

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**CITY OF MISSION, KANSAS**

**Year Ended  
December 31, 2015**

**Prepared by the Finance and Administration Department**

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CITY OF MISSION, KANSAS  
Comprehensive Annual Financial Report  
Year ended December 31, 2015

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**INTRODUCTORY SECTION**

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April 25, 2016

To the Citizens of the City of Mission, Kansas

The City of Mission is pleased to submit the comprehensive annual financial report for the fiscal year ending December 31, 2015. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

This report includes all funds of the City. The City provides a range of services including police protection, trash services, the construction and maintenance of streets and infrastructure, and recreational and cultural activities. There are no other entities over which the City exercises financial accountability. Educational, fire protection, sanitary sewer and water services are provided by separate entities.

Management's discussion and analysis immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. Management's discussion and analysis complements this letter of transmittal and should be read in conjunction with it.

### **ECONOMIC CONDITION AND OUTLOOK**

The City is located in the northeast corner of Johnson County and lies along a major transportation corridor, making it accessible to the entire metropolitan area.

The City, incorporated in 1951, operates as a second-class city with a mayor-council form of government. The governing body is made up of eight council members, four of whom are elected in even numbered years to serve four-year terms. The Mayor is elected to a four-year term and serves as the chief executive officer of the City.

The City's population is 9,323 with a current annual budget of \$21,263,297. The City covers 2.87 square miles and is 95% developed. The daytime population of the City increases to nearly 15,000, as a result of people who come into the City to work, conduct business, and shop. The Johnson Drive corridor offers a more traditional downtown, connecting retail hubs located at the City's east and west entrances. Other businesses within the City include general offices, light manufacturing, health care facilities, laboratories, Shawnee Mission Main Post Office, Johnson County offices, State of Kansas Driver's License Bureau, a number of restaurants and casual sit-down establishments, grocery chains and a variety of small retail operations.

The City has traditionally been viewed as a bedroom community, offering convenient services, a small town atmosphere, comfortable living conditions, a family environment, and a variety of outstanding residential neighborhoods. Residents enjoy an excellent standard of living as a result of the active community spirit, an award-winning school system, low crime rates and high quality service delivery. The governing body proactively addresses quality of life issues to ensure that the current standard of living is not only maintained, but ultimately enhanced.

The City Council works to meet the needs of existing businesses, while simultaneously dedicating resources to attract new businesses. The sales tax revenues generated by the business community are vital to the City's financial stability. The mill levy remains one of the lowest in Johnson County and in the State of Kansas. Future financial planning efforts continue to explore revenue diversification and policies to protect cash reserves.

## **MAJOR CITY INITIATIVES**

In 2015, the City began to realize the fruits of its efforts to facilitate and encourage redevelopment and investment throughout the community using comprehensive master plans to attract and secure development consistent with the community's design guidelines and standards. In the City's West Gateway, Phase II of the Mission Crossing development continues with the construction of a 140,000 square foot, multistory independent senior living facility which is set to open in the first quarter of 2016.

Redevelopment of the former Keystone auto dealership was completed in the summer/fall of 2015. The \$25 million project includes a 15,000 sq. ft. Natural Grocer store as well as two other buildings designed for restaurant, retail and/or office tenants.

Residents have enjoyed an outdoor aquatic facility that was opened in May of 2014. Debt service for construction is paid with a portion of a dedicated 3/8-cent sales tax to be used for parks and recreation. The remainder of the funds provide an important revenue stream for continued maintenance and improvement of our recreation facilities.

Street and transportation network investments continue to be a high priority. The reconstruction of Johnson Drive in 2014, from Lamar to Maple, represented the single largest project completed by the City in the last 10 years. Totalling more than \$10.5 million, the project included utility relocation and upgrades, the installation of storm water infrastructure, wider sidewalks, ADA ramps and cross walks, decorative lighting, and other pedestrian amenities. Now complete, the project has transformed an important retail corridor in the community, and quickly become the catalyst of further redevelopment opportunities. The Johnson Drive reconstruction was also a recent recipient of the Capstone Award for infrastructure presented by the Kansas City Business Journal.

In 2015, the City worked on updating its Comprehensive Plan and Parks Master Plan. Both represent important planning tools that will shape future decisions and redevelopment. The City continues to promote organizational efficiency and effectiveness through technology upgrades, management of a classification and compensation system, and on-going evaluation of employee benefits. A continued emphasis on workforce training and development provides employees with the necessary skills to deliver quality services to the citizens of Mission.

## **FUTURE INITIATIVES**

The City continues to explore new and diverse ways to support redevelopment efforts throughout our community. Our work focuses on ensuring that redevelopment results in high quality, sustainable projects benefiting not only Mission but the entire region. Mission supports efforts for long-range, comprehensive capital infrastructure planning and budgeting; refining strategies for the on-going maintenance, repair and replacement of our important infrastructure assets.

The City continues to evaluate Parks and Recreation services to develop sustainable operating plans for the Community Center, the municipal swimming pool, and the 30+ acres of parks and recreational facilities maintained for the benefit of Mission residents. Planning and development of trails which link Mission to the rest of the metropolitan area will remain a priority.

The Police Department remains committed to improving the level of service to the community. Continued emphasis on traffic safety and enforcement contributes to the overall safety of both residents and visitors alike. The Mission Police Department will also maintain its focus on training, keeping personnel abreast of a variety of professional trends and development opportunities.

The Mission Convention and Visitors Bureau (MCVB) assists and enhances existing businesses through an improvement grant program and a number of community festivals and events. The MCVB's specialty publication, with a distribution of approximately 13,500, continues to be popular, featuring and promoting local businesses and the Mission community.

As previously stated, street and transportation network investments continue to be a high priority. This fact was reinforced in a citizen survey completed in 2015 which ranked maintenance of City streets as the number one item of importance for residents. To address this concern the City will identify and prioritize future street repair and maintenance projects, and find sustainable funding sources.

## **FINANCIAL INFORMATION**

City management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of the control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

## **BUDGETARY CONTROLS**

The City maintains various budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City's governing body. Activities of the General Fund, Special Revenue Funds, and Debt Service Funds are included in the annual appropriated budget. The legal level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is at the fund level. The City also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts do not lapse at year-end. However, unencumbered appropriations do lapse. As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management.

## **OTHER INFORMATION**

### Independent Audit

Kansas statutes require an annual audit of the City's financial statements. The audit for 2015 was conducted by Mize Houser & Company P.A., Certified Public Accountants and their report on the financial statements is included in the financial section of this report.

### Reporting Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report (CAFR) for the fiscal year ending December 31, 2014. This was the twenty-second consecutive year the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

## **ACKNOWLEDGEMENTS**

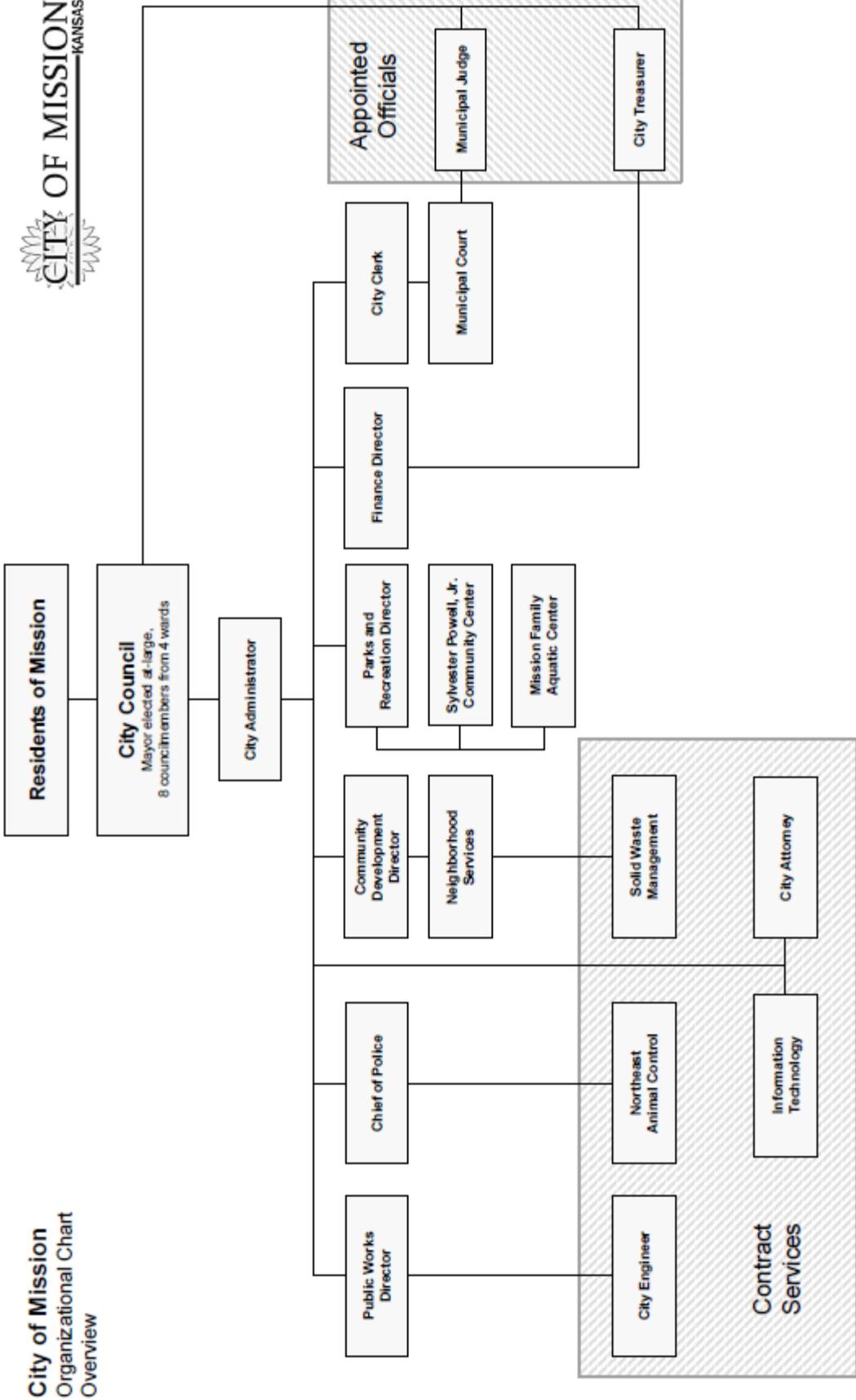
The preparation of this comprehensive annual financial report was made possible by the dedicated services of the staff of the Administration, Municipal Court, and Parks and Recreation departments. Our sincere appreciation is extended to all members of the staff, whose efforts made this report possible.

Respectfully submitted,



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Laura Smith  
City Administrator



**City of Mission**  
Organizational Chart  
Overview

CITY OF MISSION, KANSAS  
PRINCIPAL OFFICIALS - 2015

*Mayor and City Council*

Honorable Steve Schowengerdt, Mayor  
Honorable Pat Quinn - Ward 1  
Honorable Jason Vaughn - Ward 1  
Honorable Amy Miller - Ward 2  
Honorable Arcie Rothrock - Ward 2  
Honorable Jennifer Cowdry - Ward 3  
Honorable Debbie Kring - Ward 3  
Honorable David Shepard - Ward 4  
Honorable Suzanne Gibbs - Ward 4

*Administration*

City Administrator: Laura Smith  
Finance Director: Brian Scott  
City Clerk: Martha Sumrall  
Treasurer: Donald C. Chamblin  
Municipal Judge: Keith E. Drill  
Chief of Police: Benjamin Hadley  
Public Works Director: John Belger  
Interim Community Development Director: Danielle Murray  
Parks and Recreation Director: Christy Humerickhouse

*Attorney*

David K. Martin



Government Finance Officers Association

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

Presented to

**City of Mission  
Kansas**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2014**

Executive Director/CEO

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**FINANCIAL SECTION**

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INDEPENDENT AUDITOR'S REPORT

Mayor and City Council  
City of Mission, Kansas

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Mission, Kansas, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the "Kansas Municipal Accounting and Audit Guide." These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Mission, Kansas, as of December 31, 2015, and the respective changes in financial position, thereof and the respective budgetary comparison for the general fund, the special highway fund, and the storm drain fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

### *Change in Accounting Principle*

As described in Note II.B. to the financial statements, the City implemented GASB 68 during the current year. As a result of the implementation, a restatement was made to the net position for the proportionate share of the City's net pension liability at December 31, 2014. Our opinion is not modified with respect to this matter.

### *Prior Period Restatement*

As discussed in Note II.B. to the financial statements, certain errors resulting in amounts previously reported as capital assets as of December 31, 2014, were discovered by management of the City during the current year. Accordingly, these amounts have been restated in the December 31, 2015, financial statements now presented, and adjustments have been made to net position to correct the error. Our opinion is not modified with respect to these matters

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 8, the schedule of funding progress on page 40, the schedule of the City's proportionate share of the net pension liability on page 41, and the schedule of City contributions on page 41 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical tables as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules 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 account 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 financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

*Mize Houser & Company PA*

Certified Public Accountants  
Lawrence, Kansas

April 25, 2016

CITY OF MISSION, KANSAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended December 31, 2015  
Unaudited

Our discussion and analysis of the City of Mission, Kansas financial performance provides an overview of the City's financial activities for the fiscal year ended December 31, 2015. This narrative should be read in conjunction with the City's letter of transmittal, which begins on page i.

**Financial Highlights**

- The Government-wide net position totaled \$35.9 million at the end of the current fiscal year.
- Total capital assets, net of accumulated depreciation at December 31, 2015 totaled \$68.6 million.
- During the year ended December 31, 2015, the City's total revenues (which include charges for services, local taxes and state and federal aid) exceeded total expenses by \$5.3 million.
- The City's total indebtedness decreased by \$4.1 million.
- The City's net capital assets decreased \$.3 million in the current fiscal year.

**Using This Financial Report**

This annual report consists of two distinct series of financial statements: government-wide and funds. In addition, the annual report includes budgetary-basis financial statement comparisons, in accordance with the State of Kansas cash basis and budget laws.

The government-wide statements are designed to provide information about the City's activities as a whole and provide a longer-term view of the City's finances. The fund financial statements tell how the City's services for the governmental activities were financed in the short term as well as what remains for future spending. Fund financial statements report the City's operations in greater detail than the government-wide statements by providing information about the City's most significant funds. In addition, combining statements included in the supplemental information show detail of all other governmental funds. The City also holds fiduciary funds on behalf of various parties. These funds are reported in a separate statement.

**Reporting on the City as a Whole (Government Wide)**

**Statement of Net Position and the Statement of Activities**

The view of the City as a whole looks at all financial transactions and asks the question, "Are we in a better financial position as a result of the current year's financial activities?" The Statement of Net Position and the Statement of Activities provide the basis for answering this question. The statements include all assets and all liabilities using the accrual basis of accounting, which is similar to the accounting method used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses, regardless of when cash is received or paid.

These two statements report the City's Net Position and current year change in Net Position. The change in net position is important because it tells the reader whether the City, as a whole, has improved or diminished its financial position. Over time, increases or decreases in the City's net position are one indicator of whether its financial health is improving or deteriorating. Causes of these changes may be the result of many factors, some financial, some not. Non-financial factors include the City's property tax base, state mandates, and the financial condition of the State of Kansas general fund.

In the Statement of Net Position and the Statement of Activities, the City has one kind of activity:

**Governmental Activities** - Most of the City's programs and services are reported here including general government, public safety, public works and culture and recreation.

CITY OF MISSION, KANSAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended December 31, 2015  
Unaudited

**Reporting the City's Most Significant Funds (Fund Financial Statements)**

Fund financial statements provide detailed information about the City's major funds. The City uses many funds to account for a multitude of financial transactions. The main fund financial statements focus on the City's most significant funds. Combining fund balance sheets and statements of revenues, expenditures and changes in fund balances provide detailed information about all of the City's non-major governmental funds.

Governmental Funds - Most of the City's activities are reported in the governmental funds, which focus on how money flows into and out of the funds and how balances left over at fiscal year end are available to be spent in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general operations and the basic services it provides. Governmental fund information helps the reader to decide whether there are more or fewer financial resources that can be spent in the near term to finance the City's programs. Major differences between the City's governmental activities as reported in the Statement of Net Position and the Statement of Activities and its governmental funds are reconciled in the Governmental Funds financial statements.

**The City as a Whole**

Government-Wide Position

The Statement of Net Position provides the financial position of the City as a whole. The overall financial position of the City decreased by 0.1% in 2015. The following is a summary of the City's Statement of Net Position as of December 31, 2015 and 2014:

City of Mission  
Condensed Statement of Net Position

	<u>Governmental Activities</u>	
	<u>2015</u>	<u>2014</u>
Current assets	\$ 7,428,671	\$ 6,946,670
Net capital assets	<u>68,604,890</u>	<u>68,866,093</u>
Total assets	<u>76,033,561</u>	<u>75,812,763</u>
Deferred outflows of resources	<u>392,807</u>	<u>-</u>
Total assets and deferred outflow of resources	<u>\$ 76,426,368</u>	<u>\$ 75,812,763</u>
Current liabilities	\$ 4,525,378	\$ 5,483,137
Noncurrent liabilities	<u>35,327,641</u>	<u>34,368,110</u>
Total liabilities	<u>39,853,019</u>	<u>39,851,247</u>
Deferred inflows of resources	<u>645,196</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>\$ 40,498,215</u>	<u>\$ 39,851,247</u>
Net Position:		
Net investments in capital assets	\$ 34,647,991	\$ 31,231,003
Restricted for:		
Debt Service	738,850	672,282
Unrestricted	<u>541,312</u>	<u>4,058,231</u>
	<u>\$ 35,928,153</u>	<u>\$ 35,961,516</u>

CITY OF MISSION, KANSAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended December 31, 2015  
Unaudited

The assets of the City are classified as current assets and capital assets. Cash and investments and accounts receivable are the largest current assets. These are assets that are available to provide resources for the near-term operations of the City. Capital assets are used in the operations of the City. These assets include land, buildings, equipment and vehicles, and infrastructure.

Current and non-current liabilities are classified based on anticipated liquidation either in the near-term or in the future. Current liabilities include accounts payable, accrued liabilities, interest payable and the current portion of long-term obligations.

The City has \$34 million in long-term debt, consisting of general obligation bonds, capital leases, and KDHE loans, of which \$3.4 million is due within the next fiscal year.

The City had total assets and deferred outflows of resources at December 31, 2015, totaling \$76.4 million. The total assets and deferred outflows of resources of the City exceeded the total liabilities and deferred inflows of resources by \$35.9 million. The net position invested in capital assets (net of related debt) totaled \$34.6 million, restricted net position totaled \$.7 million and unrestricted net position totaled \$.6 million.

CITY OF MISSION, KANSAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended December 31, 2015  
Unaudited

Government-Wide Activities

The following is a condensed statement of the City's change in net position for the year ended December 31, 2015. Major items of program revenues, grants and general revenues are detailed. Government-wide activities increased the net position of the City by approximately \$5.3 million for the year ended December 31, 2015. The increase can be attributed to an increase in property tax. A reconciliation of the total change in fund balances for the governmental funds to the Statement of Activities is located at page 14 of the basic financial statements. A major difference in the Statement of Activities and changes in the fund balances of governmental funds as expenditures in the funds statements is the repayment of long-term debt of \$4.1 million which is treated as expenditures in the funds statements, but is treated as a reduction of long term debt in the Government wide financial statements.

In addition, the capital outlays of \$2.5 million are treated as expenditures in the fund statements, but are treated as an increase in capital assets in the Government wide financial statements.

City of Mission  
Condensed Statement of Changes in Net Position  
For the Year Ended December 31, 2015 and 2014

	Governmental Activities	
	<u>2015</u>	<u>2014</u>
Revenues:		
Program revenues:		
Charges for services	\$ 6,656,690	\$ 6,761,469
Operating grants	2,090,216	2,035,538
General revenues:		
Property taxes	2,460,223	1,444,658
Sales tax	5,711,057	5,744,564
Motor vehicle tax	156,487	134,758
Franchise tax	1,009,649	1,036,905
Investment earnings	2,404	1,954
Miscellaneous	<u>553,144</u>	<u>378,658</u>
Total revenues	<u>18,639,870</u>	<u>17,538,504</u>
Program expenses:		
General government	2,617,020	2,480,810
Public safety	3,539,822	3,774,245
Public works	3,562,734	3,263,297
Culture and recreation	2,647,417	2,695,856
Interest on long term debt	<u>959,983</u>	<u>1,483,825</u>
Total expenses	<u>13,326,976</u>	<u>13,698,033</u>
Increase [decrease] in net position	<u>5,312,894</u>	<u>3,840,471</u>
Net position - beginning	35,961,516	32,144,900
Prior period adjustment	<u>[5,346,257]</u>	<u>[23,855]</u>
Net position - beginning, restated	<u>30,615,259</u>	<u>32,121,045</u>
Net position - ending	<u>\$ 35,928,153</u>	<u>\$ 35,961,516</u>

CITY OF MISSION, KANSAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended December 31, 2015  
Unaudited

**Financial Analysis of the City's Funds**

The City uses fund accounting to ensure and demonstrate compliance with state and federal finance related legal requirements. These funds are accounted for on the modified accrual basis of accounting.

The governmental funds of the City provide information on near-term inflows, outflows and balances of spendable resources.

Total fund balances at December 31, 2015 for the governmental funds totaled \$4.2 million. Total unassigned fund balances at December 31, 2014 totaled \$2.8 million, of which all but [\$41,720] was attributable to the General Fund.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund was \$2.9 million. The increase in the General Fund's fund balance was \$396,468.

The Special Highway Fund is used to account for monies sent quarterly from the State Treasurer's office which are the Special City and County Highway Fund distributed and computed in compliance with K.S.A. 79-3425C. The ending fund balance of the Special Highway Fund was \$12,391 at December 31, 2015. The decrease in the Special Highway Fund's fund balance was [\$50,786].

The Storm Drain Fund is used to account for storm water charges received based on an equivalent residential unit (ERU) to be used for storm water improvements city wide. The ending fund balance was \$37,027 at December 31, 2015. The increase in the Storm Drain Fund's fund balance was \$12,949.

The Parks and Recreation Sales Tax Bond Fund is used to account for revenues received from a dedicated three-eighths of one percent sales tax for parks and recreation. A portion of the revenues is pledged to retire the 2013B General Obligation bonds issued for the outdoor aquatic facility. The balance is dedicated to other parks and recreation expenses, both capital and operating. The ending fund balance was \$738,850 at December 31, 2015. The increase in the fund balance was \$67,182.

The General Obligation Fund is used to account for resources to be used for the payment of principal, interest and related costs of the general obligation bonds other than the sales tax bonds, as well as certain other long-term obligations of the City. The ending fund balance was \$0 at December 31, 2015. The decrease in the General Obligation Fund's fund balance was [\$614]. The decrease in the fund balance can be attributed to the repayment of debt and fund closing.

The Transportation Utility Fund is used to account for transportation utility charges received based on an established land-use formula per parcel to fund street and other transportation related improvements. The ending fund balance was \$14,177 at December 31, 2015. The decrease in the Transportation Utility Fund was [\$44,209]. The decrease in the fund can be attributed to debt service repayments.

The Capital Improvement Fund is used to account for resources used to construct and maintain infrastructure city-wide. The ending fund balance was \$36,844 at December 31, 2015. The decrease in the Capital Improvement Fund's fund balance was [\$160,003]. The decrease in the fund balance can be attributed to debt service repayments and the capital outlay expenditures for the Johnson Drive street rehabilitation project.

CITY OF MISSION, KANSAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended December 31, 2015  
Unaudited

**General Fund Budgeting Highlights**

The City's budgets are prepared in accordance with Kansas law and are based primarily on the basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

The City's final General Fund budget was \$11,757,632, the same as the original published budget. The revenues were more than budgetary estimates by \$.4 million and the expenditures were less than budgetary estimates by \$.6 million.

Property and sales tax revenues were more than budgeted primarily as a result of conservative estimates and an increase in local businesses. Revenues in the police fines and charges for services (court fees) categories were less than budgeted figures due to staffing vacancies in the police department and a decrease in traffic citations processed.

Overall expenditures in the General Fund were below budgeted figures as a result of specific budget control and voluntary line item reductions by each Department as well as personnel vacancies.

**Capital Assets and Debt Administration**

The City's investment in capital assets for its governmental activities totaled \$68.6 million (net of accumulated depreciation) as of December 31, 2015.

The major capital asset events during the current fiscal year included the following:

- Johnson Drive Reconstruction totaling \$1,710,347
- Street Sweeper totaling \$221,260
- Exercise Equipment totaling \$164,378

Additional information on the City's capital assets can be found in Notes I and III of the financial statements.

At December 31, 2015, the City had total debt outstanding of \$34 million, backed by the full faith and credit of the City. Total long-term debt decreased for the fiscal year ended December 31, 2015, in the amount of \$4.1 million. This was a result of continued repayment of general obligation bonds, loans and capital leases.

Additional information on the City's general long term debt can be found in Note III to the financial statements.

**Contacting the City**

This financial report is designed to provide a general overview of the City's finances. If you have questions about this report or need additional financial information, contact the City's Finance and Administration Department at 6090 Woodson, Mission, Kansas 66202.

CITY OF MISSION, KANSAS  
STATEMENT OF NET POSITION  
December 31, 2015

	<u>Total Governmental Activities</u>
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:</b>	
Current assets:	
Cash and investments	\$ 3,889,622
Restricted cash and investments	26,458
Receivables	<u>3,512,591</u>
Total current assets	<u>7,428,671</u>
Capital assets:	
Capital assets not being depreciated:	
Land	10,674,052
Construction in progress	97,281
Capital assets being depreciated	74,039,305
Less: accumulated depreciation	<u>16,205,748</u>
Total net capital assets	<u>68,604,890</u>
Total assets	<u>76,033,561</u>
Deferred outflows of resources	
Pension - contributions subsequent to the measurement date	280,095
Pension - difference between expected and actual experience	23,448
Pension - changes in proportion	<u>89,264</u>
Total deferred outflows of resources	<u>392,807</u>
Total assets and deferred outflows of resources	<u>\$ 76,426,368</u>
<b>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES:</b>	
Current liabilities:	
Accounts payable	\$ 79,599
Accrued liabilities	69,528
Interest payable	459,455
Municipal court bonds payable	26,458
Unearned revenue	165,372
Current portion of compensated absences	313,701
Current portion of capital leases payable	155,166
Current portion of loans payable	4,426
Current portion of general obligation bonds payable	<u>3,251,673</u>
Total current liabilities (payable from current assets)	<u>4,525,378</u>
Noncurrent liabilities:	
Compensated absences	133,161
Net other post employment benefits	454,117
Net pension liability	4,157,885
Capital lease payable	325,212
Loans payable	78,850
General obligation bonds payable	<u>30,178,416</u>
Total noncurrent liabilities	<u>35,327,641</u>
Total liabilities	<u>39,853,019</u>
Deferred Inflows of Resources	
Pension - difference between expected and actual experience	87,975
Pension - net difference between projected and actual earnings on pension plan investments	143,431
Pension - changes of assumptions	47,894
Pension - change in proportion	<u>365,896</u>
Total deferred inflows of resources	<u>645,196</u>
Total liabilities and deferred inflows of resources	<u>\$ 40,498,215</u>
Net Position	
Net investments in capital assets	\$ 34,647,991
Restricted for:	
Debt service	738,850
Unrestricted	<u>541,312</u>
Total net position	<u>\$ 35,928,153</u>

The notes to the financial statements are an integral part of this statement.

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CITY OF MISSION, KANSAS  
STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2015

	Program Revenues			Net [Expense] Revenue and Changes in in Net Assets
Expenses	Charges for Services	Operating Grants and Contributions	Total Governmental Activities	
<b>Governmental activities:</b>				
General government	\$ 2,617,020	\$ 608,814	\$ -	\$ [2,008,206]
Public safety	3,539,822	1,345,844	70,816	[2,123,162]
Public works	3,562,734	2,855,225	2,019,400	1,311,891
Culture and recreation	2,647,417	1,846,807	-	[800,610]
Interest on long-term debt	959,983	-	-	[959,983]
Total governmental activities	\$ 13,326,976	\$ 6,656,690	\$ 2,090,216	[4,580,070]
<b>General Revenues:</b>				
Property taxes levied for:				
				2,460,223
General purposes				5,711,057
Sales tax				156,487
Motor vehicle tax				1,009,649
Franchise tax				2,404
Investments earnings				553,144
Miscellaneous				9,892,964
Total general revenues				5,312,894
Change in net position				35,961,516
Net position - beginning				[5,346,257]
Prior period adjustment				30,615,259
Net position - beginning, restated				\$ 35,928,153
Net position - ending				\$ 35,928,153

The notes to the financial statements are an integral part of this statement.

CITY OF MISSION, KANSAS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2015

	<u>General</u>	<u>Special Highway</u>	<u>Storm Drain</u>
<b>ASSETS</b>			
Cash and investments	\$ 2,641,325	\$ 12,391	\$ 37,027
Restricted cash and investments	26,458	-	-
Receivables			
Taxes	2,656,646	-	-
Other	44,551	-	-
Total assets	<u>\$ 5,368,980</u>	<u>\$ 12,391</u>	<u>\$ 37,027</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 32,734	\$ -	\$ -
Accrued liabilities	69,528	-	-
Payable from restricted assets			
Municipal court bonds	26,458	-	-
Unearned revenue	164,111	-	-
Total liabilities	<u>292,831</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources			
Unavailable revenue - property taxes	<u>2,215,969</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>2,215,969</u>	<u>-</u>	<u>-</u>
Fund balance:			
Restricted	-	12,391	37,027
Committed	-	-	-
Unassigned	<u>2,860,180</u>	<u>-</u>	<u>-</u>
Total fund balance [deficit]	<u>2,860,180</u>	<u>12,391</u>	<u>37,027</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 5,368,980</u>	<u>\$ 12,391</u>	<u>\$ 37,027</u>

<u>General Obligation</u>	<u>Parks and Recreation Sales Tax Bond</u>	<u>Transportation Utility</u>	<u>Capital Improvement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ 670,269	\$ 14,177	\$ 36,844	\$ 477,589	\$ 3,889,622
-	-	-	-	-	26,458
-	68,581	-	-	154,006	2,879,233
-	-	-	-	-	44,551
<u>\$ -</u>	<u>\$ 738,850</u>	<u>\$ 14,177</u>	<u>\$ 36,844</u>	<u>\$ 631,595</u>	<u>\$ 6,839,864</u>
\$ -	\$ -	\$ -	\$ -	\$ 46,865	\$ 79,599
-	-	-	-	-	69,528
-	-	-	-	-	26,458
-	-	-	-	1,261	165,372
-	-	-	-	48,126	340,957
-	-	-	-	89,218	2,305,187
-	-	-	-	89,218	2,305,187
-	738,850	14,177	36,844	493,142	1,332,431
-	-	-	-	42,829	42,829
-	-	-	-	[41,720]	2,818,460
-	738,850	14,177	36,844	494,251	4,193,720
<u>\$ -</u>	<u>\$ 738,850</u>	<u>\$ 14,177</u>	<u>\$ 36,844</u>	<u>\$ 631,595</u>	<u>\$ 6,839,864</u>

The notes to the financial statements are an integral part of this statement.

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CITY OF MISSION, KANSAS  
RECONCILIATION OF THE TOTAL GOVERNMENTAL FUND BALANCES TO  
NET POSITION OF GOVERNMENTAL ACTIVITIES  
December 31, 2015

Total Governmental Fund Balances		\$ 4,193,720
<p>Amounts reported for governmental activities in the statement of net assets are different because</p> <p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds</p>		
The cost of capital assets is	84,810,638	
Accumulated depreciation is	<u>16,205,748</u>	68,604,890
<p>Pension contributions are reported as an expense in the funds and as a deferred outflow of resources in the governmental activities in the statement of net position.</p>		
		392,807
<p>Pension fundings are reported as a revenue in the funds and as a deferred inflow of resources in the governmental activities in the statement of net position.</p>		
		[4,803,081]
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
		2,893,994
<p>Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long term liabilities at year end consist of:</p>		
General obligation bonds payable	32,775,000	
Discount	[5,688]	
Premium	660,777	
Capital leases payable	480,378	
Loans payable	83,276	
Interest payable	459,455	
Net other post employment benefits	454,117	
Compensated absences payable	<u>446,862</u>	<u>[35,354,177]</u>
Net Position of Governmental Activities		<u>\$ 35,928,153</u>

The notes to the financial statements are an integral part of this statement.

CITY OF MISSION, KANSAS  
STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
For the Year Ended December 31, 2015

	<u>General</u>	<u>Special Highway</u>	<u>Storm Drain</u>
REVENUES:			
Taxes	\$ 6,647,985	\$ -	\$ 75
Intergovernmental	70,816	249,775	-
Licenses and permits	141,750	-	-
Charges for services	1,832,504	-	2,083,213
Fines and fees	1,345,844	-	-
Use of money and property	1,937	76	136
Miscellaneous	508,693	174	-
Total revenues	<u>10,549,529</u>	<u>250,025</u>	<u>2,083,424</u>
EXPENDITURES:			
Current			
General government	2,047,368	-	-
Public safety	3,480,670	-	-
Public works	1,878,568	300,811	16,430
Culture and recreation	2,268,368	-	-
Capital outlay	-	-	-
Debt service			
Principal	65,000	-	1,669,313
Interest and other charges	14,865	-	702,494
Total expenditures	<u>9,754,839</u>	<u>300,811</u>	<u>2,388,237</u>
Excess [deficiency] of revenues over [under] expenditures	<u>794,690</u>	<u>[50,786]</u>	<u>[304,813]</u>
OTHER FINANCING SOURCES [USES]			
Transfers in	25,518	-	641,800
Transfers out	[645,000]	-	[324,038]
Lease proceeds	221,260	-	-
Total other financing sources [uses]	<u>[398,222]</u>	<u>-</u>	<u>317,762</u>
Net change in fund balances	396,468	[50,786]	12,949
Fund balance - Beginning of year	<u>2,463,712</u>	<u>63,177</u>	<u>24,078</u>
Fund balance - End of year	<u>\$ 2,860,180</u>	<u>\$ 12,391</u>	<u>\$ 37,027</u>

<u>General Obligation</u>	<u>Parks and Recreation Sales Tax Bond</u>	<u>Transportation Utility</u>	<u>Capital Improvement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ 832,314	\$ -	\$ -	\$ 960,150	\$ 8,440,524
-	-	-	1,640,049	129,576	2,090,216
-	-	-	-	-	141,750
-	-	772,012	-	481,367	5,169,096
-	-	-	-	-	1,345,844
-	-	61	42	152	2,404
-	-	-	71,116	7,156	587,139
-	<u>832,314</u>	<u>772,073</u>	<u>1,711,207</u>	<u>1,578,401</u>	<u>17,776,973</u>
-	-	-	-	-	2,047,368
-	-	-	-	-	3,480,670
-	-	-	-	-	2,195,809
-	-	-	-	-	2,268,368
-	210,546	11,057	1,726,141	1,277,944	3,225,688
-	410,000	870,000	540,000	425,000	3,979,313
96	119,586	15,225	112,107	48,845	1,013,218
96	<u>740,132</u>	<u>896,282</u>	<u>2,378,248</u>	<u>1,751,789</u>	<u>18,210,434</u>
[96]	<u>92,182</u>	<u>[124,209]</u>	<u>[667,041]</u>	<u>[173,388]</u>	<u>[433,461]</u>
-	-	80,000	507,038	85,000	1,339,356
[518]	[25,000]	-	-	[344,800]	[1,339,356]
-	-	-	-	168,128	389,388
[518]	<u>[25,000]</u>	<u>80,000</u>	<u>507,038</u>	<u>[91,672]</u>	<u>389,388</u>
[614]	67,182	[44,209]	[160,003]	[265,060]	[44,073]
614	<u>671,668</u>	<u>58,386</u>	<u>196,847</u>	<u>759,311</u>	<u>4,237,793</u>
\$ -	<u>\$ 738,850</u>	<u>\$ 14,177</u>	<u>\$ 36,844</u>	<u>\$ 494,251</u>	<u>\$ 4,193,720</u>

The notes to the financial statements are an integral part of this statement.

CITY OF MISSION, KANSAS  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES WITH THE GOVERNMENT WIDE STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2015

Total Net Change In Fund Balances - Governmental Funds	\$	[44,073]
<p>Amounts reported for governmental activities in the statement of activities are different because</p> <p>Capital outlays to purchase or build assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net assets and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities. This is the amount by which capital outlays exceeds depreciation in the period.</p>		
Loss on sale of assets	[4,887]	
Capital outlays	2,540,658	
Depreciation expense	<u>[2,110,770]</u>	425,001
<p>Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. This is the amount by which interest decreased.</p>		
		53,235
<p>Some expenses reported in the statement of activities, such as compensated absences and OPEB, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.</p>		
		[72,139]
<p>Pension payments are reported as expenditures in the governmental funds and do not affect the statement of net activities.</p>		
		249,779
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
		862,897
<p>Proceeds of capital leases is a revenue in the governmental funds, but it increases long-term liabilities in the statement of net assets and does not affect the statement of activities.</p>		
		[389,388]
<p>Repayment of capital leases is an expenditure in the governmental funds, but it reduces long-term liabilities in the statement of net assets and does not affect the statement of activities.</p>		
		135,077
<p>Repayment of bond principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the statement of net assets and does not affect the statement of activities.</p>		
		<u>4,092,505</u>
Changes In Net Position of Governmental Activities	\$	<u>5,312,894</u>

The notes to the financial statements are an integral part of this statement.

CITY OF MISSION, KANSAS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - ACTUAL AND BUDGET  
GENERAL FUND  
For the Year Ended December 31, 2015

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
<b>Revenues</b>						
Taxes	\$ 6,647,985	\$ -	\$ 6,647,985	\$ 6,284,870	\$ 6,284,870	\$ 363,115
Intergovernmental	70,816	-	70,816	42,800	42,800	28,016
Licenses and permits	141,750	-	141,750	150,000	150,000	[8,250]
Charges for services	1,832,504	-	1,832,504	1,975,000	1,975,000	[142,496]
Fines and forfeitures	1,345,844	-	1,345,844	1,490,000	1,490,000	[144,156]
Interest	1,937	-	1,937	1,500	1,500	437
Other	508,693	-	508,693	188,125	188,125	320,568
<b>Total revenues</b>	<b>10,549,529</b>	<b>-</b>	<b>10,549,529</b>	<b>10,132,295</b>	<b>10,132,295</b>	<b>417,234</b>
<b>General government</b>						
Personal service	1,047,453	-	1,047,453	1,059,300	1,059,300	11,847
Contractual	877,153	[16,000]	861,153	986,700	986,700	125,547
Commodities	50,323	-	50,323	52,600	52,600	2,277
Capital outlay	72,082	[56,960]	15,122	72,260	72,260	57,138
Miscellaneous	357	-	357	500	500	143
	<u>2,047,368</u>	<u>[72,960]</u>	<u>1,974,408</u>	<u>2,171,360</u>	<u>2,171,360</u>	<u>196,952</u>
<b>Public works and improvements</b>						
Personal service	740,426	-	740,426	811,000	811,000	70,574
Contractual	754,900	-	754,900	783,700	783,700	28,800
Commodities	123,710	-	123,710	144,850	144,850	21,140
Capital outlay	255,655	-	255,655	69,700	69,700	[185,955]
Miscellaneous	3,877	-	3,877	4,000	4,000	123
	<u>1,878,568</u>	<u>-</u>	<u>1,878,568</u>	<u>1,813,250</u>	<u>1,813,250</u>	<u>[65,318]</u>
<b>Public safety</b>						
Personal service	2,871,374	-	2,871,374	3,081,130	3,081,130	209,756
Contractual	315,040	-	315,040	355,025	355,025	39,985
Commodities	98,626	-	98,626	155,500	155,500	56,874
Capital outlay	195,630	[49,319]	146,311	182,319	182,319	36,008
	<u>3,480,670</u>	<u>[49,319]</u>	<u>3,431,351</u>	<u>3,773,974</u>	<u>3,773,974</u>	<u>342,623</u>
<b>Culture and recreation</b>						
Personal service	1,435,922	-	1,435,922	1,490,200	1,490,200	54,278
Contractual	680,373	-	680,373	740,330	740,330	59,957
Commodities	152,073	-	152,073	169,000	169,000	16,927
	<u>2,268,368</u>	<u>-</u>	<u>2,268,368</u>	<u>2,399,530</u>	<u>2,399,530</u>	<u>131,162</u>
<b>Debt service</b>						
Principal	65,000	-	65,000	80,000	80,000	15,000
Interest and other charges	14,865	-	14,865	-	-	[14,865]
	<u>79,865</u>	<u>-</u>	<u>79,865</u>	<u>80,000</u>	<u>80,000</u>	<u>135</u>
<b>Total expenditures</b>	<b>9,754,839</b>	<b>[122,279]</b>	<b>9,632,560</b>	<b>10,238,114</b>	<b>10,238,114</b>	<b>605,554</b>
<b>Excess [deficiency] of revenues over [under] expenditures</b>	<b>794,690</b>	<b>122,279</b>	<b>916,969</b>	<b>[105,819]</b>	<b>[105,819]</b>	<b>1,022,788</b>
<b>Other financing sources [uses]</b>						
Lease proceeds	221,260	-	221,260	-	-	221,260
Transfers in	25,518	-	25,518	25,000	25,000	518
Transfers out	[645,000]	-	[645,000]	[1,519,518]	[1,519,518]	874,518
<b>Total other financing sources [uses]</b>	<b>[398,222]</b>	<b>-</b>	<b>[398,222]</b>	<b>[1,494,518]</b>	<b>[1,494,518]</b>	<b>1,096,296</b>
<b>Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]</b>	<b>396,468</b>	<b>122,279</b>	<b>518,747</b>	<b>\$ [1,600,337]</b>	<b>\$ [1,600,337]</b>	<b>\$ 2,119,084</b>
<b>Fund balance, January 1</b>	<b>2,463,712</b>	<b>[122,279]</b>	<b>2,341,433</b>			
<b>Fund balance, December 31</b>	<b>\$ 2,860,180</b>	<b>\$ -</b>	<b>\$ 2,860,180</b>			

The notes to the financial statements are an integral part of this statement.

CITY OF MISSION, KANSAS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - ACTUAL AND BUDGET  
SPECIAL HIGHWAY FUND  
For the Year Ended December 31, 2015

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
Revenues						
Intergovernmental	\$ 249,775	\$ -	\$ 249,775	\$ 243,460	\$ 243,460	\$ 6,315
Interest	76	-	76	-	-	76
Miscellaneous	<u>174</u>	<u>-</u>	<u>174</u>	<u>-</u>	<u>-</u>	<u>174</u>
Total revenues	<u>250,025</u>	<u>-</u>	<u>250,025</u>	<u>243,460</u>	<u>243,460</u>	<u>6,565</u>
Expenditures						
Public works and improvements	<u>300,811</u>	<u>-</u>	<u>300,811</u>	<u>320,008</u>	<u>320,008</u>	<u>19,197</u>
Total expenditures	<u>300,811</u>	<u>-</u>	<u>300,811</u>	<u>320,008</u>	<u>320,008</u>	<u>19,197</u>
Excess [deficiency] of revenues over [under] expenditures	[50,786]	-	[50,786]	\$ [76,548]	\$ [76,548]	\$ 25,762
Fund balance, January 1	<u>63,177</u>	<u>-</u>	<u>63,177</u>			
Fund balance, December 31	<u>\$ 12,391</u>	<u>\$ -</u>	<u>\$ 12,391</u>			

The notes to the financial statements are an integral part of this statement.

CITY OF MISSION, KANSAS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - ACTUAL AND BUDGET  
STORM DRAIN FUND  
For the Year Ended December 31, 2015

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
Revenues						
Taxes	\$ 75	\$ -	\$ 75	\$ -	\$ -	\$ 75
Charges for services	2,083,213	-	2,083,213	2,125,000	2,125,000	[41,787]
Use of money and property	<u>136</u>	<u>-</u>	<u>136</u>	<u>100</u>	<u>150</u>	<u>[14]</u>
Total revenues	<u>2,083,424</u>	<u>-</u>	<u>2,083,424</u>	<u>2,125,100</u>	<u>2,125,150</u>	<u>[41,726]</u>
Expenditures						
Public works and improvements	16,430	-	16,430	50,000	50,000	33,570
Principal	1,669,313	-	1,669,313	2,637,986	2,637,986	968,673
Interest and other charges	<u>702,494</u>	<u>-</u>	<u>702,494</u>	<u>-</u>	<u>-</u>	<u>[702,494]</u>
Total expenditures	<u>2,388,237</u>	<u>-</u>	<u>2,388,237</u>	<u>2,687,986</u>	<u>2,687,986</u>	<u>299,749</u>
Excess [deficiency] of revenues over [under] expenditures	<u>[304,813]</u>	<u>-</u>	<u>[304,813]</u>	<u>[562,886]</u>	<u>[562,836]</u>	<u>258,023</u>
Other financing sources [uses]						
Transfers in	641,800	-	641,800	80,000	80,000	561,800
Transfers out	<u>[324,038]</u>	<u>-</u>	<u>[324,038]</u>	<u>[20,000]</u>	<u>[20,000]</u>	<u>[304,038]</u>
Total other financing sources [uses]	<u>317,762</u>	<u>-</u>	<u>317,762</u>	<u>60,000</u>	<u>60,000</u>	<u>257,762</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	<u>12,949</u>	<u>-</u>	<u>12,949</u>	<u>\$ [502,886]</u>	<u>\$ [502,836]</u>	<u>\$ 515,785</u>
Fund balance, January 1	<u>24,078</u>	<u>-</u>	<u>24,078</u>			
Fund balance, December 31	<u>\$ 37,027</u>	<u>\$ -</u>	<u>\$ 37,027</u>			

See independent auditor's report on the financial statements.

CITY OF MISSION, KANSAS  
STATEMENT OF ASSETS AND LIABILITIES  
AGENCY FUNDS  
December 31, 2015

	<u>Agency Funds</u>
Assets	
Cash and cash equivalents	\$ <u>59,715</u>
Total Assets	\$ <u>59,715</u>
Liabilities	
Due to others	\$ <u>59,715</u>
Total Liabilities	\$ <u>59,715</u>

The notes to the financial statements are an integral part of this statement.

CITY OF MISSION, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Mission (the City) is a city of the second class with a mayor-council form of government with the addition of a City Administrator. The City was incorporated in 1951 and covers an area of approximately 2.87 square miles in Johnson County, Kansas. The City has approximately 9,323 residents. The City's organization consists of the general government departments of General Overhead, Administration, Municipal Court, Legislative, Community Development, and the Public Works, Police, Parks and Recreation and Neighborhood Services Departments.

Under governmental accounting standards for defining the financial reporting entity and identifying entities to be included in basic financial statements, these financial statements include only the City. There are no other entities for which the City is financially accountable.

B. Government-wide and fund financial statements

The statement of net position and the statement of activities report information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. All activities of the City are governmental activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational requirements of a particular program. Taxes and other items, which are not classified as program revenues, are presented as general revenues of the city.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column in the fund financial statements.

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

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

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

CITY OF MISSION, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

The City reports the following major governmental funds:

The General Fund is used to account for resources traditionally associated with government, which are not required legally, or by sound financial management to be accounted for in another fund.

The Special Highway Fund is used to account for monies sent quarterly from the State Treasurer's office which are the Special City and County Highway Fund distributed and computed in compliance with K.S.A. 79-3425C.

The Storm Drain Fund is used to account for storm water utility charges received based on an equivalent residential unit (ERU) to be used for storm water improvements citywide.

The General Obligation Fund is used to account for resources to be used for the payment of principal, interest and related costs of the general obligation bonds other than the sales tax bonds, as well as certain other long-term obligations of the City.

The Parks and Recreation Sales Tax Bond Fund is used to account for revenues received from 3/8 of one percent sales tax for parks and recreation, a portion is pledged to retire the Series 2013-B General Obligation Bonds issued for the outdoor aquatic facility project. The balance is dedicated to other parks and recreation activities, including operating costs.

The Transportation Utility Fund is used to account for the transportation utility charges received based on an estimated land use formula per parcel to fund street and other transportation related improvements.

The Capital Improvement Fund is used to account for resources used to construct and maintain infrastructure citywide.

Agency funds are custodial in nature and do not measure results of operations or have a measurement focus. Agency funds do, however, use the accrual basis of accounting. The following activities are accounted for in the agency funds:

License Reinstatement Fees Fund is used to account for amounts collected through the court for driver's license reinstatement fees due to the State of Kansas.

Alcohol and Drug Safety Fund is used to account for monies collected and paid for Driving Under the Influence evaluations.

Cafeteria Plan is used to account for monies collected for employee cafeteria plan contributions.

CITY OF MISSION, KANSAS  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Equity

1. Deposits and Investments

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

The City reflects investments with a maturity of one year or longer at the time of purchase at fair value, and those maturing in less than one year at the time of purchase at amortized cost.

2. Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the year are referred to as either "interfund receivables/payables" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

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

All trade and property tax receivables are shown net of an allowance for uncollectibles.

Collection of current year property tax by the County Treasurer is not completed, apportioned or distributed to the various subdivisions until the succeeding year, such procedure being in conformity with governing state statutes. 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 and therefore are not susceptible to accrual. Accruals of uncollected current year property taxes are offset by deferred revenue and are identical to the adopted budget for 2016.

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

The determination of assessed valuations and the collection of property taxes for all political subdivisions in the State of Kansas are the responsibility of the various counties. The County Appraiser annually determines assessed valuations on January 1 and the County Clerk spreads the annual assessment on the tax rolls. Property taxes are levied as of November 1 and become a lien on the property as of that date. Payments are due November 1, becoming delinquent, with penalty, December 21. Payments of 50% are accepted through December 20, with the second 50% then being due on or before May 10 of the following year.

The County Treasurer is the tax collection agent for all taxing entities within the County. The initial distribution to the subdivisions, including the City, is on or before January 20 of the ensuing year. Additional amounts are distributed on four (4) subsequent dates throughout the calendar year.

CITY OF MISSION, KANSAS  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Equity (Continued)

3. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets, are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant and equipment of the government, are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	20-75
Building improvements	20-75
Machinery and equipment	5-10
Office equipment	5-10
Infrastructure	20-75

4. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

5. Fund Equity

In the fund financial statements, governmental funds report fund balance in the following classifications: nonspendable, restricted, committed, assigned and unassigned. Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Restricted fund balance indicates that constraints have been placed on the use of resources either by being externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Committed fund balances include amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the city council. The formal action of the city council would be in the form of an ordinance. Assigned fund balances include amounts that are constrained by the City management's, through department heads or the city administrator, intent to be used for specific purposes, but are neither restricted nor committed. The authority for management to assign fund balance is done through the City Council Policy Manual. Unassigned fund balance represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

CITY OF MISSION, KANSAS  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Equity (Continued)

5. Fund Equity (Continued)

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, restricted amounts is considered to be spent first. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

When an expenditure is incurred for purposes for which committed, assigned, or unassigned fund balance is available, the following is the order in which resources will be expended: committed, assigned and unassigned.

The following is the detail for fund balance classifications in the financial statements:

	Major Governmental Funds								Total Governmental Funds
	General	Special Highway	Storm Drain	Parks and Recreation Sales Tax Bond	General Obligation	Transportation Utility	Capital Improvement	Other Governmental Funds	
Fund Balances:									
Restricted for:									
Public works	\$ -	\$ 12,391	\$ 37,027	\$ -	\$ -	\$ 14,177	\$ -	\$ 489,732	\$ 553,327
Debt payments	-	-	-	738,850	-	-	-	3,410	742,260
Capital improvements	-	-	-	-	-	36,844	-	-	36,844
Committed for:									
Public works	-	-	-	-	-	-	42,829	-	42,829
Unassigned:	<u>2,860,180</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>[41,720]</u>	<u>-</u>	<u>2,818,460</u>
Total Fund Balances	<u>\$ 2,860,180</u>	<u>\$ 12,391</u>	<u>\$ 37,027</u>	<u>\$ 738,850</u>	<u>\$ -</u>	<u>\$ 14,177</u>	<u>\$ 36,844</u>	<u>\$ 494,251</u>	<u>\$ 4,193,720</u>

6. Compensated Absences

Under terms of the City's personnel policy, City employees are granted vacation and sick leave in varying amounts. At the end of each calendar year, employees are allowed to carry over any unused vacation. In the event of termination, an employee is paid for any unused carryover plus all unused earned vacation through the date of separation not to exceed a total of 240 hours.

The City's sick leave policy is to pay employees 50% of unused sick leave upon retirement or termination without cause. A liability for compensated absences is reported in governmental funds only if it has matured, for example, as a result of employee resignations and retirements. All compensated absences are accrued when incurred in the government-wide financial statements.

The General Fund has been used to liquidate the governmental funds compensated absences in prior years. The amount of the liability due within one year is \$313,701.

CITY OF MISSION, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Equity (Continued)

7. Special Assessments

Kansas statutes require projects financed in part by special assessments to be financed through the issuance of general obligation bonds, which are secured, by the full faith and credit of the City. Special assessments paid prior to the issuance of general obligation bonds are recorded as a project revenue and those received after the issuance of general obligation bonds are recorded as revenue in the General Obligation Fund. Further, state statutes require levying additional general ad valorem property taxes in the General Obligation Fund to finance delinquent special assessments receivable. Accordingly, special assessments receivable is accounted for within the General Obligation Fund. Special assessments are levied over the repayment period of the bonds and the annual installments are due and payable with annual ad valorem property taxes. Special assessment taxes levied are a lien on the property and are recorded as special assessments receivable in the General Obligation Fund with a corresponding amount recorded as deferred revenue. Special assessments receivable at December 31, 2015, in the fund financial statements totaled \$0.

8. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

9. Net Position

Net position represents the difference between assets and liabilities. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

10. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City reports changes in the pension liability proportion and differences between expected and actual experience are reported as deferred outflows of resources in the government activities.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government funds report unavailable revenues from one source: property taxes. Differences between expected and actual experience, differences between projected and actual investment earnings, changes in assumptions, and changes in the pension liability proportion are reported as deferred inflows for governmental activities.

CITY OF MISSION, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

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

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. The 2015 budget was amended for the Capital Improvement Fund and Mission Crossing TIF/CID Fund.

The statutes permit management to transfer 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 each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

The actual data presented in the budgetary comparison statements differs from the data presented in accordance with accounting principles generally accepted in the United States of America (GAAP). The following is a summary of the effects on the ending fund balances caused by the difference in accounting between the budgetary basis and GAAP.

All legal annual operating budgets are prepared using the modified accrual basis of accounting, modified further by the encumbrance method of accounting. Revenues are recognized when cash is received. Expenditures include disbursements, accounts payable and encumbrances. Encumbrances are commitments by the City for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. All unencumbered appropriations (legal budget expenditure authority) lapse at year end. Encumbered appropriations are carried forward.

A legal operating budget is not required for the Transportation Utility Fund, Capital Improvement Fund, Special Law Enforcement Fund, School District Sales Tax Fund, Mission Convention and Visitor's Bureau Fund, Donations and Gifts Fund, Street Sales Tax Fund, Rock Creek Drainage District #1 Fund, Rock Creek Drainage District #2 Fund, Solid Waste Fund, Mission Crossing TIF Fund, Cornerstone Commons CID Fund, and the agency funds.

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

CITY OF MISSION, KANSAS

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2015

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

The actual data presented in the budgetary comparison statements differs from the data presented in accordance with accounting principles generally accepted in the United States of America (GAAP). The following is a summary of the effects on the ending fund balances caused by the difference in accounting between the budgetary basis and GAAP.

	Major Governmental Funds								
	General	Special Highway	Storm Drain	Parks and Recreation Sales Tax Bond	General Obligation	Transportation Utility	Capital Improvement	Other Governmental Funds	Total Governmental Funds
GAAP FUND BALANCE									
December 31, 2015	\$ 2,860,180	\$ 12,391	\$ 37,027	\$ 738,850	\$ -	\$ 14,177	\$ 36,844	\$ 494,251	\$ 4,193,720
Adjustments:									
Unreserved fund balances not subject to the Kansas Budget Law:									
Transportation Utility	-	-	-	-	-	[14,177]	-	-	[14,177]
Capital Improvement	-	-	-	-	-	-	[36,844]	-	[36,844]
Nonmajor governmental funds	-	-	-	-	-	-	-	[442,763]	[442,763]
Total deductions	-	-	-	-	-	[14,177]	[36,844]	[442,763]	[493,784]
BUDGETARY FUND BALANCE									
December 31, 2015	\$ 2,860,180	\$ 12,391	\$ 37,027	\$ 738,850	\$ -	\$ -	\$ -	\$ 51,488	\$ 3,699,936

B. Restatement of Equity

The beginning governmental activities net position was restated as follows:

	Governmental Activities
Net position - beginning	\$ 35,961,516
Prior period adjustment	
Capital assets previously disposed	[686,204]
Net pension liability	[4,660,053]
Net position - beginning, restated	\$ 30,615,259

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

The City's cash is considered to be active funds by management and is invested according to K.S.A. 9-1401. The statute requires that banks eligible to hold active funds have a main or branch bank in the county or an adjacent county in which the City is located and the banks provide an acceptable rate for active funds.

CITY OF MISSION, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

III. DETAILED NOTES ON ALL FUNDS (Continued)

A. Deposits and Investments (Continued)

Various City investments are considered to be idle funds by management and are invested according to K.S.A. 12-1675. The statute requires that the City invest its idle funds in only temporary notes of the City, bank certificates of deposit, repurchase agreements, and if eligible banks do not offer an acceptable rate for the funds; then U.S. Treasury bills or notes, or the Kansas Municipal Investment Pool (KMIP). Maturities of the above investments may not exceed two years by statute.

Some of the City's investments are of bond proceeds invested pursuant to K.S.A. 10-131. This statute allows additional investment authority beyond that of K.S.A. 12-1675. Investments of bond proceeds may follow K.S.A. 12-1675 or include other investments such as the KMIP, direct obligations of the US government or any agency thereof, investment agreements with a financial institution the obligations of which at the time of investment are rated in either of the three highest rating categories by Moody's investors service or Standard and Poor's corporation, and various other investments as specified in K.S.A. 10-131.

At December 31, 2015, the City has the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Rating</u>	<u>Maturity</u>		
			<u>Less Than 5 Years</u>	<u>5 - 10 Years</u>	<u>10 - 15 Years</u>
Kansas Municipal Investment Pool	\$ <u>2,626,409</u>	S&P AAAf/S1+	\$ 2,626,409	\$ -	\$ -

The Kansas 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 10 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. The fair value of the City's position in the municipal investment pool is substantially the same as the value of the pool shares.

The City does not have any formal investment policies that would further limit concentration of credit risk, interest rate, or custodial credit risks beyond state statutes.

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's deposit policy for custodial credit risk require that the depository banks will maintain 100% security in the form of FDIC coverage and pledged collateral according to KSA 9-1402. All deposits were legally secured at December 31, 2015.

B. Accounts Receivable

Accounts receivable of the City, as of the year end, are as follows:

	<u>General</u>	<u>Parks and Recreation Sales Tax Bond</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Taxes	\$ 2,656,646	\$ 68,581	\$ 154,006	\$ 2,879,233
Other	44,551	-	-	44,551
Total	\$ <u>2,701,197</u>	\$ <u>68,581</u>	\$ <u>154,006</u>	\$ <u>2,923,784</u>

CITY OF MISSION, KANSAS  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2015

III. DETAILED NOTES ON ALL FUNDS (Continued)

C. Capital Assets

Capital asset activity for the year ended December 31, 2015, was as follows:

	Balance at <u>12/31/14</u>	Prior Period <u>Adjustments</u>	Balance, Restated <u>12/31/14</u>	<u>Additions</u>	<u>Retirements</u>	Balance at <u>12/31/15</u>
City governmental activities:						
Capital assets, not being depreciated						
Construction in progress	\$ 11,470,602	\$ [361,204]	\$ 11,109,398	\$ 1,741,800	\$ 12,753,917	\$ 97,281
Land	10,999,052	[325,000]	10,674,052	-	-	10,674,052
Capital assets, being depreciated						
Building	8,424,432	-	8,424,432	4,834,727	-	13,259,159
Equipment and vehicles	4,663,746	-	4,663,746	587,993	432,729	4,819,010
Infrastructure	<u>47,831,081</u>	<u>-</u>	<u>47,831,081</u>	<u>8,130,055</u>	<u>-</u>	<u>55,961,136</u>
Total capital assets	<u>83,388,913</u>	<u>[686,204]</u>	<u>82,702,709</u>	<u>15,294,575</u>	<u>13,186,646</u>	<u>84,810,638</u>
Less accumulated depreciation for:						
Building	3,249,602	-	3,249,602	294,913	-	3,544,515
Equipment and vehicles	3,439,004	-	3,439,004	484,436	427,842	3,495,598
Infrastructure	<u>7,834,214</u>	<u>-</u>	<u>7,834,214</u>	<u>1,331,421</u>	<u>-</u>	<u>9,165,635</u>
Total accumulated depreciation	<u>14,522,820</u>	<u>-</u>	<u>14,522,820</u>	<u>2,110,770</u>	<u>427,842</u>	<u>16,205,748</u>
Governmental activities capital assets, net	<u>\$ 68,866,093</u>	<u>\$ [686,204]</u>	<u>\$ 68,179,889</u>	<u>\$ 13,183,805</u>	<u>\$ 12,758,804</u>	<u>\$ 68,604,890</u>

The City's depreciation expense was charged to governmental functions as follows:

Governmental Activities:

General government	\$ 52,511
Public safety	171,232
Public works	1,452,008
Culture and recreation	<u>435,019</u>
Total depreciation	<u><u>\$ 2,110,770</u></u>

CITY OF MISSION, KANSAS

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2015

III. DETAILED NOTES ON ALL FUNDS (Continued)

D. Long-term Debt

During the year ended December 31, 2015, the following changes occurred in long term liabilities:

	Balance January 1, <u>2015</u>	<u>Additions</u>	<u>Retirements</u>	Balance December 31, <u>2015</u>	Due Within <u>A Year</u>
General Obligation Bonds	\$ 36,750,000	\$ -	\$ 3,975,000	\$ 32,775,000	\$ 3,140,000
General Obligation Bonds Premium	774,781	-	114,005	660,776	112,486
General Obligation Bonds Discount	<u>[6,500]</u>	-	<u>[813]</u>	<u>[5,687]</u>	<u>[813]</u>
General Obligation Bonds, Net	37,518,281	-	4,088,192	33,430,089	3,251,673
Capital Lease Payable	226,067	389,388	135,077	480,378	155,166
KDHE Loan Payable	87,589	-	4,313	83,276	4,426
Compensated Absences	<u>483,590</u>	<u>276,973</u>	<u>313,701</u>	<u>446,862</u>	<u>313,701</u>
	<u>\$ 38,315,527</u>	<u>\$ 666,361</u>	<u>\$ 4,541,283</u>	<u>\$ 34,440,605</u>	<u>\$ 3,724,966</u>

General Obligation Bonds. The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities.

General obligation bonds are direct obligations and pledge the full faith and credit of the City. These bonds generally are issued with equal amounts of principal maturing each year. General obligation bonds currently outstanding are as follows:

<u>Series</u>	<u>Date Issued</u>	<u>Original Amount</u>	<u>Interest Rates</u>	<u>Maturity Date</u>	<u>Outstanding Amount As Of December 31, 2015</u>
Series 2007A - Capital Improvement	5/15/2007	\$ 751,114	5.00%-5.30%	9/1/2018	\$ 270,000
Series 2010A - Capital Improvement	8/18/2010	3,276,571	2.00%-2.75%	9/1/2020	1,733,285
Series 2010B - Refunding	12/15/2010	6,974,092	4.00%-4.25%	9/1/2029	6,974,092
Series 2012A - Capital Improvement	2/16/2012	4,351,874	0.40%-2.00%	9/1/2022	3,089,312
Series 2013A - Capital Improvement	7/11/2013	688,786	2.00%-3.00%	9/1/2023	562,029
Series 2013B - Capital Improvement	7/11/2013	4,720,192	2.00%-3.00%	9/1/2023	3,883,153
Series 2013C - Capital Improvement	12/20/2013	4,563,037	2.00%-2.50%	9/1/2023	4,093,810
Series 2014A - Refunding	8/7/2014	9,963,128	2.00%-3.00%	9/1/2029	9,851,919
Series 2014B - Refunding	8/27/2014	4,284,984	2.00%-4.00%	9/1/2018	2,972,488
					<u>\$ 33,430,089</u>

CITY OF MISSION, KANSAS  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2015

III. DETAILED NOTES ON ALL FUNDS (Continued)

D. Long-term Debt (Continued)

Annual debt service requirements to maturity for the general obligation bonds are as follows:

Year Ending December 31,	Principal	Interest
2016	\$ 3,251,673	\$ 1,378,364
2017	3,306,673	1,261,456
2018	3,401,673	1,126,081
2019	3,404,177	1,004,621
2020	3,477,086	882,551
2021-2025	12,702,336	2,570,544
2026-2029	3,886,471	549,594
Total	<u>\$ 33,430,089</u>	<u>\$ 8,773,212</u>

The Kansas Department of Health and Environment and the City has entered into an agreement for a loan. As of December 31, 2015, the City had made \$406,272 in loan draws and had \$304,704 in principal forgiveness. The loan calls for an interest rate of 2.60%. The City will retire this loan with semi-annual payments through March 2031.

Annual debt service requirements to maturity for the KDHE loan outstanding at December 31, 2015 are as follows:

Year Ending December 31,	Principal	Interest
2016	\$ 4,426	\$ 1,931
2017	4,541	1,826
2018	4,660	1,719
2019	4,782	1,609
2020	4,907	1,496
2021-2025	26,531	5,676
2026-2030	30,189	2,369
2031	3,239	38
Total	<u>\$ 83,276</u>	<u>\$ 16,664</u>

CITY OF MISSION, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

III. DETAILED NOTES ON ALL FUNDS (Continued)

D. Long-term Debt (Continued)

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 of Kansas, 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, 2015 there were three series of Industrial Revenue Bonds outstanding, with an aggregate principal amount payable of \$29,633,080.

IV. OTHER INFORMATION

A. 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; and natural disasters for which the City carries commercial insurance. No significant reductions in insurance coverage from that of the prior year have occurred. Settlements have not exceeded insurance coverage for each of the last three years.

The City is a member of the Kansas Eastern Region Insurance Trust (KERIT), a group self-insured program consisting of local governments and other political subdivisions. KERIT was formed in 1986 as a public entity risk retention pool to provide workers' compensation benefits to employees of Trust members. The City pays annual premiums to KERIT for workers' compensation coverage. The agreement with KERIT provides that the Trust will be self-sustaining through member premiums. KERIT has the authority to assess members for any deficiencies of revenues under expenses for any single plan year. Likewise, KERIT has the authority to return dividends to members for the excess of revenues over expenses relating to any single plan year according to the Trust's by-laws.

CITY OF MISSION, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

IV. OTHER INFORMATION (Continued)

B. Defined Benefit Pension Plan

*Description of Pension Plan.* The City participates in a cost-sharing multiple-employer pension plan (Pension Plan), as defined in Governmental Accounting Standards Board Statement No. 67, *Financial Reporting for Pension Plans*. The Pension Plan is administered by the Kansas Public Employees Retirement System (KPERS), a body corporate and an instrumentality of the State of Kansas. KPERS provides benefit provisions to the following statewide pension groups under one plan, as provided by K.S.A. 74, article 49:

- Public employees, which includes:
- State/School employees
- Local employees
- Police and Firemen
- Judges

Substantially all public employees in Kansas are covered by the Pension Plan. Participation by local political subdivisions is optional, but irrevocable once elected.

Those employees participating in the Pension Plan for the City are included in the Local employees group and the Kansas Police and Firemen group.

KPERS issues a stand-alone comprehensive annual financial report, which is available on the KPERS website at [www.kpers.org](http://www.kpers.org).

*Benefits.* Benefits are established by statute and may only be changed by the State Legislature. Members (except Police and Firemen) with ten or more years of credited service, may retire as early as age 55 (Police and Firemen may be age 50 with 20 years of credited service), with an actuarially reduced monthly benefit. Normal retirement is at age 65, age 62 with ten years of credited service, or whenever a member's combined age and years of service equal 85. Police and Firemen normal retirement ages are age 60 with 15 years of credited service, age 55 with 20 years, age 50 with 25 years, or any age with 36 years of service.

Monthly retirement benefits are based on a statutory formula that includes final average salary and years of service. When ending employment, members may withdraw their contributions from their individual accounts, including interest. Members who withdraw their accumulated contributions lose all rights and privileges of membership. For all pension coverage groups, the accumulated contributions and interest are deposited into and disbursed from the membership accumulated reserve fund as established by K.S.A. 74-4922.

Members choose one of seven payment options for their monthly retirement benefits. At retirement a member may receive a lump-sum payment of up to 50% of the actuarial present value of the member's lifetime benefit. His or her monthly retirement benefit is then permanently reduced based on the amount of the lump sum. Benefit increases, including ad hoc post-retirement benefit increases, must be passed into law by the Kansas Legislature. Benefit increases are under the authority of the Legislature and the Governor of the State of Kansas.

The 2012 Legislature made changes affecting new hires, current members and employers. A new KPERS 3 cash balance retirement plan for new hires starting January 1, 2015, was created. Normal retirement age for KPERS 3 is 65 with five years of service or 60 with 30 years of service. Early retirement is available at age 55 with ten years of service, with a reduced benefit. Monthly benefit options are an annuity benefit based on the account balance at retirement.

CITY OF MISSION, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

IV. OTHER INFORMATION (Continued)

B. Defined Benefit Pension Plan (Continued)

For all pension coverage groups, the retirement benefits are disbursed from the retirement benefit payment reserve fund as established by K.S.A. 74-4922.

*Contributions.* Member contributions are established by state law, and are paid by the employee according to the provisions of Section 414(h) of the Internal Revenue Code. State law provides that the employer contribution rates are determined based on the results of an annual actuarial valuation. The contributions and assets of all groups are deposited in the Kansas Public Employees Retirement Fund established by K.S.A. 74-4921. All of the retirement systems are funded on an actuarial reserve basis.

For fiscal years beginning in 1995, Kansas legislation established statutory limits on increases in contribution rates for KPERS employers. Annual increases in the employer contribution rates related to subsequent benefit enhancements are not subject to these limitations. The statutory cap increase over the prior year contribution rate is 1.0% of total payroll for the fiscal year ended June 30, 2015.

The actuarially determined employer contribution rates (not including the 0.85% contribution rate for the Death and Disability Program) and the statutory contribution rates are as follows:

	Actuarial <u>Employer Rate</u>	Statutory Employer <u>Capped Rate</u>
Local government employees	9.48%	9.48%
Police and Firemen	21.36%	21.36%

Member contribution rates as a percentage of eligible compensation for the KPERS fiscal year June 30, 2015 are 5.00% or 6.00% for Local employees and 7.15% for Police and Firemen.

*Employer Allocations.* Although KPERS administers one cost-sharing multiple-employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense are determined separately for each of the following groups of the plan:

- State/School
- Local
- Police and Firemen
- Judges

To facilitate the separate (sub) actuarial valuations, KPERS maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer and nonemployer allocations are applied to amounts presented in the schedules of pension amounts by employer and nonemployer.

The allocation percentages for the City's share of the collective pension amounts as of December 31, 2015, are based on the ratio of its contributions to the total of the employer and nonemployer contributions of the group for the fiscal years ended December 31, 2015.

CITY OF MISSION, KANSAS

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2015

IV. OTHER INFORMATION (Continued)

B. Defined Benefit Pension Plan (Continued)

The contributions used exclude contributions made for prior service, excess benefits and irregular payments. At June 30, 2015, the City's proportion for the Local employees group was 0.121%, which was a decrease of .008% from its proportion measured at June 30, 2014. At June 30, 2015, the City's proportion for the Police and Firemen group was 0.354%, which was a decrease of .038% from its proportion measured at June 30, 2014.

*Net Pension Liability.* At December 31, 2015 and 2014, the City reported a liability of \$4,157,885 and \$4,156,652, respectively, for its total proportionate share of the net pension liability for the Local and Police and Firemen groups.

*Actuarial Assumptions.* The total pension liability was determined by an actuarial valuation as of December 31, 2014, which was rolled forward to June 30, 2015, using the following actuarial assumptions:

<u>Assumption</u>	<u>Rate</u>
Price inflation	3.00%
Wage inflation	4.00%
Salary increases, including wage increases	4.00 to 16.00%, including inflation
Long-term rate of return, net of investment expense, and including price inflation	8.00%

Mortality rates were based on the RP-2000 Healthy Annuitant Mortality Table for Males and Females, with adjustments to better match actual experience. Separate tables apply for males and females as well as each group (State, School, Local, KP&F and Judges).

The actuarial assumptions used in the December 31, 2014 valuation were based on the results of an actuarial experience study conducted for three years ending December 31, 2012.

The long-term expected rate of return of pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage.

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset</u>	<u>Long-Term Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global equity	47.00%	6.30%
Fixed income	13.00%	0.80%
Yield driven	8.00%	4.20%
Real return	11.00%	1.70%
Real estate	11.00%	5.40%
Alternatives	8.00%	9.40%
Short-term investments	<u>2.00%</u>	[0.50]%
Total	<u>100.00%</u>	

CITY OF MISSION, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

IV. OTHER INFORMATION (Continued)

B. Defined Benefit Pension Plan (Continued)

*Discount Rate.* The discount rate used to measure the total pension liability was 8.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the contractually required rate. The State, School and Local employers do not necessarily contribute the full actuarial determined rate. Based on legislation passed in 1993, the employer contribution rates certified by the System's Board of Trustees for these groups may not increase by more than the statutory cap. The expected KPERs employer statutory contribution was modeled for future years, assuming all actuarial assumptions are met in future years. Employers contribute the full actuarial determined rate for Police & Firemen, and Judges. Future employer contribution rates were also modeled for Police & Firemen and Judges, assuming all actuarial assumptions are met in future years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate.* The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 8.00%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (7.00%) or 1-percentage point higher (9.00%) than the current rate:

	<u>1% Decrease (7.00%)</u>	<u>Discount rate (8.00%)</u>	<u>1% Increase (9.00%)</u>
Local	\$ 2,254,840	\$ 1,588,416	\$ 1,023,419
Police and Firemen	3,731,318	2,569,469	1,588,103
Total	<u>\$ 5,986,158</u>	<u>\$ 4,157,885</u>	<u>\$ 2,611,522</u>

*Pension Expense.* For the year ended December 31, 2015, the City recognized Local pension expense of \$79,386 and Police and Firemen pension expense of \$203,553, which includes the changes in the collective net pension liability, projected earnings on pension plan investments, and the amortization of deferred outflows of resources and deferred inflows of resources for the current period.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* At December 31, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions for Local and Police and Firemen groups from the following sources:

	<u>Deferred outflows of resources</u>	<u>Deferred inflows of resources</u>
Differences between actual and expected experience	\$ 23,448	\$ 87,975
Net differences between projected and actual earnings on investments	-	143,431
Changes of assumptions	-	47,894
Changes in proportion	89,264	365,896
Total	<u>\$ 112,712</u>	<u>\$ 645,196</u>

CITY OF MISSION, KANSAS

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2015

IV. OTHER INFORMATION (Continued)

B. Defined Benefit Pension Plan (Continued)

\$280,095 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2016. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended <u>June 30,</u>	Local Group		Police and Firemen Group		<u>Total</u>
	[Inflows]	Outflows	[Inflows]	Outflows	
	<u>Amount</u>		<u>Amount</u>		
2016	\$	[73,429]	\$	[89,945]	\$ [163,374]
2017		[73,429]		[89,945]	[163,374]
2018		[73,429]		[89,945]	[163,374]
2019		[4,155]		30,892	26,737
2020		[19,814]		[49,285]	[69,099]
Total	\$	[244,256]	\$	[288,228]	\$ [532,484]

C. Interfund Transfers

A reconciliation of all transfers by fund type for 2015 follows:

<u>From</u>	<u>To</u>	<u>Amount</u>	<u>Regulatory Authority</u>
General	Non-major	\$ 85,000	Charter Ordinance
General	Storm Drain	560,000	Charter Ordinance
General Obligation	General	518	K.S.A. 10-117a
Storm Drain	Capital Improvement	324,038	Charter Ordinance
Parks and Recreation Sales Tax Bond	General	25,000	Ordinance 1370
Non-major	Storm Drain	81,800	Charter Ordinance
Non-major	Transportation Utility	80,000	Charter Ordinance
Non-major	Capital Improvement	<u>183,000</u>	Charter Ordinance
	Total	<u>\$ 1,339,356</u>	

The City uses interfund transfers to share administrative costs between funds.

D. Defined Contribution Plan

The City has established the City of Mission Money Purchase Plan, administered by the Principal Financial Group, available to employees other than those participating in KP&F. The City Council established and amends benefit provisions. Employees are eligible to participate after completing 1,000 or more hours of service. The City's contributions for each employee are 60% vested after five years of service and vest an additional 20% each year thereafter. The City makes annual contributions to the plan equal to 2% of covered employees' wages. Employees under the plan are allowed to make contributions to the plan of up to 10% of their wages. Employee contributions and the City's contributions for 2014 and 2015 were \$39,294 and \$38,228, respectively.

CITY OF MISSION, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

IV. OTHER INFORMATION (Continued)

E. Capital Leases

The City has entered into a lease agreement as lessee for financing the acquisition of equipment. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of the date of inception.

	Governmental Activities <u>Assets</u>
Other equipment	\$ <u>980,463</u>

During 2015, the City entered into a lease agreement to finance the purchase of a street sweeper in the amount of \$221,260. The lease has a final maturity of March 1, 2019. The City also entered into a lease agreement to finance the purchase of exercise equipment in the amount of \$168,128. The lease has a final maturity of April 24, 2018.

Minimum future lease payments under capital leases as of December 31, 2015 are:

Year Ended <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Payment</u>
2016	\$ 155,166	\$ 7,982	\$ 163,148
2017	149,453	5,113	154,566
2018	147,342	2,128	149,470
2019	<u>28,418</u>	<u>244</u>	<u>28,662</u>
Total	<u>\$ 480,378</u>	<u>\$ 15,467</u>	<u>\$ 495,846</u>

F. Postemployment Healthcare Plan

Plan Description. The City operates a single employer defined benefit healthcare plan administered by the City. The Employee Benefit Plan (the Plan) provides medical benefits to eligible early retirees and their spouses. K.S.A. 12-5040 requires all local governmental entities in the state that provide a group health care plan to make participation available to all retirees and dependents until the retiree reaches the age of 65 years. The General Fund has been used to liquidate other postemployment benefit obligations, such as health care costs, in prior years. No separate financial report is issued for the Plan.

Funding Policy. The contribution requirements of plan participants and the City are established and amended by the City. The required contribution is based on projected pay-as-you-go financing requirements. Plan participant contribution percentages and monthly premiums are as follows:

<u>Monthly Contributions</u>			
<u>Coverage</u>	<u>Health</u>	<u>Dental</u>	<u>Vision</u>
Employee	\$ 566.48	\$ 29.71	\$ 6.52
Employee & Spouse	1,188.96	86.90	17.89
Employee & Child(ren)	1,022.01	86.90	17.89
Family	1,701.92	86.90	17.89

CITY OF MISSION, KANSAS  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2015

IV. OTHER INFORMATION (Continued)

F. Postemployment Healthcare Plan (Continued)

<u>Retiree Contribution Percentage</u>			
Years of <u>Service</u>	<u>Health</u>	<u>Dental</u>	<u>Vision</u>
10 - 14	75%	100%	100%
15 - 19	70%	100%	100%
20 - 24	60%	100%	100%
25 or more	50%	100%	100%

Annual OPEB Cost and Net OPEB Obligation. The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The following table shows the components of the City's annual OPEB cost for the Plan for the year, the amount actually contributed to the plan, and the changes in the City's net OPEB obligation to the Plan:

Annual required contribution	\$ 149,450
Interest on net OPEB obligation	10,357
Adjustment to annual required contribution	<u>[17,104]</u>
Annual OPEB cost (expense)	142,703
Benefit payments	<u>33,836</u>
Change in net OPEB obligation	108,867
Net OPEB obligation - beginning of year	<u>345,250</u>
Net OPEB obligation - end of year	<u>\$ 454,117</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for the year ended December 31, 2015 was as follows:

Fiscal Year <u>Ended</u>	Annual OPEB <u>Cost</u>	Annual OPEB Cost <u>Contributed</u>	Net OPEB <u>Obligation</u>	Percentage of Annual OPEB Cost <u>Contributed</u>
December 31, 2013	\$ 101,204	\$ 42,232	\$ 270,421	41.73%
December 31, 2014	100,499	25,667	345,250	25.54%
December 31, 2015	142,705	33,821	454,117	23.70%

CITY OF MISSION, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

IV. OTHER INFORMATION (Continued)

F. Postemployment Healthcare Plan (Continued)

**Funding Status and Funding Progress.** As of January 1, 2015, the most recent actuarial valuation date, the Plan was not funded. The actuarial accrued liability for benefits was \$1,336,108 and the actuarial value of asset was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,336,108. The covered payroll (annual payroll of active employees covered by the plan) was \$3,152,109, and the ratio of the UAAL to the covered payroll was 42.39%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statement, presents multiyear trend information about whether the actuarial value of plan assets (if any) are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

**Actuarial Methods and Assumptions.** Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan participants) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan participants to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

As of January 1, 2015, the most recent actuarial valuation date, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 3% investment rate of return, which is the rate of the employer's own investments as there are no plan assets and an annual healthcare cost trend of 8% initially, reduced by decrements to an ultimate rate of 5% in 2041. The inflationary impact assumption is 3%. The UAAL is being amortized as a level dollar over an open thirty-year period.

CITY OF MISSION, KANSAS  
 OTHER POST-EMPLOYMENT BENEFITS  
 REQUIRED SUPPLEMENTARY INFORMATION  
 December 31, 2015

Schedule of Funding Progress:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded AAL (b) - (a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as Percent of Payroll (b-a)/(c)
1/1/2013	\$ -	\$ 998,792	\$ 998,792	0.00%	\$ 3,345,290	29.86%
1/1/2014	-	1,056,015	1,056,015	0.00%	4,614,807	22.88%
1/1/2015	-	1,336,108	1,336,108	0.00%	3,152,109	42.39%

CITY OF MISSION, KANSAS  
 KPERS PENSION PLAN  
 REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)  
 December 31, 2015

Schedule of the City's Proportionate Share of the Net Pension Liability  
 Last Ten Fiscal Years\*

	<u>Local</u> <u>12/31/15</u>	<u>Police and</u> <u>Firemen</u> <u>12/31/15</u>
City's proportion of the net pension liability	0.121%	0.354%
City's proportionate share of the net pension liability	\$ 1,588,416	\$ 2,569,469
City's covered employee payroll	\$ 2,047,740	\$ 1,613,584
City's proportionate share of the net pension liability as a percentage of its covered employee payroll	77.57%	159.24%
Plan fiduciary net position as a percentage of the total pension liability	71.98%	74.60%

\* - The amounts presented for each fiscal year were determined as of 12/31. Data became available with the inception of GASB 68 during fiscal year 2015, therefore 10 years of data is unavailable.

Schedule of the City's Contributions  
 Last Ten Fiscal Years\*

	<u>Local</u> <u>12/31/15</u>	<u>Police and</u> <u>Firemen</u> <u>12/31/15</u>
Contractually required contribution	\$ 194,783	\$ 351,871
Contributions in relation to the contractually required contribution	<u>194,783</u>	<u>351,871</u>
Contribution deficiency [excess]	<u>\$ -</u>	<u>\$ -</u>
City's covered-employee payroll	\$ 2,054,675	\$ 1,647,336
Contributions as a percentage of covered employee payroll	9.48%	21.36%

\* - Data became available with the inception of GASB 68 during fiscal year 2015, therefore 10 years of data is unavailable.

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CITY OF MISSION, KANSAS

COMBINING STATEMENTS - NONMAJOR FUNDS

**NONMAJOR SPECIAL REVENUE FUNDS**

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

1. **Special Alcohol Fund** - established to account for one-third of the Alcohol Tax Funds sent to the City quarterly from the State Treasurer's office, and to disperse monies that are allocated yearly for distribution to agencies that are approved by the City Council in specified amounts on a yearly basis.
2. **Special Parks and Recreation Fund** - established to account for one-third of the Alcohol Tax Funds that are sent to the City quarterly by the State Treasurer's office which are computed in compliance with K.S.A. Supp. 79-41A04 et seq., representing tax receipts and adjustments processed by the Department of Revenue.
3. **Special Law Enforcement Fund** - established to provide a depository for monies forfeited to the police department pursuant to provisions of K.S.A. 65-4135 and 65-4156 relating to controlled substance investigation forfeitures. Expenditures from this fund are made only for authorized law enforcement purposes of the police department. Monies in the fund are not to be used for normal operating expenses of the City's police department.
4. **School District Sales Tax Fund** - established to account for the City's portion of sales tax monies received as a result of a 1/8<sup>th</sup> cent sales tax granted to schools by Johnson County voters in 2002. The sales tax is no longer being collected.
5. **Mission Convention and Visitor's Bureau Fund** - established to account for transient guest tax receipts and is used to track the activities and expenditures of the Mission Convention and Visitor's Bureau.
6. **Donations and Gifts Fund** - established to account for donations and gifts from businesses, groups and individuals.
7. **Solid Waste Fund** – established to account for solid waste charges for services.
8. **Street Sales Tax Fund** – established to account for revenues from the ¼ cent sales tax for streets, pledged to retire the Series 2012-A General Obligation Bonds issued for the Martway/Johnson Drive rehabilitation projects. The sales tax sunsets in 2022.
9. **Rock Creek Drainage District #1** – established to account for the Rock Creek Drainage District #1.
10. **Rock Creek Drainage District #2** – established to account for the Rock Creek Drainage District #2.
11. **Mission Crossing TIF/CID** – established to account for the property tax and sales tax that is generated from the development of the Mission Crossing Shopping Center and Wellstone senior, independent living facility. These taxes are remitted back to the developer to reimburse for certain eligible costs associated with the development in accordance with K.S.A 12-1770 (Tax Increment Finance Statutes) and K.S.A 12-6a26 (Community Improvement District Act).
12. **Cornerstone Commons CID** – established to account for a 1% Community Improvement District (CID) sales tax that is generated from retailers located within the Cornerstone Commons CID. This sales tax is remitted back to the developer to reimburse for certain eligible costs associated with the development in accordance with K.S.A 12-6a26 (Community Improvement District Act).

CITY OF MISSION, KANSAS  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 December 31, 2015

	Special Alcohol	Special Parks and Recreation	Special Law Enforcement	School District Sales Tax	Mission Convention and Visitor's Bureau
<b>ASSETS</b>					
Cash and cash equivalents	\$ 27,423	\$ 24,065	\$ 42,829	\$ 19,586	\$ 61,493
Receivables					
Taxes	-	-	-	-	-
<b>Total assets</b>	<b><u>\$ 27,423</u></b>	<b><u>\$ 24,065</u></b>	<b><u>\$ 42,829</u></b>	<b><u>\$ 19,586</u></b>	<b><u>\$ 61,493</u></b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred revenue	-	-	-	-	-
<b>Total liabilities</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>Deferred inflows of resources</b>					
Unavailable revenue - property taxes	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>Fund balances</b>					
Restricted	27,423	24,065	-	19,586	61,493
Committed	-	-	42,829	-	-
Unassigned	-	-	-	-	-
<b>Total fund balances</b>	<b><u>27,423</u></b>	<b><u>24,065</u></b>	<b><u>42,829</u></b>	<b><u>19,586</u></b>	<b><u>61,493</u></b>
<b>Total liabilities and fund balances</b>	<b><u>\$ 27,423</u></b>	<b><u>\$ 24,065</u></b>	<b><u>\$ 42,829</u></b>	<b><u>\$ 19,586</u></b>	<b><u>\$ 61,493</u></b>

Donations and Gifts	Solid Waste	Street Sales Tax	Rock Creek Drainage District #1	Rock Creek Drainage District #2	Mission Crossing TIF	Cornerstone Commons	Total
\$ 4,851	\$ 5,145	\$ 273,278	\$ 1,423	\$ 3,410	\$ 14,086	\$ -	\$ 477,589
-	-	45,721	4,477	84,741	12,501	6,566	154,006
<u>\$ 4,851</u>	<u>\$ 5,145</u>	<u>\$ 318,999</u>	<u>\$ 5,900</u>	<u>\$ 88,151</u>	<u>\$ 26,587</u>	<u>\$ 6,566</u>	<u>\$ 631,595</u>
\$ -	\$ 46,865	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 46,865
1,261	-	-	-	-	-	-	1,261
<u>1,261</u>	<u>46,865</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>48,126</u>
-	-	-	4,477	84,741	-	-	89,218
-	-	-	4,477	84,741	-	-	89,218
3,590	-	318,999	1,423	3,410	26,587	6,566	493,142
-	-	-	-	-	-	-	42,829
-	[41,720]	-	-	-	-	-	[41,720]
<u>3,590</u>	<u>[41,720]</u>	<u>318,999</u>	<u>1,423</u>	<u>3,410</u>	<u>26,587</u>	<u>6,566</u>	<u>494,251</u>
<u>\$ 4,851</u>	<u>\$ 5,145</u>	<u>\$ 318,999</u>	<u>\$ 5,900</u>	<u>\$ 88,151</u>	<u>\$ 26,587</u>	<u>\$ 6,566</u>	<u>\$ 631,595</u>

See independent auditor's report on the financial statements.

CITY OF MISSION, KANSAS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUE FUNDS  
 For the Year Ended December 31, 2015

	<u>Special Alcohol</u>	<u>Special Parks and Recreation</u>	<u>Special Law Enforcement</u>	<u>School District Sales Tax</u>	<u>Mission Convention and Visitor's Bureau</u>
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 36,786
Charges for services	-	-	-	-	-
Intergovernmental	57,128	57,129	-	-	15,319
Interest	-	152	-	-	-
Miscellaneous	-	3,651	-	22	61
Total revenues	<u>57,128</u>	<u>60,932</u>	<u>-</u>	<u>22</u>	<u>52,166</u>
Expenditures					
Current					
Public works and improvements	51,331	323,329	17,786	1,000	45,633
Debt Service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	<u>51,331</u>	<u>323,329</u>	<u>17,786</u>	<u>1,000</u>	<u>45,633</u>
Excess [deficiency] of revenues over [under] expenditures	<u>5,797</u>	<u>[262,397]</u>	<u>[17,786]</u>	<u>[978]</u>	<u>6,533</u>
Other financing sources [uses]					
Lease proceeds	-	168,128	-	-	-
Transfer in	-	-	-	-	-
Transfer out	-	-	-	-	-
Total other financing sources [uses]	<u>-</u>	<u>168,128</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	5,797	[94,269]	[17,786]	[978]	6,533
Fund balances, January 1	<u>21,626</u>	<u>118,334</u>	<u>60,615</u>	<u>20,564</u>	<u>54,960</u>
Fund balances, December 31	<u>\$ 27,423</u>	<u>\$ 24,065</u>	<u>\$ 42,829</u>	<u>\$ 19,586</u>	<u>\$ 61,493</u>

<u>Donations and Gifts</u>	<u>Solid Waste</u>	<u>Street Sales Tax</u>	<u>Rock Creek Drainage District #1</u>	<u>Rock Creek Drainage District #2</u>	<u>Mission Crossing TIF/CID</u>	<u>Cornerstone Commons CID</u>	<u>Total</u>
\$ -	\$ -	\$ 554,876	\$ 2,708	\$ 77,651	\$ 281,563	\$ 6,566	\$ 960,150
-	481,367	-	-	-	-	-	481,367
-	-	-	-	-	-	-	129,576
-	-	-	-	-	-	-	152
-	3,364	57	-	1	-	-	7,156
-	484,731	554,933	2,708	77,652	281,563	6,566	1,578,401
895	566,441	16,553	-	-	254,976	-	1,277,944
-	-	425,000	-	-	-	-	425,000
-	-	48,845	-	-	-	-	48,845
895	566,441	490,398	-	-	254,976	-	1,751,789
[895]	[81,710]	64,535	2,708	77,652	26,587	6,566	[173,388]
-	-	-	-	-	-	-	168,128
-	85,000	-	-	-	-	-	85,000
-	-	[263,000]	[3,800]	[78,000]	-	-	[344,800]
-	85,000	[263,000]	[3,800]	[78,000]	-	-	[91,672]
[895]	3,290	[198,465]	[1,092]	[348]	26,587	6,566	[265,060]
4,485	[45,010]	517,464	2,515	3,758	-	-	759,311
\$ 3,590	\$ [41,720]	\$ 318,999	\$ 1,423	\$ 3,410	\$ 26,587	\$ 6,566	\$ 494,251

See independent auditor's report on the financial statements.

CITY OF MISSION, KANSAS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - ACTUAL AND BUDGET  
SPECIAL ALCOHOL FUND  
For the Year Ended December 31, 2015

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
Revenues						
Intergovernmental	\$ 57,128	\$ -	\$ 57,128	\$ 42,800	\$ 42,800	\$ 14,328
Total revenues	<u>57,128</u>	<u>-</u>	<u>57,128</u>	<u>42,800</u>	<u>42,800</u>	<u>14,328</u>
Expenditures						
Social services	<u>51,331</u>	<u>-</u>	<u>51,331</u>	<u>52,578</u>	<u>52,578</u>	<u>1,247</u>
Total expenditures	<u>51,331</u>	<u>-</u>	<u>51,331</u>	<u>52,578</u>	<u>52,578</u>	<u>1,247</u>
Excess [deficiency] of revenues over [under] expenditures	5,797	-	5,797	\$ [9,778]	\$ [9,778]	\$ 15,575
Fund balance, January 1	<u>21,626</u>	<u>-</u>	<u>21,626</u>			
Fund balance, December 31	<u>\$ 27,423</u>	<u>\$ -</u>	<u>\$ 27,423</u>			

See independent auditor's report on the financial statements.

CITY OF MISSION, KANSAS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - ACTUAL AND BUDGET  
SPECIAL PARKS AND RECREATION FUND  
For the Year Ended December 31, 2015

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
<b>Revenues</b>						
Intergovernmental	\$ 57,129	\$ -	\$ 57,129	\$ 42,800	\$ 42,800	\$ 14,329
Interest	152	-	152	-	-	152
Miscellaneous	3,651	-	3,651	-	-	3,651
<b>Total revenues</b>	<b>60,932</b>	<b>-</b>	<b>60,932</b>	<b>42,800</b>	<b>42,800</b>	<b>18,132</b>
<b>Expenditures</b>						
Public works and improvements	323,329	[63,100]	260,229	160,721	160,721	[99,508]
Adjustment for qualifying budget credit	-	-	-	168,128	168,128	168,128
<b>Total expenditures</b>	<b>323,329</b>	<b>[63,100]</b>	<b>260,229</b>	<b>328,849</b>	<b>328,849</b>	<b>68,620</b>
Excess [deficiency] of revenues over [under] expenditures	[262,397]	63,100	[199,297]	[286,049]	[286,049]	86,752
<b>Other financing sources [uses]</b>						
Lease proceeds	168,128	-	168,128	-	-	168,128
<b>Total other financing sources [uses]</b>	<b>168,128</b>	<b>-</b>	<b>168,128</b>	<b>-</b>	<b>-</b>	<b>168,128</b>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	[94,269]	63,100	[31,169]	\$ [286,049]	\$ [286,049]	\$ 254,880
Fund balance, January 1	118,334	[63,100]	55,234			
Fund balance, December 31	\$ 24,065	\$ -	\$ 24,065			

See independent auditor's report on the financial statements.

CITY OF MISSION, KANSAS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - ACTUAL AND BUDGET  
GENERAL OBLIGATION FUND  
For the Year Ended December 31, 2015

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
Revenues:						
Taxes	\$ -	\$ -	\$ -	\$ 14,115	\$ 14,115	\$ [14,115]
Total revenues	-	-	-	14,115	14,115	[14,115]
Expenditures:						
Interest and other charges	96	-	96	-	-	[96]
Total expenditures	96	-	96	-	-	[96]
Excess [deficiency] of revenues over [under] expenditures	[96]	-	[96]	14,115	14,115	[14,211]
Other financing sources [uses]						
Transfer out	[518]	-	[518]	-	-	[518]
Total other financing sources [uses]	[518]	-	[518]	-	-	[518]
Excess [deficiency] of revenues and other sources over [under] over [under] expenditures	[614]	-	[614]	\$ 14,115	\$ 14,115	\$ [14,729]
Fund balance, January 1	614	-	614			
Fund balance, December 31	\$ -	\$ -	\$ -			

See independent auditor's report on the financial statements.

CITY OF MISSION, KANSAS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - ACTUAL AND BUDGET  
PARKS AND RECREATION SALES TAX BOND FUND  
For the Year Ended December 31, 2015

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
Revenues:						
Taxes	\$ 832,314	\$ -	\$ 832,314	\$ 735,000	\$ 735,000	\$ 97,314
Total revenues	<u>832,314</u>	<u>-</u>	<u>832,314</u>	<u>735,000</u>	<u>735,000</u>	<u>97,314</u>
Expenditures:						
Capital outlay	210,546	-	210,546	415,337	415,337	204,791
Principal	410,000	-	410,000	385,000	385,000	[25,000]
Interest and other charges	<u>119,586</u>	<u>-</u>	<u>119,586</u>	<u>144,650</u>	<u>144,650</u>	<u>25,064</u>
Total expenditures	<u>740,132</u>	<u>-</u>	<u>740,132</u>	<u>944,987</u>	<u>944,987</u>	<u>204,855</u>
Excess [deficiency] of revenues over [under] expenditures	<u>92,182</u>	<u>-</u>	<u>92,182</u>	<u>[209,987]</u>	<u>[209,987]</u>	<u>302,169</u>
Other financing sources [uses]						
Transfer out	<u>[25,000]</u>	<u>-</u>	<u>[25,000]</u>	<u>-</u>	<u>-</u>	<u>[25,000]</u>
Total other financing sources [uses]	<u>[25,000]</u>	<u>-</u>	<u>[25,000]</u>	<u>-</u>	<u>-</u>	<u>[25,000]</u>
Excess [deficiency] of revenues and other sources over [under] over [under] expenditures	<u>67,182</u>	<u>-</u>	<u>67,182</u>	<u>\$ [209,987]</u>	<u>\$ [209,987]</u>	<u>\$ 277,169</u>
Fund balance, January 1	<u>671,668</u>	<u>-</u>	<u>671,668</u>			
Fund balance, December 31	<u>\$ 738,850</u>	<u>\$ -</u>	<u>\$ 738,850</u>			

See independent auditor's report on the financial statements.

CITY OF MISSION, KANSAS

**AGENCY FUNDS**

Agency funds are used to account for assets held by the City as an agent for individuals, private organizations, other governments and/or other funds.

1. **License Reinstatement Fees** - established to account for amounts collected through the court for driver's license restatement fees due to the State of Kansas.
2. **Alcohol and Drug Safety** - established to account for monies collected and paid for Driving Under the Influence evaluations.
3. **Cafeteria Plan** - established to account for monies collected for employee cafeteria plan contributions.

CITY OF MISSION, KANSAS  
 COMBINING BALANCE SHEET  
 AGENCY FUNDS  
 December 31, 2015

ASSETS	License Reinstatement Fees	Alcohol & Drug Safety	Cafeteria Plan	Totals
Cash and cash equivalents	\$ 6,498	\$ 20,669	\$ 32,548	\$ 59,715
Total assets	<u>\$ 6,498</u>	<u>\$ 20,669</u>	<u>\$ 32,548</u>	<u>\$ 59,715</u>
 LIABILITIES				
Due to others	\$ 6,498	\$ 20,669	\$ 32,548	\$ 59,715
Total liabilities	<u>\$ 6,498</u>	<u>\$ 20,669</u>	<u>\$ 32,548</u>	<u>\$ 59,715</u>

See independent auditor's report on the financial statements.

CITY OF MISSION, KANSAS  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 AGENCY FUNDS  
 For the Year Ended December 31, 2015

<u>License Reinstatement Fees</u> ASSETS	Balance January 1, 2015	Additions	Deductions	Balance December 31, 2015
Cash and cash equivalents	\$ 6,645	\$ 27,229	\$ 27,376	\$ 6,498
Total assets	<u>\$ 6,645</u>	<u>\$ 27,229</u>	<u>\$ 27,376</u>	<u>\$ 6,498</u>

LIABILITIES

Due to others	\$ 6,645	\$ 27,229	\$ 27,376	\$ 6,498
Total liabilities	<u>\$ 6,645</u>	<u>\$ 27,229</u>	<u>\$ 27,376</u>	<u>\$ 6,498</u>

<u>Alcohol and Drug Safety</u> ASSETS	Balance January 1, 2015	Additions	Deductions	Balance December 31, 2015
Cash and cash equivalents	\$ 20,804	\$ 150	\$ 285	\$ 20,669
Total assets	<u>\$ 20,804</u>	<u>\$ 150</u>	<u>\$ 285</u>	<u>\$ 20,669</u>

LIABILITIES

Due to others	\$ 20,804	\$ 150	\$ 285	\$ 20,669
Total liabilities	<u>\$ 20,804</u>	<u>\$ 150</u>	<u>\$ 285</u>	<u>\$ 20,669</u>

<u>Cafeteria Plan</u> ASSETS	Balance January 1, 2015	Additions	Deductions	Balance December 31, 2015
Cash and cash equivalents	\$ 9,960	\$ 71,175	\$ 48,587	\$ 32,548
Total assets	<u>\$ 9,960</u>	<u>\$ 71,175</u>	<u>\$ 48,587</u>	<u>\$ 32,548</u>

LIABILITIES

Due to others	\$ 9,960	\$ 71,175	\$ 48,587	\$ 32,548
Total liabilities	<u>\$ 9,960</u>	<u>\$ 71,175</u>	<u>\$ 48,587</u>	<u>\$ 32,548</u>

<u>Total Agency Funds</u> ASSETS	Balance January 1, 2015	Additions	Deductions	Balance December 31, 2015
Cash and cash equivalents	\$ 37,409	\$ 98,554	\$ 76,248	\$ 59,715
Total assets	<u>\$ 37,409</u>	<u>\$ 98,554</u>	<u>\$ 76,248</u>	<u>\$ 59,715</u>

LIABILITIES

Due to others	\$ 37,409	\$ 98,554	\$ 76,248	\$ 59,715
Total liabilities	<u>\$ 37,409</u>	<u>\$ 98,554</u>	<u>\$ 76,248</u>	<u>\$ 59,715</u>

See independent auditor's report on the financial statements.

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**STATISTICAL SECTION**

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Statistical Section  
(Unaudited)

This part of the City of Mission's *Comprehensive Annual Financial Report (CAFR)*, presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents

Financial Trends

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

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue sources, the property and sales taxes.

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economical Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report related to the services the City provides and the activities it performs.

*Sources: Unless otherwise noted, the information in these schedules is derived from the Annual Financial Report for the relevant year. The City implemented GASB Statement 34 in 2004; schedules presenting government-wide information include information beginning in that year.*

TABLE 1  
(UNAUDITED)

CITY OF MISSION, KANSAS  
NET POSITION BY COMPONENT  
LAST TEN YEARS  
(Accrual Basis of Accounting)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental Activities										
Net investments in capital assets	\$ 8,129,556	\$ 15,120,064	\$ 18,606,539	\$ 21,507,063	\$ 23,644,245	\$ 25,521,486	\$ 26,771,829	\$ 24,709,361	\$ 31,231,003	\$ 34,647,991
Restricted	678,017	722,400	857,622	941,397	791,098	550,988	63,337	5,682	672,282	738,850
Unrestricted	<u>4,359,428</u>	<u>2,360,686</u>	<u>3,571,184</u>	<u>3,841,032</u>	<u>1,518,953</u>	<u>1,844,275</u>	<u>3,336,675</u>	<u>7,429,857</u>	<u>4,058,231</u>	<u>541,312</u>
Total Net Position	<u>\$ 13,167,001</u>	<u>\$ 18,203,150</u>	<u>\$ 23,035,345</u>	<u>\$ 26,289,492</u>	<u>\$ 25,954,296</u>	<u>\$ 27,916,749</u>	<u>\$ 30,171,841</u>	<u>\$ 32,144,900</u>	<u>\$ 35,961,516</u>	<u>\$ 35,928,153</u>

Source: City of Mission, Kansas Basic Financial Statements.

TABLE 2  
(UNAUDITED)

CITY OF MISSION, KANSAS  
CHANGE IN NET POSITION  
LAST TEN YEARS  
(Accrual Basis of Accounting)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Expenses</b>										
<b>Governmental Activities:</b>										
General government	\$ 3,547,477	\$ 1,892,510	\$ 3,534,363	\$ 2,311,207	\$ 1,893,579	\$ 2,964,860	\$ 2,376,085	\$ 2,200,521	\$ 2,480,810	\$ 2,617,020
Public safety	2,903,379	3,239,519	3,384,135	3,624,111	3,613,022	3,791,275	3,725,913	3,690,037	3,774,245	3,539,822
Public works	2,657,277	2,953,028	2,699,875	3,990,772	4,388,119	3,332,773	3,306,786	3,448,002	3,263,297	3,562,734
Culture and recreation	2,813,443	2,648,777	2,657,303	2,733,024	2,695,954	2,607,459	2,635,617	2,683,576	2,695,856	2,647,417
Interest on Long-Term Debt	617,069	1,039,158	1,390,170	1,276,197	1,007,059	974,679	1,055,632	1,256,986	1,483,825	959,983
<b>Total Primary Government Expenses</b>	<b>12,538,645</b>	<b>11,772,992</b>	<b>13,665,846</b>	<b>13,935,311</b>	<b>13,597,733</b>	<b>13,671,046</b>	<b>13,100,033</b>	<b>13,279,122</b>	<b>13,698,033</b>	<b>13,326,976</b>
<b>Program Revenues</b>										
<b>Governmental Activities:</b>										
<b>Charges for services</b>										
General government	115,658	154,005	164,213	161,865	132,871	781,913	494,255	609,511	663,866	608,814
Public safety	1,568,089	1,897,595	1,850,795	2,071,362	1,648,771	1,640,415	1,868,248	1,528,186	1,462,936	1,345,844
Public works	372,141	574,455	777,603	1,059,463	1,190,916	2,432,511	2,461,655	2,871,020	2,826,091	2,855,225
Culture and recreation	1,758,012	1,818,171	1,872,041	1,841,918	1,805,037	1,559,797	1,776,706	1,776,706	1,808,576	1,846,807
<b>Operating grants and contributions</b>										
General government	1,300	-	-	-	-	-	-	-	-	-
Public safety	14,573	44,286	68,313	54,871	34,335	46,848	55,474	57,824	47,323	70,816
Public works	756,870	4,058,055	5,945,713	3,619,852	1,113,502	2,308,031	492,870	1,070,856	1,988,215	2,019,400
<b>Total Primary Government Program Revenues</b>	<b>4,586,643</b>	<b>8,546,567</b>	<b>10,678,678</b>	<b>8,809,331</b>	<b>5,925,432</b>	<b>8,769,515</b>	<b>7,149,208</b>	<b>7,914,103</b>	<b>8,797,007</b>	<b>8,746,906</b>
<b>Total Primary Government Net [Expense]</b>	<b>[7,952,002]</b>	<b>[3,226,425]</b>	<b>[2,987,168]</b>	<b>[5,125,980]</b>	<b>[7,672,301]</b>	<b>[4,901,531]</b>	<b>[5,950,825]</b>	<b>[5,365,019]</b>	<b>[4,901,026]</b>	<b>[4,580,070]</b>
<b>General Revenues and Other Changes in Net Position</b>										
<b>Governmental activities:</b>										
<b>Taxes:</b>										
Property taxes	1,263,709	1,742,544	1,930,893	2,040,368	1,800,788	1,469,907	1,394,756	1,417,391	1,444,658	2,460,223
Sales and use tax	4,296,256	4,542,950	4,323,982	3,972,155	3,973,428	4,057,445	4,040,247	4,942,079	5,744,564	5,711,057
Motor vehicle tax	107,865	123,358	160,252	166,532	158,653	159,717	125,721	130,868	134,758	156,487
Franchise tax	929,185	986,991	1,022,445	976,392	1,011,213	1,014,732	968,696	1,022,854	1,036,905	1,009,649
Investment earnings	710,936	612,662	214,405	37,475	4,282	2,348	4,227	3,214	1,954	2,404
Miscellaneous	392,427	281,947	253,637	1,187,205	388,741	159,835	399,104	368,921	378,658	553,144
<b>Total primary government</b>	<b>7,700,378</b>	<b>8,290,452</b>	<b>7,905,614</b>	<b>8,380,127</b>	<b>7,337,105</b>	<b>6,863,984</b>	<b>6,932,751</b>	<b>7,885,327</b>	<b>8,741,497</b>	<b>9,892,964</b>
<b>Change in Net Position</b>	<b>\$ [251,624]</b>	<b>\$ 5,064,027</b>	<b>\$ 4,918,446</b>	<b>\$ 3,254,147</b>	<b>\$ [335,196]</b>	<b>\$ 1,962,453</b>	<b>\$ 981,926</b>	<b>\$ 2,520,308</b>	<b>\$ 3,840,471</b>	<b>\$ 5,312,894</b>
<b>Governmental activities</b>										

Source: City of Mission, Kansas Basic Financial Statements.

TABLE 3  
(UNAUDITED)

CITY OF MISSION, KANSAS  
FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN YEARS  
(Modified Accrual Basis of Accounting)

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General Fund				
Unassigned	\$ -	\$ -	\$ -	\$ -
Assigned	-	-	-	-
Reserved	3,000	3,000	3,000	34,269
Unreserved	<u>1,923,372</u>	<u>2,120,554</u>	<u>2,459,968</u>	<u>2,473,479</u>
Total General Fund	<u>\$ 1,926,372</u>	<u>\$ 2,123,554</u>	<u>\$ 2,462,968</u>	<u>\$ 2,507,748</u>
All Other Governmental Funds				
Assigned	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Committed	-	-	-	-
Unassigned	-	-	-	-
Reserved	1,153,883	1,153,883	8,828	-
Unreserved, reported in:				
Special revenue funds	1,654,844	1,635,880	1,642,606	1,527,992
Debt service fund	678,017	722,400	857,622	941,397
Capital project funds	<u>9,970,696</u>	<u>[1,813,596]</u>	<u>5,952,272</u>	<u>815,477</u>
Total All Other Governmental Funds	<u>\$ 13,457,440</u>	<u>\$ 1,698,567</u>	<u>\$ 8,461,328</u>	<u>\$ 3,284,866</u>

Source: City of Mission, Kansas Basic Financial Statements.

TABLE 3  
(UNAUDITED)

<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$ -	\$ 1,335,927	\$ 1,340,574	\$ 1,551,771	\$ 2,341,433	\$ 2,860,180
-	-	-	-	122,279	-
34,915	-	-	-	-	-
<u>1,289,577</u>	-	-	-	-	-
<u>\$ 1,324,492</u>	<u>\$ 1,335,927</u>	<u>\$ 1,340,574</u>	<u>\$ 1,551,771</u>	<u>\$ 2,463,712</u>	<u>\$ 2,860,180</u>
\$ -	\$ -	\$ -	\$ -	\$ 63,100	\$ -
-	2,093,006	4,989,510	10,353,222	1,695,376	1,332,431
-	3,721	5,610	15,566	60,615	42,829
-	-	[48,129]	[46,223]	[45,010]	[41,720]
-	-	-	-	-	-
417,604	-	-	-	-	-
791,098	-	-	-	-	-
<u>[453,906]</u>	-	-	-	-	-
<u>\$ 754,796</u>	<u>\$ 2,096,727</u>	<u>\$ 4,946,991</u>	<u>\$ 10,322,565</u>	<u>\$ 1,774,081</u>	<u>\$ 1,333,540</u>

TABLE 4  
(UNAUDITED)

CITY OF MISSION, KANSAS  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
LAST TEN YEARS  
(Modified Accrual Basis of Accounting)

	<u>2006</u>	<u>2007</u>	<u>2008</u>
Revenues			
Taxes	\$ 6,597,014	\$ 7,395,843	\$ 7,336,009
Special assessments	106,173	95,035	101,563
Intergovernmental	666,570	4,007,306	6,014,026
Licenses and permits	147,398	199,545	322,449
Charges for services	2,102,420	2,341,354	2,480,423
Fines and fees	1,564,082	1,903,327	1,861,780
Use of money and property	710,936	612,662	175,208
Miscellaneous	392,427	281,947	275,087
Total revenues	<u>12,287,020</u>	<u>16,837,019</u>	<u>18,566,545</u>
Expenditures			
General government	1,916,208	1,975,256	2,199,511
Public safety	2,722,207	3,079,884	3,326,584
Public works	2,403,996	2,574,231	2,247,005
Culture and recreation	2,521,622	2,381,770	2,387,785
Capital outlay	8,542,329	22,198,096	9,219,468
Debt service			
Principal	4,685,000	5,985,000	8,345,000
Interest and other charges	375,817	1,187,708	1,334,697
Total expenditures	<u>23,167,179</u>	<u>39,381,945</u>	<u>29,060,050</u>
Excess of revenues over [under] expenditures	<u>[10,880,159]</u>	<u>[22,544,926]</u>	<u>[10,493,505]</u>
Other financing sources [uses]			
Transfers in	1,752,338	2,080,802	1,512,547
Transfers out	[1,752,338]	[2,080,802]	[1,512,547]
Bond premium	61,976	1,113	-
Bond discount	-	-	[54,320]
Loan proceeds	-	-	-
Sale of bonds	12,590,000	11,010,000	17,650,000
Total other financing sources [uses]	<u>12,651,976</u>	<u>11,011,113</u>	<u>17,595,680</u>
Net change in fund balances	<u>\$ 1,771,817</u>	<u>\$ [11,533,813]</u>	<u>\$ 7,102,175</u>
Debt service as a percentage of noncapital expenditures	34.60%	41.87%	45.90%

Source: City of Mission, Kansas Basic Financial Statements.

TABLE 4  
(UNAUDITED)

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$ 7,064,955	\$ 6,927,357	\$ 6,690,601	\$ 6,571,139	\$ 7,514,184	\$ 8,329,707	\$ 8,440,524
90,492	16,725	11,200	10,426	-	-	-
3,674,723	1,147,837	2,354,879	548,344	1,128,680	2,035,538	2,090,216
161,865	132,871	158,156	134,743	198,191	135,133	141,750
2,801,599	2,793,683	4,616,065	4,597,873	5,059,046	5,163,400	5,169,096
2,171,144	1,851,040	1,640,415	1,868,248	1,528,186	1,462,936	1,345,844
37,475	4,282	2,348	4,227	3,214	1,954	2,404
1,212,405	415,230	187,679	428,373	399,687	410,738	587,139
<u>17,214,658</u>	<u>13,289,025</u>	<u>15,661,343</u>	<u>14,163,373</u>	<u>15,831,188</u>	<u>17,539,406</u>	<u>17,776,973</u>
1,912,691	1,907,311	1,925,928	1,721,635	1,817,454	1,876,551	2,047,368
3,473,046	3,438,881	3,710,722	3,652,781	3,540,422	3,667,321	3,480,670
3,489,138	3,335,084	2,113,493	2,048,877	2,005,594	1,926,534	2,195,809
2,475,261	2,477,811	2,434,362	2,407,179	2,418,064	2,421,207	2,268,368
3,899,569	2,673,142	5,545,434	2,244,246	6,761,526	8,912,494	3,225,688
28,400,000	12,365,000	2,976,408	2,450,000	2,420,000	19,399,203	3,979,313
1,606,635	1,329,292	1,047,541	1,143,744	1,253,371	1,370,028	1,013,218
<u>45,256,340</u>	<u>27,526,521</u>	<u>19,753,888</u>	<u>15,668,462</u>	<u>20,216,431</u>	<u>39,573,338</u>	<u>18,210,434</u>
<u>[28,041,682]</u>	<u>[14,237,496]</u>	<u>[4,092,545]</u>	<u>[1,505,089]</u>	<u>[4,385,243]</u>	<u>[22,033,932]</u>	<u>[433,461]</u>
1,634,590	2,609,467	1,250,000	682,000	325,557	351,450	1,339,356
[1,634,590]	[2,609,467]	[1,250,000]	[682,000]	[325,557]	[351,450]	[1,339,356]
-	105,663	-	-	302,014	418,111	-
-	-	-	-	-	-	-
-	273,507	520,911	-	-	190,000	389,388
<u>22,910,000</u>	<u>10,145,000</u>	<u>4,925,000</u>	<u>4,360,000</u>	<u>9,670,000</u>	<u>13,830,000</u>	<u>-</u>
<u>22,910,000</u>	<u>10,524,170</u>	<u>5,445,911</u>	<u>4,360,000</u>	<u>9,972,014</u>	<u>14,438,111</u>	<u>389,388</u>
<u>\$ [5,131,682]</u>	<u>\$ [3,713,326]</u>	<u>\$ 1,353,366</u>	<u>\$ 2,854,911</u>	<u>\$ 5,586,771</u>	<u>\$ [7,595,821]</u>	<u>\$ [44,073]</u>
72.76%	54.93%	26.49%	25.62%	26.84%	66.36%	31.86%

TABLE 5  
(UNAUDITED)

CITY OF MISSION, KANSAS  
GENERAL GOVERNMENT TAX REVENUES BY SOURCE  
LAST TEN YEARS

<u>Fiscal Year</u> <u>December 31,</u>	<u>Property</u> <u>Tax</u>	<u>City Sales</u> <u>Tax</u>	<u>City Use</u> <u>Tax</u>	<u>County Sales</u> <u>Tax</u>	<u>County Use</u> <u>Tax</u>	<u>Franchise</u> <u>Tax</u>	<u>Total</u>
2006	\$ 1,371,573	\$ 2,571,130	\$ 465,239	\$ 1,003,059	\$ 256,828	\$ 929,185	\$ 6,597,014
2007	1,865,902	2,647,561	614,798	1,035,776	244,815	986,991	7,395,843
2008	1,989,582	2,625,275	461,553	1,097,660	139,494	1,022,445	7,336,009
2009	2,116,408	2,484,314	439,764	918,713	129,364	976,392	7,064,955
2010	1,942,716	2,475,013	471,969	897,296	129,150	1,011,213	6,927,357
2011	1,618,424	2,564,793	379,031	938,788	174,833	1,014,732	6,690,601
2012	1,562,195	2,482,815	372,011	1,002,287	174,692	977,139	6,571,139
2013	1,549,252	3,143,802	502,158	1,015,709	174,756	1,128,507	7,514,184
2014	1,548,571	3,700,732	1,003,224	876,568	163,707	1,036,905	8,329,707
2015	1,683,032	3,775,802	914,404	886,416	171,221	1,009,649	8,440,524

Source: City of Mission, Kansas Basic Financial Statements.

TABLE 6  
(UNAUDITED)

CITY OF MISSION, KANSAS  
LOCAL SALES AND CONSUMPTION TAX COLLECTIONS  
LAST TEN YEARS (1)

Category	Local Sales Tax Collected							
	2009	2010	2011	2012	2013	2014	2015	
Auto sales, repairs and parts	\$ 264,802	\$ 297,058	\$ 336,701	\$ 232,132	\$ 213,482	\$ 228,554	\$ 300,907	
Clothing, department and shoe stores	432,385	415,520	438,675	453,851	583,131	682,553	655,278	
Building construction, repairs, and maint.	84,602	67,472	53,265	58,198	60,187	92,319	143,443	
Grocery and drug stores	386,318	437,049	449,708	431,180	535,619	620,021	593,849	
Medical	15,962	18,900	19,979	22,897	33,419	27,661	18,874	
Hotels, restaurants and entertainment	424,966	389,738	431,435	412,674	469,695	648,415	638,244	
Specialty	173,076	173,346	181,528	161,861	265,677	285,063	380,581	
Utilities/communications	373,797	379,538	358,793	332,923	436,971	505,198	416,654	
All other outlets	328,406	296,392	294,709	377,099	545,621	576,026	607,284	
<b>Total</b>	<b>\$ 2,484,314</b>	<b>\$ 2,475,013</b>	<b>\$ 2,564,793</b>	<b>\$ 2,482,815</b>	<b>\$ 3,143,802</b>	<b>\$ 3,665,810</b>	<b>\$ 3,755,114</b>	
<b>City Sales Tax Rates:</b>								
General Sales Tax	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	
Street Sales Tax (For 10 Years)	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	
Parks Sales Tax (For 10 Years)	0.00%	0.00%	0.00%	0.00%	0.38%	0.38%	0.38%	
	1.25%	1.25%	1.25%	1.25%	1.63%	1.63%	1.63%	

Note (1) - Data became available in 2009, therefore 10 years of data is unavailable.

Source: Kansas Department of Revenue.

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TABLE 7  
(UNAUDITED)

CITY OF MISSION  
ASSESSED AND ESTIMATED ACTUAL VALUE  
OF TAXABLE PROPERTY (1)  
LAST TEN YEARS

Assessment Year	Year Ended December 31, Budget Year	Real Property		Personal Property		Total Assessed Value	Estimated Actual Value	Ratio of Assessed Value to Estimated Actual Value	Total Direct Tax Rate
		Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value				
2005	2006	\$ 122,948,049	\$ 880,351,925	\$ 8,749,943	\$ 29,166,477	\$ 131,697,992	\$ 909,518,402	0.14	9.962
2006	2007	128,267,489	923,590,639	9,862,567	32,875,223	138,130,056	956,465,862	0.14	13.176
2007	2008	130,722,893	936,033,240	6,713,836	22,379,453	137,436,729	958,412,693	0.14	13.198
2008	2009	124,812,666	900,169,960	3,389,601	11,298,670	128,202,267	911,468,630	0.14	13.215
2009	2010	117,416,873	858,323,410	3,104,763	10,349,210	120,521,636	868,672,620	0.14	13.217
2010	2011	115,357,123	862,419,740	2,594,652	8,648,840	117,951,775	871,068,580	0.14	11.213
2011	2012	112,043,638	854,717,930	2,107,544	7,025,147	114,151,182	861,743,077	0.13	11.371
2012	2013	112,122,375	848,855,960	1,725,925	5,753,083	113,848,300	854,609,043	0.13	11.410
2013	2014	115,710,355	879,419,020	1,490,100	4,967,000	117,200,455	884,386,020	0.13	11.413
2014	2015	120,318,510	910,954,710	1,270,673	4,235,577	121,589,183	915,190,287	0.13	11.354

(1) - Information provided by the Johnson County Office of the County Appraiser.

TABLE 8  
(UNAUDITED)

CITY OF MISSION, KANSAS  
PROPERTY TAX RATES PER \$1,000 OF ASSESSED VALUATION  
DIRECT AND OVERLAPPING GOVERNMENTS  
LAST TEN YEARS

Year Ended December 31,	City				Johnson County	Shawnee Mission School District	Johnson County Community College
	General Fund	Storm Drain Fund	General Obligation Fund	Total Direct Rate			
2006	9.962	1.003	1.028	11.993	17.9220	49.7480	8.960
2007	13.176	1.002	1.027	15.205	17.9490	51.9800	8.872
2008	13.198	1.004	1.029	15.231	17.9850	52.0080	8.749
2009	13.215	1.005	1.030	15.250	17.7670	52.0940	8.768
2010	11.182	1.005	1.030	13.217	17.7160	55.3180	8.784
2011	10.183	0.000	1.030	11.213	17.7480	57.1920	8.799
2012	10.326	0.000	1.045	11.371	17.7000	56.1350	8.776
2013	10.361	0.000	1.049	11.410	17.7000	56.1350	8.776
2014	10.363	0.000	1.050	11.413	17.7450	55.6110	9.551
2015	11.354	0.000	0.000	11.354	17.7640	55.9110	9.461

Information provided by the Johnson County, Kansas County Clerk's Annual Abstract of Taxes.

TABLE 8  
(UNAUDITED)

Consolidated Fire District #2	Johnson County Library	Johnson County Parks and Recreation	Total
9.405	2.955	2.286	103.269
9.335	2.960	2.290	108.591
9.356	2.962	2.295	108.586
8.992	3.057	2.341	108.269
8.991	3.151	2.346	109.523
10.074	3.158	2.350	110.534
10.098	3.145	2.343	109.568
10.098	3.145	2.343	109.607
11.004	3.155	2.347	110.826
11.003	3.157	2.349	110.999

TABLE 9  
(UNAUDITED)

CITY OF MISSION, KANSAS  
PRINCIPAL TAXPAYERS  
December 31, 2015 and Nine Years Ago

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2015 Assessed Valuation</u>	<u>Rank</u>	<u>% of Total Assessed Valuation</u>	<u>2006 Assessed Valuation</u>	<u>Rank</u>	<u>% of Total Assessed Valuation</u>
Scriptpro	Medical equipment manufacturer	\$ 4,576,660	1	3.90%	\$ 4,258,630	1	3.23%
Tower Properties Company	Property developer	2,432,711	2	2.08%	1,875,168	8	1.42%
CAPROCQ KC Mission, L.L.C.	Real estate	2,334,818	3	1.99%	-		0.00%
MOHR Mission, L.L.C.	Real estate	2,270,019	4	1.94%	-		0.00%
Silverwood Apartments, L.L.C.	Real estate	2,200,755	5	1.88%	1,975,482	7	1.50%
Bridges at Foxridge NF L.L.C.	Property developer	2,070,000	6	1.77%	-		0.00%
Whispering Falls, L.L.C.	Real estate	2,062,065	7	1.76%	-		0.00%
Mission Mart Shopping Center	Shopping center	1,913,999	8	1.63%	1,693,592	10	1.29%
Target	Shopping center	1,879,956	9	1.60%	2,648,131	3	2.01%
Block Properties Company	Property developer	1,757,251	10	1.50%	1,708,421	9	1.30%
Southwestern Bell Telephone	Telecommunications provider	-		0.00%	2,717,014	2	2.06%
Gateway Developers, L.L.C.	Property developer	-		0.00%	2,548,454	4	1.94%
Broadmoor Place Joint Venture	Office building development	-		0.00%	2,383,000	5	1.81%
Sixty Three West Investors	Property developer	-		0.00%	2,006,176	6	1.52%
<b>Total</b>		<b>\$ 23,498,234</b>		<b>20.05%</b>	<b>\$ 23,814,068</b>		<b>18.08%</b>

Source: Johnson County Clerks Office.

TABLE 10  
(UNAUDITED)

CITY OF MISSION, KANSAS  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN YEARS

<u>Year Ended December 31,</u>	<u>Total Tax Levy</u>	<u>Current Taxes Collected</u>	<u>Percent of Current Taxes Collected</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Ratio of Total Tax Collections to Tax Levy</u>
2006	\$ 1,280,090	\$ 1,255,976	98.1%	\$ 5,265	\$ 1,261,241	98.5%
2007	1,733,032	1,697,828	98.0%	30,411	1,728,239	99.7%
2008	1,821,495	1,685,188	92.5%	104,970	1,790,158	98.3%
2009	1,814,496	1,776,342	97.9%	36,912	1,813,254	99.9%
2010	1,694,787	1,657,376	97.8%	12,236	1,669,612	98.5%
2011	1,351,409	1,320,407	97.7%	29,563	1,349,970	99.9%
2012	1,341,230	1,321,097	98.5%	9,484	1,330,581	99.2%
2013	1,302,465	1,286,467	98.8%	13,977	1,300,444	99.8%
2014	1,299,351	1,279,755	98.5%	14,966	1,294,721	99.6%
2015	1,330,712	1,297,246	97.5%	3,139	1,300,385	97.7%

TABLE 11  
(UNAUDITED)

CITY OF MISSION, KANSAS  
OUTSTANDING DEBT BY TYPE  
LAST TEN YEARS

Fiscal Year	General Obligation Bonds	Temporary Notes	Capital Improvement Bonds	Special Assessment Bonds	Loans Bonds	Capital Leases Payable	Total	City Population	Personal Income	Debt Per Capita	Debt As A Percentage of Personal Income
2006	\$ 9,725,138	\$ 13,946,976	\$ 860,000	\$ 75,000	\$ -	\$ 144,530	\$ 24,751,644	10,020	\$ 279,257,400	2,470	8.86%
2007	9,050,680	19,771,525	700,000	60,000	-	66,200	29,648,405	10,020	279,257,400	2,959	10.62%
2008	7,951,220	30,265,805	535,000	45,000	-	136,823	38,933,848	10,020	279,257,400	3,886	13.94%
2009	29,666,760	3,231,666	365,000	30,000	-	122,359	33,415,785	10,020	279,257,400	3,335	11.97%
2010	30,800,663	-	185,000	20,000	273,507	67,336	31,346,506	9,323	328,701,011	3,362	9.54%
2011	32,748,611	485,000	-	10,000	99,864	407,344	33,750,819	9,323	328,701,011	3,620	10.27%
2012	34,625,964	485,000	-	-	95,887	265,454	35,472,305	9,323	328,701,011	3,805	10.79%
2013	42,210,431	485,000	-	-	91,792	164,814	42,952,037	9,323	328,701,011	4,607	13.07%
2014	37,518,281	-	-	-	87,589	226,067	37,831,937	9,323	328,701,011	4,058	11.51%
2015	33,430,089	-	-	-	83,276	480,378	33,993,743	9,323	328,701,011	3,646	10.34%

Source: Johnson County Clerk and City of Mission Records.

TABLE 12  
(UNAUDITED)

CITY OF MISSION, KANSAS  
RATIO OF NET GENERAL OBLIGATION BONDED DEBT TO ASSESSED  
VALUE AND NET GENERAL OBLIGATION DEBT PER CAPITA  
LAST TEN YEARS

<u>Year Ended</u> <u>December 31,</u>	<u>Population(1)</u>	<u>Assessed</u> <u>Value</u>	<u>Gross</u> <u>Bonded</u> <u>Debt</u>	<u>Less</u> <u>Debt</u> <u>Service</u> <u>Fund</u>	<u>Net</u> <u>Bonded</u> <u>Debt</u>	<u>Ratio of</u> <u>Net</u> <u>Bonded</u> <u>Debt to</u> <u>Assessed</u> <u>Value</u>	<u>Net</u> <u>Bonded</u> <u>Debt per</u> <u>Capita</u>
2006	10,020	\$ 131,697,992	\$ 9,800,138	\$ 678,017	\$ 9,122,121	6.93%	\$ 910.39
2007	10,020	138,130,056	9,110,680	722,400	8,388,280	6.07%	837.15
2008	10,020	137,436,729	7,996,220	857,622	7,138,598	5.19%	712.43
2009	10,020	128,202,267	29,696,760	941,397	28,755,363	22.43%	2,869.80
2010	9,323	120,521,636	30,820,663	791,098	30,029,565	24.92%	3,221.02
2011	9,323	117,951,775	32,758,611	550,988	32,207,623	27.31%	3,454.64
2012	9,323	114,151,182	34,625,964	63,337	34,562,627	30.28%	3,707.24
2013	9,323	113,848,300	42,210,431	3,529,721	38,680,710	33.98%	4,148.96
2014	9,323	117,200,455	37,518,281	672,282	36,845,999	31.44%	3,952.16
2015	9,323	121,589,183	33,430,089	738,850	32,691,239	26.89%	3,506.51

(1) Information provided by the Johnson County Economic Research Institute.

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TABLE 13  
(UNAUDITED)

CITY OF MISSION, KANSAS  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
December 31, 2015

<u>Name of Governmental Unit</u>	<u>Net Debt Outstanding</u>	<u>Percentage Applicable to City of Mission</u>	<u>Amount Applicable to City of Mission</u>
Direct debt:			
City of Mission, Kansas	\$ 33,993,743	100.00%	\$ 33,993,743
Overlapping debt: (1)			
Johnson County	356,670,000	1.41%	5,029,047
Shawnee Mission School (U.S.D. 512)	302,299,684	3.81%	11,517,618
Fire District #2	545,000	15.60%	85,020
Johnson County Parks and Recreation	<u>2,315,000</u>	1.41%	<u>32,642</u>
Total overlapping debt	<u>661,829,684</u>		<u>16,664,326</u>
Total direct and overlapping debt	<u>\$ 695,823,427</u>		<u>\$ 50,658,069</u>

(1) Information provided by Johnson County Clerk's Office.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the overlapping debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the City's boundaries and dividing it by each unit's total taxable assessed value. This approach was also applied to the other debt of the overlapping governmental units.

TABLE 14  
(UNAUDITED)

CITY OF MISSION, KANSAS  
COMPUTATION OF LEGAL DEBT MARGIN  
LAST TEN YEARS

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Total Assessed Valuation of Taxable Property	\$ 144,047,030	\$ 150,542,400	\$ 149,689,527	\$ 140,390,464
Debt Limit Percent of Assessed Value	30.00%	30.00%	30.00%	30.00%
Debt Limit	43,214,109	45,162,720	44,906,858	42,117,139
Total net debt applicable to limit	<u>9,800,138</u>	<u>9,110,680</u>	<u>7,996,220</u>	<u>2,915,000</u>
Legal Debt Margin	<u>\$ 33,413,971</u>	<u>\$ 36,052,040</u>	<u>\$ 36,910,638</u>	<u>\$ 39,202,139</u>
Total Net Debt Applicable To The Limit As A Percentage of Debt Limit	22.68%	20.17%	17.81%	6.92%

Note 1: Total Assessed Valuation of Taxable Property on This Table Includes Motor Vehicle Assessed Valuation.

Note 2: Under State finance law, the City's outstanding general obligation debt should not exceed 30 percent of the total assessed property value.

Source: Assessed valuation from Johnson County Clerk.

TABLE 14  
(UNAUDITED)

<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$ 132,076,558	\$ 129,270,218	\$ 125,513,832	\$ 125,197,213	\$ 128,836,941	\$ 133,572,726
30.00%	30.00%	30.00%	30.00%	30.00%	30.00%
39,622,967	38,781,065	37,654,150	37,559,164	38,651,082	40,071,818
<u>2,740,000</u>	<u>6,535,000</u>	<u>9,865,000</u>	<u>15,935,000</u>	<u>11,720,000</u>	<u>9,591,160</u>
<u>\$ 36,882,967</u>	<u>\$ 32,246,065</u>	<u>\$ 27,789,150</u>	<u>\$ 21,624,164</u>	<u>\$ 26,931,082</u>	<u>\$ 30,480,658</u>
6.92%	16.85%	26.20%	42.43%	30.32%	23.93%

TABLE 15  
(UNAUDITED)

CITY OF MISSION, KANSAS  
DEMOGRAPHIC STATISTICS  
LAST TEN YEARS  
December 31, 2015

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Unemployment Rate (1)</u>	<u>Per Capita Personal Income (2)</u>	<u>Personal Income</u>
2006	10,020	4.1%	\$ 27,870	\$ 279,257,400
2007	10,020	3.9%	27,870	279,257,400
2008	10,020	4.4%	27,870	279,257,400
2009	10,020	6.3%	27,870	279,257,400
2010	9,323	6.8%	35,257	328,701,011
2011	9,323	6.0%	35,257	328,701,011
2012	9,323	5.4%	35,257	328,701,011
2013	9,323	3.8%	35,257	328,701,011
2014	9,323	3.3%	35,257	328,701,011
2015	9,323	3.3%	35,257	328,701,011

(1) Obtained from Johnson County Economic Research Institute and Bureau of Census.  
Unemployment rates are for Johnson County.

(2) Information compiled every ten years.

TABLE 16  
(UNAUDITED)

CITY OF MISSION, KANSAS  
PRINCIPAL EMPLOYERS  
December 31, 2015 and Nine Years Ago

Employer	December 31, 2015			December 31, 2006		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
AT&T Telecommunications	677	1	7.26%	400	2	3.99%
ScriptPro	600	2	6.44%	500	1	4.99%
VinSolutions	500	3	5.36%			
HyVee Food Stores	320	4	3.43%	250	5	2.50%
U.S. Post Office	250	5	2.68%	250	4	2.50%
Entercom	250	6	2.68%	200	6	2.00%
Packaging Products Corp	250	7	2.68%	Not Available		0.00%
Fred Pryor Seminars	200	8	2.15%			
Geneva Roth Ventures	175	9	1.88%	Not Available		0.00%
Skillpath, Inc.	160	10	1.72%	250	3	2.50%
Target	-		0.00%	Not Available		0.00%
Cumulus Broadcasting (1)	-		0.00%	100	10	1.00%
CGI CommuniGroup	-		0.00%	100	7	1.00%
cGMP Validation L.L.C.	-		0.00%	100	8	1.00%
Medical Staffing Network	-		0.00%	100	9	1.00%
<b>Total</b>	<b>3,382</b>		<b>36.28%</b>	<b>2,250</b>		<b>22.48%</b>

(1) Formerly Susquehanna, Inc.

Source: Northeast Johnson County Economic Development Council.

TABLE 17  
(UNAUDITED)

CITY OF MISSION, KANSAS  
OPERATING INDICATORS BY FUNCTION/PROGRAM  
LAST TEN YEARS  
December 31, 2015

<u>Function/Program</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>Public Safety/Municipal Justice</b>										
911 Calls Received	9,003	10,756	9,128	8,432	10,583	9,150	10,004	9,640	9,619	10,295
DUI Arrests	213	363	335	441	317	328	254	252	241	222
Traffic/Parking Complaints	16,858	17,964	17,350	20,745	16,947	14,471	15,360	10,724	10,185	9,569
Accidents	316	351	287	252	234	294	272	257	254	267
Investigations Cases	714	744	702	668	732	543	450	474	368	458
Total Court Cases Processed	17,690	19,027	17,574	18,849	17,158	14,760	16,624	10,808	10,237	9,537
<b>Public Works</b>										
Curb Miles Swept (lane miles)	296	222	797	1,263	925	1,416	880	1,327	1,490	890
Streets Milled and Overlaid (Linear Feet)	1,200	2,850	9,386	2,540	4,953	13,330	8,417	6,682	4,329	1,386
Sidewalk Replaced (Square Yards)	550	550	1,330	341	1,619	6,015	455	5,134	6,776	2,265
Curb and Gutter Replaced (Linear Feet)	2,900	6,499	4,920	222	3,642	11,266	4,965	8,027	11,631	1,712
Acres of Lawn Mowed	4,224	1,056	1,056	1,240	1,240	1,240	1,240	1,461	1,575	1,599
<b>Urban Management and Planning</b>										
Building Permits Processed	36	60	130	161	251	281	409	331	357	442
Plan Reviews Performed	20	18	20	20	26	17	14	10	14	26
<b>Leisure and Recreation</b>										
Annual Memberships Sold	937	2,294	2,314	2,520	2,871	2,115	2,031	2,413	2,835	2,140
Annual Membership Revenue	1,054,374	1,028,942	1,022,691	952,658	941,704	932,068	872,878	854,846	834,076	825,630
Facility Reservations Processed	1,960	1,111	735	1,012	846	906	1,027	817	1,560	1,374
Facility Reservation Revenue	168,119	172,469	189,378	247,984	214,995	209,024	221,259	187,577	194,746	222,183
Pool Memberships Sold	261	230	232	315	349	323	262	349	998	291
Pool Revenue	53,504	54,425	57,265	63,998	67,880	55,932	57,339	50,684	104,750	104,544

Source: City of Mission, Kansas.

TABLE 18  
(UNAUDITED)

CITY OF MISSION, KANSAS  
FULL TIME CITY EMPLOYEES BY FUNCTION/PROGRAM  
LAST TEN YEARS

<u>Function/Program</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
General Government										
Administration/Finance	7.0	6.0	5.0	5.0	5.0	7.0	7.0	7.0	6.0	6.0
Community Development	5.0	5.0	5.0	5.0	5.0	3.0	3.0	3.0	2.0	2.0
Municipal Court	3.0	3.0	4.0	4.0	4.0	4.0	4.0	4.0	3.0	3.0
Public Works	11.0	11.0	11.0	11.0	11.0	11.0	11.0	12.0	14.0	14.0
Police	31.0	31.0	31.0	31.0	31.0	31.0	31.0	30.0	30.0	30.0
Parks & Recreation	<u>13.0</u>	<u>13.0</u>	<u>13.0</u>	<u>12.0</u>	<u>12.0</u>	<u>12.0</u>	<u>13.0</u>	<u>13.0</u>	<u>14.0</u>	<u>14.0</u>
Total	70.0	69.0	69.0	68.0	68.0	68.0	69.0	69.0	69.0	69.0

Source: City of Mission, Kansas.

TABLE 19  
(UNAUDITED)

CITY OF MISSION, KANSAS  
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM  
LAST TEN YEARS

<u>Function/Program</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Police										
Stations	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Public Works										
Miles of streets	44.7	44.7	44.7	44.7	44.7	44.7	44.7	44.7	44.7	44.7
Streetlights	845.0	845.0	805.0	805.0	805.0	850.0	850.0	850.0	850.0	850.0
Parks & Recreation										
Parks	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
Park acreage	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0
Pools	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Tennis Courts	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Community Center	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0

Source: City of Mission, Kansas.