most important questions asked about the City's finances is this: "Is the City as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about the City as a whole and about its activities in a way that helps provide answers to this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's net assets and the changes in them. The net assets represent the difference between assets and liabilities. Net assets are one way to measure the financial position of the City. Over time, increases or decreases in the City's net assets are one indicator of whether its financial health is improving or deteriorating. Other factors, such as changes in the property tax base, and economic conditions at the state and local level must also be considered when assessing the overall financial health of the City.

In the Statement of Net Assets and in the Statement of Activities, the information is divided into three kinds of activities:

- Governmental activities—Many of the City's basic services are reported here, including general government, public safety, public works, culture and recreation and community services. Property taxes, sales tax, franchise fees, service charges and fees, other types of governmental revenues and taxes, and federal and state grants finance most of these activities.
- Business-type-activities—The City charges a fee to residents to cover the cost of utility services it provides. These services are water, wastewater, solid waste and drainage utilities.
- Component units—The City includes three separate legal entities in its report: the Dodge City Public Library, the Dodge City-Ford County Development Corporation, and the Dodge City Housing Authority. Although legally separate, these component units are important because of their relationship with the City.

USING THIS ANNUAL REPORT (CONTINUED)

The Statement of Net Assets and the Statement of Activities (continued)

To assist in the understanding of the Statement of Activities some additional explanation is given. Of particular interest is the format that is significantly different from a typical Statement of Revenue, Expenditures, and Changes in Fund Balance. The expenses are listed in the first column with revenues from that particular program reported to the right. The result is a net (expense)/revenue. The reason for this kind of format is to highlight the relative financial burden of each of the functions on the City's taxpayers. It also identifies how much each function draws from the general revenues and how much it is self-financing through fees and grants.

Fund Financial Statements

Our analysis of the City's major funds follows in this discussion. The fund financial statements provide detailed information about the most significant funds – not the City as a whole. Some funds are required to be established by state law or by contract. However, the City Commission establishes many other funds to help control and manage money for particular purposes, or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money. The City's two kinds of funds – governmental and proprietary – use different accounting approaches.

- Governmental funds—Many of the City's basic services are reported in governmental funds. The focus is on how money flows into and out of those funds and on the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. A reconciliation between the governmental funds reported here and the overall governmental activities column of the Statement of Net Assets is provided.
- Proprietary funds—The City maintains two types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses an internal service fund to account for its vehicle and equipment maintenance activities. Proprietary funds are reported using the same accounting approach that all activities use in the Statement of Net Assets and in the Statement of Activities.

Since the Enterprise funds use the same accounting approach in all statements, no reconciliation is necessary among the statements.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

THE CITY AS A WHOLE

Government-Wide Statements – Overview

The City's overall financial position and operations for the past two years are summarized as follows based on the information included in the government-wide financial statements:

	Governmental activities		Business-type activities		Total	
	2011	2010	2011	2010	2011	2010
Current and other assets	\$ 28,741,945	\$ 37,365,190	\$ 10,268,541	\$ 5,669,681	\$ 39,010,485	\$ 43,034,871
Capital assets	124,967,055	125,825,465	68,983,865	60,309,203	193,950,920	186,134,668
Total assets	153,709,000	163,190,655	79,252,406	65,978,884	232,961,405	229,169,539
Long-term liabilities	62,897,755	63,637,634	38,820,765	32,771,226	101,718,520	96,408,860
Other liabilities	2,342,326	7,005,388	1,370,984	3,471,784	3,713,310	10,477,172
Deferred revenue	7,019,324	6,837,843	-	-	7,019,324	6,837,843
Total liabilities	72,259,405	77,480,865	40,191,749	36,243,010	112,451,154	113,723,875
Net assets:						
Invested in capital assets net of related debt	63,247,554	66,708,741	25,148,101	27,537,978	88,395,655	94,246,719
Restricted	9,741,866	16,884,621	1,486,562	1,618,191	11,228,428	18,502,812
Unrestricted	8,460,175	2,116,428	7,410,994	579,705	15,871,169	2,696,133
Total net assets	\$ 81,449,595	\$ 85,709,790	\$ 34,045,657	\$ 29,735,874	\$ 115,495,252	\$ 115,445,664

For the years ended December 31, 2011 and 2010, net assets changed as follows:

	Governmental activities		Business-type activities		Total	
	2011	2010	2011	2010	2011	2010
Beginning net assets	\$ 85,709,790	\$ 93,940,574	\$ 29,735,874	\$ 29,813,073	\$ 115,445,664	\$ 123,753,647
Prior period adjustment	-	-	329,757	-	329,757	-
Increase (decrease) in net assets	(4,260,195)	(8,230,784)	3,980,026	(77,199)	(280,169)	(8,307,983)
Ending net assets	\$ 81,449,595	\$ 85,709,790	\$ 34,045,657	\$ 29,735,874	\$ 115,495,252	\$ 115,445,664

Governmental current assets decreased because cash was spent for the construction of the Special Events Center. Bonds were issued in 2009. The bond proceeds were entirely spent in 2011 as well as additional cash in the Sales Tax Projects Fund to finalize this project. Capital assets decreased slightly due to the normal depreciation on capital infrastructure. This depreciation expense exceeded the addition of capital assets. Consequently, liabilities decreased because the special events center construction was complete and those accounts payable items were paid.

Current assets increased in the business-type activities from 2011 to 2012 because National Beef made a settlement of cash in lieu of water rights for an agreement signed in 2003. Capital assets increased because of the construction in progress for the Water Reclamation facility north of Dodge City. Liabilities also increased because of the Water Loan from KDHE to fund the construction of the Water Reclamation facility.

THE CITY AS A WHOLE (CONTINUED)

Government-Wide Statements – Overview (continued)

	Governmental activities		Business-type activities		Total primary government	
	2011	2010	2011	2010	2011	2010
Revenue:						
Program revenue:						
Charges for services	\$ 4,018,920	\$ 2,785,021	\$ 10,583,508	\$ 9,655,491	\$ 14,602,428	\$ 12,440,512
Operating grants	2,405,287	1,782,813	827,650	835,343	3,232,937	2,618,156
Capital grants	3,284,543	2,386,268	4,124,760	471,145	7,409,303	2,857,413
General revenue:						
Property taxes, levied for general purposes	5,691,144	5,279,479	-	-	5,691,144	5,279,479
Property taxes and special assessments levied for debt service	2,817,237	2,516,927	-	-	2,817,237	2,516,927
Sales taxes	9,850,819	9,081,330	-	-	9,850,819	9,081,330
Franchise taxes	1,728,289	1,739,248	-	-	1,728,289	1,739,248
Expanded lottery tax	637,097	596,669	-	-	637,097	596,669
Grants and contributions	175,691	302,827	-	-	175,691	302,827
Gain on assets	-	-	(3,525)	(29,109)	(3,525)	(29,109)
Investment earnings	37,970	59,832	93,330	98,378	131,300	158,210
Transfers	123,573	132,033	(1,241,525)	(1,233,690)	(1,117,952)	(1,101,657)
Miscellaneous	577,907	415,325	-	1,105	577,907	416,430
Total revenue	<u>31,348,477</u>	<u>27,077,772</u>	<u>14,384,198</u>	<u>9,798,663</u>	<u>45,732,675</u>	<u>36,876,435</u>
Program expenses:						
General government	2,826,623	2,295,744	-	-	2,826,623	2,295,744
Public safety	8,408,399	8,000,440	-	-	8,408,399	8,000,440
Public works	2,450,634	2,400,526	-	-	2,450,634	2,400,526
Culture and recreation	10,311,154	9,092,194	-	-	10,311,154	9,092,194
Community services	1,091,339	1,036,159	-	-	1,091,339	1,036,159
Capital projects	210,567	-	-	-	210,567	-
Indirect depreciation	7,812,276	9,960,045	-	-	7,812,276	9,960,045
Interest on long-term debt	2,497,681	2,523,448	-	-	2,497,681	2,523,448
Water	-	-	3,428,696	3,345,328	3,428,696	3,345,328
Wastewater	-	-	4,969,105	4,492,300	4,969,105	4,492,300
Solid waste	-	-	1,717,211	1,765,928	1,717,211	1,765,928
Drainage	-	-	289,160	272,306	289,160	272,306
Total expenses	<u>35,608,673</u>	<u>35,308,556</u>	<u>10,404,172</u>	<u>9,875,862</u>	<u>46,012,845</u>	<u>45,184,418</u>
Increase (decrease) in net assets	<u>\$ (4,260,196)</u>	<u>\$ (8,230,784)</u>	<u>\$ 3,980,026</u>	<u>\$ (77,199)</u>	<u>\$ (280,170)</u>	<u>\$ (8,307,983)</u>

The increase in charges for services from 2010 to 2011 was due to the addition of the special events center and operation of that venue. This is program revenue that the City had not received in the past. All use type taxes increased generously. The sales tax increased 8.5%, the expanded lottery tax increased 9% and other tax receipts increased as well. The most notable changes in the program expenses were: the culture and recreation expenses increased because of the addition of the special events center; public safety increases were due to positions at full staff in the police department; general government expenses increased because of the expenditures for capital maintenance items. The indirect depreciation decreased as several large infrastructure items were fully depreciated as of the end of 2010.

Governmental Activities

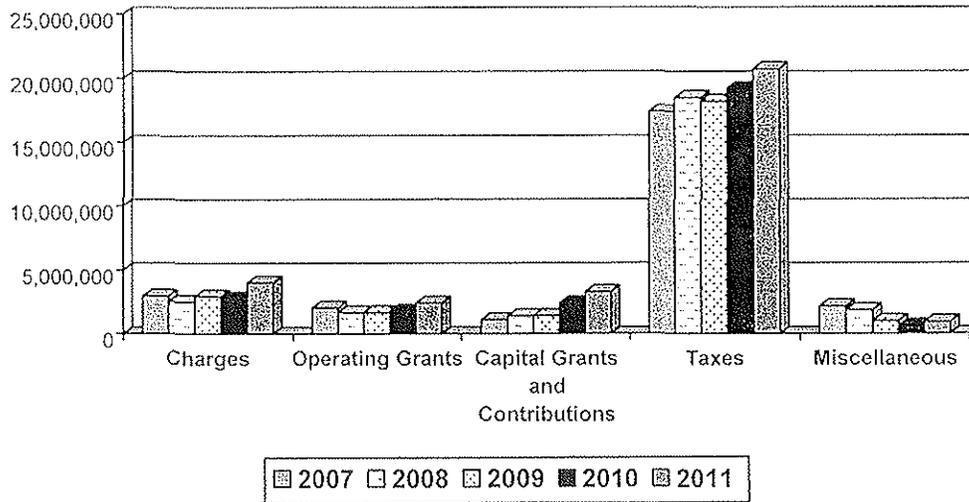
The most significant governmental activities are general government, public safety, public works, culture and recreation and community services. The main sources of revenue are property taxes, sales tax, franchise fees, charges for services, other governmental revenue and taxes, and operating grants and contributions. Total governmental revenues for the year were \$31,384,477, and total expenses were \$35,608,673. The percentage increase in revenue was 15.77%, while the total increase in expense was .85%.

The following charts reflect a comparison among all the governmental sources of revenue and expense categories for the years ended December 31, 2011, 2010, 2009, 2008 and 2007 based on the information included in the government-wide financial statements.

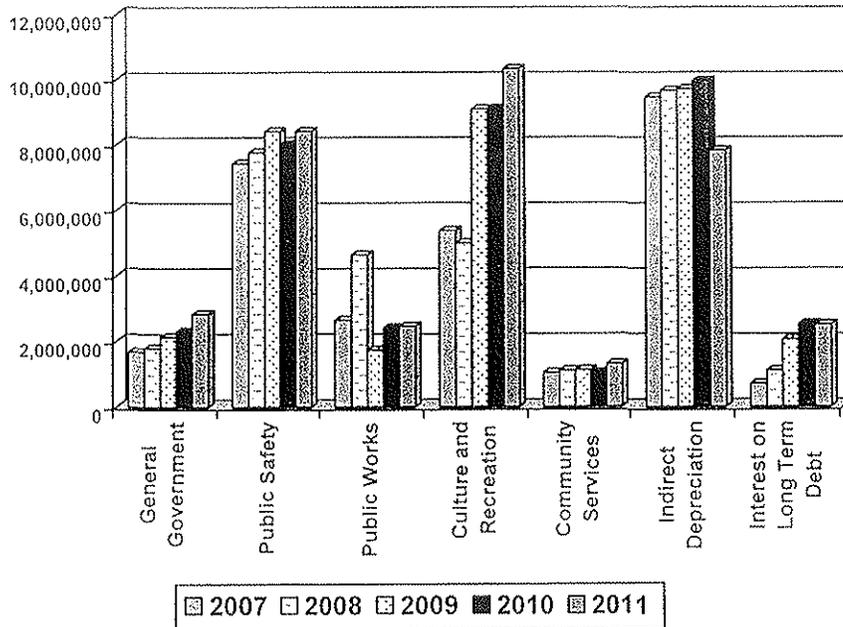
THE CITY AS A WHOLE (CONTINUED)

Governmental Activities (continued)

Governmental Activities - Revenues



Governmental Activities - Expenses



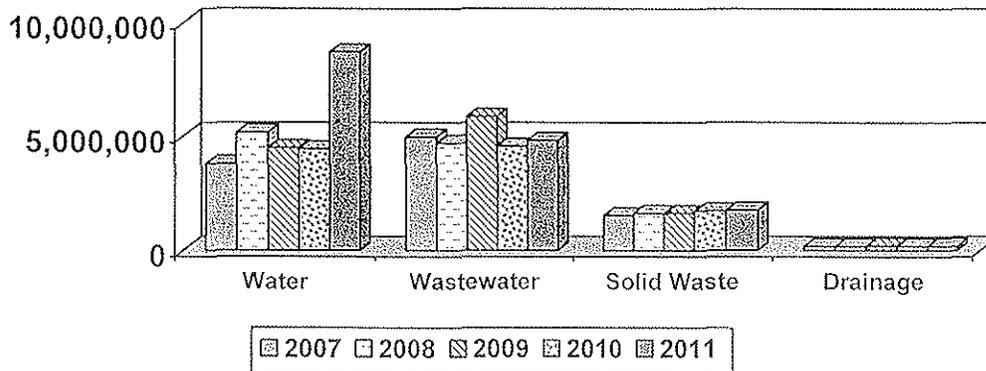
THE CITY AS A WHOLE (CONTINUED)

Business-Type Activities

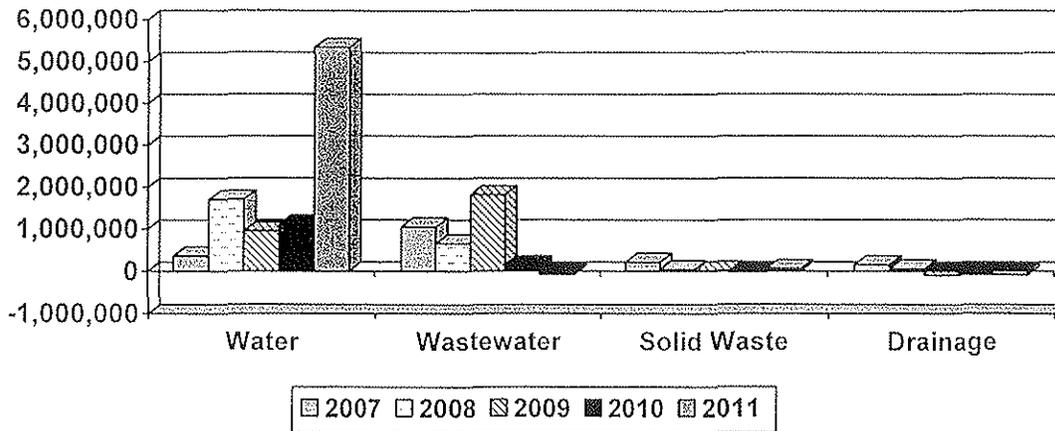
The business-type activities of the City are the water, wastewater, solid waste, and drainage utilities. These activities derive most of their revenue from charges for services. Total business-type program revenues are \$15,535,918 and operating expenses are \$10,404,172.

The charts below compare program revenues and changes in net assets for the years ended December 31, 2011, 2010, 2009, 2008 and 2007 based on the information included in the government-wide financial statements.

Business-Type Activities - Program Revenues



**Business Type Activities -
Change in Net Assets before Transfers**



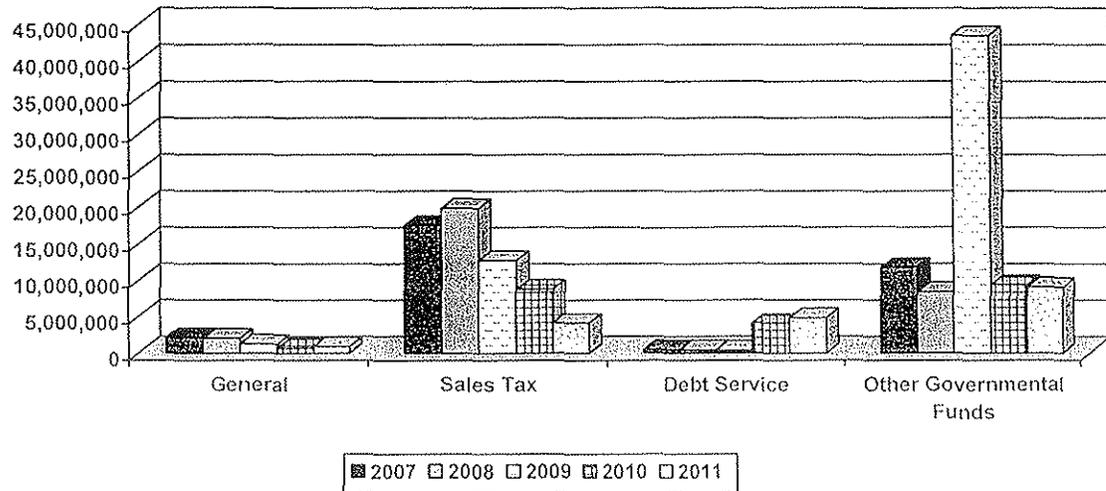
THE CITY'S FUND BALANCES

Governmental Activities

As the City completed the year, the governmental funds reported a combined fund balance of \$18,947,222, as reflected in the Balance Sheet - Governmental Funds. This balance represents a decrease of \$4,046,112 (18%) from last year's ending balance. This decrease in fund balance is primarily in the Special Events Center Project Fund and Sales Tax Fund due to construction expenditures. Cash balances in other governmental funds remained steady.

A comparison of fund balances based on information included in the fund financial statements is presented below:

Governmental Fund Balances



Following is an analysis of General Fund and Sales Tax Fund revenue and expenditures compared to the previous year:

The percentage of revenue that funded the General Fund in 2011 is sales tax at 34.22%, property tax at 30.07%, franchise fees at 13.52%, licenses, charges and rentals at 9.73%, fines at 8.97% with other revenues representing the remainder of the funding. General Fund revenue increased from 2010 by 7.92%. This increase was from taxes and fines.

Property tax collections remain very stable. The chart below lists the percentage of property tax collected compared to the amount that was levied.

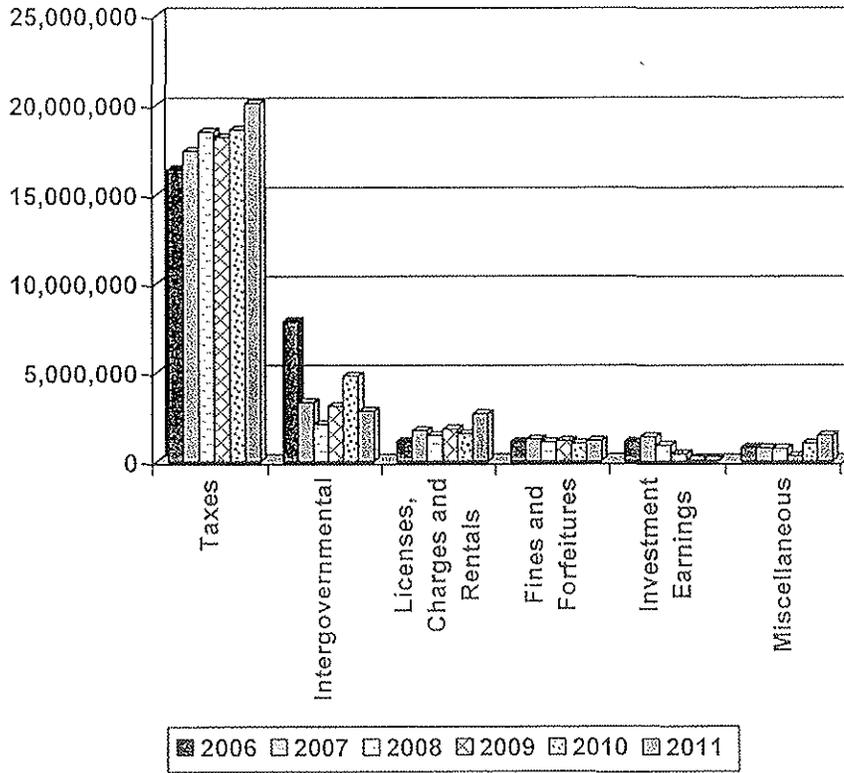
Year	% of Property Tax Collected compared to the amount Levied	% of Property Tax Collected plus Delinquent amount compared to the amount Levied
2006	97.41%	99.63%
2007	96.41%	97.92%
2008	96.73%	99.49%
2009	100.18%	102.14%
2010	96.27%	98.5%
2011	101.71%	104.46%

THE CITY'S FUND BALANCES (CONTINUED)

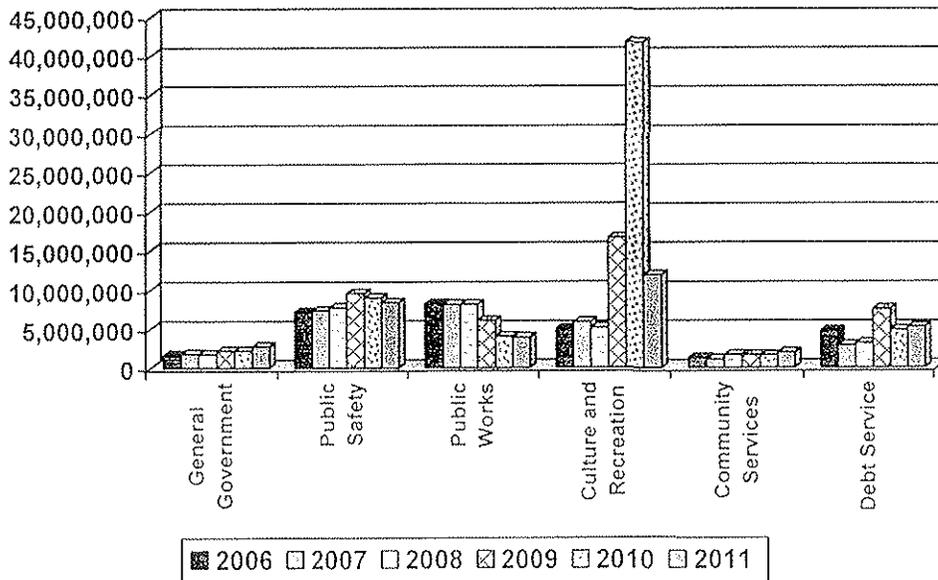
Governmental Activities (continued)

The Sales Tax Fund is funded primarily by sales tax and partially by user fees and charges. The overall revenue in the sales tax fund increased from 2010 by 7.57% because of sales tax increase and an increase in charges for services.

Governmental Activities - Revenues



Governmental Activities - Expenditures



BUDGETARY HIGHLIGHTS

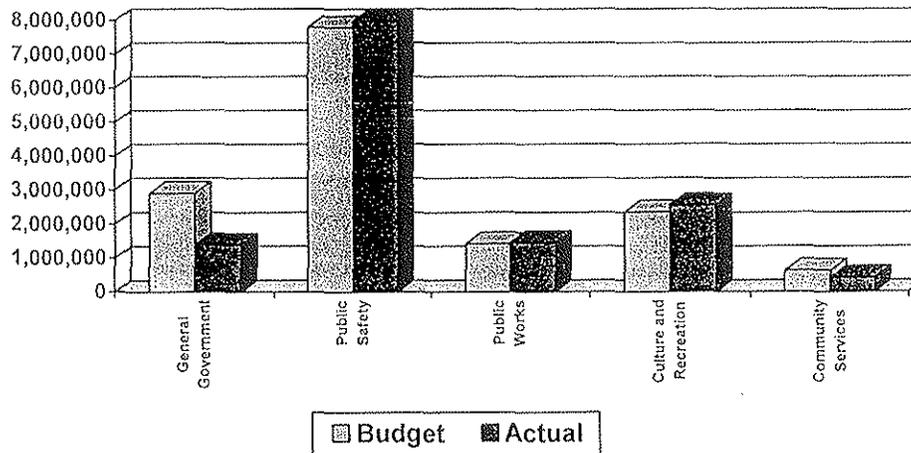
The governmental funds included in the published budget are the General Fund, Special Liability, Library, Library Employee Benefits, Building, Sales Tax, Convention and Visitors, Special Streets and Highways, Special Park and Recreation, Special Alcohol and Drug, Alcohol and Drug Safety Action, All 4 Fun, and GO Bond and Interest Funds. Budgeted business-type funds are as follows: Water, Wastewater, Solid Waste and Drainage Utility Funds. The internal service funds are the Vehicle Maintenance Fund and Medical Insurance Fund.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. Budgets were amended for the following funds:

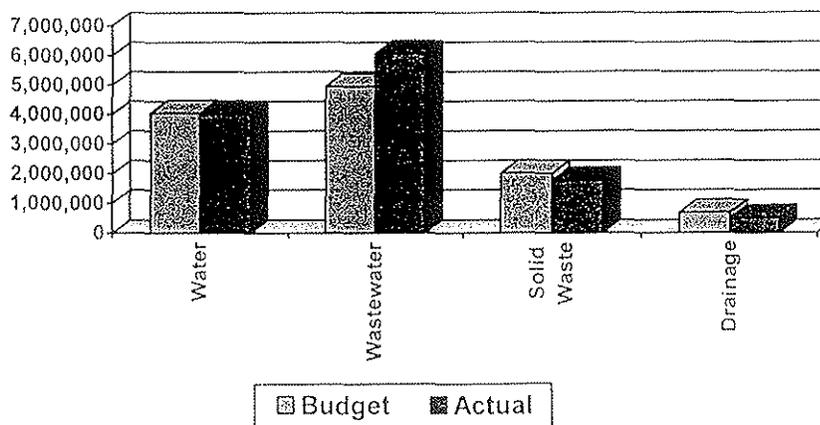
	Original budget	Amended budget
Sales Tax-Special Projects	\$ 4,543,774	\$ 10,611,540
Convention & Visitors	782,394	882,394
Special Alcohol & Drug Fund	80,000	108,000
Drainage Fund	363,524	680,000
Vehicle Maintenance	267,475	312,500
SMPC Trust	66,000	110,000

The following charts show expenditures by category compared with the published budget for the current year.

General Fund Comparison to Budget 2011



Enterprise Funds Comparison to Budget 2011



CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The City has invested \$193.9 million in capital assets (net of depreciation). Approximately 67% of this investment is related to governmental activities and includes infrastructure, buildings, equipment and land. Governmental capital assets changed little, while capital assets held for business-type activities have increased 14% from the previous year. Capital assets held by the City at the end of the current and previous year is summarized as follows:

	Capital Assets (Net of Depreciation, in Thousands)					
	Governmental activities		Business-type activities		Total	
	2011	2010	2011	2010	2011	2010
Land	\$ 5,582	\$ 5,582	\$ 1,527	\$ 1,514	\$ 7,109	\$ 7,096
Buildings and improvements	49,376	18,497	4,824	1,948	54,200	20,445
Machinery and equipment	12,628	2,917	1,611	1,900	14,239	4,817
Infrastructure	57,107	56,048	35,870	36,000	92,977	92,048
Water rights	-	-	3,223	3,284	3,223	3,284
Construction in progress	274	42,781	21,929	15,663	22,203	58,444
Totals	<u>\$ 124,967</u>	<u>\$ 125,825</u>	<u>\$ 68,984</u>	<u>\$ 60,309</u>	<u>\$ 193,951</u>	<u>\$ 186,134</u>

The City of Dodge City has a five-year capital improvement program, which includes the street program, and a five year municipal equipment replacement program. In each program capital improvements are completed annually, equipment is scheduled for replacement, and street improvements are completed annually. The additions to the capital assets in the governmental funds are a result of improvements scheduled during the year. The Special Events Center, parking lot and all equipment in that facility were added as buildings and improvements and machinery and equipment, thus deleted from Construction in Progress. Vehicles were replaced according to the schedule in the Police, Parks and Recreation and Public Works Departments and a new Class A fire truck was purchased for the Fire Public Works Department. Street improvements added include: construction of Corral Way at Avenue A, construction of Brier Street, Avenue H to Avenue K; 14th Avenue to Wright Street; reconstruction of Wyatt Earp, 14th Avenue to Matt Down Road; and reconstruction of Cedar Street, 3rd Avenue to 4th Avenue. The rotary beacon project at the airport was complete. Other capital additions include Mariah Hills Clubhouse basement remodel and the addition of outfield portable fencing at Legends Field. Capital additions for the business-type activities included: the development of 4 water wells; construction of waterlines on Brier Street, Estancia Subdivision and Wagon Wheel Subdivision; the construction of sewer lines in Wagon Wheel Subdivision, Brier Street, Estancia Subdivision and near Comanche School; the replacement of a wet well; and the replacement of the anaerobic covers at the Wastewater Treatment Plant south of town. Construction in progress continues to increase because of the construction of the water reclamation facility north of Dodge City.

Additional information about the City's capital assets is presented in Note F of the financial statements.

Long-Term Liabilities

At the end of the current year, the City had long-term liabilities related to governmental activities of \$63,594,271. This includes \$19,340,000 in general obligation bonds, \$3,430,000 temporary notes, \$307,207 in capital lease obligations, \$337,500 in notes payable, \$815,266 in compensated absences, and \$39,365,000 in revenue bonds.

CAPITAL ASSET AND DEBT ADMINISTRATION (CONTINUED)

Long-Term Liabilities (continued)

The total amount of debt related to business-type activities at the end of the current year was \$43,961,956, which was an increase of \$11,054,837 from the previous year of \$32,907,120. This increase was due to a Kansas Department of Health and Environment water loan to fund the construction of the Water Reclamation Facility.

The debt position of the City is summarized below and is more fully analyzed in Note I of the financial statements.

Long-Term Obligations

	Governmental activities		Business-type activities		Total	
	2011	2010	2011	2010	2011	2010
General obligation bonds	\$ 19,340,000	\$ 21,365,000	\$ -	\$ -	\$ 19,340,000	\$ 21,365,000
Capital lease obligations	307,207	16,325	-	-	307,207	16,325
Notes payable	337,500	367,500	-	-	337,500	367,500
Compensated absences	814,564	817,852	126,191	135,894	940,755	953,746
Revenue bonds	39,365,000	40,015,000	15,110,000	16,080,000	54,475,000	56,095,000
Other obligations	3,430,000	1,750,000	28,725,765	16,691,226	32,155,765	18,441,226
Totals	\$ 63,594,271	\$ 64,331,677	\$ 43,961,956	\$ 32,907,120	\$ 107,556,227	\$ 97,238,797

RELEVANT CURRENT ECONOMIC FACTORS, DECISIONS AND CONDITIONS

Expenses, such as employee costs, utilities, and commodities continue to increase. The use type taxes, including the sales tax, transient guest tax and expanded lottery tax, increased by more than 8%. This is more than average. Other revenue sources have remained stable. The City continues to maintain quality services. The General Fund fund balance increased from 2010.

The City of Dodge City has applied for and received a STAR Bond designation from the State of Kansas. This will assist in attracting retail development to Dodge City. This will entail a retail district on the west part of town as well as the historic downtown district. The City continues to work on the Main Street project which may increase the viability of the downtown district. The City continues to work on several housing projects to improve the number and quality of the housing stock in Dodge City and authorizes incentives when necessary. Because of wind farm development in Ford County and the possibility of oil and gas development, the community continues to see considerable growth. Three new motels are currently either under construction or in the development stages.

The City of Dodge City continues its efforts to be the entertainment capital of Southwest Kansas. Because of the ½% sales tax authorized in 1997, the four projects on the ballot have been completed, are operational and have proved successful. These projects are: a motor sport race track; a softball/baseball complex and other athletic fields in the community; the air conditioning of the Civic Center; and a special events center. The City continues to enhance the original projects and has added onto these facilities with additional sports fields to appeal to all types of sports venues. With the addition of the State of Kansas's first destination casino which has been operational since December of 2009, the area west of Dodge City continues to grow. The Special Events Center is located adjacent to the casino, and a hotel opened in early 2011 at the same location. This whole area will be an entertainment district for Dodge City and Southwest Kansas.

As Dodge City and Ford County continues to grow, the City and its partners are working on the downtown area, the housing and recruitment of retail and industry to expand on what we have and to diversify the tourism and agriculture industry.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide various interested parties with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City Clerk and Finance Officer, 806 Second Avenue, Dodge City, Kansas 67801.

The separately issued financial statements of the component units may be obtained from administrative offices as follows:

Dodge City Public Library
1001 Second Avenue
Dodge City, KS 67801

Dodge City/Ford County Development Corporation
311 W. Spruce
Dodge City, KS 67801

Dodge City Housing Authority
407 E. Bend
Dodge City, KS 67801

BASIC FINANCIAL STATEMENTS

CITY OF DODGE CITY, KANSAS

STATEMENT OF NET ASSETS

December 31, 2011

	Primary government			Component units
	Governmental activities	Business-type activities	Total	
<u>ASSETS</u>				
Cash and cash equivalents	\$ 6,027,158	\$ 6,506,583	\$ 12,533,741	\$ 1,313,039
Investments	-	-	-	567,362
Property taxes receivable	6,613,021	-	6,613,021	-
Receivables, net	1,696,418	703,406	2,399,824	52,280
Due from other governments	82,871	-	82,871	-
Inventories	79,798	430,654	510,452	21,497
Notes receivable	-	-	-	178,470
Prepaid insurance	-	-	-	16,441
Restricted cash and investments	12,962,070	2,295,728	15,257,798	-
Capital assets, net	124,967,055	68,983,865	193,950,920	9,828,493
Other noncurrent assets	1,280,609	332,170	1,612,779	-
Total assets	<u>\$153,709,000</u>	<u>\$ 79,252,406</u>	<u>\$232,961,406</u>	<u>\$ 11,977,582</u>
<u>LIABILITIES</u>				
Accounts payable	\$ 990,800	\$ 859,345	\$ 1,850,145	\$ 95,976
Salaries and benefits payable	152,606	26,115	178,721	-
Accrued interest payable	383,654	324,682	708,336	556,611
Other accrued liabilities	-	31,376	31,376	28,566
Deferred revenue	7,019,324	-	7,019,324	58,236
Temporary note premium	-	3,273	3,273	-
Compensated absences payable	815,266	126,193	941,459	110,780
Noncurrent liabilities:				
Due within one year	6,134,269	7,553,260	13,687,529	-
Due in more than one year	56,763,486	36,282,505	93,045,991	762,000
Total liabilities	<u>72,259,405</u>	<u>45,206,749</u>	<u>117,466,154</u>	<u>1,612,169</u>
<u>NET ASSETS</u>				
Invested in capital assets, net of related debt	63,247,554	25,148,101	88,395,655	9,066,493
Restricted (expendable):				
Debt service	4,848,576	1,486,562	6,335,138	-
Construction	766,524	-	766,524	-
Projects	4,126,766	-	4,126,766	-
Housing Authority	-	-	-	215,453
Prospects and housing	-	-	-	133,623
Unrestricted	8,460,175	7,410,994	15,871,169	949,844
Total net assets	<u>81,449,595</u>	<u>34,045,657</u>	<u>115,495,252</u>	<u>10,365,413</u>
Total liabilities and net assets	<u>\$153,709,000</u>	<u>\$ 79,252,406</u>	<u>\$232,961,406</u>	<u>\$ 11,977,582</u>

The accompanying notes are an integral part of the basic financial statements.

CITY OF DODGE CITY, KANSAS

STATEMENT OF ACTIVITIES

Year ended December 31, 2011

Functions/programs	Expenses	Program revenue		
		Charges for services	Operating grants and contributions	Capital grants and contributions
Primary government:				
Governmental activities:				
General government	\$ 2,826,622	\$ 166,098	\$ 583,149	\$ -
Public safety	8,408,399	1,393,554	24,326	120,093
Public works	2,450,634	202,099	906,830	3,080,299
Culture and recreation	10,311,154	2,172,189	116,903	84,151
Community services	1,091,339	84,980	774,079	-
Capital projects	210,567	-	-	-
Indirect depreciation	7,812,276	-	-	-
Interest on long-term debt	2,497,681	-	-	-
Total governmental activities	35,608,672	4,018,920	2,405,287	3,284,543
Business-type activities:				
Water	3,428,696	4,553,789	248,295	3,933,941
Wastewater	4,969,105	4,074,508	579,355	177,025
Solid waste	1,717,211	1,762,354	-	13,794
Drainage	289,160	192,857	-	-
Total business-type activities	10,404,172	10,583,508	827,650	4,124,760
Total primary government	\$ 46,012,844	\$ 14,602,428	\$ 3,232,937	\$ 7,409,303
Component units	\$ 3,736,084	\$ 898,766	\$ 1,057,424	\$ 584,727

General revenues:

Taxes:

Property taxes, levied for general purposes

Property taxes and special assessments, levied for debt service

Sales taxes

Franchise taxes

Expanded lottery taxes

Grants and contributions not restricted to specific programs

Gain on assets

Investment earnings

Transfers

Miscellaneous

Total general revenues, special items, and transfers

Change in net assets

Net assets - beginning

Prior period adjustments

Net assets - ending

The accompanying notes are an integral part of the basic financial statements.

Changes in net assets			
Primary government			Component units
Governmental activities	Business-type activities	Total	
\$ (2,077,375)	\$ -	\$ (2,077,375)	\$ -
(6,870,426)	-	(6,870,426)	-
1,738,594	-	1,738,594	-
(7,937,911)	-	(7,937,911)	-
(232,280)	-	(232,280)	-
(210,567)	-	(210,567)	-
(7,812,276)	-	(7,812,276)	-
(2,497,681)	-	(2,497,681)	-
<u>(25,899,922)</u>	<u>-</u>	<u>(25,899,922)</u>	<u>-</u>
-	5,307,329	5,307,329	-
-	(138,217)	(138,217)	-
-	58,937	58,937	-
-	(96,303)	(96,303)	-
<u>-</u>	<u>5,131,746</u>	<u>5,131,746</u>	<u>-</u>
(25,899,922)	5,131,746	(20,768,176)	-
-	-	-	(1,195,167)
5,691,144	-	5,691,144	-
2,817,237	-	2,817,237	-
9,850,819	-	9,850,819	-
1,728,289	-	1,728,289	-
637,097	-	637,097	-
175,691	-	175,691	-
-	(3,525)	(3,525)	(8,571)
37,970	93,330	131,300	14,458
123,573	(1,241,525)	(1,117,952)	1,117,952
577,907	-	577,907	23,379
<u>21,639,727</u>	<u>(1,151,720)</u>	<u>20,488,007</u>	<u>1,147,218</u>
(4,260,195)	3,980,026	(280,169)	(47,949)
85,709,790	29,735,874	115,445,664	10,413,362
-	329,757	329,757	-
<u>\$ 81,449,595</u>	<u>\$ 34,045,657</u>	<u>\$ 115,495,252</u>	<u>\$ 10,365,413</u>

CITY OF DODGE CITY, KANSAS

BALANCE SHEET - GOVERNMENTAL FUNDS

December 31, 2011

	<u>General</u>	<u>Sales tax</u>
<u>ASSETS</u>		
Cash and investments	\$ 600,086	\$ -
Property taxes receivable	3,047,982	-
Sales taxes receivable	386,989	386,989
Due from other governments	-	-
Other receivables	454,687	765
Due from other funds	85,350	-
Inventories	33,734	-
Restricted cash and investments	-	3,761,009
	<hr/>	<hr/>
Total assets	<u>\$ 4,608,828</u>	<u>\$ 4,148,763</u>
<u>LIABILITIES AND FUND BALANCES</u>		
Liabilities:		
Accounts payable	\$ 516,712	\$ 11,314
Payroll liabilities	137,718	1,937
Due to other funds	-	-
Deferred revenue	3,047,982	-
	<hr/>	<hr/>
Total liabilities	<u>3,702,412</u>	<u>13,251</u>
Fund balances:		
Nonspendable:		
Endowment	-	-
Inventory	33,734	-
Long-term receivables	-	-
Restricted:		
Debt service	-	-
Capital projects	-	-
Grants	-	-
Committed:		
Projects	-	4,135,512
Assigned:		
Encumbrances	12,219	-
Other capital expenditures	-	-
Community service and promotion	-	-
Other purposes	-	-
Designated for subsequent year's expenditures	704,975	-
Unassigned	155,488	-
	<hr/>	<hr/>
Total fund balances	<u>906,416</u>	<u>4,135,512</u>
	<hr/>	<hr/>
Total liabilities and fund balances	<u>\$ 4,608,828</u>	<u>\$ 4,148,763</u>

The accompanying notes are an integral part of the basic financial statements.

<u>GO bond and interest</u>	<u>Special events center revenue bonds</u>	<u>Special events center project fund</u>	<u>Other governmental funds</u>	<u>Total governmental funds</u>
\$ -	\$ -	\$ -	\$ 8,664,589	\$ 9,264,675
1,679,096	-	-	1,885,943	6,613,021
-	-	-	-	773,978
-	-	-	135,411	135,411
-	-	-	414,448	869,900
-	-	-	29,292	114,642
-	-	-	33,539	67,273
672,689	4,175,887	325,017	777,468	9,712,070
<u>\$ 2,351,785</u>	<u>\$ 4,175,887</u>	<u>\$ 325,017</u>	<u>\$ 11,940,690</u>	<u>\$ 27,550,970</u>
\$ -	\$ -	\$ -	\$ 452,950	\$ 980,976
-	-	-	11,618	151,273
-	-	29,292	85,350	114,642
1,679,096	-	-	2,629,779	7,356,857
<u>1,679,096</u>	<u>-</u>	<u>29,292</u>	<u>3,179,697</u>	<u>8,603,748</u>
-	-	-	100,000	100,000
-	-	-	-	33,734
-	-	-	155,946	155,946
672,689	4,175,887	-	-	4,848,576
-	-	295,725	735,188	1,030,913
-	-	-	31,675	31,675
-	-	-	-	4,135,512
-	-	-	331,029	343,248
-	-	-	4,695,076	4,695,076
-	-	-	20,429	20,429
-	-	-	245,793	245,793
-	-	-	2,555,608	3,260,583
-	-	-	(109,751)	45,737
<u>672,689</u>	<u>4,175,887</u>	<u>295,725</u>	<u>8,760,993</u>	<u>18,947,222</u>
<u>\$ 2,351,785</u>	<u>\$ 4,175,887</u>	<u>\$ 325,017</u>	<u>\$ 11,940,690</u>	<u>\$ 27,550,970</u>

CITY OF DODGE CITY, KANSAS

RECONCILIATION OF THE BALANCE SHEET OF THE GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS

December 31, 2011

Total fund balances on the balance sheet	\$ 18,947,222
Amounts reported for governmental activities in the statement of net assets are different because of the following:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund financial statements.	124,967,055
Other long-term assets are not available to pay for current-period expenditures and therefore are not reported in the fund financial statements or they are reported as deferred.	1,280,609
Certain liabilities are not required to be accrued in the fund financial statements.	(383,654)
Only the current portion of compensated absences is shown as an expenditure in the fund financial statements.	(815,266)
Economic development revolving loans are considered deferred revenue in the fund financial statements.	337,533
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the fund financial statements.	(62,897,755)
Internal service funds are used by management to charge the costs of certain activities, such as vehicle maintenance, to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets.	13,849
Rounding.	<u>2</u>
Net assets of governmental activities	<u>\$ 81,449,595</u>

CITY OF DODGE CITY, KANSAS

STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

Year ended December 31, 2011

	<u>General</u>	<u>Sales tax</u>
Revenue:		
Taxes	\$ 9,945,293	\$ 5,477,453
Intergovernmental	181,150	-
Licenses, fees and permits	209,540	-
Charges for services	1,031,096	73,358
Insurance recovery	-	-
Rentals	212,493	6,990
Fines and forfeitures	1,146,098	-
Investment earnings	6,407	7,304
Contribution from property owners	-	-
Miscellaneous	51,339	8,700
Total revenue	<u>12,783,416</u>	<u>5,573,805</u>
Expenditures:		
Current:		
General government	1,391,612	-
Public safety	7,987,210	-
Public works	1,438,046	-
Culture and recreation	2,470,725	3,030,728
Community services	405,179	-
Capital projects	-	-
Debt service:		
Principal	-	-
Interest and commissions	-	-
Total expenditures	<u>13,692,772</u>	<u>3,030,728</u>
Excess (deficiency) of revenue over expenditures	<u>(909,356)</u>	<u>2,543,077</u>
Other financing sources (uses):		
Bond issue proceeds	-	-
Transfers in	1,331,525	50,000
Transfers out	(163,500)	(7,285,601)
Transfers to component units	-	-
Total other financing sources and uses	<u>1,168,025</u>	<u>(7,235,601)</u>
Net change in fund balances	258,669	(4,692,524)
Fund balances, beginning of year	<u>647,747</u>	<u>8,828,036</u>
Fund balances, end of year	<u>\$ 906,416</u>	<u>\$ 4,135,512</u>

The accompanying notes are an integral part of the basic financial statements.

<u>GO bond and interest</u>	<u>Special events center revenue bonds</u>	<u>Special events center project fund</u>	<u>Other governmental funds</u>	<u>Total governmental funds</u>
\$ 2,817,237	\$ -	\$ -	\$ 1,847,506	\$ 20,087,489
-	-	-	2,635,072	2,816,222
-	-	-	-	209,540
-	-	-	1,339,345	2,443,799
-	-	-	421,537	421,537
-	-	-	-	219,483
-	-	-	-	1,146,098
-	-	41	24,218	37,970
-	-	-	520,000	520,000
-	-	-	223,441	283,480
<u>2,817,237</u>	<u>-</u>	<u>41</u>	<u>7,011,119</u>	<u>28,185,618</u>
20,741	-	-	1,351,483	2,763,836
-	-	-	358,562	8,345,772
-	-	-	2,456,964	3,895,010
-	-	3,577,203	2,814,711	11,893,367
-	-	-	1,334,296	1,739,475
-	-	-	210,567	210,567
2,025,000	650,000	-	-	2,675,000
742,312	1,769,964	-	-	2,512,276
<u>2,788,053</u>	<u>2,419,964</u>	<u>3,577,203</u>	<u>8,526,583</u>	<u>34,035,303</u>
<u>29,184</u>	<u>(2,419,964)</u>	<u>(3,577,162)</u>	<u>(1,515,464)</u>	<u>(5,849,685)</u>
1,680,000	-	-	-	1,680,000
450,000	2,636,702	-	6,421,658	10,889,885
(1,659,259)	-	-	(540,000)	(9,648,360)
-	-	-	(1,117,952)	(1,117,952)
<u>470,741</u>	<u>2,636,702</u>	<u>-</u>	<u>4,763,706</u>	<u>1,803,573</u>
499,925	216,738	(3,577,162)	3,248,242	(4,046,112)
172,764	3,959,149	3,872,887	5,512,751	22,993,334
<u>\$ 672,689</u>	<u>\$ 4,175,887</u>	<u>\$ 295,725</u>	<u>\$ 8,760,993</u>	<u>\$ 18,947,222</u>

CITY OF DODGE CITY, KANSAS

RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES

Year ended December 31, 2011

Net change in fund balances, total governmental funds \$ (4,046,112)

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

Capital assets:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeded capital outlays in the current period. (1,161,047)

Long-term liabilities:

Long-term liabilities are reported in the statement of net assets. This is the amount by which repayments exceeded proceeds. 1,025,000
Bond issue costs are included in expenditures in the fund financial statements. 20,741
Amortization of deferred bond issue costs is an expense in the statement of activities. (87,210)
Accrued interest is an expense in the statement of activities. 14,595
Capital lease payments are recorded as expenditures in the fund financial statements. 16,324

Other:

Principal received on economic development revolving loans provides current financial resources to governmental funds, and loans made are included in expenditures. This is the amount by which principal repayments exceeded loans made. (35,875)
Only the current portion of compensated absences is shown as an expenditure in the fund financial statements. 3,827
Internal service funds are used by management to charge the cost of certain activities, such vehicle maintenance, to individual funds. The net revenue (expense) of the internal service fund is reported with governmental activities. (10,440)
Rounding. 2

Change in net assets of governmental activities \$ (4,260,195)

CITY OF DODGE CITY, KANSAS

BALANCE SHEET
 PROPRIETARY FUNDS

December 31, 2011

	Business-type activities Enterprise funds	
	Water	Wastewater
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 5,423,979	\$ -
Receivables, net	219,281	376,235
Inventories	430,654	-
Total current assets	<u>6,073,914</u>	<u>376,235</u>
Noncurrent assets:		
Restricted cash and cash equivalents	1,199,536	1,096,192
Capital assets:		
Land	351,435	1,157,257
Buildings and improvements	5,017,848	11,079,357
Furniture and equipment	2,007,107	1,940,019
Utility systems	23,701,516	22,353,447
Water rights	3,542,614	-
Construction in progress	-	21,929,357
Less accumulated depreciation and amortization	(10,174,470)	(15,116,424)
Deferred bond issue costs	113,148	219,022
Total noncurrent assets	<u>25,758,734</u>	<u>44,658,227</u>
Total assets	<u>\$ 31,832,648</u>	<u>\$ 45,034,462</u>
<u>LIABILITIES</u>		
Current liabilities:		
Accounts payable	\$ 149,830	\$ 632,815
Payroll liabilities	11,825	3,586
Accrued interest payable	98,874	225,808
Revenue bonds payable	300,000	700,000
Loan payable	178,018	1,360,242
Notes payable	5,015,000	-
Total current liabilities	<u>5,753,547</u>	<u>2,922,451</u>
Noncurrent liabilities:		
Revenue bonds payable	4,233,000	9,877,000
Loan payable	2,399,729	19,772,776
Bond premium	9,412	21,964
Temporary note premium	3,273	-
Compensated absences payable	26,970	22,659
Total noncurrent liabilities	<u>6,672,384</u>	<u>29,694,399</u>
Total liabilities	<u>12,425,931</u>	<u>32,616,850</u>

	Business-type activities Enterprise funds		Governmental activities internal service fund
	Solid waste	Drainage utility	
\$ 577,145	\$ 505,459	\$ 6,506,583	\$ 12,483
96,564	11,326	703,406	-
-	-	430,654	12,525
<u>673,709</u>	<u>516,785</u>	<u>7,640,643</u>	<u>25,008</u>
-	-	2,295,728	-
18,200	-	1,526,892	-
64,804	-	16,162,009	-
2,511,244	4,865	6,463,235	65,315
-	1,073,277	47,128,240	-
-	-	3,542,614	-
-	-	21,929,357	-
(2,096,751)	(380,837)	(27,768,482)	(55,172)
-	-	332,170	-
<u>497,497</u>	<u>697,305</u>	<u>71,611,763</u>	<u>10,143</u>
<u>\$ 1,171,206</u>	<u>\$ 1,214,090</u>	<u>\$ 79,252,406</u>	<u>\$ 35,151</u>
\$ 31,621	\$ 45,079	\$ 859,345	\$ 9,826
10,078	626	26,115	1,333
-	-	324,682	-
-	-	1,000,000	-
-	-	1,538,260	-
-	-	5,015,000	-
<u>41,699</u>	<u>45,705</u>	<u>8,763,402</u>	<u>11,159</u>
-	-	14,110,000	-
-	-	22,172,505	-
-	-	31,376	-
-	-	3,273	-
75,567	997	126,193	8,145
<u>75,567</u>	<u>997</u>	<u>36,443,347</u>	<u>8,145</u>
<u>117,266</u>	<u>46,702</u>	<u>45,206,749</u>	<u>19,304</u>

CITY OF DODGE CITY, KANSAS

BALANCE SHEET
 PROPRIETARY FUNDS (CONTINUED)

December 31, 2011

	Business-type activities Enterprise funds	
	<u>Water</u>	<u>Wastewater</u>
<u>NET ASSETS</u>		
Invested in capital assets, net of related debt	\$ 12,320,304	\$ 11,632,995
Restricted (expendable):		
Debt service	444,505	1,042,057
Unrestricted	<u>6,641,908</u>	<u>(257,440)</u>
Total net assets	<u>19,406,717</u>	<u>12,417,612</u>
Total liabilities and net assets	<u>\$ 31,832,648</u>	<u>\$ 45,034,462</u>

The accompanying notes are an integral part of the basic financial statements.

Solid waste	Business-type activities Enterprise funds		Governmental activities
	Drainage utility	Total	Internal service fund
\$ 497,497	\$ 697,305	\$ 25,148,101	\$ 10,143
-	-	1,486,562	-
556,443	470,083	7,410,994	5,704
<u>1,053,940</u>	<u>1,167,388</u>	<u>34,045,657</u>	<u>15,847</u>
<u>\$ 1,171,206</u>	<u>\$ 1,214,090</u>	<u>\$ 79,252,406</u>	<u>\$ 35,151</u>

CITY OF DODGE CITY, KANSAS

STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN FUND NET ASSETS
 PROPRIETARY FUNDS

Year ended December 31, 2011

	Business-type activities Enterprise funds	
	Water	Wastewater
Operating revenue:		
Charges for services	<u>\$ 4,553,789</u>	<u>\$ 4,074,508</u>
Operating expenses:		
Personal services	853,785	464,250
Contractual services	822,773	3,032,863
Repairs and maintenance	163,298	73,696
Other supplies and expenses	404,452	45,483
Capital outlay	22,319	63,340
Other expense	49,808	30,043
Depreciation	<u>661,739</u>	<u>578,345</u>
Total operating expense	<u>2,978,174</u>	<u>4,288,020</u>
Operating income (loss)	<u>1,575,615</u>	<u>(213,512)</u>
Nonoperating revenue (expense):		
Operating grants	248,295	579,355
Interest and investment revenue	30,628	61,360
Payment in-lieu of water rights	3,600,000	-
Interest expense	<u>(450,522)</u>	<u>(681,085)</u>
Total nonoperating revenue (expense)	<u>3,428,401</u>	<u>(40,370)</u>
Income (loss) before other revenue, expenses and transfers	5,004,016	(253,882)
Other revenue, expenses and transfers:		
Capital grants and donations	-	-
Contributed capital, net	333,941	177,025
Gain (loss) on disposal of assets	-	-
Transfers out	<u>(650,000)</u>	<u>(388,880)</u>
Change in net assets	4,687,957	(465,737)
Total net assets, beginning of year	14,718,760	12,553,592
Prior period adjustments	<u>-</u>	<u>329,757</u>
Total net assets, end of year	<u>\$ 19,406,717</u>	<u>\$ 12,417,612</u>

The accompanying notes are an integral part of the basic financial statements.

CITY OF DODGE CITY, KANSAS

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS

Year ended December 31, 2011

	Business-type activities Enterprise funds	
	Water	Wastewater
Cash flows from operating activities:		
Receipts from customers	\$ 4,365,459	\$ 3,930,210
Payments for goods and services	(1,510,515)	(5,866,430)
Payments to employees	(871,445)	(463,889)
Net cash provided (used) by operating activities	<u>1,983,499</u>	<u>(2,400,109)</u>
Cash flows from noncapital financing activities:		
Operating grants	248,295	579,355
Payment in-lieu of water rights	3,600,000	-
Operating subsidies to other funds	(650,000)	(388,880)
Net cash provided (used) by noncapital financing activities	<u>3,198,295</u>	<u>190,475</u>
Cash flows from capital and related financing activities:		
Capital grants and contributions	-	-
Proceeds of capital debt	-	12,205,225
Purchases of capital assets	(149,713)	(8,727,860)
Principal paid on capital debt	(461,686)	(679,000)
Interest paid on capital debt	(454,084)	(546,013)
Net cash provided (used) by capital and related financing activities	<u>(1,065,483)</u>	<u>2,252,352</u>
Cash flows from investing activities:		
Interest and dividends	<u>26,565</u>	<u>59,517</u>
Net increase (decrease) in cash and cash equivalents	4,142,876	102,235
Balances, beginning of year	<u>2,480,639</u>	<u>993,957</u>
Balances, end of year	<u>\$ 6,623,515</u>	<u>\$ 1,096,192</u>
Cash and cash equivalents	\$ 5,423,979	\$ -
Restricted cash and cash equivalents	<u>1,199,536</u>	<u>1,096,192</u>
Total balance, end of year	<u>\$ 6,623,515</u>	<u>\$ 1,096,192</u>

Business-type activities Enterprise funds			Governmental activities
Solid waste	Drainage utility	Total	Internal service fund
\$ 1,759,495	\$ 192,661	\$ 10,247,825	\$ 321,926
(720,384)	(168,321)	(8,265,650)	(209,544)
<u>(831,319)</u>	<u>(53,000)</u>	<u>(2,219,653)</u>	<u>(112,779)</u>
207,792	(28,660)	(237,478)	(397)
178,815	-	1,006,465	-
-	-	3,600,000	-
<u>(167,645)</u>	<u>(35,000)</u>	<u>(1,241,525)</u>	<u>-</u>
11,170	(35,000)	3,364,940	-
13,794	-	13,794	-
-	-	12,205,225	-
-	-	(8,877,573)	-
-	-	(1,140,686)	-
<u>-</u>	<u>-</u>	<u>(1,000,097)</u>	<u>-</u>
13,794	-	1,200,663	-
661	681	87,424	-
233,417	(62,979)	4,415,549	(397)
<u>343,728</u>	<u>568,438</u>	<u>4,386,762</u>	<u>12,880</u>
<u>\$ 577,145</u>	<u>\$ 505,459</u>	<u>\$ 8,802,311</u>	<u>\$ 12,483</u>
\$ 577,145	\$ 505,459	\$ 6,506,583	\$ 12,483
-	-	2,295,728	-
<u>\$ 577,145</u>	<u>\$ 505,459</u>	<u>\$ 8,802,311</u>	<u>\$ 12,483</u>

CITY OF DODGE CITY, KANSAS

STATEMENT OF CASH FLOWS (CONTINUED)
 PROPRIETARY FUNDS

Year ended December 31, 2011

	Business-type activities Enterprise funds	
	<u>Water</u>	<u>Wastewater</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 1,575,615	\$ (213,512)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	661,739	578,345
Amortization expense	-	18,414
Change in assets and liabilities:		
Receivables, net	(32,558)	(144,298)
Inventories	(72,244)	-
Accounts and other payables	<u>(149,053)</u>	<u>(2,639,058)</u>
Net cash provided (used) by operating activities	<u>\$ 1,983,499</u>	<u>\$ (2,400,109)</u>

The accompanying notes are an integral part of the financial statements.

Business-type activities Enterprise funds			Governmental activities
<u>Solid waste</u>	<u>Drainage utility</u>	<u>Total</u>	<u>Internal service fund</u>
\$ 45,143	\$ (96,303)	\$ 1,310,943	\$ (10,440)
180,967	37,413	1,458,464	4,570
-	-	18,414	-
(2,859)	(196)	(179,911)	-
-	-	(72,244)	4,125
<u>(15,459)</u>	<u>30,426</u>	<u>(2,773,144)</u>	<u>1,347</u>
<u>\$ 207,792</u>	<u>\$ (28,660)</u>	<u>\$ (237,478)</u>	<u>\$ (398)</u>

CITY OF DODGE CITY, KANSAS

STATEMENT OF NET ASSETS
MAJOR COMPONENT UNITS

December 31, 2011

	<u>Dodge City Public Library</u>	<u>Dodge City- Ford County Development Corporation</u>	<u>Dodge City Housing Authority</u>	<u>Total</u>
<u>ASSETS</u>				
Cash and cash equivalents	\$ 334,018	\$ 305,132	\$ 673,889	\$ 1,313,039
Investments	-	-	567,362	567,362
Accounts receivable, net	-	-	52,280	52,280
Inventory	-	-	21,497	21,497
Notes receivable	-	119,268	59,202	178,470
Prepaid expense	-	-	16,441	16,441
Capital assets, net	1,047,583	1,060,264	7,720,646	9,828,493
Total assets	<u>\$ 1,381,601</u>	<u>\$ 1,484,664</u>	<u>\$ 9,111,317</u>	<u>\$11,977,582</u>
<u>LIABILITIES</u>				
Accounts payable	\$ 23,592	\$ -	\$ 72,384	\$ 95,976
Accrued interest payable	-	556,611	-	556,611
Compensated absences payable	66,124	21,652	23,004	110,780
Deposits and deferred revenue	-	-	58,236	58,236
Other accrued liabilities	-	22,365	6,201	28,566
Long-term liabilities:				
Due in more than one year	-	762,000	-	762,000
Total liabilities	<u>89,716</u>	<u>1,362,628</u>	<u>159,825</u>	<u>1,612,169</u>
<u>NET ASSETS</u>				
Invested in capital assets, net of related debt	1,047,583	298,264	7,720,646	9,066,493
Restricted:				
Housing Authority	-	-	215,453	215,453
Temporarily restricted	-	133,623	-	133,623
Unrestricted	244,302	(309,851)	1,015,393	949,844
Total net assets	<u>1,291,885</u>	<u>122,036</u>	<u>8,951,492</u>	<u>10,365,413</u>
Total liabilities and net assets	<u>\$ 1,381,601</u>	<u>\$ 1,484,664</u>	<u>\$ 9,111,317</u>	<u>\$11,977,582</u>

The accompanying notes are an integral part of the basic financial statements.

CITY OF DODGE CITY, KANSAS

STATEMENT OF ACTIVITIES
MAJOR COMPONENT UNITS

Year ended December 31, 2011

	Expenses	Program revenues		
		Charges for services	Operating grants and contributions	Capital grants and contributions
Dodge City Public Library				
Culture and recreation	\$ 1,182,973	\$ 26,119	\$ 51,150	\$ 3,165
Depreciation	83,503	-	-	-
Total Dodge City Public Library	<u>1,266,476</u>	<u>26,119</u>	<u>51,150</u>	<u>3,165</u>
Dodge City-Ford County Development Corporation				
Community services	412,845	75,408	283,089	8,012
Depreciation	3,088	-	-	-
Total Dodge City-Ford County Development Corporation	<u>415,933</u>	<u>75,408</u>	<u>283,089</u>	<u>8,012</u>
Dodge City Housing Authority				
Operating expenses	1,634,542	797,239	723,185	573,550
Depreciation	419,133	-	-	-
Total Dodge City Housing Authority	<u>2,053,675</u>	<u>797,239</u>	<u>723,185</u>	<u>573,550</u>
Total component units	<u>\$ 3,736,084</u>	<u>\$ 898,766</u>	<u>\$ 1,057,424</u>	<u>\$ 584,727</u>

General revenues:
Gain on assets
Investment earnings
Transfer from primary government
Miscellaneous

Total general revenues

Change in net assets
Net assets - beginning

Net assets - ending

The accompanying notes are an integral part of the basic financial statements.

Changes in net assets

Dodge City Public Library	Dodge City- Ford County Development Corporation	Dodge City Housing Authority	Totals
\$ (1,102,539)	\$ -	\$ -	\$ (1,102,539)
(83,503)	-	-	(83,503)
(1,186,042)	-	-	(1,186,042)
-	(46,336)	-	(46,336)
-	(3,088)	-	(3,088)
-	(49,424)	-	(49,424)
-	-	459,432	459,432
-	-	(419,133)	(419,133)
-	-	40,299	40,299
(1,186,042)	(49,424)	40,299	(1,195,167)
-	(8,571)	-	(8,571)
1,579	3,546	9,333	14,458
1,117,952	-	-	1,117,952
9,559	-	13,820	23,379
1,129,090	(5,025)	23,153	1,147,218
(56,952)	(54,449)	63,452	(47,949)
1,348,837	176,485	8,888,040	10,413,362
\$ 1,291,885	\$ 122,036	\$ 8,951,492	\$ 10,365,413

CITY OF DODGE CITY, KANSAS

BUDGETARY COMPARISON STATEMENT
GENERAL FUND

Year ended December 31, 2011

	Budgeted amounts		Actual amounts (budgetary basis)	Variance with final budget positive (negative)
	Original	Final		
Budgetary fund balance, beginning of year	\$ 1,500,730	\$ 1,500,730	\$ (93,269)	\$ (1,593,999)
Resources (inflows):				
Taxes	9,320,610	9,320,610	9,863,893	543,283
Intergovernmental	162,800	162,800	181,150	18,350
Licenses, fees and permits	339,700	339,700	209,540	(130,160)
Charges for services	919,500	919,500	1,031,096	111,596
Rentals	73,000	73,000	212,493	139,493
Fines and forfeitures	1,106,500	1,106,500	1,138,373	31,873
Investment earnings	150,000	150,000	6,407	(143,593)
Miscellaneous	11,000	11,000	39,804	28,804
Transfers from other funds	1,651,525	1,651,525	1,331,525	(320,000)
Amounts available for appropriation	<u>15,235,365</u>	<u>15,235,365</u>	<u>13,921,012</u>	<u>(1,314,353)</u>
Charges to appropriations (outflows):				
General government	2,898,761	2,898,761	1,391,612	1,507,149
Public safety	7,793,478	7,793,478	7,987,210	(193,732)
Public works	1,415,193	1,415,193	1,450,265	(35,072)
Culture and recreation	2,340,921	2,340,921	2,549,459	(208,538)
Community services	637,012	637,012	423,679	213,333
Transfers to other funds	150,000	150,000	100,000	50,000
Total charges to appropriations	<u>15,235,365</u>	<u>15,235,365</u>	<u>13,902,225</u>	<u>1,333,140</u>
Budgetary fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,787</u>	<u>\$ 18,787</u>

The accompanying notes are an integral part of the basic financial statements.

CITY OF DODGE CITY, KANSAS

BUDGETARY COMPARISON STATEMENT
SALES TAX FUND

Year ended December 31, 2011

	Budgeted amounts		Actual amounts (budgetary basis)	Variance with final budget positive (negative)
	Original	Final		
Budgetary fund balance, beginning of year	\$ 4,464,740	\$ 8,576,921	\$ 8,088,532	\$ (488,389)
Resources (inflows):				
Taxes	5,000,000	5,000,000	5,426,004	426,004
Charges for services	56,600	56,600	73,358	16,758
Rentals	-	-	6,990	6,990
Investment earnings	100,000	100,000	7,304	(92,696)
Miscellaneous	-	-	8,885	8,885
Transfers from other funds	50,000	50,000	50,000	-
Amounts available for appropriation	<u>9,671,340</u>	<u>13,783,521</u>	<u>13,661,073</u>	<u>(122,448)</u>
Charges to appropriations (outflows):				
Culture and recreation	1,225,104	4,032,940	2,652,476	1,380,464
Transfers to other funds	3,318,670	6,578,600	7,285,601	(707,001)
Total charges to appropriations	<u>4,543,774</u>	<u>10,611,540</u>	<u>9,938,077</u>	<u>673,463</u>
Budgetary fund balance, end of year	<u>\$ 5,127,566</u>	<u>\$ 3,171,981</u>	<u>\$ 3,722,996</u>	<u>\$ 551,015</u>

The accompanying notes are an integral part of the basic financial statements.

CITY OF DODGE CITY, KANSAS

BUDGETARY COMPARISON STATEMENT
BUDGET TO GAAP RECONCILIATION

Year ended December 31, 2011

	<u>General fund</u>	<u>Sales tax fund</u>
Sources/inflows of resources:		
Actual amounts available for appropriation from the budgetary comparison statement	\$ 13,921,012	\$ 13,661,073
Differences, budget to GAAP:		
The fund balance at the beginning of the year is a budgetary resource, but is not a current-year revenue for financial reporting purposes.	93,269	(8,088,532)
Current year sales tax and other receivable amounts are not a budgetary resource, but they are revenues for financial reporting purposes.	841,676	387,754
Prior year sales tax and other receivable amounts are a budgetary resource, but they are not revenues for financial reporting purposes.	(741,016)	(336,490)
Transfers from other funds are inflows of budgetary resources, but are not revenues for financial reporting purposes.	<u>(1,331,525)</u>	<u>(50,000)</u>
Total revenue as reported on the statement of revenue, expenditures, and changes in fund balances, governmental funds	<u>\$ 12,783,416</u>	<u>\$ 5,573,805</u>
Uses/outflows of resources:		
Actual amounts of charges to appropriations from the budgetary comparison statement	\$ 13,902,225	\$ 9,938,077
Differences, budget to GAAP:		
Current year encumbrances are included as a budgetary outflow.	(12,219)	(24,763)
Prior year encumbrances are not included as a budgetary outflow.	-	403,013
Transfers to other funds are outflows of budgetary resources, but are not expenditures for financial reporting purposes.	(100,000)	(7,285,601)
Certain transfers were reclassified to expenditures for budgetary purposes.	(63,500)	-
Inventory purchases are included as a budgetary outflow, but are reported as expense when the inventory is sold for financial reporting purposes.	(33,734)	-
Rounding	<u>-</u>	<u>2</u>
Total expenditures as reported on the statement of revenue, expenditures, and changes in fund balances, governmental funds	<u>\$ 13,692,772</u>	<u>\$ 3,030,728</u>

The accompanying notes are an integral part of the basic financial statements.

NOTES TO FINANCIAL STATEMENTS

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1. Financial reporting entity (continued)

Dodge City Housing Authority: The members of the governing board of the Housing Authority are appointed by the City Commission. Although the City does not have the authority to approve or modify the Housing Authority's operational and capital budgets, and the Housing Authority has the authority to issue bonded debt, the City is fiscally responsible for the Housing Authority since it was created as an agent of the City. The Housing Authority uses the accrual basis of accounting and consists of one enterprise fund. The Housing Authority has a fiscal year ending September 30, and the financial data included in the discrete presentation are as of and for the year ended September 30, 2011.

Complete financial statements of each of the individual major component units can be obtained directly from their administrative offices.

Administrative Offices:

Dodge City Public Library
1001 Second Avenue
Dodge City, Kansas 67801

Dodge City - Ford County Development Corporation
311 W. Spruce
Dodge City, Kansas 67801

Dodge City Housing Authority
407 E. Bend
Dodge City, Kansas 67801

2. Basic financial statements - government-wide statements

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The City's general government, public safety, public works, culture and recreation and community services functions are classified as governmental activities. The water, wastewater, solid waste and drainage utility services are classified as business-type activities.

In the government-wide Statement of Net Assets, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) are reported on a full accrual, economic resource basis which recognizes all long-term assets and receivables as well as long-term debt and obligations. The City's net assets are reported in three parts: invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. Restricted net assets include those restricted for debt service, construction and sales tax projects. The City first utilizes restricted resources to finance qualifying activities.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Basic financial statements - government-wide statements (continued)

The government-wide Statement of Activities reports both the gross and net cost of each of the City's governmental functions and business-type activities. The functions are also supported by general government revenues (property taxes and certain intergovernmental revenues). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the governmental function or business-type activity. Governmental charges for services include licenses, fees and permits, rentals, fines and forfeitures, and charges for recreational activities. Business-type charges (operating revenue) include charges for utility services. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. All internal activity has been eliminated.

The net costs (by governmental function or business-type activity) are normally covered by general government revenues such as property taxes, intergovernmental revenues, and interest income.

The City does not allocate indirect costs. The direct costs of General Fund services provided such as finance, personnel, purchasing, legal, technology management, etc. are included in the governmental functions categories.

This government-wide focus is on the sustainability of the City as an entity and the change in the City's net assets resulting from the current year's activities.

3. Basic financial statements - fund financial statements

The financial transactions of the City are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The following funds are used by the City:

a. Governmental Funds:

The focus of the governmental funds' measurement in the fund statements is upon determination of financial position and changes in financial position (sources, uses, and balances of current financial resources) rather than upon net income. The following is a description of the governmental funds of the City.

General fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Debt service funds are established for the purpose of accumulating resources for the payment of interest and principal on long-term debt other than that payable from enterprise funds.

Capital projects funds are used to account for major capital expenditures not financed by enterprise funds.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. Basic financial statements - fund financial statements (continued)

b. Proprietary Funds:

The focus of proprietary fund measurement is upon determination of operating income, changes in net assets, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the City.

Enterprise funds are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designed to recover similar costs. Operating revenues include charges for services; non-operating revenues include investment income, operating grants and contributions.

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

c. Fiduciary Funds:

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support City programs. The reporting focus is on net assets and changes in net assets.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column. GASB Statement No. 34 sets forth the minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The City may electively add funds as major funds. The nonmajor funds are combined in one column in the fund financial statements. Major governmental funds are the General, Sales Tax, GO Bond and Interest, Special Events Center Revenue Bonds and Special Events Center Project Fund. The major business-type funds are the Water and Wastewater Funds. The City has elected to include the Solid Waste and Drainage Utility Funds as major funds.

The City's internal service fund is presented in the proprietary funds financial statements. Because the principal users of the internal services are the City's governmental activities, the financial information of the internal service fund is consolidated into the governmental column when presented in the government-wide financial statements. The administrative overhead component of these programs is not eliminated, but is included in direct expenses. To the extent possible, the cost of these services is reported in the appropriate governmental functional activity (general government, public safety, public works, etc.). Internal services are provided through the Vehicle Maintenance Fund.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Measurement focus and basis of accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Assets and the Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined in item b. below.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

- a. All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary funds utilize an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net assets.

Basis of Accounting

In the government-wide Statement of Net Assets and Statement of Activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The City considers revenues to be available if they are expected to be collected within 60 days of the end of the year.

Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due.

All proprietary funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5. Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is used in the governmental funds. For budgetary purposes, appropriations lapse at fiscal year-end, except for the portion related to encumbered amounts. Encumbrances outstanding at year-end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitment will be honored during the subsequent year.

6. Budgetary control

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

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

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

<u>Fund</u>	<u>Original budget</u>	<u>Amended budget</u>
Sales Tax – Special Projects	\$ 4,543,774	\$ 10,611,540
Convention & Visitors	782,394	882,394
Special Alcohol & Drug	80,000	108,000
Drainage Utility	363,524	680,000
Vehicle Maintenance	267,475	312,500

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented for the General Fund and major special revenue funds showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6. Budgetary control (continued)

All legal annual operating budgets are prepared using the statutory basis of accounting, in which revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for state and federal grant funds, donation funds, reserve funds, capital projects funds, agency funds and the following special revenue funds:

Special Revenue:

- Building
- Sales Tax Organizations
- Special Law Enforcement Trust
- Economic Development Revolving
- Hoover Trust
- Roof Insurance Repairs
- Medical Insurance Reserve
- Capital Equipment Reserve
- Underage Alcohol Abuse
- DARE
- Special Events Center
- SMPC Trust
- Municipal Band

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

7. Pension plan

Substantially all full-time employees are members of the State of Kansas Public Employees' Retirement System (KPERS) or the Kansas Police and Firemen's Retirement System (KP&F), both of which are cost-sharing multiple-employer state-wide pension plans. The City's policy is to fund all pension costs accrued; such costs to be funded are determined annually by the system's actuary.

8. Section 125 plan

The City offers a section 125 flexible benefit plan to employees electing to participate. It is used for health insurance premiums, other medical costs and child care costs. The plan is administered by the health insurance provider.

9. Health savings account

The City offers eligible employees a health savings account administered by Fidelity State Bank. It is optional for employees to participate in the City's high deductible health plan. The City's match for the HSA is \$500 for family and \$250 for single.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

10. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

11. Financial statement amounts

a. Pooled cash

To facilitate better management of the City's cash resources, excess cash is combined in pooled operating accounts. Each fund's portion of total cash is based on its equity in the pooled cash amount. Cash in excess of current operating needs is invested on a pooled investment basis and earnings thereon are distributed to the appropriate funds based on the average monthly balance of cash and temporary investments included in the combined pool of cash and temporary investments.

b. Investments and restricted cash

Investments consist of time deposits, certificates of deposit, the State Municipal Investment Pool and repurchase agreements. The investment pool is administered by a board consisting of the State Treasurer and four additional members appointed by the Governor of the State of Kansas. Investments are reported at fair value (which is the same as cost) in the statement of net assets. Unrealized gains and losses are included in the change in net assets.

Enterprise funds and sales tax revenue bond project funds, based on certain bond covenants, are required to establish and maintain a prescribed amount of resources (consisting of cash and temporary investments) that can be used only to service outstanding debt. These amounts are restricted cash. Cash in capital projects funds and the Sales Tax Fund is restricted for the corresponding project.

c. Cash and cash equivalents

The City has defined cash and cash equivalents to include cash on hand, demand deposits, and all highly liquid investments, including restricted assets, with a maturity of three months or less when purchased.

d. Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include trade accounts receivable for miscellaneous charges, and receivables from other governments for grant funding. Business-type activities report utility service charges as accounts receivable. An allowance for doubtful receivables is not considered necessary because receivables are written off when they become uncollectible.

10. Financial statement amounts (continued)

d. Receivables (continued)

The determination of assessed valuation and the collections of property taxes for all political subdivisions in the State of Kansas is the responsibility of the various counties. The County Appraiser's Office annually determines assessed valuation and the County Clerk allocates the annual assessment to the taxing units. Taxes are levied by November 1, and a lien for all taxes attaches on that same date until the taxes are paid. One-half of the property taxes is due December 20 and distributed by January 20 and the second half is due May 10 and distributed by June 5. Consequently, current year property taxes receivable are not available as a resource that can be used to finance the current year operations of the City. Accruals of uncollected current year property taxes have been deferred and are not reflected in revenue.

It is not practicable to apportion delinquent taxes held by the County Treasurer at the end of the year and, further, the amounts thereof are not material in relation to the financial statements taken as a whole.

In applying GASB Statement No. 33 to grant revenues, the provider recognizes liabilities and expenses and the recipient recognizes receivables and revenue when the applicable eligibility requirements, including time requirements, are met. Resources transmitted before the eligibility requirements are met are reported as advances by the provider and deferred revenue by the recipient. Subsidies and grants to proprietary funds, which finance either capital or current operations, are reported as nonoperating revenue.

e. Inventories

Inventories in the general fund consist of merchandise held for resale and are carried at the lower of cost (first-in, first-out) or market.

Inventories in the proprietary funds consist of expendable supplies held for the City's use and are carried at the lower of cost (first-in, first-out) or market.

f. Capital assets

Capital assets purchased or acquired with an original cost of \$1,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation/amortization on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings and improvements	10-50 years
Furniture and equipment	5-10 years
Utility systems	25-50 years
General infrastructure	10-50 years
Water rights	50 years

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

11. Deferred bond issue costs

Deferred bond issue costs are being amortized on the straight-line basis over the respective lives of the bonds.

12. Compensated absences

The City's policies regarding vacation permit an employee to accumulate a maximum of 20 days vacation. These amounts are paid to the employee upon retirement or if the employee left on good standing. A maximum accumulation of 120 days of sick leave is allowed. Upon retirement or termination, 25% of the accumulated sick leave is paid to employees in good standing and with twelve continuous months of service. The City has a sick leave bank whereby employees can transfer excess sick leave to a bank to be used by employees who are on extended sick leave and have exhausted their own sick leave accumulation. The sick leave bank is administered by a committee of City employees. All employees are given credit for holidays worked, which is then accumulated for additional time off. This holiday time must be taken within the same year in which earned or the time is lost.

The liabilities for accrued vacation, sick leave and holiday time have been recorded in the respective funds, representing the City's commitment to fund such costs from future operations. The liabilities are based on current salary costs and the vested portion of accumulated benefits.

13. Government-wide and proprietary fund net assets

Government-wide and proprietary fund net assets are divided into three components:

- a. Invested in capital assets, net of related debt – consist of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets.
- b. Restricted net assets – consist of net assets that are restricted by creditors, by state enabling legislation, by grantors, and by other contributors.
- c. Unrestricted net assets – all other net assets are reported under this category.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

14. Governmental fund balances

In the governmental fund financial statements, fund balances are classified as follows:

- a. Nonspendable – Amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.
- b. Restricted – Amounts that can be spent only for specific purposes due to City resolutions, state or federal laws, or externally imposed conditions by grantors and creditors.
- c. Committed – Amounts that can be used only for specific purposes determined by a formal action by City Commissioners resolution.
- d. Assigned – Amounts that are designated by the City Commissioners or management for a particular purpose but are not spendable until there is formal approval.
- e. Unassigned – All amounts not included in other spendable classifications.

15. Special assessments

Projects financed in part by special assessments are financed through issuance of general obligation bonds of the City and are retired from the bond and interest fund. Special assessments paid prior to the issuance of bonds are recorded as revenue in the appropriate project fund. Special assessments received after the issuance of bonds are recorded as revenue in the bond and interest fund or the appropriate capital project fund.

16. Interfund activity

Interfund activity is reported as loans, reimbursements or transfers. Loans are reported as interfund receivables and payables and are subject to elimination upon consolidation. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

17. Other post employment benefits

As provided by K.S.A. 12-5040, the City allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the City is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in these financial statements, because it is not considered material.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the City makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured. There is no cost to the City under this program.

B. COMPLIANCE WITH KANSAS LAW

References made herein to the statutes are not intended as interpretations of law, but are offered for consideration to the Director of Accounts and Reports, Kansas Department of Administration, and interpretation by the legal representatives of the City.

The budget law provided by K.S.A. 79-2935 prohibits the expenditure of funds in excess of that allowed by budget. Budgeted and actual expenditures for the year ended December 31, 2011 are as follows:

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
General	\$ 15,235,365	\$ 13,902,226	\$ 1,333,139
Special Liability	745,835	507,986	237,849
Library	898,506	898,506	-
Library Employee Benefits	219,446	219,446	-
Sales Tax	10,611,540	9,938,077	637,463
Convention and Visitors	882,394	829,661	52,733
Special Streets and Highways	749,792	756,954	7,162
Special Park and Recreation	80,000	170,000	(90,000)
Special Alcohol and Drug	108,000	111,618	(3,618)
Alcohol and Drug Safety Action	78,000	22,149	55,851
All 4 Fun	282,609	45,943	236,666
Development & Growth	950,000	450,000	500,000
GO Bond and Interest	3,048,100	2,768,757	279,343
Water	4,047,444	3,997,333	50,111
Wastewater	4,941,034	5,254,397	(313,363)
Solid Waste	2,008,768	1,767,598	241,170
Drainage Utility	680,000	660,524	19,476
Vehicle Maintenance	312,500	322,429	(9,929)

The cash basis law provided by K.S.A. 10-1113 prohibits the creation of indebtedness in excess of available monies in a fund. Although certain special revenue federal grant funds overspent their cash balances, according to K.S.A. 12-1664, the City is not prohibited from financing the federal share of a local program from current funds if available. Funds in the category are as follows:

FAA Grant Ramp Expansion	\$ 16,240
DJ-BX Grant 2010	7,964
COPS Grant 2010	12,019
Mobility Manager Grant	7,968
Minibus Grant 2011-12	17,499
CDBG Housing Grant	151
Energy Manager Grant	27,786

C. DEPOSITS AND INVESTMENTS

Policy. The City does not have a formal policy for bank account deposits; however it does follow state statutes. K.S.A. 9-1401 establishes the depositories which may be used by the City. The statute requires banks eligible to hold the City's funds to have a main or branch bank in the county in which the City is located, or in an adjoining county if such institution has been designated as an official depository, and the banks to provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the City's deposits in financial institutions to be entirely covered by federal depository insurance, by a corporate surety bond, or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka.

C. DEPOSITS AND INVESTMENTS (CONTINUED)

The investment policy of the City includes money market accounts and certificates of deposit which are considered deposits for financial accounting purposes. It also includes financial instruments such as U.S. Government obligations, repurchase agreements and the State Municipal Investment Pool. This policy requires the City to follow state statutes for investments. Statutes name the types of investments allowed and also require depository security coverage and that securities be titled in the name of the municipality.

K.S.A. 12-1675 limits the City's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. Additionally, K.S.A. 10-131(a)(6) authorizes the City to invest proceeds of bonds in obligations of the Federal National Mortgage Association, Federal Home Loan Banks, or the Federal Home Loan Mortgage Corporation. State statutes place no limit on the amount the City may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

Custodial credit risk - deposits. Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits may not be returned to it. At year-end the carrying amount of the City's deposits, including certificates of deposit, was \$16,057,639. The bank balance was \$16,451,278. Of the bank balance, \$6,712,825 was covered by FDIC insurance, \$9,738,453 was collateralized by pledged securities held under joint custody receipts issued by a third-party bank in the City's name.

Investments. As of December 31, 2011, the City had the following investments and maturities.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity</u>	<u>Rating</u>
Repurchase Agreement MBIA	\$ 1,668,425	(See below)	B/Negative/--
Kansas Municipal Investment Pool	914,103	(See below)	AAAf
Escrow Accounts - Dreyfus	9,148,119	N/A	AAAm
Money Market Funds – UMB	<u>8,251</u>	N/A	AAAm
	<u>\$11,738,898</u>		

At December 31, 2011, the City had invested \$914,103 in the State's Municipal Investment Pool. The Municipal Investment Pool is under the oversight of the Pooled Money Investment Board. The board is comprised of the State Treasurer and four additional members appointed by the State Governor. The board reports annually to the Kansas legislature. State pooled monies may be invested in direct obligations of, or obligations that are insured as to principal and interest, by the U.S. government or any agency thereof, with maturities up to four years. No more than ten percent of those funds may be invested in mortgage-backed securities. In addition, the State pool may invest in repurchase agreements with Kansas banks or with primary government securities dealers.

Separately issued financial statements of the Municipal Investment Pool may be obtained from the Pooled Money Investment Board, 900 S.W. Jackson, Suite 209, Topeka, Kansas 66612-1220.

Credit quality risk. Investment quality ratings given above are per Standard & Poor's, and they are as of December 31, 2011.

Concentration of credit risk. Investment types and percents at cost are as follows: Repurchase agreement MBIA 14%, Kansas Municipal Investment Pool 8% and Dreyfus escrow accounts 78%.

C. DEPOSITS AND INVESTMENTS (CONTINUED)

Interest Rate Risk. The City's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The repurchase agreement was made with MBIA Insurance Corporation on December 9, 2003, with Wells Fargo Bank as custodian. On December 29, 2010, Standard and Poor's Rating Services downgraded the financial strength of MBIA to B/Negative/--.

The underlying securities for the repurchase agreement with MBIA are a Federal Home Loan Mortgage Corp Medium Term Note (CUSIP 31397JCN2) in the amount of \$1,000,000 at 4.879% with a maturity of May 19, 2017; a Federal Home Loan Mortgage Corp Structured Pass Through Note (CUSIP 31397JME1) in the amount of \$715,903 at 0.3035% with a maturity of December 25, 2036; and Wells Fargo Advantage Government (CUSIP VP4560000) in the amount of \$100,001 at .0100%. The Federal Home Loan Mortgage Corporation is a direct obligation of the federal government since its takeover on September 7, 2008, and is therefore unrated. This repurchase agreement represents 14% of investments.

D. RECEIVABLES

Receivables at December 31, 2011 consist of the following:

	Governmental activities	Business-type activities	Total
Miscellaneous charges receivable	\$ 534,143	\$ 255,537	\$ 789,680
Water charges receivable	-	187,776	187,776
Wastewater charges receivable	-	153,544	153,544
Solid waste charges receivable	-	95,359	95,359
Drainage utility charges receivable	-	11,190	11,190
Loans receivable	335,758	-	335,758
Sales tax receivable	773,977	-	773,977
Expanded lottery tax receivable	52,540	-	52,540
Net receivables	<u>\$ 1,696,418</u>	<u>\$ 703,406</u>	<u>\$ 2,399,824</u>

E. LOANS RECEIVABLE

Loans receivable of the Economic Development Revolving Fund are as follows:

In 2006, the City issued \$70,000 and \$192,500 revolving loans to two local companies from funds paid in retirement of original Community Development Block Grant revolving loans. In 2007, \$35,000 was added to the \$70,000 loan. The loans at six percent are to be repaid over a period of eleven years. At December 31, 2011 the loan balances were \$69,065 and \$112,263, respectively.

In 2007, the City issued a \$90,000 revolving loan to a local company from funds paid in retirement of original Community Development Block Grant revolving loans. The loan at six percent is to be repaid over a period of nine years. At December 31, 2011, the loan balance was \$60,227.

In 2008, the City issued a \$75,000 revolving loan to a local company from funds paid in retirement of original Community Development Block Grant revolving loans. The loan at six percent is to be repaid over a period of seven years. At December 31, 2011 the loan balance was \$48,365.

E. LOANS RECEIVABLE (CONTINUED)

In 2010, the City issued \$30,000 and \$8,000 revolving loans to two local companies from funds paid in retirement of original Community Development Block Grant revolving loans. The loans at six percent are to be repaid over a period of seven years. At December 31, 2011 the loan balances were \$25,831 and \$0, respectively.

In 2011, the City issued a \$21,200 revolving loan to a local company from funds paid in retirement of original Community Development Block Grant revolving loans. The loan at six percent is to be repaid over a period of seven years. At December 31, 2011 the loan balance was 20,007.

F. CAPITAL ASSETS

A summary of changes in property and equipment of primary government follows:

	Primary government			Ending balance
	Beginning balance	Increases	Decreases	
Governmental activities:				
Land	\$ 5,582,267	\$ -	\$ -	\$ 5,582,267
Buildings and improvements	26,339,158	32,001,824	-	58,340,982
Machinery and equipment	10,727,885	10,893,426	371,315	21,249,998
Infrastructure	211,065,360	8,871,041	-	219,936,401
Construction in progress	42,780,986	7,993,872	50,501,192	273,666
Total capital assets at historical cost	<u>296,495,656</u>	<u>59,760,163</u>	<u>50,872,507</u>	<u>305,383,312</u>
Less accumulated depreciation for:				
Buildings and improvements	7,842,417	1,122,475	-	8,964,892
Machinery and equipment	7,810,832	1,151,276	339,962	8,622,146
Infrastructure	155,016,942	7,812,277	-	162,829,219
Total accumulated depreciation	<u>170,670,191</u>	<u>10,086,028</u>	<u>339,962</u>	<u>180,416,257</u>
Governmental activities capital assets, net	<u>\$ 125,825,465</u>	<u>\$ 49,674,135</u>	<u>\$ 50,532,545</u>	<u>\$ 124,967,055</u>
Business-type activities:				
Land	\$ 1,514,892	\$ 12,000	\$ -	\$ 1,526,892
Buildings and improvements	14,944,816	2,992,539	1,775,346	16,162,009
Machinery and equipment	6,328,099	77,110	(58,025)	6,463,234
Infrastructure	46,339,954	788,286	-	47,128,240
Water rights	3,542,614	-	-	3,542,614
Construction in progress	15,662,645	9,113,085	2,846,373	21,929,357
Total capital assets at historical cost	<u>88,333,020</u>	<u>12,983,020</u>	<u>4,563,694</u>	<u>96,752,346</u>
Less accumulated depreciation/ amortization for:				
Buildings and improvements	12,997,111	116,287	1,775,349	11,338,049
Machinery and equipment	4,428,256	362,589	(61,549)	4,852,394
Infrastructure	10,340,438	917,561	-	11,257,999
Water rights	258,012	62,027	-	320,039
Total accumulated depreciation	<u>28,023,817</u>	<u>1,458,464</u>	<u>1,713,800</u>	<u>27,768,481</u>
Business-type activities capital assets, net	<u>\$ 60,309,203</u>	<u>\$ 11,524,556</u>	<u>\$ 2,849,894</u>	<u>\$ 68,983,865</u>

F. CAPITAL ASSETS (CONTINUED)

Depreciation and amortization expense was charged to functions as follows:

Governmental activities:	
General government	\$ 47,619
Public safety	255,529
Public works	210,044
Culture and recreation	1,742,067
Community services	13,923
Indirect depreciation	7,812,276
Internal service	<u>4,570</u>
Total governmental activities	<u>\$10,086,028</u>
Business-type activities:	
Water	\$ 661,739
Wastewater	578,345
Solid waste	180,967
Drainage	<u>37,413</u>
Total business-type activities	<u>\$ 1,458,464</u>

Financial Accounting Standards Board (FASB) Statement No. 34 (Capitalization of Interest Costs) requires that interest expenditures incurred during construction of assets be capitalized. FAS-62 (Capitalization of Interest Cost in Situations Involving Certain Tax-Exempt Borrowings and Certain Gifts and Grants) concludes that constructed assets financed with the proceeds of tax-exempt debt (if those funds are externally restricted to finance the acquisitions of the asset or used to service the related debt) should include capitalized interest only to the extent that interest cost exceeds interest earned on related interest-bearing investments acquired with proceeds of the related tax-exempt borrowing. During 2011 interest costs capitalized as a cost of construction totaled \$289,294.

A summary of changes in property and equipment of material governmental component units follows:

<u>Dodge City Public Library</u>	<u>Beginning balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending balance</u>
Governmental activities:				
Culture and recreation:				
Land	\$ 338,171	\$ -	\$ -	\$ 338,171
Buildings and improvements	1,839,358	6,330	-	1,845,688
Furniture and equipment	<u>560,397</u>	<u>9,355</u>	<u>14,904</u>	<u>554,848</u>
Total capital assets at historical cost	<u>2,737,926</u>	<u>15,685</u>	<u>14,904</u>	<u>2,738,707</u>
Less accumulated depreciation for:				
Buildings and improvements	1,227,047	51,482	-	1,278,529
Furniture and equipment	<u>395,478</u>	<u>32,021</u>	<u>14,904</u>	<u>412,595</u>
Total accumulated depreciation	<u>1,622,525</u>	<u>83,503</u>	<u>14,904</u>	<u>1,691,124</u>
Governmental activities capital assets, net	<u>\$ 1,115,401</u>	<u>\$ (67,818)</u>	<u>\$ -</u>	<u>\$ 1,047,583</u>
<u>Development Corporation</u>	<u>Beginning balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending balance</u>
Governmental activities:				
Community services:				
Industrial park land and improvements	\$ 1,086,686	\$ -	\$ 33,404	\$ 1,053,282
Furniture and equipment	<u>62,508</u>	<u>-</u>	<u>-</u>	<u>62,508</u>
Total capital assets at historical cost	1,149,194	-	33,404	1,115,790
Less accumulated depreciation for furniture and equipment				
	<u>52,438</u>	<u>3,088</u>	<u>-</u>	<u>55,526</u>
Governmental activities capital assets, net	<u>\$ 1,096,756</u>	<u>\$ (3,088)</u>	<u>\$ 33,404</u>	<u>\$ 1,060,264</u>

F. CAPITAL ASSETS (CONTINUED)

The industrial park land and improvements represent lots at the industrial park which are held for sale and are carried at cost. The cost includes improvements to the land to provide roads and utility access. These improvements were financed with funds from a Community Development Block Grant which flowed through the City of Dodge City, Kansas, and they are not being depreciated.

<u>Housing Authority</u>	<u>Beginning balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending balance</u>
Governmental activities:				
Community services:				
Land	\$ 363,865	\$ -	\$ -	\$ 363,865
Buildings and equipment	12,579,536	977,309	-	13,556,845
Construction in progress	<u>1,305,212</u>	<u>497,011</u>	<u>900,770</u>	<u>901,453</u>
	14,248,613	1,474,320	900,770	14,822,163
Less accumulated depreciation for buildings and equipment	<u>6,682,384</u>	<u>419,133</u>	<u>-</u>	<u>7,101,517</u>
Governmental activities capital assets, net	<u>\$ 7,566,229</u>	<u>\$ 1,055,187</u>	<u>\$ 900,770</u>	<u>\$ 7,720,646</u>

G. INTERFUND RECEIVABLES AND PAYABLES

Interfund balances are used when one fund has an obligation to transfer funds to another. The following is a summary of interfund receivables and payables at December 31, 2011:

<u>Amount</u>	<u>Due to</u>	<u>Due from</u>
\$ 13,684	General Fund	FAA Grant Ramp Expansion
7,964	General Fund	DJ-BX Grant 2010
12,019	General Fund	COPS Grant 2010
7,968	General Fund	Mobility Manager
151	General Fund	CDBG Housing
16,859	General Fund	Minibus 2011-12
26,705	General Fund	Energy Manger
<u>29,292</u>	Special Events Center	SEC Project Fund
<u>\$ 114,642</u>		

The General Fund made advances to grant funds that operate on a reimbursement basis that will be repaid when the reimbursement is received. The amount due to the Special Events Center fund is to reimburse for equipment to be paid for with Project monies.

H. INTERFUND TRANSACTIONS

During the course of normal operations, the City has numerous transactions between funds including expenditures and transfers of resources to provide services, construct assets and service debt. The governmental and proprietary funds financial statements generally reflect such transactions as transfers. The internal service funds record charges for service to City departments as operating revenue. All City funds record these payments to the internal service fund as operating expenses.

Interfund transfers are made either for operating purposes or to transfer residual equity balances.

H. INTERFUND TRANSACTIONS (CONTINUED)

A summary of interfund transfers for 2011 is as follows:

<u>From</u>	<u>To</u>	<u>Amount</u>	<u>Statutory authority</u>
Operating transfers:			
General	All 4 Fun	\$ 45,000	K.S.A. 12-101a
General	Sales Tax Fund	50,000	K.S.A. Contract
General	Special Events Center Fund	50,000	K.S.A. Contract
General	Municipal Band	18,500	K.S.A. 12-101a
Sales Tax	ST Depreciation and Replacement	3,250,000	K.S.A. 12-197
Sales Tax	SEC Revenue Bond Fund	2,636,702	K.S.A. 12-197
Sales Tax	Special Events Center Fund	934,899	K.S.A. 12-197
Sales Tax	Sales Tax Organizations	464,000	K.S.A. 12-197
All 4 Fun	General	30,000	K.S.A. Contract
Development and Growth	GO Bond and Interest	450,000	K.S.A. 12-1,118
GO Bond & Interest	GO 2011 Bonds	1,659,259	Resolution No. 2008-21
Convention and Visitors	General	60,000	K.S.A. 12-825d
Water	General	650,000	K.S.A. 12-825d
Wastewater	General	388,880	K.S.A. 12-825d
Solid Waste	General	167,645	K.S.A. 12-825d
Drainage	General	35,000	K.S.A. 12-825d
		<u>\$ 10,889,885</u>	

A summary of transfers to component units follows:

<u>From</u>	<u>To</u>	<u>Amount</u>
Library Fund	Dodge City Public Library	\$ 898,506
Library Employee Benefits Fund	Dodge City Public Library	<u>219,446</u>
		<u>\$1,117,952</u>

I. LONG-TERM LIABILITIES

Long-term obligations

The City's long-term liabilities are segregated between amounts to be repaid from governmental activities and amounts to be repaid from business-type activities.

	<u>Debt outstanding January 1, 2011</u>	<u>Additions</u>	<u>Retirements and repayments</u>	<u>Debt outstanding December 31, 2011</u>	<u>Interest expense</u>
<u>Governmental activities</u>					
To be paid with tax levies:					
General obligation bonds	\$ 21,365,000	\$ -	\$ 2,025,000	\$ 19,340,000	\$ 729,410
Temporary notes	1,750,000	1,680,000	-	3,430,000	12,294
Capital lease obligations	16,325	388,357	97,475	307,207	630
Note payable	367,500	-	30,000	337,500	-
Compensated absences	817,852	115,241	117,827	815,266	-
To be paid with sales tax revenue:					
Revenue bonds	<u>40,015,000</u>	<u>-</u>	<u>650,000</u>	<u>39,365,000</u>	<u>1,768,371</u>
	<u>64,331,677</u>	<u>2,183,598</u>	<u>2,920,302</u>	<u>63,594,973</u>	<u>2,510,705</u>
<u>Business-type activities</u>					
To be paid with utility revenues:					
Revenue bonds	16,080,000	-	970,000	15,110,000	685,299
Loans	11,676,226	12,205,225	170,686	23,710,765	105,542
Temporary notes	5,015,000	-	-	5,015,000	130,658
Compensated absences	<u>135,894</u>	<u>(9,524)</u>	<u>178</u>	<u>126,191</u>	<u>-</u>
	<u>32,907,120</u>	<u>12,195,701</u>	<u>1,140,864</u>	<u>43,961,956</u>	<u>921,499</u>
	<u>\$ 97,238,796</u>	<u>\$ 14,379,299</u>	<u>\$ 4,061,166</u>	<u>\$ 107,556,929</u>	<u>\$ 3,432,204</u>

Added and deleted amounts for compensated absences do not include the current cost as such amounts are not readily determinable.

I. LONG-TERM LIABILITIES (CONTINUED)

Governmental activities

General obligation bonds:

General obligation bonds are serial bonds to be retired through calendar year 2029. At December 31, 2011 the bonds consist of the following:

	<u>Interest rates</u>	<u>Maturity dates</u>	<u>Bonds outstanding</u>
Refunding and internal improvements, issued September 1, 2004 in the amount of \$2,830,000	1.50% to 3.63%	09-01-15	\$ 800,000
Internal improvements, issued August 1, 2005 in the amount of \$6,515,000	3.45% to 4.00%	09-01-25	4,640,000
Internal improvements, issued November 1, 2006 in the amount of \$1,095,000	3.50% to 3.85%	09-01-16	595,000
Internal improvements, issued December 15, 2007 in the amount of \$9,250,000	3.10% to 3.85%	09-01-22	7,495,000
Internal improvements, issued December 1, 2008 in the amount of \$1,155,000	3.25% to 4.25%	09-01-18	840,000
Internal improvements, issued October 7, 2009 in the amount of \$6,280,000	1.75% to 4.25%	09-01-29	<u>4,970,000</u>
			<u>\$ 19,340,000</u>

Principal and interest payments of general obligation bonds required to be made in the following years are:

	<u>Principal due</u>	<u>Interest due</u>	<u>Total due</u>
2012	\$ 1,895,000	\$ 685,650	\$ 2,580,650
2013	1,850,000	628,428	2,478,428
2014	1,605,000	572,478	2,177,478
2015	1,670,000	519,640	2,189,640
2016	1,365,000	461,548	1,826,548
2017-2021	6,505,000	1,591,331	8,096,331
2022-2026	3,545,000	511,341	4,056,341
2027-2029	<u>905,000</u>	<u>77,989</u>	<u>982,989</u>
	<u>\$ 19,340,000</u>	<u>\$ 5,048,405</u>	<u>\$ 24,388,405</u>

The amount of long-term debt that can be incurred by the City is limited by K.S.A. 10-308. Total outstanding bonded indebtedness during a year can be no greater than 30% of the assessed value of taxable tangible property as certified to the county clerk on the preceding August 25. As of December 31, 2011, the amount of outstanding bonded indebtedness was equal to 17.86% of property assessments as of July 1, 2010.

I. LONG-TERM LIABILITIES (CONTINUED)

Governmental activities (continued)

Capital leases:

The following is a description of capital lease obligations of the City:

	<u>Interest rates</u>	<u>Maturity date</u>	<u>Outstanding balance</u>
Fire Truck, dated May 20, 2011, in the original amount of \$388,357	2.24%	05-20-15	\$ <u>307,207</u>

Assets recorded under capital leases were \$388,357 and corresponding accumulated depreciation at December 31, 2011 was \$27,740.

Payments for the fire truck are made from the Capital Equipment Reserve Fund.

The following is a schedule of future minimum lease payments under capital leases, together with the net present value of the minimum lease payments as of December 31, 2011.

<u>Year ending December 31,</u>	<u>Amount</u>
2012	\$ 81,150
2013	81,150
2014	81,150
2015	<u>81,150</u>
	324,600
Less: Amount representing interest	<u>17,393</u>
Present value of lease payments	<u>\$ 307,207</u>

For purposes of comparing actual expenditures to budget, only the amounts actually due in the current period are included in accordance with K.S.A. 10-1116b.

Note payable:

The City entered into an agreement during 2006 to purchase \$500,000 of property and equipment, at zero percent interest, with title deeded to the City upon execution of the agreement. The agreement contains a reconveyance option commencing January 1, 2007 and expiring December 31, 2011. The City has the absolute and unconditional right to reconvey the property and equipment back to the seller during the option period. If the City elects to exercise the reconveyance option, it will provide written notice to the seller within 30 days. The seller will retain all payments received prior to the reconveyance and all payments due at the time of such reconveyance.

The following is a schedule of future minimum payments as of December 31, 2011:

2012	\$ <u>337,500</u>
------	-------------------

Revenue bonds:

Revenue bonds to be paid from sales tax revenue consist of the following:

	<u>Interest rates</u>	<u>Maturity dates</u>	<u>Bonds outstanding</u>
Series 2009 sales tax projects	4.10% to 5.0%	06-01-34	\$ <u>39,365,000</u>

I. LONG-TERM LIABILITIES (CONTINUED)

Governmental activities (continued)

Revenue bonds (continued):

The aggregate annual principal and interest payments of revenue bonds required to be made in the following years are:

	<u>Principal due</u>	<u>Interest due</u>	<u>Total due</u>
2012	\$ 705,000	\$ 1,749,740	\$ 2,454,740
2013	765,000	1,727,690	2,492,690
2014	825,000	1,703,840	2,528,840
2015	890,000	1,678,115	2,568,115
2016	955,000	1,650,440	2,605,440
2017-2021	5,915,000	7,666,632	13,581,632
2022-2026	8,410,000	6,166,330	14,576,330
2027-2031	11,745,000	3,882,895	15,627,895
2032-2034	9,155,000	706,375	9,861,375
	<u>\$ 39,365,000</u>	<u>\$ 26,932,057</u>	<u>\$ 66,297,057</u>

The revenue bond ordinance for the above bonds provides for deposits to the principal and interest account each year to provide for the payment of principal and interest on the bonds as they become due and payable.

Temporary notes:

The City issued temporary notes Series 2009-1 on December 7, 2009, Series 2010-1 on December 22, 2010 and Series 2011-1 on December 15, 2011 for main trafficway improvements. The original principal is \$565,000, \$1,185,000 and \$1,680,000 at a rate of 1.55%, 1.50% and .65%, maturing September 1, 2012 for Series 2009-1 and Series 2010-1 and December 15, 2012 for Series 2011-1. Principal and interest payments required to be made in the following years are:

	<u>Principal due</u>	<u>Interest due</u>	<u>Total due</u>
2012	\$ 3,430,000	\$ 37,430	\$ 3,467,430

Business-type activities

Revenue bonds:

Revenue bonds, secured by revenues derived from the operations of the applicable enterprise fund types, consist of the following:

	<u>Interest rates</u>	<u>Maturity dates</u>	<u>Bonds outstanding</u>
Series 2003 waterworks utility	2.00% to 4.625%	12-01-23	\$ 4,533,000
Series 2003 wastewater utility	2.00% to 4.625%	12-01-23	<u>10,577,000</u>
			<u>\$ 15,110,000</u>

I. LONG-TERM LIABILITIES (CONTINUED)

Business-type activities (continued)

Revenue bonds (continued):

The aggregate annual principal and interest payments required to be made in the following years are:

	Waterworks utility series 2003	Wastewater utility series 2003	Interest due	Total due
2012	\$ 300,000	\$ 700,000	\$ 653,774	\$ 1,653,774
2013	310,500	724,500	617,524	1,652,524
2014	334,500	780,500	578,194	1,693,194
2015	322,500	752,500	536,538	1,611,538
2016	348,000	812,000	491,938	1,651,938
2017-2021	1,990,500	4,644,500	1,631,789	8,266,789
2022-2023	927,000	2,163,000	214,100	3,304,100
	<u>\$ 4,533,000</u>	<u>\$ 10,577,000</u>	<u>\$ 4,723,857</u>	<u>\$ 19,833,857</u>

Revenue bond ordinances for the above bonds provide for deposits to principal and interest accounts each year to provide for the payment of principal and interest on the bonds as they become due and payable.

Loans:

The City approved a loan agreement effective February 6, 2001, with the State of Kansas Department of Health and Environment for water distribution improvement projects in the amount of \$4,394,239. The interest rate is 4.25% per annum and maturity is February 1, 2023. The principal and interest payments required to be made in the following years are:

	Principal due	Interest due	Total due
2012	\$ 178,018	\$ 98,815	\$ 276,833
2013	185,664	91,798	277,462
2014	193,638	84,480	278,118
2015	201,956	76,848	278,804
2016	210,630	68,888	279,518
2017-2021	1,196,879	212,549	1,409,428
2022-2023	410,961	16,140	427,101
	<u>\$ 2,577,746</u>	<u>\$ 649,518</u>	<u>\$ 3,227,264</u>

The City approved a loan agreement effective September 22, 2009, with the State of Kansas Department of Health and Environment for a water reclamation facility in the amount of \$29,532,000. The interest rate is 2.83% per annum. The loan repayment schedule will be established upon completion of the project with semi-annual payments over a twenty year period. Accumulated advances on the loan at December 31, 2011 were \$21,133,018.

I. LONG-TERM LIABILITIES (CONTINUED)

Business-type activities (continued)

Temporary notes:

The City issued temporary notes Series 2008A on December 1, 2008 for the purchase of water rights. The original principal is \$2,265,000 at a rate of 3.50%, maturing September 1, 2012. The City issued temporary notes Series 2009-1 on December 7, 2009 for various water supply system improvements. The original principal is \$2,750,000 at a rate of 1.55%, maturing September 1, 2012. Principal and interest payments required to be made in the following years are:

	<u>Principal due</u>	<u>Interest due</u>	<u>Total due</u>
2012	\$ 5,015,000	\$ 121,923	\$ 5,136,923

Sales tax projects revenue bond disclosures

Insurance is carried through St. Paul Travelers Insurance Company on the Special Events Center in the amount of \$33,000,000 with an additional \$4,000,000 for personal property effective January 1, 2011 through January 1, 2012. The premium for this coverage was \$39,600 plus \$4,800 for personal property.

Balance sheets of the Series 2009 Sales Tax Revenue Bonds are the Special Events Center Revenue Bond Fund and Special Events Center Project Fund on page seventeen.

Statement of revenue, expenditures, and changes in fund balance of the Series 2009 Sales Tax Revenue Bonds are the Special Events Center Revenue Bond Fund and Special Events Center Project Fund on page nineteen.

The City complied with Rebate Covenants outlined in Section 1202 of Resolution 2009-09.

The City completed the disclosure requirements outlined in Section 1301 of Resolution 2009-09.

J. LONG-TERM DEBT - COMPONENT UNITS

Development Corporation - note payable

The note payable is due to a private company. It is payable upon the sale of the land and industrial park improvements with no set termination date. Upon the sale of any property, seventy-five percent of the net sales price of the first \$50,000 and all net sales price over \$50,000 is payable for interest accumulated to that date and then as a reduction to principal. If at termination, the Organization elects not to pay the principal and interest due, all land and industrial park improvements will be transferred to the lender. Interest is computed annually from July 1 through June 30 using the New York prime rate on June 30 of the prior year. Interest compounds as of June 30 of each year.

Accrued interest on the note plus the amount of the note payable have been limited to a prior year estimated fair value of the property. During 2011 no additional interest was accrued on the note. No appraisal of the property has been done in order to assess whether the accrued interest recorded plus the related debt accurately reflect the Organization's liability on this property.

K. CONDUIT DEBT OBLIGATIONS

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

As of December 31, 2011, there were series of Industrial Revenue Bonds outstanding, with an aggregate principal amount payable of \$114,429,106.

L. SPECIAL OBLIGATION BONDS

The City approved a designated zone of the City as a Rural Housing Incentive District. The District is designated to reduce housing construction costs incurred by contractors through incentives that are passed on to home buyers making housing more affordable. On September 15, 2011, the City issued \$550,000 of special obligation bonds. The repayment of these bonds will be repaid with ad valorem taxes pledged as special assessments. The City is not obligated in any manner for repayment of the bonds. Accordingly, the debt service transactions have been accounted for in an agency fund and the bonds are not reported as liabilities in the accompanying financial statements.

M. DEFINED BENEFIT PENSION PLAN

Plan description. The City of Dodge City contributes to the Kansas Public Employees Retirement System (KPERs) and the Kansas Police and Firemen's Retirement System (KP&F). Both are cost-sharing multiple-employer defined benefit pension plans as provided by K.S.A. 74-4901, *et seq.* KPERs and KP&F provide retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERs and KP&F issue a publicly available financial report that includes financial statements and required supplementary information. Those reports may be obtained by writing to KPERs (611 S. Kansas, Suite 100, Topeka, KS 66603-3803) or by calling 1-888-275-5737.

Funding Policy. K.S.A. 74-4919 establishes the KPERs member-employee contribution rate at 4% of covered salary. K.S.A. 74-4975 establishes KP&F member-employee contribution rate at 7% of covered salary. The employer collects and remits member-employee contributions according to the provisions of section 414(h) of the Internal Revenue Code. State law provides that the employer contribution rates be determined annually based on the results of an annual actuarial valuation. KPERs and KP&F are funded on an actuarial reserve basis. State law sets a limitation on annual increases in the contribution rates. The KPERs employer rate established for the year, 2011 is 7.74%. The City of Dodge City's employer contributions to KPERs for the years ending December 31, 2011, 2010, and 2009 were \$424,380, \$377,892, and \$339,687, respectively, equal to the required contributions for each year. The KP&F employer rate established for fiscal years beginning in 2011 is 14.57%. Employers participating in KP&F also make contributions to amortize the liability for past service costs, if any, which is determined separately for each participating employer. The City of Dodge City's contributions to KP&F for the years ending December 31, 2011, 2010, and 2009 were \$722,579, \$666,444, and \$773,293, respectively, equal to the required contributions for each year.

The Dodge City Public Library, the Dodge City - Ford County Development Corporation and the Dodge City Housing Authority all participate in KPERs. The actuarially determined contribution requirements of these component units were met.

N. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; natural disasters; and medical needs of employees. The City participates in a public entity risk pool to cover worker's compensation claims. The City purchases commercial insurance to cover property, liability and medical needs of employees. There have been no significant reductions in coverage from the prior year. Settled claims have not exceeded coverage in any of the past three years.

O. CONTINGENCIES

The City receives significant financial assistance from numerous federal and state governmental agencies in the form of grants and state pass-through aid. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the City at December 31, 2011.

P. JOINT VENTURES

On January 1, 1993, the City of Dodge City, Kansas, entered into a joint venture with Ford County, Kansas, for the operation of a communications center. By joint resolution the Dodge City/Ford County Emergency Communications Board was created to operate the Dodge City/Ford County Communications Department. The Board consists of equal membership of City and County personnel. The department provides emergency communications for City and County agencies and is physically located in the Ford County Government Center. The budgeted operating expenditures are shared equally by the two governments. The joint venture assets of \$35,099 are fully depreciated.

On July 21, 1997, the City of Dodge City, Kansas entered into a joint venture with Ford County, Kansas, for the construction and operation of certain public projects. On June 10, 1997, the voters of Dodge City and of Ford County approved a one-half percent city-wide and a one-half percent county-wide retailer's sales tax to finance these projects. The projects include but are not limited to the following: air-conditioning at the Civic Center building; an outdoor motor sports complex; field sport facilities, including a baseball/softball complex and additional soccer facilities and renovation of existing facilities; and a special events center.

All City sales tax revenues for these projects are deposited into the Sales Tax Fund. County sales tax revenues which are designated for Ford County and the City of Dodge City are transferred to the City and deposited into the same fund. All expenditures from the Sales Tax Fund are subject to approval of the City Commission. All real estate acquired for the projects is titled to the City.

The interlocal agreement was amended on August 10, 2005. The agreement creates a Community Facilities Advisory Board (CFAB) to serve as the project review and advisory committee. There are to be seven members on the Board: one City Commissioner, one County Commissioner, four at-large members and the Chairperson of the Board of Directors of the Dodge City/Ford County Development Corporation or his designee.

P. JOINT VENTURES (CONTINUED)

On November 18, 2010, the City of Dodge City, Kansas entered into a joint venture with Venuworks of Dodge City, LLC. The agreement calls for Venuworks to operate and manage the Special Events Center and the Civic Center. The City retains title and ownership of the Centers. Venuworks receives a flat monthly management fee plus variable management fees for food and beverage sales, contractually obligated incomes and fulfillment fees. Variable commissions are capped on an annual basis.

Q. CONSTRUCTION COMMITMENTS

As of December 31, 2011, the City had the following commitments with respect to unfinished capital projects and repairs:

<u>Project</u>	<u>Project commitments authorized</u>	<u>Expenditures to date</u>	<u>Remaining financial commitment</u>
Wastewater Treatment Plant	\$ 21,449,908	\$ 19,673,175	\$ 1,776,733
Primary Lift Station	2,112,930	1,599,671	513,259
Component Unit – Housing Authority Construction Project	836,240	214,839	621,401

R. PRIOR PERIOD ADJUSTMENT

A prior period adjustment was made in the Wastewater Fund resulting in an increase to net assets and capital assets in the amount of \$329,757. The adjustment was made to capitalize a partial payment made on a sewer lagoon cover that was originally recorded as expense.

S. SUBSEQUENT EVENTS

Management has evaluated subsequent events through August 9, 2012, the date on which the financial statements were available to be used. Management's evaluation concluded that there are no subsequent events that are required to be recognized or disclosed in these financial statements.

SUPPLEMENTARY INFORMATION

COMBINING FINANCIAL STATEMENT

CITY OF DODGE CITY, KANSAS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

December 31, 2011

	Special revenue funds	Capital projects funds	Total nonmajor governmental funds
	<u> </u>	<u> </u>	<u> </u>
<u>ASSETS</u>			
Cash and investments	\$ 8,283,391	\$ 381,198	\$ 8,664,589
Property taxes receivable	1,634,850	251,093	1,885,943
Due from other governments	135,411	-	135,411
Other receivables	414,448	-	414,448
Due from other funds	29,292	-	29,292
Inventories	33,539	-	33,539
Restricted cash and investments	-	777,468	777,468
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 10,530,931</u>	<u>\$ 1,409,759</u>	<u>\$ 11,940,690</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 394,426	\$ 58,524	\$ 452,950
Payroll liabilities	10,725	893	11,618
Due to other funds	85,350	-	85,350
Deferred revenue	2,378,686	251,093	2,629,779
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>2,869,187</u>	<u>310,510</u>	<u>3,179,697</u>
Fund balances:			
Nonspendable:			
Endowment	100,000	-	100,000
Long-term receivables	155,946	-	155,946
Restricted:			
Capital projects	-	735,188	735,188
Grants	31,675	-	31,675
Assigned:			
Encumbrances	331,029	-	331,029
Other capital expenditures	4,331,015	364,061	4,695,076
Community service and promotion	20,429	-	20,429
Other purposes	245,793	-	245,793
Designed for subsequent year's expenditures	2,555,608	-	2,555,608
Unassigned	(109,751)	-	(109,751)
	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>7,661,744</u>	<u>1,099,249</u>	<u>8,760,993</u>
	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balances	<u>\$ 10,530,931</u>	<u>\$ 1,409,759</u>	<u>\$ 11,940,690</u>

CITY OF DODGE CITY, KANSAS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS

December 31, 2011

	<u>Special liability</u>	<u>Library</u>	<u>Library employee benefits</u>	<u>Building</u>
<u>ASSETS</u>				
Cash and investments	\$ 85,982	\$ 26,786	\$ 9,999	\$ 286,712
Property taxes receivable	628,407	772,426	234,017	-
Due from other governments	-	-	-	-
Other receivables	-	-	-	17,030
Due from other funds	-	-	-	-
Inventories	-	-	-	-
Total assets	<u>\$ 714,389</u>	<u>\$ 799,212</u>	<u>\$ 244,016</u>	<u>\$ 303,742</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ 3,539	\$ -	\$ -	\$ -
Payroll liabilities	947	-	-	-
Due to other funds	-	-	-	-
Deferred revenue	628,407	772,426	234,017	-
Total liabilities	<u>632,893</u>	<u>772,426</u>	<u>234,017</u>	<u>-</u>
Fund balances:				
Nonspendable:				
Endowment	-	-	-	-
Long-term receivables	-	-	-	-
Restricted for grants	-	-	-	-
Assigned:				
Encumbrances	-	-	-	-
Other capital expenditures	-	-	-	303,742
Community service and promotion	-	-	-	-
Other purposes	68,974	22,495	6,143	-
Designed for subsequent year's expenditures	12,522	4,291	3,856	-
Unassigned	-	-	-	-
Total fund balances	<u>81,496</u>	<u>26,786</u>	<u>9,999</u>	<u>303,742</u>
Total liabilities and fund balances	<u>\$ 714,389</u>	<u>\$ 799,212</u>	<u>\$ 244,016</u>	<u>\$ 303,742</u>

<u>Convention and visitors</u>	<u>Special streets and highways</u>	<u>Special park and recreation</u>	<u>Special alcohol and drug</u>	<u>Alcohol and drug safety action</u>
\$ 731,610	\$ 80,101	\$ 167,861	\$ 29,824	\$ 46,497
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 731,610</u>	<u>\$ 80,101</u>	<u>\$ 167,861</u>	<u>\$ 29,824</u>	<u>\$ 46,497</u>
\$ 24,365	\$ 9,142	\$ -	\$ -	\$ 705
3,786	3,065	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>28,151</u>	<u>12,207</u>	<u>-</u>	<u>-</u>	<u>705</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
208,614	14,456	90,000	-	-
-	-	-	-	-
-	-	-	-	-
-	4,915	-	-	-
494,845	48,523	77,861	29,824	45,792
-	-	-	-	-
<u>703,459</u>	<u>67,894</u>	<u>167,861</u>	<u>29,824</u>	<u>45,792</u>
<u>\$ 731,610</u>	<u>\$ 80,101</u>	<u>\$ 167,861</u>	<u>\$ 29,824</u>	<u>\$ 46,497</u>

CITY OF DODGE CITY, KANSAS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS (CONTINUED)

December 31, 2011

	<u>All 4 Fun</u>	<u>Development and growth</u>	<u>Sales tax organizations</u>	<u>Sales tax depreciation and replacement</u>
<u>ASSETS</u>				
Cash and investments	\$ 572	\$ 731,226	\$ 317,669	\$ 3,250,000
Property taxes receivable	-	-	-	-
Due from other governments	-	52,540	-	-
Other receivables	-	-	-	-
Due from other funds	-	-	-	-
Inventories	-	-	-	-
Total assets	<u>\$ 572</u>	<u>\$ 783,766</u>	<u>\$ 317,669</u>	<u>\$ 3,250,000</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ 28	\$ -	\$ 2,482	\$ -
Payroll liabilities	-	-	832	-
Due to other funds	-	-	-	-
Deferred revenue	-	-	-	-
Total liabilities	<u>28</u>	<u>-</u>	<u>3,314</u>	<u>-</u>
Fund balances:				
Nonspendable:				
Endowment	-	-	-	-
Long-term receivables	-	-	-	-
Restricted for grants	-	-	-	-
Assigned:				
Encumbrances	-	-	-	-
Other capital expenditures	-	287,912	-	3,250,000
Community service and promotion	-	-	-	-
Other purposes	519	-	-	-
Designed for subsequent year's expenditures	25	495,854	314,355	-
Undesignated	-	-	-	-
Total fund balances	<u>544</u>	<u>783,766</u>	<u>314,355</u>	<u>3,250,000</u>
Total liabilities and fund balances	<u>\$ 572</u>	<u>\$ 783,766</u>	<u>\$ 317,669</u>	<u>\$ 3,250,000</u>

Special law enforcement trust	Economic development revolving	Hoover trust	Roof insurance repairs	Medical insurance reserve
\$ 27,101	\$ 157,721	\$ 118,922	\$ 253,404	\$ 662,222
-	-	-	-	-
-	335,758	-	-	5,187
-	-	-	-	-
-	-	-	-	-
<u>\$ 27,101</u>	<u>\$ 493,479</u>	<u>\$ 118,922</u>	<u>\$ 253,404</u>	<u>\$ 667,409</u>
\$ -	\$ -	\$ -	\$ -	\$ 28,513
-	-	-	-	-
-	337,533	-	-	-
-	337,533	-	-	28,513
-	-	100,000	-	-
-	155,946	-	-	-
-	-	-	-	-
-	-	-	253,404	-
-	-	-	-	-
27,101	-	18,922	-	92,618
-	-	-	-	546,278
-	-	-	-	-
<u>27,101</u>	<u>155,946</u>	<u>118,922</u>	<u>253,404</u>	<u>638,896</u>
<u>\$ 27,101</u>	<u>\$ 493,479</u>	<u>\$ 118,922</u>	<u>\$ 253,404</u>	<u>\$ 667,409</u>

CITY OF DODGE CITY, KANSAS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS (CONTINUED)

December 31, 2011

	Capital equipment reserve	Underage alcohol abuse	DARE	FAA grant ramp expansion
<u>ASSETS</u>				
Cash and investments	\$ 856,162	\$ 6,424	\$ 26,909	\$ -
Property taxes receivable	-	-	-	-
Due from other governments	-	-	-	16,240
Other receivables	-	-	758	-
Due from other funds	-	-	-	-
Inventories	-	-	-	-
Total assets	<u>\$ 856,162</u>	<u>\$ 6,424</u>	<u>\$ 27,667</u>	<u>\$ 16,240</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ 167,898	\$ -	\$ 710	\$ 2,556
Payroll liabilities	-	-	-	-
Due to other funds	-	-	-	13,684
Deferred revenue	-	-	-	-
Total liabilities	<u>167,898</u>	<u>-</u>	<u>710</u>	<u>16,240</u>
Fund balances:				
Nonspendable:				
Endowment	-	-	-	-
Long-term receivables	-	-	-	-
Restricted for grants	-	-	-	-
Assigned:				
Encumbrances	-	-	-	-
Other capital expenditures	235,957	-	-	-
Community service and promotion	-	-	-	-
Other purposes	-	111	3,995	-
Designed for subsequent year's expenditures	452,307	6,313	22,962	-
Unassigned	-	-	-	-
Total fund balances	<u>688,264</u>	<u>6,424</u>	<u>26,957</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 856,162</u>	<u>\$ 6,424</u>	<u>\$ 27,667</u>	<u>\$ 16,240</u>

<u>ARFF building</u>	<u>DJ-BX grant 2010</u>	<u>COPS grant 2010</u>	<u>Byrne grant 2009</u>	<u>Mobility manager grant</u>
\$ 6,156	\$ -	\$ -	\$ 21,616	\$ -
-	-	-	-	-
-	7,964	1,368	-	11,871
-	-	10,651	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 6,156</u>	<u>\$ 7,964</u>	<u>\$ 12,019</u>	<u>\$ 21,616</u>	<u>\$ 11,871</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	7,964	12,019	-	7,968
-	-	-	-	-
-	7,964	12,019	-	7,968
-	-	-	-	-
-	-	-	-	-
6,156	-	-	21,616	3,903
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>6,156</u>	<u>-</u>	<u>-</u>	<u>21,616</u>	<u>3,903</u>
<u>\$ 6,156</u>	<u>\$ 7,964</u>	<u>\$ 12,019</u>	<u>\$ 21,616</u>	<u>\$ 11,871</u>

CITY OF DODGE CITY, KANSAS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS (CONTINUED)

December 31, 2011

	Minibus grant 2011-12	Minibus grant 2010-11	CDBG housing grant	Energy manager
<u>ASSETS</u>				
Cash and investments	\$ -	\$ 1,070	\$ -	\$ -
Property taxes receivable	-	-	-	-
Due from other governments	17,491	-	151	27,786
Other receivables	-	-	-	-
Due from other funds	-	-	-	-
Inventories	-	-	-	-
Total assets	<u>\$ 17,491</u>	<u>\$ 1,070</u>	<u>\$ 151</u>	<u>\$ 27,786</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ 640	\$ -	\$ -	\$ 56
Payroll liabilities	-	1,070	-	1,025
Due to other funds	16,859	-	151	26,705
Deferred revenue	-	-	-	-
Total liabilities	<u>17,499</u>	<u>1,070</u>	<u>151</u>	<u>27,786</u>
Fund balances:				
Nonspendable:				
Endowment	-	-	-	-
Long-term receivables	-	-	-	-
Restricted for grants	-	-	-	-
Assigned:				
Encumbrances	-	-	-	-
Other capital expenditures	-	-	-	-
Community service and promotion	-	-	-	-
Other purposes	-	-	-	-
Designed for subsequent year's expenditures	-	-	-	-
Undesignated	<u>(8)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>(8)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 17,491</u>	<u>\$ 1,070</u>	<u>\$ 151</u>	<u>\$ 27,786</u>

Special events center	SMPC trust	Municipal band	Total nonmajor special revenue funds
\$ 342,457	\$ 17,959	\$ 20,429	\$ 8,283,391
-	-	-	1,634,850
-	-	-	135,411
45,064	-	-	414,448
29,292	-	-	29,292
33,539	-	-	33,539
<u>\$ 450,352</u>	<u>\$ 17,959</u>	<u>\$ 20,429</u>	<u>\$ 10,530,931</u>
\$ 153,792	\$ -	\$ -	\$ 394,426
-	-	-	10,725
-	-	-	85,350
406,303	-	-	2,378,686
<u>560,095</u>	<u>-</u>	<u>-</u>	<u>2,869,187</u>
-	-	-	100,000
-	-	-	155,946
-	-	-	31,675
-	17,959	-	331,029
-	-	-	4,331,015
-	-	20,429	20,429
-	-	-	245,793
-	-	-	2,555,608
(109,743)	-	-	(109,751)
<u>(109,743)</u>	<u>17,959</u>	<u>20,429</u>	<u>7,661,744</u>
<u>\$ 450,352</u>	<u>\$ 17,959</u>	<u>\$ 20,429</u>	<u>\$ 10,530,931</u>

CITY OF DODGE CITY, KANSAS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
CAPITAL PROJECTS FUNDS

December 31, 2011

	<u>Capital improvement</u>	<u>GO bonds 2007</u>	<u>GO bonds 2011</u>	<u>Total nonmajor capital projects funds</u>
<u>ASSETS</u>				
Cash and investments	\$ 381,198	\$ -	\$ -	\$ 381,198
Property taxes receivable	251,093	-	-	251,093
Restricted cash and investments	-	36,496	740,972	777,468
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 632,291</u>	<u>\$ 36,496</u>	<u>\$ 740,972</u>	<u>\$ 1,409,759</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ 16,244	\$ 29,614	\$ 12,666	\$ 58,524
Payroll liabilities	893	-	-	893
Due to other funds	-	-	-	-
Deferred revenue	251,093	-	-	251,093
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>268,230</u>	<u>29,614</u>	<u>12,666</u>	<u>310,510</u>
Fund balances:				
Restricted for capital projects	-	6,882	728,306	735,188
Assigned to other capital expenditures	364,061	-	-	364,061
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>364,061</u>	<u>6,882</u>	<u>728,306</u>	<u>1,099,249</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balances	<u>\$ 632,291</u>	<u>\$ 36,496</u>	<u>\$ 740,972</u>	<u>\$ 1,409,759</u>

CITY OF DODGE CITY, KANSAS

COMBINING STATEMENT OF REVENUE, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS

Year ended December 31, 2011

	Special revenue funds	Capital projects funds	Total nonmajor governmental funds
Revenue:			
Taxes	\$ 1,548,691	\$ 298,815	\$ 1,847,506
Intergovernmental	2,635,072	-	2,635,072
Charges for services	1,339,345	-	1,339,345
Insurance recovery	421,537	-	421,537
Investment earnings	24,218	-	24,218
Contribution from property owners	-	520,000	520,000
Miscellaneous	223,441	-	223,441
Total revenue	<u>6,192,304</u>	<u>818,815</u>	<u>7,011,119</u>
Expenditures:			
Current:			
General government	799,511	551,972	1,351,483
Public safety	358,562	-	358,562
Public works	1,206,074	1,250,890	2,456,964
Culture and recreation	2,713,809	100,902	2,814,711
Community services	1,334,296	-	1,334,296
Capital projects	-	210,567	210,567
Total expenditures	<u>6,412,252</u>	<u>2,114,331</u>	<u>8,526,583</u>
Excess (deficiency) of revenue over expenditures	<u>(219,948)</u>	<u>(1,295,516)</u>	<u>(1,515,464)</u>
Other financing sources (uses):			
Transfers in	4,762,399	1,659,259	6,421,658
Transfers out	(540,000)	-	(540,000)
Transfers to component units	(1,117,952)	-	(1,117,952)
Total other financing sources and uses	<u>3,104,447</u>	<u>1,659,259</u>	<u>4,763,706</u>
Net change in fund balances	2,884,499	363,743	3,248,242
Fund balances, beginning of year	<u>4,777,245</u>	<u>735,506</u>	<u>5,512,751</u>
Fund balances, end of year	<u>\$ 7,661,744</u>	<u>\$ 1,099,249</u>	<u>\$ 8,760,993</u>

CITY OF DODGE CITY, KANSAS

COMBINING STATEMENT OF REVENUE, EXPENDITURES, AND
CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS

Year ended December 31, 2011

	Special liability	Library	Library employee benefits	Building
Revenue:				
Taxes	\$ 394,823	\$ 921,000	\$ 218,000	\$ 14,868
Intergovernmental	-	-	-	56,854
Charges for services	-	-	-	-
Insurance recovery	-	-	-	-
Investment earnings	-	-	-	448
Miscellaneous	-	-	-	46,595
Total revenue	<u>394,823</u>	<u>921,000</u>	<u>218,000</u>	<u>118,765</u>
Expenditures:				
Current:				
General government	453,034	-	-	-
Public safety	54,952	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	209,137
Community services	-	-	-	-
Total expenditures	<u>507,986</u>	<u>-</u>	<u>-</u>	<u>209,137</u>
Excess (deficiency) of revenue over expenditures	<u>(113,163)</u>	<u>921,000</u>	<u>218,000</u>	<u>(90,372)</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Transfers to component units	-	(898,506)	(219,446)	-
Total other financing sources and uses	<u>-</u>	<u>(898,506)</u>	<u>(219,446)</u>	<u>-</u>
Net change in fund balances	<u>(113,163)</u>	<u>22,494</u>	<u>(1,446)</u>	<u>(90,372)</u>
Fund balances, beginning of year	<u>194,659</u>	<u>4,292</u>	<u>11,445</u>	<u>394,114</u>
Fund balances, end of year	<u>\$ 81,496</u>	<u>\$ 26,786</u>	<u>\$ 9,999</u>	<u>\$ 303,742</u>

<u>Convention and visitors</u>	<u>Special streets and highways</u>	<u>Special park and recreation</u>	<u>Special alcohol and drug</u>	<u>Alcohol and drug safety action</u>
\$ -	\$ -	\$ -	\$ -	\$ -
650,594	695,430	99,787	99,787	-
25,130	-	-	-	13,050
-	-	-	-	-
-	-	-	-	-
23,547	35,070	-	-	-
<u>699,271</u>	<u>730,500</u>	<u>99,787</u>	<u>99,787</u>	<u>13,050</u>
-	-	-	-	-
-	-	-	-	22,149
-	743,498	-	-	-
-	-	80,000	-	-
561,047	-	-	111,618	-
<u>561,047</u>	<u>743,498</u>	<u>80,000</u>	<u>111,618</u>	<u>22,149</u>
138,224	(12,998)	19,787	(11,831)	(9,099)
-	-	-	-	-
(60,000)	-	-	-	-
-	-	-	-	-
<u>(60,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
78,224	(12,998)	19,787	(11,831)	(9,099)
625,235	80,892	148,074	41,655	54,891
<u>\$ 703,459</u>	<u>\$ 67,894</u>	<u>\$ 167,861</u>	<u>\$ 29,824</u>	<u>\$ 45,792</u>

CITY OF DODGE CITY, KANSAS

COMBINING STATEMENT OF REVENUE, EXPENDITURES, AND
CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS (CONTINUED)

Year ended December 31, 2011

	<u>All 4 Fun</u>	<u>Development and growth</u>	<u>Sales tax organizations</u>	<u>Sales tax depreciation and replacement</u>
Revenue:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	637,097	-	-
Charges for services	1,462	-	-	-
Insurance recovery	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
	<u>1,462</u>	<u>637,097</u>	<u>-</u>	<u>-</u>
Total revenue				
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	15,943	-	-	-
Community services	-	-	638,920	-
	<u>15,943</u>	<u>-</u>	<u>638,920</u>	<u>-</u>
Total expenditures				
Excess (deficiency) of revenue over expenditures	<u>(14,481)</u>	<u>637,097</u>	<u>(638,920)</u>	<u>-</u>
Other financing sources (uses):				
Transfers in	45,000	-	464,000	3,250,000
Transfers out	(30,000)	(450,000)	-	-
Transfers to component units	-	-	-	-
	<u>15,000</u>	<u>(450,000)</u>	<u>464,000</u>	<u>3,250,000</u>
Total other financing sources and uses				
Net change in fund balances	519	187,097	(174,920)	3,250,000
Fund balances, beginning of year	<u>25</u>	<u>596,669</u>	<u>489,275</u>	<u>-</u>
Fund balances, end of year	<u>\$ 544</u>	<u>\$ 783,766</u>	<u>\$ 314,355</u>	<u>\$ 3,250,000</u>

Special law enforcement trust	Economic development revolving	Hoover trust	Roof insurance repairs	Medical insurance reserve
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
8,465	-	-	-	88,177
-	-	-	421,537	-
-	22,934	136	-	-
5,000	57,075	-	-	-
<u>13,465</u>	<u>80,009</u>	<u>136</u>	<u>421,537</u>	<u>88,177</u>
-	-	-	229,809	-
7,000	-	-	-	-
-	-	-	6,600	-
-	-	-	-	-
-	22,560	-	-	-
<u>7,000</u>	<u>22,560</u>	<u>-</u>	<u>236,409</u>	<u>-</u>
<u>6,465</u>	<u>57,449</u>	<u>136</u>	<u>185,128</u>	<u>88,177</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>6,465</u>	<u>57,449</u>	<u>136</u>	<u>185,128</u>	<u>88,177</u>
<u>20,636</u>	<u>98,497</u>	<u>118,786</u>	<u>68,276</u>	<u>550,719</u>
<u>\$ 27,101</u>	<u>\$ 155,946</u>	<u>\$ 118,922</u>	<u>\$ 253,404</u>	<u>\$ 638,896</u>

CITY OF DODGE CITY, KANSAS

COMBINING STATEMENT OF REVENUE, EXPENDITURES, AND
CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS (CONTINUED)

Year ended December 31, 2011

	Capital equipment reserve	Underage alcohol abuse	DARE	FAA grant rotating beacon
Revenue:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	6,550	-	6,068
Charges for services	-	-	-	-
Insurance recovery	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	5,547	-	12,276	320
Total revenue	5,547	6,550	12,276	6,388
Expenditures:				
Current:				
General government	31,995	-	-	-
Public safety	119,178	6,439	9,410	-
Public works	217,277	-	-	6,388
Culture and recreation	44,141	-	-	-
Community services	-	-	-	-
Total expenditures	412,591	6,439	9,410	6,388
Excess (deficiency) of revenue over expenditures	(407,044)	111	2,866	-
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Transfers to component units	-	-	-	-
Total other financing sources and uses	-	-	-	-
Net change in fund balances	(407,044)	111	2,866	-
Fund balances, beginning of year	1,095,308	6,313	24,091	-
Fund balances, end of year	\$ 688,264	\$ 6,424	\$ 26,957	\$ -

<u>FAA grant ramp expansion</u>	<u>ARFF building</u>	<u>DJ-BX grant 2010</u>	<u>COPS grant 2010</u>	<u>Bureau of Justice 2008</u>
\$ -	\$ -	\$ -	\$ -	\$ -
59,022	19,761	8,964	91,368	7,709
-	-	-	-	-
-	-	-	-	-
2,973	-	-	-	-
<u>61,995</u>	<u>19,761</u>	<u>8,964</u>	<u>91,368</u>	<u>7,709</u>
-	-	-	-	-
-	17,253	8,964	91,368	7,709
61,995	-	-	-	-
-	-	-	-	-
<u>61,995</u>	<u>17,253</u>	<u>8,964</u>	<u>91,368</u>	<u>7,709</u>
-	2,508	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	2,508	-	-	-
-	3,648	-	-	-
<u>\$ -</u>	<u>\$ 6,156</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF DODGE CITY, KANSAS

COMBINING STATEMENT OF REVENUE, EXPENDITURES, AND
CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS (CONTINUED)

Year ended December 31, 2011

	Byrne grant 2009	Mobility manager grant	Minibus grant 2011-12	Minibus grant 2010-11	Bicycle pedestrian path
Revenue:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	61,840	41,834	35,135	3,001
Charges for services	-	-	-	-	-
Insurance recovery	-	-	-	-	-
Investment earnings	-	-	-	-	-
Miscellaneous	-	8,123	17,829	8,306	-
Total revenue	<u>-</u>	<u>69,963</u>	<u>59,663</u>	<u>43,441</u>	<u>3,001</u>
Expenditures:					
Current:					
General government	-	-	-	-	-
Public safety	14,140	-	-	-	-
Public works	-	66,060	59,671	44,585	-
Culture and recreation	-	-	-	-	(14,939)
Community services	-	-	-	-	-
Total expenditures	<u>14,140</u>	<u>66,060</u>	<u>59,671</u>	<u>44,585</u>	<u>(14,939)</u>
Excess (deficiency) of revenue over expenditures	<u>(14,140)</u>	<u>3,903</u>	<u>(8)</u>	<u>(1,144)</u>	<u>17,940</u>
Other financing sources (uses):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Transfers to component units	-	-	-	-	-
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(14,140)</u>	<u>3,903</u>	<u>(8)</u>	<u>(1,144)</u>	<u>17,940</u>
Fund balances, beginning of year	<u>35,756</u>	<u>-</u>	<u>-</u>	<u>1,144</u>	<u>(17,940)</u>
Fund balances, end of year	<u>\$ 21,616</u>	<u>\$ 3,903</u>	<u>\$ (8)</u>	<u>\$ -</u>	<u>\$ -</u>

<u>CDBG housing grant</u>	<u>Energy manager</u>	<u>Special events center</u>	<u>SMPC trust</u>	<u>Municipal band</u>	<u>Total nonmajor special revenue funds</u>
-	\$ -	\$ -	\$ -	\$ -	\$ 1,548,691
151	43,904	-	10,216	-	2,635,072
-	-	1,203,061	-	-	1,339,345
-	-	-	-	-	421,537
-	21	650	-	29	24,218
-	-	-	-	780	223,441
<u>151</u>	<u>43,925</u>	<u>1,203,711</u>	<u>10,216</u>	<u>809</u>	<u>6,192,304</u>
-	84,673	-	-	-	799,511
-	-	-	-	-	358,562
-	-	-	-	-	1,206,074
-	-	2,251,542	110,001	17,984	2,713,809
<u>151</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,334,296</u>
<u>151</u>	<u>84,673</u>	<u>2,251,542</u>	<u>110,001</u>	<u>17,984</u>	<u>6,412,252</u>
-	(40,748)	(1,047,831)	(99,785)	(17,175)	(219,948)
-	-	984,899	-	18,500	4,762,399
-	-	-	-	-	(540,000)
-	-	-	-	-	(1,117,952)
-	-	984,899	-	18,500	3,104,447
-	(40,748)	(62,932)	(99,785)	1,325	2,884,499
-	40,748	(46,811)	117,744	19,104	4,777,245
<u>\$ -</u>	<u>\$ -</u>	<u>\$ (109,743)</u>	<u>\$ 17,959</u>	<u>\$ 20,429</u>	<u>\$ 7,661,744</u>

CITY OF DODGE CITY, KANSAS

COMBINING STATEMENT OF REVENUE, EXPENDITURES, AND
CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
CAPITAL PROJECTS FUNDS

Year ended December 31, 2011

	<u>Capital improvement</u>	<u>GO bonds 2007</u>	<u>GO bonds 2010</u>
Revenue:			
Taxes	\$ 298,815	\$ -	\$ -
Contribution from property owners	<u>-</u>	<u>-</u>	<u>-</u>
Total revenue	<u>298,815</u>	<u>-</u>	<u>-</u>
Expenditures:			
Current:			
General government	31,972	-	-
Public works	13,173	53,414	463,917
Culture and recreation	100,902	-	-
Capital projects	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>146,047</u>	<u>53,414</u>	<u>463,917</u>
Excess (deficiency) of revenue over expenditures	<u>152,768</u>	<u>(53,414)</u>	<u>(463,917)</u>
Other financing sources (uses):			
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	152,768	(53,414)	(463,917)
Fund balances, beginning of year	<u>211,293</u>	<u>60,296</u>	<u>463,917</u>
Fund balances, end of year	<u>\$ 364,061</u>	<u>\$ 6,882</u>	<u>\$ -</u>

GO bonds 2011	Special obligation bonds	Total nonmajor capital projects funds
\$ -	\$ -	\$ 298,815
-	520,000	520,000
-	520,000	818,815
-	520,000	551,972
720,386	-	1,250,890
-	-	100,902
210,567	-	210,567
930,953	520,000	2,114,331
(930,953)	-	(1,295,516)
1,659,259	-	1,659,259
1,659,259	-	1,659,259
728,306	-	363,743
-	-	735,506
\$ 728,306	\$ -	\$ 1,099,249

CITY OF DODGE CITY, KANSAS

STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUND

December 31, 2011

	<u>Special obligation debt service</u>
<u>ASSETS</u>	
Cash	<u>\$ 8,251</u>
<u>LIABILITIES</u>	
Due to bondholders	<u>\$ 8,251</u>

The accompanying notes are an integral part of the basic financial statements.