

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**CITY OF MISSION, KANSAS**

**Year Ended  
December 31, 2010**

**Prepared by the Finance and Administration Department**

This page intentionally left blank.

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

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTORY SECTION	
Letter of Transmittal	i - iv
Organizational Chart	v - vi
Principal Officials	vii
2009 Certificate of Achievement for Excellence in Financial Reporting - Government Finance Officers Association	viii
FINANCIAL SECTION	
Independent Auditor's Report on the Basic Financial Statements	1 - 2
Management's Discussion and Analysis	3 - 8
Basic Financial Statements:	
Government-wide Financial Statements	
Statement of Net Assets	9
Statement of Activities	10
Fund Financial Statements	
Balance Sheet - Governmental Funds	11
Reconciliation of the Total Governmental Fund Balances to Net Assets of Governmental Activities	12
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	13
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures And Changes in Fund Balances with the Government Wide Statement of Activities	14
Statement of Revenues, Expenditures, and Changes in Fund Balances - Actual and Budget	
General Fund	15
Special Highway Fund	16
Storm Drain Fund	17
Statement of Assets and Liabilities	18
Notes to the Financial Statements	19 - 35

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

TABLE OF CONTENTS - CONTINUED

	<u>Page</u>
Required Supplementary Information	
Net Other Post Employment Benefits	36
Combining Statements and Individual Fund Schedules	
Combining Statements - Nonmajor Funds	
Fund Descriptions	37
Combining Balance Sheet - Nonmajor Special Revenue Funds	38
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds	39
Individual Fund Schedules of Revenues, Expenditures and Changes in Fund Balance - Actual and Budget:	
Special Alcohol Fund	40
Special Parks and Recreation Fund	41
General Obligation Fund	42
Sales Tax Bond Fund	43
Fiduciary Fund Descriptions - Agency Funds	44
Combining Balance Sheet - Agency Funds	45
Combining Statement of Changes in Assets and Liabilities - Agency Funds	46

STATISTICAL SECTION

	<u>Table</u>		Page
Net Assets by Component - Last Ten Years	1		47
Change in Net Assets - Last Ten Years	2		48
Fund Balances, Governmental Funds - Last Ten Years	3		49
Changes in Fund Balances of Governmental Funds - Last Ten Years	4		50
General Government Tax Revenues by Source - Last Ten Years	5		51
Assessed and Estimated Actual Value of Taxable Property - Last Ten Years	6		52

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

TABLE OF CONTENTS - CONTINUED

	<u>Table</u>	<u>Page</u>
Property Tax Rates per \$1,000 of Assessed Valuation Direct and Overlapping Governments - Last Ten Years	7	53
Principal Taxpayers	8	54
Property Tax Levies and Collections - Last Ten Years	9	55
Outstanding Debt by Type - Last Ten Years	10	56
Ratio of Net General Obligation Bonded Debt to Assessed Value And Net General Obligation Debt per Capita - Last Ten Years	11	57
Direct and Overlapping Governmental Activities Debt	12	58
Computation of Legal Debt Margin - Last Ten Years	13	59
Demographic Statistics - Last Ten Years	14	60
Principal Employers	15	61
Operating Indicators by Function/Program	16	62
Full Time City Employees by Function/Program - Last Ten Years	17	63
Capital Asset Statistics by Function/Program - Last Ten Years	18	64
 GOVERNMENTAL AUDIT SECTION		
Schedule of Expenditures of Federal Awards		65
Notes to Schedule of Expenditures of Federal Awards		66
Schedule of Findings and Questioned Costs		67 - 68
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with "Government Auditing Standards"		69 - 70
Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance In Accordance with OMB Circular A-133		71 - 72

This page intentionally left blank.

---

**INTRODUCTORY SECTION**

---

This page intentionally left blank.



May 2, 2011

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, 2010. 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, which is ranked among the top five most affluent areas in the country. Mission 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 \$25,624,173. The City covers 2.87 square miles and is 95% developed. The daytime population of the City increases to nearly 30,000, as a result of people who come into the City to work, conduct business, and shop. The Johnson Drive corridor is the cornerstone of Mission's commercial area, supported by retail hubs located at the City's east and west entrances. Other businesses within the City include car dealerships, health care facilities, laboratories, Shawnee Mission Main Post Office, Johnson County offices, State of Kansas Drivers License Bureau, a number of restaurants and fast food 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 a low mill rate when compared to other cities throughout the state. 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, in cooperation with the Northeast Johnson Community Chamber of Commerce and Mission Convention and Visitors Bureau, pursues economic development and retention plans focused on both commercial and residential integrity and stability.

The City Council works to ensure that the needs of existing businesses are met, 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 during a slow economy.

### **MAJOR CITY INITIATIVES**

Since 2005, the City has been working with a private developer on a project on the former Mission Mall site for a mixed use development valued at more than \$300 million. In 2008, STAR Bonds were secured through the State of Kansas for the redevelopment project which will include a 70,000 sq. ft. aquarium, intended to be a major tourist attraction for the metropolitan region. Although the project was dormant throughout 2009 and much of 2010, as a result of the economic downturn, activity has increased in recent months.

The City continued to facilitate and encourage redevelopment and investment throughout the community in 2010. The goal continues to be using our comprehensive master plans to attract and secure development that is consistent with the community's design guidelines and standards. In 2009, the City sold a portion of the parking lot adjacent to the Community Center to a private developer for the construction of a 52-unit independent senior housing project. The project was under construction in 2010 and the facility will be ready for move-in in the spring of 2011. This project provides an exciting new housing option not previously available to Mission residents.

The City Council also gave final approval for a mixed use development on the Herff-Jones site at 61<sup>st</sup> and Metcalf. The developer will remove the outdated and dilapidated structure and construction of the project will be underway in the spring of 2011.

Capitol Federal Savings and Loan completed construction of a new facility at the corner of Johnson Drive and Nall. The former facility will be converted to a transit center in the East Gateway area with the assistance of federal TIGER grant funds. The City was part of a successful TIGER grant application submitted by the Mid-America Regional Council that will provide approximately \$10 million dollars in federal funding for transit related activities, with more than \$250,000 of investments made in the City of Mission.

The reconstruction of Roe Avenue, from Shawnee Mission Parkway to 63<sup>rd</sup> Street, was completed in 2010. This joint project with the cities of Prairie Village and Fairway was able to secure federal stimulus funds to assist in its completion. Design work and easement acquisition on the Nall Avenue Project, stretching from Martway to 67<sup>th</sup> street was completed in 2010.

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 employee's with the necessary skills to deliver quality services to the citizens of Mission.

## **FUTURE INITIATIVES**

Over the last five years, the City has invested more than \$25 million in stormwater improvements in the Rock Creek corridor, where the floodplain nearly tripled in sized. The improvements made to date remove roughly 80% of the impacted properties from the 100-year floodplain. As the City nears the completion of the Rock Creek Floodplain improvements, careful review and analysis of the most cost efficient solutions will remain a high priority.

The City will continue to aggressively seek out new and diverse funding sources to support redevelopment efforts in the Rock Creek, West Gateway and East Gateway corridors. Work will continue to ensure redevelopment results in high quality, sustainable projects benefiting not only Mission but the entire region. Mission continues to focus efforts on long-range, comprehensive capital infrastructure planning and budgeting. Refining strategies for the on-going maintenance, repair and replacement of these important assets will allow the City to ensure adequate and proper funding sources are available to finance the needs.

During the 2011 budget process the City implemented a Transportation Utility Fee to be used for the on-going repair and maintenance of transportation facilities city-wide. Similar to the Stormwater Utility fee implemented in 2005, this revenue source will provide a transparent, dedicated revenue stream to be used for much needed infrastructure repairs.

The City continues to evaluate Parks & 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) continued to assist and enhance existing businesses through an improvement grant program and through the annual Spirit of Mission, Arts & Eats Festival and Holiday Lights events. In 2010, the MCVB introduced a specialty publication published five times annually with a distribution of approximately 12,500. The publication featured and promoted local businesses and the Mission community.

Sustainability issues remain key in all future redevelopment and planning efforts in the City. The City's Sustainability Task force continues to work to develop and implement programs which will assist the City in attaining the goals outlined in the Climate Action Plan adopted in 2009.

## **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 2010 was conducted by Lowenthal, Webb & Odermann, 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, 2009. This was the seventeenth 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 Finance Department. Our sincere appreciation is extended to all members of the staff, whose efforts made this report possible.

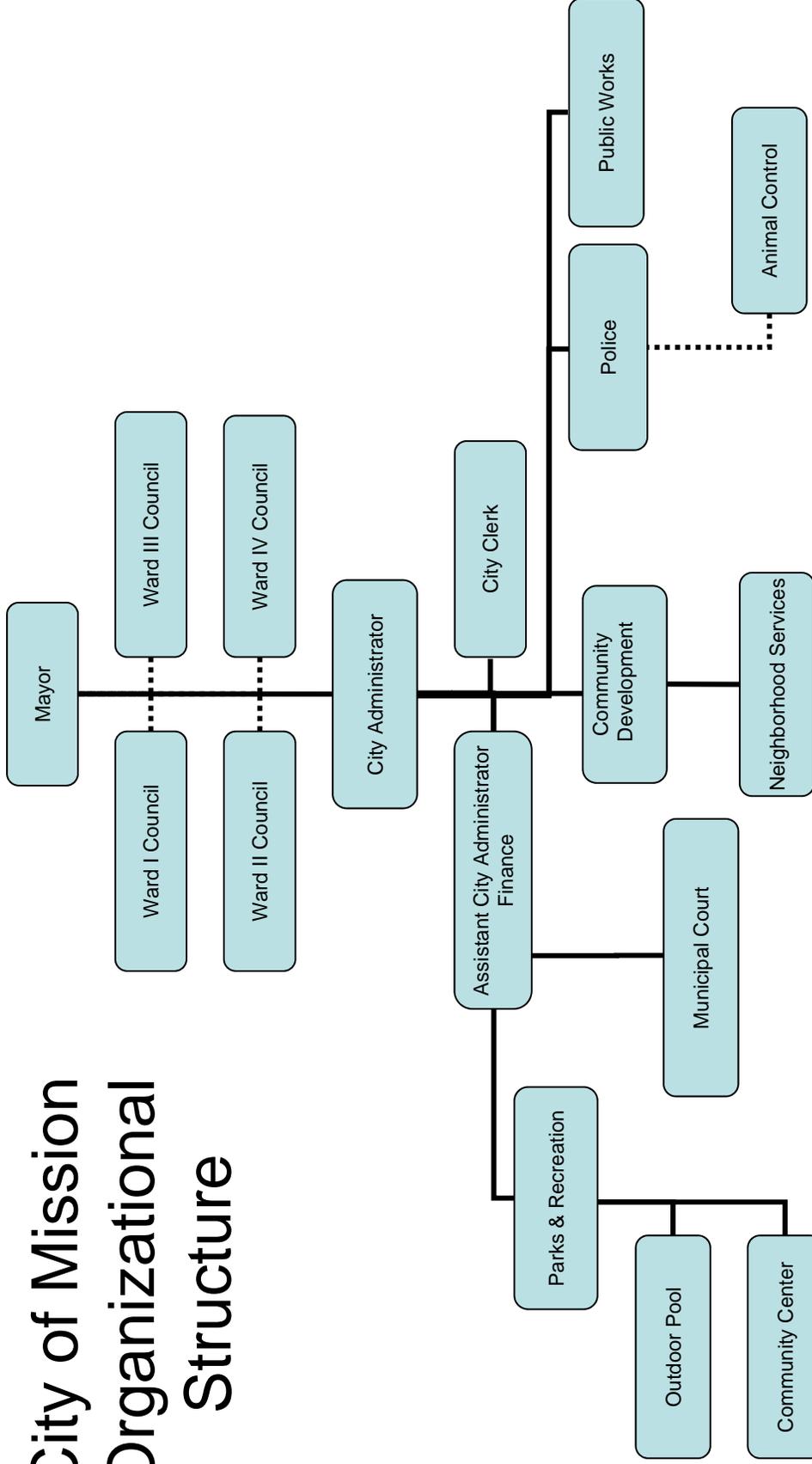
Respectfully submitted,



---

Mike Scanlon  
City Administrator

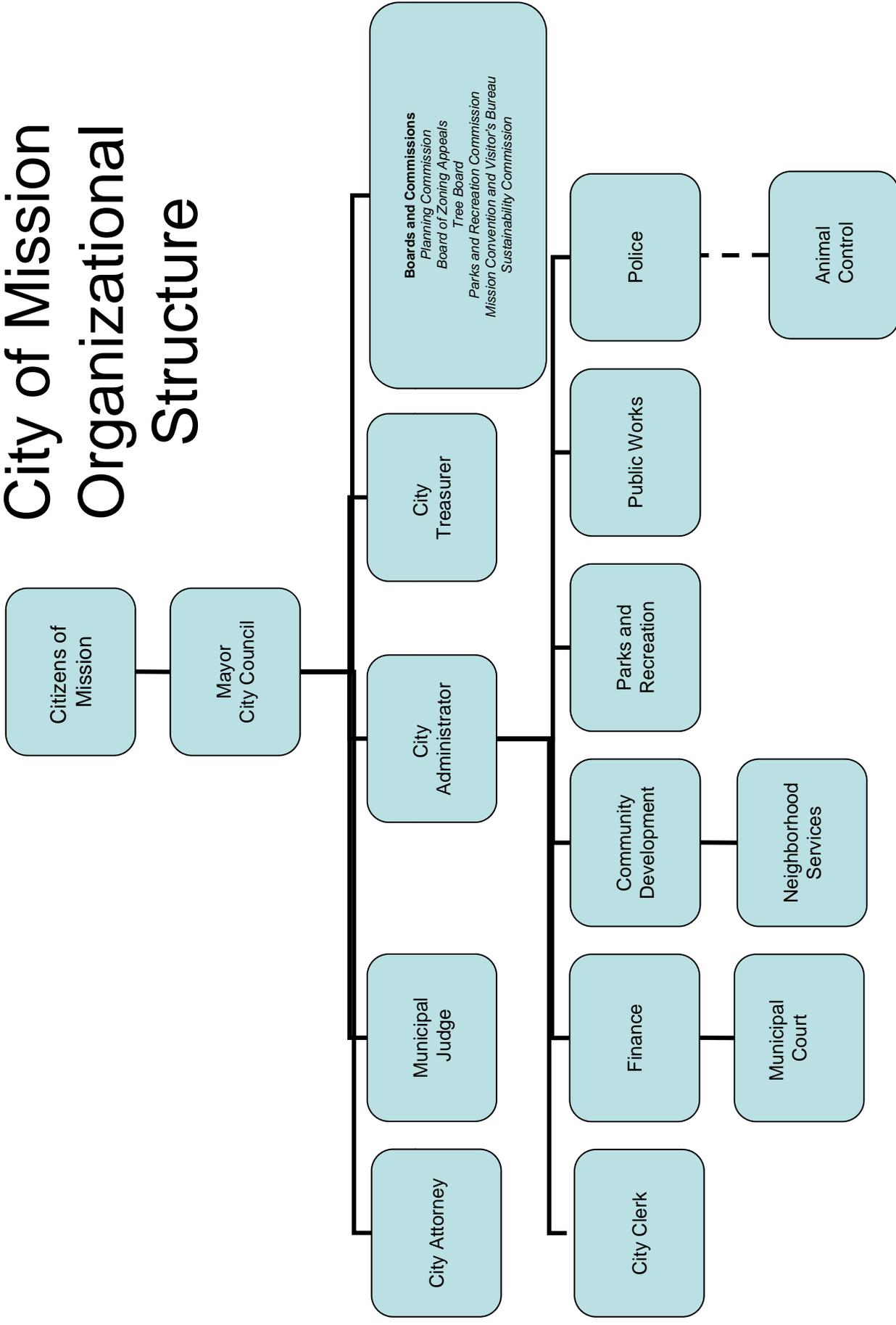
# City of Mission Organizational Structure



\_\_\_\_\_ Indicates Direct Line of Authority/Supervision

- - - - - Indicates Administrative or Advisory Role

# City of Mission Organizational Structure



\_\_\_\_\_ Indicates Direct Line of Authority/Supervision  
 - - - - - Indicates Administrative or Advisory Role

CITY OF MISSION, KANSAS  
PRINCIPAL OFFICIALS - 2010

*Mayor and City Council*

Honorable Laura L. McConwell, Mayor  
Honorable Sue A. Grosdidier - Ward 1  
Honorable Lawrence Andre - Ward 1  
Honorable John Weber - Ward 2  
Honorable Will Vandenberg - Ward 2  
Honorable Connie Footlick - Ward 3  
Honorable Debbie Kring - Ward 3  
Honorable David Shepard - Ward 4  
Honorable Suzanne Gibbs - Ward 4

*Administration*

City Administrator: Michael Scanlon  
City Clerk: Martha Sumrall  
Assistant City Administrator/Finance Director: Laura Smith  
Treasurer: Donald C. Chamblin  
Municipal Judge: Keith E. Drill  
Police Chief: Randal Wilson  
Community Development Director: Martin Rivarola  
Parks and Recreation Director: Christy Humerickhouse  
Neighborhood Services Director/Public Works Director: Leslee Fonseca

*Attorney*

David K. Martin

# 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, 2009

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



President

Executive Director

---

**FINANCIAL SECTION**

---

---

---

# LOWENTHAL, WEBB & ODERMANN, P.A.

---

---

CERTIFIED PUBLIC ACCOUNTANTS

900 Massachusetts, Suite 301  
Lawrence, Kansas 66044-2868  
Phone: (785) 749-5050  
Fax: (785) 749-5061  
Website: www.lswwcpa.com

David A. Lowenthal, CPA  
Patricia L. Webb, CPA  
Audrey M. Odermann, CPA

Abram M. Chrislip, CPA  
Caroline H. Eddinger, CPA  
Grant A. Huddin, CPA  
Brian W. Nyp, CPA

Members of American Institute  
and Kansas Society of  
Certified Public Accountants

## INDEPENDENT AUDITOR'S REPORT ON THE BASIC FINANCIAL STATEMENTS

Mayor and City Council  
City of Mission, Kansas

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, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. 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, the "Kansas Municipal Audit Guide," and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our 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, at December 31, 2010, and the respective changes in financial position, thereof and the respective budgetary comparison for the General Fund, Storm Drain Fund and the Special Highway Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 2, 2011, on our consideration of the City of Mission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 8 and the schedule of funding progress on page 36 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.

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 accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. The combining and individual nonmajor fund financial statements and schedules and the schedule of expenditures of federal awards 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.

*Lowenthal, Wett & Odermann, P.A.*

May 2, 2011

CITY OF MISSION, KANSAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended December 31, 2010  
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, 2010. 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 assets totaled \$25.9 million at the end of the current fiscal year.
- Total capital assets, net of accumulated depreciation at December 31, 2010 totaled \$55 million.
- During the year ended December 31, 2010, the City's total expenses exceeded revenues (which include charges for services, local taxes and state and federal aid) by \$.3 million.
- The City's total indebtedness decreased by \$2.1 million, primarily due to the retirement in the current year of temporary notes coupled with the issuance of general obligation bonds.
- The City's net capital assets increased \$1.1 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 Assets 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 Assets 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 assets and current year change in those net assets. The change in net assets 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 assets 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.

CITY OF MISSION, KANSAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended December 31, 2010  
Unaudited

In the Statement of Net Assets 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.

**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 Assets and the Statement of Activities and its governmental funds are reconciled in the Governmental Funds financial statements.

**The City as a Whole**

Government-Wide Assets

The Statement of Net Assets provides the financial position of the City as a whole. The overall financial position of the City declined slightly in 2010. The following is a summary of the City's Statement of Net Assets as of December 31, 2010 and 2009:

City of Mission  
Condensed Statement of Net Assets

	<u>Governmental Activities</u>	
	<u>2010</u>	<u>2009</u>
Current assets	\$ 5,288,053	\$ 9,540,004
Net capital assets	<u>54,990,751</u>	<u>53,923,479</u>
Total assets	<u>\$ 60,278,804</u>	<u>\$ 63,463,483</u>
Current liabilities	\$ 4,740,361	\$ 9,358,302
Noncurrent liabilities	<u>29,584,147</u>	<u>27,815,689</u>
Total liabilities	<u>\$ 34,324,508</u>	<u>\$ 37,173,991</u>
Net Assets:		
Invested in capital assets, net of related debt	\$ 23,644,245	\$ 21,507,063
Restricted for:		
Debt Service	791,098	941,397
Unrestricted	<u>1,518,953</u>	<u>3,841,032</u>
Total net assets	<u>\$ 25,954,296</u>	<u>\$ 26,289,492</u>

CITY OF MISSION, KANSAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended December 31, 2010  
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 current portion of long-term obligations.

The City has \$31.9 million in long-term debt, consisting of general obligation bonds, capital improvement bonds, and special assessment bonds payable, of which \$2.5 million is due within the next fiscal year.

The City had total assets at December 31, 2010, totaling \$60.3 million. The total assets of the City exceeded the total liabilities by \$25.9 million. Net assets invested in capital assets; net of related debt, totaled \$23.6 million, restricted net assets totaled \$.8 million and unrestricted net assets totaled \$1.5 million.

#### Government-Wide Activities

The following is a condensed statement of the City's change in net assets for the year ended December 31, 2010. Major items of program revenues, grants and general revenues are detailed. Government-wide activities decreased the net assets of the City by \$.3 million for the year ended December 31, 2010. The decrease can be attributed to the decrease in charges for service in the form of payments received from the City's patrons and operating grants and contributions. 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. Major differences in the Statement of Activities and changes in the fund balances of governmental funds as expenditures in the funds statements include the repayment of long-term debt of \$12.4 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. Also, the bond and note proceeds of \$10.5 million are treated as a revenue source in the fund statements, but an increase of long term debt in the Government wide financial statements.

CITY OF MISSION, KANSAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended December 31, 2010  
Unaudited

In addition, the capital outlays of \$2.6 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 Assets  
For the Year Ended December 31, 2010 and 2009

	Governmental Activities	
	<u>2010</u>	<u>2009</u>
Revenues:		
Program revenues:		
Charges for services	\$ 4,777,595	\$ 5,134,608
Operating grants	1,147,837	3,674,723
General revenues:		
Property taxes	1,800,788	2,040,368
Sales tax	3,973,428	3,972,155
Motor fuel tax	158,653	166,532
Franchise tax	1,011,213	976,392
Investment earnings	4,282	37,475
Miscellaneous	388,741	1,187,205
Total revenues	<u>13,262,537</u>	<u>17,189,458</u>
Program expenses:		
General government	1,893,579	2,311,207
Public safety	3,613,022	3,624,111
Public works	4,388,119	3,990,772
Culture and recreation	2,695,954	2,733,024
Interest on long term debt	1,007,059	1,276,197
Total expenses	<u>13,597,733</u>	<u>13,935,311</u>
Increase [decrease] in net assets	<u>\$ [335,196]</u>	<u>\$ 3,254,147</u>

**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. Unreserved fund balances, in particular, measures the City's net resources available for spending at the end of the City's fiscal year.

Total fund balances at December 31, 2010 for the governmental funds totaled \$2.1 million. Total unreserved fund balances at December 31, 2010 totaled \$2 million, of which \$1.3 million was attributable to General Fund.

CITY OF MISSION, KANSAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended December 31, 2010  
Unaudited

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unreserved fund balance of the general fund was \$1.3 million. The decrease in the General Fund's fund balance was \$1.2, resulting from a decrease in fines and fees collected through the municipal court and an increase in transfers out to other funds.

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 approximately \$.2 million at December 31, 2010. The decrease in the Special Highway Fund's fund balance was \$26,016. The decrease was due in part for payment for a portion of the traffic signal at Lamar and Shawnee Mission that is shared with the City of Overland Park.

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 \$[29,273] at December 31, 2010. The decrease in the Storm Drain Fund's fund balance was \$.8 million. The decrease was due in part to funds obligated for debt service on storm water projects and ongoing design and construction of storm water infrastructure projects, including the completion of the Phase II of the Nall Avenue Bridge Storm water project.

The Sales Tax Fund is used to account for revenues received from a one-quarter of one percent sales tax pledged to retire the Series 2002A General Obligation Bonds issued to expand the City's community center. The ending fund balance was \$.8 million at December 31, 2010. The increase in the fund balance was \$3,213. The fund increased slightly as the City sales tax collections were up slightly in 2010.

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 \$17,761 at December 31, 2010. The decrease in the General Obligation Fund's fund balance was \$153,512. The decrease in the fund balance can be attributed to the operating transfer out of the fund.

The Lamar Bridge Replacement Fund is used to account for the financing and construction of repairs to the Lamar Avenue Bridge. The ending fund balance was \$0 at December 31, 2010.

The Capital Improvement Fund is used to account for resources used to construct and maintain infrastructure city-wide. The ending fund balance was approximately \$[.5] million at December 31, 2010. The decrease in the Capital Improvement Fund's fund balance was \$1.3 million. The decrease in the fund balance can be attributed to the payment of various debt service obligations and continued construction of street, storm water, trail and other infrastructure projects.

### **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 \$12,219,160, the same as the original published budget. The revenues were less than budgetary estimates by \$.5 million and the expenditures were less than budgetary estimates by \$.9 million.

Revenues in the licenses and permits category were less than budgeted figures due to decreased activity and a change in the permit process as the City is now contracting with Johnson County for permit services. Additionally, revenues in the fines and forfeitures category were less than budgeted figures due to staffing vacancies in the police department.

CITY OF MISSION, KANSAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended December 31, 2010  
Unaudited

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. Expenditures in the public works contractual category exceeded budgeted figures as a result of additional charges for street lights and traffic signals.

**Capital Assets and Debt Administration**

The City's investment in capital assets for its governmental activities totaled \$55 million (net of accumulated depreciation) as of December 31, 2010.

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

- Rock Creek totaling \$2,245,152
- Roe Avenue Construction totaling \$403,061
- Nall Avenue Design totaling \$504,779
- ARRA Green Infrastructure Projects totaling \$449,011

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

At December 31, 2010, the City had total debt outstanding of \$31.9 million, backed by the full faith and credit of the City. Total long-term debt decreased for the fiscal year ended December 31, 2010, in the amount of \$2.1 million. This was a result of the retirement in the current year of temporary notes coupled with the issuance of general obligation bonds.

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 ASSETS  
December 31, 2010

	Total Governmental <u>Activities</u>
<b>ASSETS</b>	
Current assets:	
Cash and investments	\$ 2,024,253
Restricted cash and investments	62,734
Receivables	2,725,332
Deferred charges	<u>475,734</u>
Total current assets	<u>5,288,053</u>
Capital assets:	
Capital assets not being depreciated:	
Land	10,862,274
Construction in progress	1,883,814
Capital assets being depreciated	51,442,273
Less: accumulated depreciation	<u>9,197,610</u>
Total net capital assets	<u>54,990,751</u>
<b>Total assets</b>	<b><u>\$ 60,278,804</u></b>
<b>Liabilities:</b>	
Current liabilities:	
Accounts payable	\$ 79,402
Accrued liabilities	203,987
Interest payable	292,297
Municipal court bonds payable	62,734
Unearned revenue	1,644,147
Current portion of compensated absences	173,000
Current portion of capital leases payable	39,018
Current portion of loans payable	8,119
Current portion of capital improvement bonds payable	185,000
Current portion of special assessment bonds payable	10,000
Current portion of general obligation bonds payable	<u>2,042,657</u>
Total current liabilities (payable from current assets)	<u>4,740,361</u>
Noncurrent liabilities:	
Compensated absences	404,657
Net other post employment benefits	117,778
Capital lease payable	28,318
Loans payable	265,388
General obligation bonds payable	28,758,006
Special assessment bonds payable	<u>10,000</u>
Total noncurrent liabilities	<u>29,584,147</u>
<b>Total liabilities</b>	<b><u>\$ 34,324,508</u></b>
<b>Net Assets</b>	
Invested in capital assets, net of related debt	\$ 23,644,245
Restricted for:	
Debt service	791,098
Unrestricted	<u>1,518,953</u>
<b>Total net assets</b>	<b><u>\$ 25,954,296</u></b>

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

CITY OF MISSION, KANSAS  
STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2010

	Program Revenues			Net [Expenses] Revenue and Changes in in Net Assets
Expenses	Charges for Services	Operating Grants and Contributions	Total Governmental Activities	
<b>Governmental activities:</b>				
General government	\$ 1,893,579	\$ 132,871	\$ -	\$ [1,760,708]
Public safety	3,613,022	1,648,771	34,335	[1,929,916]
Public works	4,388,119	1,190,916	1,113,502	[2,083,701]
Culture and recreation	2,695,954	1,805,037	-	[890,917]
Interest on long-term debt	1,007,059	-	-	[1,007,059]
<b>Total governmental activities</b>	<b><u>\$ 13,597,733</u></b>	<b><u>\$ 4,777,595</u></b>	<b><u>\$ 1,147,837</u></b>	<b><u>[7,672,301]</u></b>
<b>General Revenues:</b>				
Property taxes levied for:				
General purposes			1,641,551	
Debt service			159,237	
Sales tax			3,973,428	
Motor fuel tax			158,653	
Franchise tax			1,011,213	
Investments earnings			4,282	
Miscellaneous			<u>388,741</u>	
<b>Total general revenues</b>			<u>7,337,105</u>	
Change in net assets			[335,196]	
Net assets - beginning			<u>26,289,492</u>	
Net assets - ending			<u>\$ 25,954,296</u>	

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

CITY OF MISSION, KANSAS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2010

	<u>General</u>	<u>Special Highway</u>	<u>Storm Drain</u>	<u>Sales Tax</u>
<b>ASSETS</b>				
Cash and investments	\$ 776,383	\$ 176,488	\$ -	\$ 733,168
Restricted cash and investments	62,734	-	-	-
Receivables				
Taxes	1,680,913	-	-	40,169
Intergovernmental	672	-	-	-
Other	36,673	-	-	-
Special assessments	-	-	-	-
Due from other funds	464,448	-	-	-
Total assets	<u>\$ 3,021,823</u>	<u>\$ 176,488</u>	<u>\$ -</u>	<u>\$ 773,337</u>
 <b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 23,844	\$ -	\$ -	\$ -
Accrued liabilities	192,011	-	6,186	-
Payable from restricted assets				
Municipal court bonds	62,734	-	-	-
Due to other funds	-	-	23,087	-
Deferred revenue	1,418,742	-	-	-
Total liabilities	<u>1,697,331</u>	<u>-</u>	<u>29,273</u>	<u>-</u>
 Fund balance:				
Reserved for encumbrances	34,915	-	-	-
Unreserved				
Undesignated, reported in:				
Special revenue funds	-	176,488	[29,273]	-
Debt service fund	-	-	-	773,337
Capital projects funds	-	-	-	-
General fund	1,289,577	-	-	-
Total fund balance	<u>1,324,492</u>	<u>176,488</u>	<u>[29,273]</u>	<u>773,337</u>
Total liabilities and fund balances	<u>\$ 3,021,823</u>	<u>\$ 176,488</u>	<u>\$ -</u>	<u>\$ 773,337</u>

<u>General Obligation</u>	<u>Lamar Bridge Replacement</u>	<u>Capital Improvement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 17,761	\$ -	\$ -	\$ 320,453	\$ 2,024,253
-	-	-	-	62,734
124,031	-	-	78,863	1,923,976
-	-	-	-	672
-	-	-	-	36,673
21,250	-	-	-	21,250
-	-	-	-	464,448
<u>\$ 163,042</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 399,316</u>	<u>\$ 4,534,006</u>
\$ -	\$ -	\$ 6,755	\$ 48,803	\$ 79,402
-	-	5,790	-	203,987
-	-	-	-	62,734
-	-	441,361	-	464,448
145,281	-	-	80,124	1,644,147
<u>145,281</u>	<u>-</u>	<u>453,906</u>	<u>128,927</u>	<u>2,454,718</u>
-	-	-	-	34,915
-	-	-	270,389	417,604
17,761	-	-	-	791,098
-	-	[453,906]	-	[453,906]
-	-	-	-	1,289,577
<u>17,761</u>	<u>-</u>	<u>[453,906]</u>	<u>270,389</u>	<u>2,079,288</u>
<u>\$ 163,042</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 399,316</u>	<u>\$ 4,534,006</u>

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

This page intentionally left blank.

CITY OF MISSION, KANSAS  
RECONCILIATION OF THE TOTAL GOVERNMENTAL FUND BALANCES TO  
NET ASSETS OF GOVERNMENTAL ACTIVITIES  
December 31, 2010

Total Governmental Fund Balances		\$ 2,079,288
Amounts reported for governmental activities in the statement of net assets are different because		
Bond issuance costs are shown as current year expenditures in the funds.		
Bond issuance costs		475,734
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds		
The cost of capital assets is	64,188,361	
Accumulated depreciation is	9,197,610	54,990,751
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
		742,761
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:		
General obligation bonds payable	30,800,663	
Capital improvement bonds payable	185,000	
Special assessment bonds payable	20,000	
Capital leases payable	67,336	
Loans payable	273,507	
Interest payable	292,297	
Net other post employment benefits	117,778	
Compensated absences payable	577,657	[32,334,238]
Net Assets of Governmental Activities		\$ 25,954,296

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, 2010

	<u>General</u>	<u>Special Highway</u>	<u>Storm Drain</u>	<u>Sales Tax</u>
REVENUES:				
Taxes	\$ 6,038,311	\$ -	\$ 139,053	\$ 498,888
Special assessments	-	-	-	-
Intergovernmental	34,335	263,626	-	-
Licenses and permits	132,871	-	-	-
Charges for services	1,805,037	-	631,844	-
Fines and fees	1,851,040	-	-	-
Use of money and property	2,568	-	563	585
Miscellaneous	<u>237,233</u>	<u>-</u>	<u>1,125</u>	<u>-</u>
Total revenues	<u>10,101,395</u>	<u>263,626</u>	<u>772,585</u>	<u>499,473</u>
EXPENDITURES:				
Current				
General government	1,907,311	-	-	-
Public safety	3,438,881	-	-	-
Public works	1,710,648	154,642	612,507	-
Culture and recreation	2,477,811	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	135,000	580,000	440,000
Interest and other charges	<u>-</u>	<u>-</u>	<u>90,325</u>	<u>56,260</u>
Total expenditures	<u>9,534,651</u>	<u>289,642</u>	<u>1,282,832</u>	<u>496,260</u>
Excess [deficiency] of revenues over [under] expenditures	<u>566,744</u>	<u>[26,016]</u>	<u>[510,247]</u>	<u>3,213</u>
OTHER FINANCING SOURCES [USES]				
Transfers in	-	-	-	-
Transfers out	[1,750,000]	-	[530,000]	-
Loan proceeds	-	-	273,507	-
Bond premium	-	-	-	-
Sale of bonds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources [uses]	<u>[1,750,000]</u>	<u>-</u>	<u>[256,493]</u>	<u>-</u>
Net change in fund balances	[1,183,256]	[26,016]	[766,740]	3,213
Fund balance - Beginning of year	<u>2,507,748</u>	<u>202,504</u>	<u>737,467</u>	<u>770,124</u>
Fund balance - End of year	<u>\$ 1,324,492</u>	<u>\$ 176,488</u>	<u>\$ [29,273]</u>	<u>\$ 773,337</u>

<u>General Obligation</u>	<u>Lamar Bridge Replacement</u>	<u>Capital Improvement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 142,512	\$ -	\$ -	\$ 108,593	\$ 6,927,357
16,725	-	-	-	16,725
-	-	730,290	119,586	1,147,837
-	-	-	-	132,871
-	-	-	356,802	2,793,683
-	-	-	-	1,851,040
136	-	430	-	4,282
-	-	142,743	34,129	415,230
<u>159,373</u>	<u>-</u>	<u>873,463</u>	<u>619,110</u>	<u>13,289,025</u>
-	-	-	-	1,907,311
-	-	-	-	3,438,881
-	-	-	857,287	3,335,084
-	-	-	-	2,477,811
-	-	2,673,142	-	2,673,142
140,000	-	11,070,000	-	12,365,000
22,885	-	1,159,822	-	1,329,292
<u>162,885</u>	<u>-</u>	<u>14,902,964</u>	<u>857,287</u>	<u>27,526,521</u>
<u>[3,512]</u>	<u>-</u>	<u>[14,029,501]</u>	<u>[238,177]</u>	<u>[14,237,496]</u>
-	-	2,509,467	100,000	2,609,467
[150,000]	[12]	-	[179,455]	[2,609,467]
-	-	-	-	273,507
-	-	105,663	-	105,663
-	-	10,145,000	-	10,145,000
<u>[150,000]</u>	<u>[12]</u>	<u>12,760,130</u>	<u>[79,455]</u>	<u>10,524,170</u>
[153,512]	[12]	[1,269,371]	[317,632]	[3,713,326]
<u>171,273</u>	<u>12</u>	<u>815,465</u>	<u>588,021</u>	<u>5,792,614</u>
<u>\$ 17,761</u>	<u>\$ -</u>	<u>\$ [453,906]</u>	<u>\$ 270,389</u>	<u>\$ 2,079,288</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, 2010

Total Net Change In Fund Balances - Governmental Funds \$ [3,713,326]

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

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.

Loss on sale of assets	[2,210]	
Capital outlays	2,597,506	
Depreciation expense	<u>[1,528,025]</u>	1,067,271

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.

207,843

Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

[12,056]

Proceeds of bonds 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.

[10,527,504]

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

[26,489]

Bond issuance costs are recorded as expenditures in the fund financial statements. However, for the statement of net assets, these costs are shown as assets and amortized over the life of the bonds.

249,042

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.

55,023

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.

12,365,000

Changes In Net Assets of Governmental Activities

\$ [335,196]

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, 2010

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
Revenues						
Taxes	\$ 6,038,311	\$ -	\$ 6,038,311	\$ 6,309,112	\$ 6,309,112	\$ [270,801]
Intergovernmental	34,335	-	34,335	-	-	34,335
Licenses and permits	132,871	-	132,871	317,500	317,500	[184,629]
Charges for services	1,805,037	-	1,805,037	2,020,000	2,020,000	[214,963]
Fines and forfeitures	1,851,040	-	1,851,040	1,725,000	1,725,000	126,040
Interest	2,568	-	2,568	50,000	50,000	[47,432]
Other	237,233	-	237,233	150,000	150,000	87,233
Total revenues	<u>10,101,395</u>	<u>-</u>	<u>10,101,395</u>	<u>10,571,612</u>	<u>10,571,612</u>	<u>[470,217]</u>
General government						
Personal service	953,068	-	953,068	941,025	941,025	[12,043]
Contractual	870,535	-	870,535	918,001	918,001	47,466
Commodities	51,543	-	51,543	71,500	71,500	19,957
Capital outlay	31,567	-	31,567	64,000	64,000	32,433
Miscellaneous	598	-	598	-	-	[598]
	<u>1,907,311</u>	<u>-</u>	<u>1,907,311</u>	<u>1,994,526</u>	<u>1,994,526</u>	<u>87,215</u>
Public works and improvements						
Personal service	752,203	-	752,203	719,400	719,400	[32,803]
Contractual	752,369	-	752,369	750,550	750,550	[1,819]
Commodities	185,621	-	185,621	162,367	162,367	[23,254]
Capital outlay	12,781	-	12,781	98,500	98,500	85,719
Miscellaneous	7,674	-	7,674	-	-	[7,674]
	<u>1,710,648</u>	<u>-</u>	<u>1,710,648</u>	<u>1,730,817</u>	<u>1,730,817</u>	<u>20,169</u>
Public safety						
Personal service	2,837,566	-	2,837,566	2,981,050	2,981,050	143,484
Contractual	310,303	-	310,303	330,691	330,691	20,388
Commodities	105,590	-	105,590	150,800	150,800	45,210
Capital outlay	185,422	646	186,068	307,200	307,200	121,132
	<u>3,438,881</u>	<u>646</u>	<u>3,439,527</u>	<u>3,769,741</u>	<u>3,769,741</u>	<u>330,214</u>
Culture and recreation						
Personal service	1,418,194	-	1,418,194	1,519,000	1,519,000	100,806
Contractual	801,562	-	801,562	914,035	914,035	112,473
Commodities	150,174	-	150,174	190,250	190,250	40,076
Capital outlay	107,881	-	107,881	214,500	214,500	106,619
	<u>2,477,811</u>	<u>-</u>	<u>2,477,811</u>	<u>2,837,785</u>	<u>2,837,785</u>	<u>359,974</u>
Total expenditures	<u>9,534,651</u>	<u>646</u>	<u>9,535,297</u>	<u>10,332,869</u>	<u>10,332,869</u>	<u>797,572</u>
Excess [deficiency] of revenues over [under] expenditures	<u>566,744</u>	<u>[646]</u>	<u>566,098</u>	<u>238,743</u>	<u>238,743</u>	<u>327,355</u>
Other financing sources [uses]						
Transfers out	<u>[1,750,000]</u>	<u>-</u>	<u>[1,750,000]</u>	<u>[1,886,291]</u>	<u>[1,886,291]</u>	<u>136,291</u>
Total other financing sources [uses]	<u>[1,750,000]</u>	<u>-</u>	<u>[1,750,000]</u>	<u>[1,886,291]</u>	<u>[1,886,291]</u>	<u>136,291</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	<u>[1,183,256]</u>	<u>[646]</u>	<u>[1,183,902]</u>	<u>\$ [1,647,548]</u>	<u>\$ [1,647,548]</u>	<u>\$ 463,646</u>
Fund balance, January 1	<u>2,507,748</u>	<u>[34,269]</u>	<u>2,473,479</u>			
Fund balance, December 31	<u>\$ 1,324,492</u>	<u>\$ [34,915]</u>	<u>\$ 1,289,577</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  
SPECIAL HIGHWAY FUND  
For the Year Ended December 31, 2010

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
Revenues						
Intergovernmental	\$ 263,626	\$ -	\$ 263,626	\$ 282,490	\$ 282,490	\$ [18,864]
Total revenues	<u>263,626</u>	<u>-</u>	<u>263,626</u>	<u>282,490</u>	<u>282,490</u>	<u>[18,864]</u>
Expenditures						
Public works and improvements	154,642	-	154,642	295,000	295,000	140,358
Principal	<u>135,000</u>	<u>-</u>	<u>135,000</u>	<u>-</u>	<u>-</u>	<u>[135,000]</u>
Total expenditures	<u>289,642</u>	<u>-</u>	<u>289,642</u>	<u>295,000</u>	<u>295,000</u>	<u>5,358</u>
Excess [deficiency] of revenues over [under] expenditures	[26,016]	-	[26,016]	<u>\$ [12,510]</u>	<u>\$ [12,510]</u>	<u>\$ [13,506]</u>
Fund balance, January 1	<u>202,504</u>	<u>-</u>	<u>202,504</u>			
Fund balance, December 31	<u>\$ 176,488</u>	<u>\$ -</u>	<u>\$ 176,488</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, 2010

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
Revenues						
Taxes	\$ 139,053	\$ -	\$ 139,053	\$ 141,948	\$ 141,948	\$ [2,895]
Charges for services	631,844	-	631,844	650,000	650,000	[18,156]
Use of money and property	563	-	563	-	-	563
Miscellaneous	<u>1,125</u>	<u>-</u>	<u>1,125</u>	<u>-</u>	<u>-</u>	<u>1,125</u>
Total revenues	<u>772,585</u>	<u>-</u>	<u>772,585</u>	<u>791,948</u>	<u>791,948</u>	<u>[19,363]</u>
Expenditures						
Public works and improvements	612,507	-	612,507	490,000	490,000	[122,507]
Principal	580,000	-	580,000	-	-	[580,000]
Interest and other charges	<u>90,325</u>	<u>-</u>	<u>90,325</u>	<u>-</u>	<u>-</u>	<u>[90,325]</u>
Total expenditures	<u>1,282,832</u>	<u>-</u>	<u>1,282,832</u>	<u>490,000</u>	<u>490,000</u>	<u>[792,832]</u>
Excess [deficiency] of revenues over [under] expenditures	<u>[510,247]</u>	<u>-</u>	<u>[510,247]</u>	<u>301,948</u>	<u>301,948</u>	<u>[812,195]</u>
Other financing sources [uses]						
Loan proceeds	273,507	-	273,507	-	-	273,507
Transfers out	<u>[530,000]</u>	<u>-</u>	<u>[530,000]</u>	<u>[1,550,268]</u>	<u>[1,550,268]</u>	<u>1,020,268</u>
Total other financing sources [uses]	<u>[256,493]</u>	<u>-</u>	<u>[256,493]</u>	<u>[1,550,268]</u>	<u>[1,550,268]</u>	<u>1,293,775</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	<u>[766,740]</u>	<u>-</u>	<u>[766,740]</u>	<u>\$ [1,248,320]</u>	<u>\$ [1,248,320]</u>	<u>\$ 481,580</u>
Fund balance, January 1	<u>737,467</u>	<u>-</u>	<u>737,467</u>			
Fund balance, December 31	<u>\$ [29,273]</u>	<u>\$ -</u>	<u>\$ [29,273]</u>			

See independent auditor's report on the financial statements.

CITY OF MISSION, KANSAS  
STATEMENT OF ASSETS AND LIABILITIES  
AGENCY FUNDS  
December 31, 2010

	<u>Agency Funds</u>
Assets	
Cash and cash equivalents	\$ <u>42,879</u>
Total Assets	\$ <u>42,879</u>
Liabilities	
Due to others	\$ <u>42,879</u>
Total Liabilities	\$ <u>42,879</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, 2010

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 the City Clerk, Finance/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 assets 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, 2010

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 Sales Tax Fund is used to account for revenues received from a one-quarter of one percent sales tax pledged to retire the Series 2002A General Obligation Bonds issued to expand the City's community center.

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 Lamar Bridge Replacement Fund is used to account for the financing and construction of repairs to the Lamar Avenue Bridge.

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 restatement 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.

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.

CITY OF MISSION, KANSAS  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2010

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Equity (Continued)

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 2011.

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.

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. Capital assets used in governmental fund types of the City are recorded at cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their estimated fair 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.

CITY OF MISSION, KANSAS  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2010

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Equity (Continued)

3. Capital Assets (Continued)

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 assets. Bond premiums and discounts, as well as issuance costs, 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. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

5. Fund Equity

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

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 \$173,000.

CITY OF MISSION, KANSAS  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2010

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, 2010, in the fund financial statements totaled \$21,250.

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. Deferred Revenue

The City reports deferred revenue on its governmental funds balance sheet. Deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. In subsequent periods, when both recognition criteria are met, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized on the statement of revenues, expenditures and changes in fund balances.

10. Net Assets

Net assets represent the difference between assets and liabilities. Net assets 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 assets are 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.

CITY OF MISSION, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2010

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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 2010 budget was not amended.

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 Lamar Bridge Replacement Fund, Capital Improvement Fund, Special Law Enforcement Fund, Countryside Fund, School District Sales Tax Fund, Mission Business Development Fund, Donations and Gifts Fund, Rock Creek Drainage District #1 Fund, Rock Creek Drainage District #2 Fund, Solid Waste Fund and the capital project 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, 2010

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

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						Other	Total
	General Fund	Special Highway	Storm Drain	Sales Tax	Capital Improvement	General Obligation	Nonmajor Governmental Funds	Governmental Funds
GAAP FUND BALANCE								
December 31, 2010	\$ 1,324,492	\$ 176,488	\$ [29,273]	\$ 773,337	\$ [453,906]	\$ 17,761	\$ 270,389	\$ 2,079,288
Adjustments:								
Unreserved fund balances not subject to the Kansas Budget Law:								
Capital Improvement	-	-	-	-	453,906	-	-	453,906
Special Law Enforcement	-	-	-	-	-	-	[7,060]	[7,060]
School District Sales Tax	-	-	-	-	-	-	[29,064]	[29,064]
Mission Business Development	-	-	-	-	-	-	[77,561]	[77,561]
Donations and Gifts	-	-	-	-	-	-	[30,893]	[30,893]
Solid Waste	-	-	-	-	-	-	37,383	37,383
Rock Creek Drainage District #2	-	-	-	-	-	-	[4,128]	[4,128]
Reserve for encumbrances	[34,915]	-	-	-	-	-	-	[34,915]
Total deductions	[34,915]	-	-	-	453,906	-	[111,323]	307,668
BUDGETARY FUND BALANCE								
December 31, 2010	\$ 1,289,577	\$ 176,488	\$ [29,273]	\$ 773,337	\$ -	\$ 17,761	\$ 159,066	\$ 2,386,956

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 KSA 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.

Various City investments are considered to be idle funds by management and are invested according to KSA 12-1675. The statute requires that at 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: U.S. Treasury bills or notes, the 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 KSA 10-131. This statute allows additional investment authority beyond that of KSA 12-1675. Investments of bond proceeds may follow KSA 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 KSA 10-131.

CITY OF MISSION, KANSAS  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2010

III. DETAILED NOTES ON ALL FUNDS (Continued)

A. Deposits and Investments (Continued)

At December 31, 2010, 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>\$ 1,502,533</u>	S&P AAf/S1+	\$ 1,502,533	\$ -	\$ -

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.

B. Accounts Receivable

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

	<u>General</u>	<u>Sales Tax</u>	<u>General Obligation</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Taxes	\$ 1,680,913	\$ 40,169	\$ 124,031	\$ 78,863	\$ 1,923,976
Intergovernmental	672	-	-	-	672
Special assessments	-	-	21,250	-	21,250
Other	36,673	-	-	-	36,673
Total	<u>\$ 1,718,258</u>	<u>\$ 40,169</u>	<u>\$ 145,281</u>	<u>\$ 78,863</u>	<u>\$ 1,982,571</u>

CITY OF MISSION, KANSAS  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2010

III. DETAILED NOTES ON ALL FUNDS (Continued)

C. Capital Assets

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

	Balance at <u>12/31/09</u>	<u>Restatement</u>	Restated Balance at <u>12/31/09</u>	<u>Additions</u>	<u>Retirements</u>	Balance at <u>12/31/10</u>
City governmental activities:						
Capital assets, not being depreciated						
Construction in progress	\$ 5,148,974	\$[751,228]	\$ 4,397,746	\$ 2,285,492	\$ 4,799,424	\$ 1,883,814
Land	10,111,046	751,228	10,862,274	-	-	10,862,274
Capital assets, being depreciated						
Building	8,421,695	-	8,421,695	19,335	-	8,441,030
Equipment and vehicles	4,383,579	-	4,383,579	292,679	158,311	4,517,947
Infrastructure	<u>33,683,872</u>	<u>-</u>	<u>33,683,872</u>	<u>4,799,424</u>	<u>-</u>	<u>38,483,296</u>
Total capital assets	<u>61,749,166</u>	<u>-</u>	<u>61,749,166</u>	<u>7,396,930</u>	<u>4,957,735</u>	<u>64,188,361</u>
Less accumulated depreciation for:						
Building	2,411,960	-	2,411,960	181,227	-	2,593,187
Equipment and vehicles	3,125,969	-	3,125,969	374,880	156,102	3,344,747
Infrastructure	<u>2,287,758</u>	<u>-</u>	<u>2,287,758</u>	<u>971,918</u>	<u>-</u>	<u>3,259,676</u>
Total accumulated depreciation	<u>7,825,687</u>	<u>-</u>	<u>7,825,687</u>	<u>1,528,025</u>	<u>156,102</u>	<u>9,197,610</u>
Governmental activities capital assets, net	<u>\$ 53,923,479</u>	<u>\$ -</u>	<u>\$ 53,923,479</u>	<u>\$ 5,868,905</u>	<u>\$ 4,801,633</u>	<u>\$ 54,990,751</u>

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

Governmental Activities:

General government	\$ 52,634
Public safety	147,655
Public works	1,117,019
Culture and recreation	<u>210,717</u>
Total depreciation	<u>\$ 1,528,025</u>

CITY OF MISSION, KANSAS  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2010

III. DETAILED NOTES ON ALL FUNDS (Continued)

D. Long-term Debt

During the year ended December 31, 2010, the following changes occurred in long term liabilities:

	Balance January 1, <u>2010</u>	<u>Additions</u>	<u>Retirements</u>	Balance December 31, <u>2010</u>	Due Within <u>A Year</u>
General obligation debt	\$ 29,666,760	\$ 10,250,663	\$ 9,116,760	\$ 30,800,663	\$ 2,042,657
Capital lease payable	122,359	-	55,023	67,336	39,018
KDHE loan payable	-	273,507.05	-	273,507	8,119
Special assessment bonds	30,000	-	10,000	20,000	10,000
Capital improvement bonds	365,000	-	180,000	185,000	185,000
Temporary notes	3,231,666	-	3,231,666	-	-
Compensated absences	<u>561,426</u>	<u>188,373</u>	<u>172,142</u>	<u>577,657</u>	<u>173,000</u>
	<u>\$ 33,977,211</u>	<u>\$ 10,712,543</u>	<u>\$ 12,765,591</u>	<u>\$ 31,924,163</u>	<u>\$ 2,457,794</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>Amount</u>
Series 2002A - Community Center Sales Tax	6/15/2002	\$ 3,800,000	1.9%-5.0%	9/1/2012	\$ 930,000
Series 2004A - Capital Improvement	10/1/2004	1,235,000	1.4%-3.5%	9/1/2014	540,000
Series 2007A - Capital Improvement	5/15/2007	751,114	5.0%-5.3%	9/1/2018	630,000
Series 2009A - Refunding	6/10/2009	22,910,000	1.0%-4.35%	9/1/2029	18,450,000
Series 2010A - Capital Improvement	8/18/2010	3,276,571	2.0%-2.75%	9/1/2020	3,276,571
Series 2010B - Refunding	12/15/2010	6,974,092	4.0%-4.25%	9/1/2029	<u>6,974,092</u>
					<u>\$ 30,800,663</u>

CITY OF MISSION, KANSAS  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2010

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
2011	\$ 2,042,657	\$ 933,844
2012	2,047,657	966,729
2013	1,602,657	915,535
2014	1,637,657	880,548
2015	1,677,657	841,216
2016-2020	9,111,194	3,463,474
2021-2025	8,494,546	1,828,014
2026-2029	4,186,637	417,269
Total	<u>\$ 30,800,663</u>	<u>\$ 10,246,629</u>

The City issued \$132,000 of General Obligation Bonds Series 2002C to finance storm sewer improvements in a newly created special benefit district. These bonds are to be fully repaid from the levying of special assessments on the property owners yet are also subject to an additional ad valorem tax levy to finance any delinquent special assessments receivable.

Special assessment bonds with governmental commitment outstanding at December 31, 2010 are as follows:

<u>Series</u>	<u>Date Issued</u>	<u>Original Amount</u>	<u>Interest Rates</u>	<u>Maturity Date</u>	<u>Outstanding</u>
Series 2002C - storm sewer	9/15/2002	\$ 132,000	2.25%-4.25%	9/1/2012	<u>\$ 20,000</u>

Debt services requirements to maturity to special assessment bonds with governmental commitment outstanding at December 31, 2010 are as follows:

Year Ending December 31,	Principal	Interest
2011	\$ 10,000	\$ 825
2012	10,000	425
Total	<u>\$ 20,000</u>	<u>\$ 1,250</u>

Capital improvement 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. Capital improvement 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</u>
Series 2004 - B	10/13/2004	\$ 1,160,000	3.95%	9/1/2011	<u>\$ 185,000</u>

CITY OF MISSION, KANSAS  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2010

III. DETAILED NOTES ON ALL FUNDS (Continued)

D. Long-term Debt (Continued)

Annual debt service requirements to maturity for capital improvement bonds outstanding at December 31, 2010 are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>
2011	\$ 185,000	\$ 7,308
Total	<u>\$ 185,000</u>	<u>\$ 7,308</u>

The Kansas Department of Health and Environment and the City has entered into an agreement for a loan. As of December 31, 2010, the City had made \$273,507 in loan draws. The loan calls for an interest rate of 2.60% and the loan amount will be for \$422,425, of which approximately \$316,819 of principal forgiveness is available through an ARRA clean water state revolving fund program.

The following displays annual debt service requirements to maturity for this KDHE loan for the full proceeds amount:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>
2011	\$ 8,119	\$ 4,963
2012	16,555	9,639
2013	16,989	9,248
2014	17,433	8,846
2015	17,890	8,434
2016-2020	96,720	35,597
2021-2025	110,055	23,543
2026-2030	125,229	9,828
2031	13,435	158
Total	<u>\$ 422,425</u>	<u>\$ 110,256</u>

The City issued \$6,974,092 in general obligation refunding bonds with interest rates ranging from 4.00 to 4.25% to refund portions of the Series 2005 and 2009 general obligation bonds with interest rates ranging from 1.00 to 5.00%. As a result, a portion of the Series 2009 general obligation bonds and the entire amount of the 2005 general obligation bonds are considered to be defeased and the liability for the defeased bonds has been removed from the City's financial statements. The transaction resulted in an economic loss of \$575,124 and an increase of \$579,470 in future debt payments. At December 31, 2010, the remaining principal balance of outstanding debt issues previously defeased is \$7,195,000. The principal and interest payments for these bonds will be paid by the trustee for the related escrow securities on the scheduled payment dates. This amount is not recorded in these financial statements.

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, 2010, there were four series of Industrial Revenue Bonds outstanding, with an aggregate principal amount payable of \$39,010,000.

CITY OF MISSION, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2010

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.

B. Defined Benefit Pension Plan

Plan description - The City participates in the Kansas Public Employees Retirement System (KPERS) and the Kansas Police and Fireman's Retirement System (KP&F). Both are cost-sharing multiple-employer defined benefit pension plans as provided by Kansas statutes (KSA 74-4901 et seq). KPERS and KP&F provide retirement benefits, life insurance, disability income benefits and death benefits. Kansas law established and amends benefit provisions. KPERS and KP&F issue a publicly available financial report that includes financial statements and required supplementary information. Those reports may be obtained by writing to 611 South Kansas Ave., Suite 100, Topeka, Kansas 66603 or by calling 1-888-275-5737.

Funding Policy - K.S.A. 74-4919 establishes the KPERS member-employee contribution rate at either 4% or 6% of covered salary based on the employee's tier. KSA 74-4975 establishes the KP&F member-employee contribution rate at 7% of covered salary. The employer collects and remits member-employee contributions according to the provision of section 414(h) of the Internal Revenue Code. State law provides that the employer contribution rates be determined annually based on the results of an annual actuarial valuation. KPERS and KP&F are funded on an actuarial reserve basis. State law sets a limitation on annual increases in the contribution rates. The employer rate was 6.14% for the year ended December 31, 2010. The City employer contributions to KPERS for the year ended December 31, 2010, 2009 and 2008 were \$150,337, \$113,856 and \$105,384, respectively, equal to the required contributions for each year. The KP&F employer rate established for fiscal years beginning in 2010 is 14.57%. Employers participating in KP&F also make contributions to amortize the liability for past service costs, if any, which are determined separately for each participating employer. The City's contributions to KP&F for the years ended December 31, 2010, 2009 and 2008 were \$217,663, \$229,676 and \$228,618, respectively, equal to the required contributions for each year.

CITY OF MISSION, KANSAS  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2010

IV. OTHER INFORMATION (Continued)

C. Interfund Transfers

A reconciliation of all transfers by fund type for 2010 follows:

<u>Fund</u>	<u>To</u>	<u>From</u>	<u>Due To</u>	<u>Due From</u>
General	\$ -	\$ 1,750,000	\$ 464,448	\$ -
Storm Drain	-	530,000	-	23,087
General Obligation	-	150,000	-	-
Lamar Bridge Replacement	-	12	-	-
Capital Improvement	2,509,467	-	-	441,361
Other Governmental Funds	100,000	179,455	-	-
	<u>\$ 2,609,467</u>	<u>\$ 2,609,467</u>	<u>\$ 464,448</u>	<u>\$ 464,448</u>

The City uses interfund transfers to share administrative costs between funds. The due to/from are interfund loans payable due within one year.

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 4% of covered employees' wages. Employees under the plan are allowed to make contributions to the plan of up to 10% of their wages. In addition to this employee contribution, the City will contribute 50% of the employee contributions up to a maximum of 2%. Employee contributions and the City's contribution for 2009 and 2010 were \$97,499, and \$97,206, respectively.

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>\$ 381,005</u>

Minimum future lease payments under capital leases as of December 31, 2010 are:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Payment</u>
2011	\$ 39,018	\$ 3,439	\$ 42,456
2012	<u>28,318</u>	<u>3,375</u>	<u>31,693</u>
Total	<u>\$ 67,336</u>	<u>\$ 6,813</u>	<u>\$ 74,149</u>

CITY OF MISSION, KANSAS  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2010

IV. OTHER INFORMATION (Continued)

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. KSA 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 net other postemployment benefit obligations 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:

Monthly Contributions			
Coverage	Health	Dental	Vision
Single	\$ 419.21	\$ 28.10	\$ 10.35
Single & Spouse	901.29	82.85	22.24
Single & Children	691.70	82.85	22.24
Family	1,152.83	82.85	22.24

Retiree Contribution Percentage			
Years of Service	Health	Dental	Vision
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	\$	85,937
Interest on net OPEB obligation		2,831
Adjustment to annual required contribution		[4,072]
Annual OPEB cost (expense)		84,696
Benefit payments		23,545
Change in net OPEB obligation		61,151
Net OPEB obligation - beginning of year		56,627
Net OPEB obligation - end of year	\$	117,778

CITY OF MISSION, KANSAS  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2010

IV. OTHER INFORMATION (Continued)

F. Postemployment Healthcare Plan (Continued)

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, 2010 was as follows:

Fiscal Year <u>Ended</u>	Annual OPEB Cost	Annual OPEB Cost <u>Contributed</u>	Net OPEB <u>Obligation</u>	Percentage of Annual OPEB Cost <u>Contributed</u>
December 31, 2009	\$ 80,172	\$ 23,545	\$ 56,627	29.37%
December 31, 2010	84,696	23,545	117,778	27.80%

The information for the preceding year was not available.

**Funding Status and Funding Progress.** As of the year ended December 31, 2010, the most recent actuarial valuation date, the Plan was not funded. The actuarial accrued liability for benefits was \$519,688 and the actuarial value of asset was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$519,688. The covered payroll (annual payroll of active employees covered by the plan) was \$3,629,440, and the ratio of the UAAL to the covered payroll was 14.3%.

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.

In the year ended December 31, 2010, actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 5% 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 10% initially, reduced by decrements to an ultimate rate of 5% after five years. The UAAL is being amortized as a level dollar over an open thirty-year period.

CITY OF MISSION, KANSAS  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2010

IV. OTHER INFORMATION (Continued)

G. Subsequent Event

On March 15, 2011, the City issued Series 2011 general obligation bonds for City improvements. The interest rate on the bonds ranges from 1.25 o 1.75%. The total amount of the issuance is \$4,440,000 with a final maturity of September 1, 2015.

CITY OF MISSION, KANSAS  
 OTHER POST-EMPLOYMENT BENEFITS  
 REQUIRED SUPPLEMENTARY INFORMATION  
 December 31, 2010

Schedule of Employer Contributions:

Fiscal Year Ended	Annual OPEB Cost	Annual OPEB Cost Contributed	Net OPEB Obligation	Percentage of Annual OPEB Cost Contributed
December 31, 2009	\$ 80,172	\$ 23,545	\$ 56,627	29.37%
December 31, 2010	84,696	23,545	117,778	27.80%

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)
1/1/2009	\$ -	\$ 519,688	\$ 519,688	0.0%	\$ 3,629,440	14.32%

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 of its 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.
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. **Rock Creek Drainage District #1** – established to account for the Rock Creek Drainage District #1.
9. **Rock Creek Drainage District #2** – established to account for the Rock Creek Drainage District #2.

CITY OF MISSION, KANSAS  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 December 31, 2010

ASSETS	<u>Special Alcohol</u>	<u>Special Parks and Recreation</u>	<u>Special Law Enforcement</u>	<u>Countryside</u>
Cash and cash equivalents	\$ 5,158	\$ 153,908	\$ 7,060	\$ -
Receivables				
Taxes	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 5,158</u>	<u>\$ 153,908</u>	<u>\$ 7,060</u>	<u>\$ -</u>
 LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Deferred revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Fund balances				
Unreserved and undesignated	<u>5,158</u>	<u>153,908</u>	<u>7,060</u>	<u>-</u>
Total fund balances	<u>5,158</u>	<u>153,908</u>	<u>7,060</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 5,158</u>	<u>\$ 153,908</u>	<u>\$ 7,060</u>	<u>\$ -</u>

<u>School District Sales Tax</u>	<u>Mission Convention and Visitor's Bureau</u>	<u>Donations and Gifts</u>	<u>Solid Waste</u>	<u>Rock Creek Drainage District #1</u>	<u>Rock Creek Drainage District #2</u>	<u>Total</u>
\$ 29,064	\$ 77,561	\$ 32,154	\$ 11,420	\$ -	\$ 4,128	\$ 320,453
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,959</u>	<u>73,904</u>	<u>78,863</u>
<u>\$ 29,064</u>	<u>\$ 77,561</u>	<u>\$ 32,154</u>	<u>\$ 11,420</u>	<u>\$ 4,959</u>	<u>\$ 78,032</u>	<u>\$ 399,316</u>
\$ -	\$ -	\$ -	\$ 48,803	\$ -	\$ -	\$ 48,803
<u>-</u>	<u>-</u>	<u>1,261</u>	<u>-</u>	<u>4,959</u>	<u>73,904</u>	<u>80,124</u>
<u>-</u>	<u>-</u>	<u>1,261</u>	<u>48,803</u>	<u>4,959</u>	<u>73,904</u>	<u>128,927</u>
<u>29,064</u>	<u>77,561</u>	<u>30,893</u>	<u>[37,383]</u>	<u>-</u>	<u>4,128</u>	<u>270,389</u>
<u>29,064</u>	<u>77,561</u>	<u>30,893</u>	<u>[37,383]</u>	<u>-</u>	<u>4,128</u>	<u>270,389</u>
<u>\$ 29,064</u>	<u>\$ 77,561</u>	<u>\$ 32,154</u>	<u>\$ 11,420</u>	<u>\$ 4,959</u>	<u>\$ 78,032</u>	<u>\$ 399,316</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, 2010

	<u>Special Alcohol</u>	<u>Special Parks and Recreation</u>	<u>Special Law Enforcement</u>	<u>Countryside</u>
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Intergovernmental	33,697	33,696	-	-
Miscellaneous	<u>-</u>	<u>5,830</u>	<u>360</u>	<u>-</u>
Total revenues	<u>33,697</u>	<u>39,526</u>	<u>360</u>	<u>-</u>
Expenditures				
Public works and improvements	<u>49,695</u>	<u>45,506</u>	<u>-</u>	<u>45,310</u>
Total expenditures	<u>49,695</u>	<u>45,506</u>	<u>-</u>	<u>45,310</u>
Excess [deficiency] of revenues over [under] expenditures	<u>[15,998]</u>	<u>[5,980]</u>	<u>360</u>	<u>[45,310]</u>
Other financing sources [uses]				
Transfer in	-	-	-	-
Transfer out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources [uses]	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	[15,998]	[5,980]	360	[45,310]
Fund balances, January 1	<u>21,156</u>	<u>159,888</u>	<u>6,700</u>	<u>45,310</u>
Fund balances, December 31	<u>\$ 5,158</u>	<u>\$ 153,908</u>	<u>\$ 7,060</u>	<u>\$ -</u>

<u>School District Sales Tax</u>	<u>Mission Convention and Visitor's Bureau</u>	<u>Donations and Gifts</u>	<u>Solid Waste</u>	<u>Rock Creek Drainage District #1</u>	<u>Rock Creek Drainage District #2</u>	<u>Total</u>
\$ -	\$ 19,500	\$ -	\$ -	\$ 4,966	\$ 84,127	\$ 108,593
-	-	-	356,802	-	-	356,802
-	52,193	-	-	-	-	119,586
-	-	25,120	2,745	7	67	34,129
-	71,693	25,120	359,547	4,973	84,194	619,110
5,000	121,730	-	590,046	-	-	857,287
5,000	121,730	-	590,046	-	-	857,287
[5,000]	[50,037]	25,120	[230,499]	4,973	84,194	[238,177]
-	-	-	100,000	-	-	100,000
-	-	-	-	[17,056]	[162,399]	[179,455]
-	-	-	100,000	[17,056]	[162,399]	[79,455]
[5,000]	[50,037]	25,120	[130,499]	[12,083]	[78,205]	[317,632]
34,064	127,598	5,773	93,116	12,083	82,333	588,021
\$ 29,064	\$ 77,561	\$ 30,893	\$ [37,383]	\$ -	\$ 4,128	\$ 270,389

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, 2010

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
Revenues						
Intergovernmental	\$ 33,697	\$ -	\$ 33,697	\$ 40,000	\$ 40,000	\$ [6,303]
Total revenues	<u>33,697</u>	<u>-</u>	<u>33,697</u>	<u>40,000</u>	<u>40,000</u>	<u>[6,303]</u>
Expenditures						
Social services	49,695	-	49,695	51,917	51,917	2,222
Total expenditures	<u>49,695</u>	<u>-</u>	<u>49,695</u>	<u>51,917</u>	<u>51,917</u>	<u>2,222</u>
Excess [deficiency] of revenues over [under] expenditures	[15,998]	-	[15,998]	<u>\$ [11,917]</u>	<u>\$ [11,917]</u>	<u>\$ [4,081]</u>
Fund balance, January 1	<u>21,156</u>	<u>-</u>	<u>21,156</u>			
Fund balance, December 31	<u>\$ 5,158</u>	<u>\$ -</u>	<u>\$ 5,158</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, 2010

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
Revenues						
Intergovernmental	\$ 33,696	\$ -	\$ 33,696	\$ 40,000	\$ 40,000	\$ [6,304]
Miscellaneous	<u>5,830</u>	<u>-</u>	<u>5,830</u>	<u>-</u>	<u>-</u>	<u>5,830</u>
Total revenues	<u>39,526</u>	<u>-</u>	<u>39,526</u>	<u>40,000</u>	<u>40,000</u>	<u>[474]</u>
Expenditures						
Public works and improvements	<u>45,506</u>	<u>-</u>	<u>45,506</u>	<u>50,000</u>	<u>50,000</u>	<u>4,494</u>
Total expenditures	<u>45,506</u>	<u>-</u>	<u>45,506</u>	<u>50,000</u>	<u>50,000</u>	<u>4,494</u>
Excess [deficiency] of revenues over [under] expenditures	[5,980]	-	[5,980]	<u>\$ [10,000]</u>	<u>\$ [10,000]</u>	<u>\$ 4,020</u>
Fund balance, January 1	<u>159,888</u>	<u>-</u>	<u>159,888</u>			
Fund balance, December 31	<u>\$ 153,908</u>	<u>\$ -</u>	<u>\$ 153,908</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  
GENERAL OBLIGATION FUND  
For the Year Ended December 31, 2010

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
Revenues:						
Taxes	\$ 142,512	\$ -	\$ 142,512	\$ 145,483	\$ 145,483	\$ [2,971]
Special assessments	16,725	-	16,725	110,000	110,000	[93,275]
Interest	136	-	136	1,500	1,500	[1,364]
Total revenues	<u>159,373</u>	<u>-</u>	<u>159,373</u>	<u>256,983</u>	<u>256,983</u>	<u>[97,610]</u>
Expenditures:						
Principal	140,000	-	140,000	165,000	165,000	25,000
Interest, issue cost and fiscal charges	22,885	-	22,885	276,641	276,641	253,756
Total expenditures	<u>162,885</u>	<u>-</u>	<u>162,885</u>	<u>441,641</u>	<u>441,641</u>	<u>278,756</u>
Excess [deficiency] of revenues over [under] expenditures	<u>[3,512]</u>	<u>-</u>	<u>[3,512]</u>	<u>[184,658]</u>	<u>[184,658]</u>	<u>181,146</u>
Other financing sources [uses]						
Transfers out	<u>[150,000]</u>	<u>-</u>	<u>[150,000]</u>	<u>-</u>	<u>-</u>	<u>[150,000]</u>
Total other financing sources [uses]	<u>[150,000]</u>	<u>-</u>	<u>[150,000]</u>	<u>-</u>	<u>-</u>	<u>[150,000]</u>
Net change in fund balances	[153,512]	-	[153,512]	<u>\$ [184,658]</u>	<u>\$ [184,658]</u>	<u>\$ 31,146</u>
Fund balance, January 1	<u>171,273</u>	<u>-</u>	<u>171,273</u>			
Fund balance, December 31	<u>\$ 17,761</u>	<u>\$ -</u>	<u>\$ 17,761</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  
SALES TAX BOND FUND  
For the Year Ended December 31, 2010

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
Revenues:						
Taxes	\$ 498,888	\$ -	\$ 498,888	\$ 450,000	\$ 450,000	\$ 48,888
Interest	<u>585</u>	<u>-</u>	<u>585</u>	<u>10,000</u>	<u>10,000</u>	<u>[9,415]</u>
Total revenues	<u>499,473</u>	<u>-</u>	<u>499,473</u>	<u>460,000</u>	<u>460,000</u>	<u>39,473</u>
Expenditures:						
Principal	440,000	-	440,000	500,000	500,000	60,000
Interest, issue cost and fiscal charges	<u>56,260</u>	<u>-</u>	<u>56,260</u>	<u>-</u>	<u>-</u>	<u>[56,260]</u>
Total expenditures	<u>496,260</u>	<u>-</u>	<u>496,260</u>	<u>500,000</u>	<u>500,000</u>	<u>3,740</u>
Excess [deficiency] of revenues over [under] expenditures	<u>3,213</u>	<u>-</u>	<u>3,213</u>	<u>[40,000]</u>	<u>[40,000]</u>	<u>43,213</u>
Other financing sources [uses]						
Transfer out	<u>-</u>	<u>-</u>	<u>-</u>	<u>[100,000]</u>	<u>[100,000]</u>	<u>100,000</u>
Total other financing sources [uses]	<u>-</u>	<u>-</u>	<u>-</u>	<u>[100,000]</u>	<u>[100,000]</u>	<u>100,000</u>
Excess [deficiency] of revenues and other sources over [under] over [under] expenditures	<u>3,213</u>	<u>-</u>	<u>3,213</u>	<u>[\$[140,000]</u>	<u>[\$[140,000]</u>	<u>\$ 143,213</u>
Fund balance, January 1	<u>770,124</u>	<u>-</u>	<u>770,124</u>			
Fund balance, December 31	<u>\$ 773,337</u>	<u>\$ -</u>	<u>\$ 773,337</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, 2010

ASSETS	<u>License Reinstatement Fees</u>	<u>Alcohol &amp; Drug Safety</u>	<u>Cafeteria Plan</u>	<u>Totals</u>
Cash and cash equivalents	\$ 2,569	\$ 33,077	\$ 7,233	\$ 42,879
Total assets	<u>\$ 2,569</u>	<u>\$ 33,077</u>	<u>\$ 7,233</u>	<u>\$ 42,879</u>
 LIABILITIES				
Due to others	\$ 2,569	\$ 33,077	\$ 7,233	\$ 42,879
Total liabilities	<u>\$ 2,569</u>	<u>\$ 33,077</u>	<u>\$ 7,233</u>	<u>\$ 42,879</u>

See independent auditor's report on the financial statements.

CITY OF MISSION, KANSAS  
 COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES  
 AGENCY FUNDS  
 For the Year Ended December 31, 2010

<u>License Reinstatement Fees</u> ASSETS	Balance January 1, 2010	Additions	Deductions	Balance December 31, 2010
Cash and cash equivalents	\$ 251	\$ 32,945	\$ 30,627	\$ 2,569
Total assets	<u>\$ 251</u>	<u>\$ 32,945</u>	<u>\$ 30,627</u>	<u>\$ 2,569</u>

LIABILITIES				
Due to others	\$ 251	\$ 32,945	\$ 30,627	\$ 2,569
Total liabilities	<u>\$ 251</u>	<u>\$ 32,945</u>	<u>\$ 30,627</u>	<u>\$ 2,569</u>

<u>Alcohol and Drug Safety</u> ASSETS	Balance January 1, 2010	Additions	Deductions	Balance December 31, 2010
Cash and cash equivalents	\$ 32,725	\$ 41,290	\$ 40,938	\$ 33,077
Total assets	<u>\$ 32,725</u>	<u>\$ 41,290</u>	<u>\$ 40,938</u>	<u>\$ 33,077</u>

LIABILITIES				
Due to others	\$ 32,725	\$ 41,290	\$ 40,938	\$ 33,077
Total liabilities	<u>\$ 32,725</u>	<u>\$ 41,290</u>	<u>\$ 40,938</u>	<u>\$ 33,077</u>

<u>Cafeteria Plan</u> ASSETS	Balance January 1, 2010	Additions	Deductions	Balance December 31, 2010
Cash and cash equivalents	\$ 4,736	\$ 75,543	\$ 73,046	\$ 7,233
Total assets	<u>\$ 4,736</u>	<u>\$ 75,543</u>	<u>\$ 73,046</u>	<u>\$ 7,233</u>

LIABILITIES				
Due to others	\$ 4,736	\$ 75,543	\$ 73,046	\$ 7,233
Total liabilities	<u>\$ 4,736</u>	<u>\$ 75,543</u>	<u>\$ 73,046</u>	<u>\$ 7,233</u>

<u>Total Agency Funds</u> ASSETS	Balance January 1, 2010	Additions	Deductions	Balance December 31, 2010
Cash and cash equivalents	\$ 37,712	\$ 149,778	\$ 144,611	\$ 42,879
Total assets	<u>\$ 37,712</u>	<u>\$ 149,778</u>	<u>\$ 144,611</u>	<u>\$ 42,879</u>

LIABILITIES				
Due to others	\$ 37,712	\$ 149,778	\$ 144,611	\$ 42,879
Total liabilities	<u>\$ 37,712</u>	<u>\$ 149,778</u>	<u>\$ 144,611</u>	<u>\$ 42,879</u>

See independent auditor's report on the financial statements.

---

**STATISTICAL SECTION**

---

This page intentionally left blank.

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 source, the property tax.

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 ASSETS BY COMPONENT  
LAST TEN YEARS (1)  
(Accrual Basis of Accounting)

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Governmental Activities							
Invested in capital assets, net of related debt	\$ 6,511,170	\$ 4,560,491	\$ 8,129,556	\$ 15,120,064	\$ 18,606,539	\$ 21,507,063	\$ 23,644,245
Restricted	572,955	623,320	678,017	722,400	857,622	941,397	791,098
Unrestricted	<u>5,812,516</u>	<u>8,094,125</u>	<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>
Total Net Assets	<u>\$ 12,896,641</u>	<u>\$ 13,277,936</u>	<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>

(1) Data became available with the inception of GASB 34 during fiscal year 2004, therefore 10 years of data is unavailable.

Source: City of Mission, Kansas Basic Financial Statements.

TABLE 2  
(UNAUDITED)

CITY OF MISSION, KANSAS  
CHANGE IN NET ASSETS  
LAST TEN YEARS (1)  
(Accrual Basis of Accounting)

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Expenses							
Governmental Activities:							
General government	\$ 1,425,130	\$ 1,445,969	\$ 3,547,477	\$ 1,892,510	\$ 3,534,363	\$ 2,311,207	\$ 1,893,579
Public safety	2,508,144	2,862,597	2,903,379	3,239,519	3,384,135	3,624,111	3,613,022
Public works	2,929,595	3,188,033	2,657,277	2,953,028	2,699,875	3,990,772	4,388,119
Culture and recreation	2,813,867	2,866,291	2,813,443	2,648,777	2,657,303	2,733,024	2,695,954
Interest on Long-Term Debt	241,768	304,078	617,069	1,039,158	1,390,170	1,276,197	1,007,059
Total Primary Government Expenses	<u>9,918,504</u>	<u>10,666,968</u>	<u>12,538,645</u>	<u>11,772,992</u>	<u>13,665,846</u>	<u>13,935,311</u>	<u>13,597,733</u>
Program Revenues							
Governmental Activities:							
Charges for services							
General government	252,111	128,692	115,658	154,005	164,213	161,865	132,871
Public safety	976,526	1,204,794	1,568,089	1,897,595	1,850,795	2,071,362	1,648,771
Public works	14,069	514,303	372,141	574,455	777,603	1,059,463	1,190,916
Culture and recreation	1,499,413	1,704,874	1,758,012	1,818,171	1,872,041	1,841,918	1,805,037
Operating grants and contributions							
General government	5,675	815	1,300	-	-	-	-
Public safety	-	-	14,573	44,286	68,313	54,871	34,335
Public works	619,889	429,843	756,870	4,058,055	5,945,713	3,619,852	1,113,502
Total Primary Government Program Revenues	<u>3,367,683</u>	<u>3,983,321</u>	<u>4,586,643</u>	<u>8,546,567</u>	<u>10,678,678</u>	<u>8,809,331</u>	<u>5,925,432</u>
Total Primary Government Net [Expense]	<u>[6,550,821]</u>	<u>[6,683,647]</u>	<u>[7,952,002]</u>	<u>[3,226,425]</u>	<u>[2,987,168]</u>	<u>[5,125,980]</u>	<u>[7,672,301]</u>
General Revenues and Other Changes in Net Assets							
Governmental activities:							
Taxes:							
Property taxes	646,256	1,212,425	1,263,709	1,742,544	1,930,893	2,040,368	1,800,788
Sales and use tax	4,641,595	4,428,871	4,296,256	4,542,950	4,323,982	3,972,155	3,973,428
Motor vehicle tax	87,718	82,277	107,865	123,358	160,252	166,532	158,653
Franchise tax	749,315	853,066	929,185	986,991	1,022,445	976,392	1,011,213
Investment earnings	93,159	208,687	710,936	612,662	214,405	37,475	4,282
Miscellaneous	117,421	282,229	392,427	281,947	253,637	1,187,205	388,741
Total primary government	<u>6,335,464</u>	<u>7,067,555</u>	<u>7,700,378</u>	<u>8,290,452</u>	<u>7,905,614</u>	<u>8,380,127</u>	<u>7,337,105</u>
Change in Net Assets							
Governmental activities	<u>\$ [215,357]</u>	<u>\$ 383,908</u>	<u>\$ [251,624]</u>	<u>\$ 5,064,027</u>	<u>\$ 4,918,446</u>	<u>\$ 3,254,147</u>	<u>\$ [335,196]</u>

(1) Data became available with the inception of GASB 34 during fiscal year 2004, therefore 10 years of data is unavailable.

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>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
General Fund				
Reserved	\$ 130,592	\$ 72,720	\$ 238,398	\$ 128,343
Unreserved	<u>2,768,250</u>	<u>1,280,176</u>	<u>2,188,070</u>	<u>2,598,676</u>
Total General Fund	<u>\$ 2,898,842</u>	<u>\$ 1,352,896</u>	<u>\$ 2,426,468</u>	<u>\$ 2,727,019</u>
All Other Governmental Funds				
Reserved	\$ 1,307,807	\$ 4,378,979	\$ 2,039,455	\$ 1,931,462
Unreserved, reported in:				
Special revenue funds	2,499,540	1,603,014	2,484,200	1,865,105
Debt service fund	149,553	179,028	509,195	572,955
Capital project funds	<u>2,465,878</u>	<u>2,490,730</u>	<u>422,093</u>	<u>910,339</u>
Total All Other Governmental Funds	<u>\$ 6,422,778</u>	<u>\$ 8,651,751</u>	<u>\$ 5,454,943</u>	<u>\$ 5,279,861</u>

Source: City of Mission, Kansas Basic Financial Statements.

TABLE 3  
(UNAUDITED)

<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 34,269	\$ 34,915
<u>2,694,436</u>	<u>1,923,372</u>	<u>2,120,554</u>	<u>2,459,968</u>	<u>2,473,479</u>	<u>1,289,577</u>
<u>\$ 2,697,436</u>	<u>\$ 1,926,372</u>	<u>\$ 2,123,554</u>	<u>\$ 2,462,968</u>	<u>\$ 2,507,748</u>	<u>\$ 1,324,492</u>
\$ 1,203,988	\$ 1,153,883	\$ 1,153,883	\$ 8,828	\$ -	\$ -
1,632,667	1,654,844	1,635,880	1,642,606	1,527,992	417,604
623,320	678,017	722,400	857,622	941,397	791,098
<u>7,435,624</u>	<u>9,970,696</u>	<u>[1,813,596]</u>	<u>5,952,272</u>	<u>815,477</u>	<u>[453,906]</u>
<u>\$ 10,895,599</u>	<u>\$ 13,457,440</u>	<u>\$ 1,698,567</u>	<u>\$ 8,461,328</u>	<u>\$ 3,284,866</u>	<u>\$ 754,796</u>

TABLE 4  
(UNAUDITED)

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

	<u>2001</u>	<u>2002</u>	<u>2003</u>
Revenues			
Taxes	\$ 3,457,382	\$ 3,556,131	\$ 5,349,559
Special assessments	130,810	128,442	119,500
Intergovernmental	2,374,333	2,274,727	582,114
Licenses and permits	152,264	139,953	151,410
Charges for services	1,358,459	1,492,293	1,458,250
Fines and fees	336,080	433,829	645,765
Use of money and property	409,675	174,672	73,331
Miscellaneous	80,993	34,583	53,523
Total revenues	<u>8,299,996</u>	<u>8,234,630</u>	<u>8,433,452</u>
Expenditures			
General government	694,109	743,380	768,751
Public safety	1,736,012	1,904,761	1,954,971
Public works	2,232,763	4,822,156	2,532,653
Culture and recreation	1,659,150	1,953,947	1,908,104
Capital outlay	2,557,958	786,015	3,941,062
Debt service			
Principal	400,000	1,100,000	502,000
Bond issuance costs	-	-	-
Interest and other charges	177,862	236,368	239,521
Total expenditures	<u>9,457,854</u>	<u>11,546,627</u>	<u>11,847,062</u>
Excess of revenues over [under] expenditures	<u>[1,157,858]</u>	<u>[3,311,997]</u>	<u>[3,413,610]</u>
Other financing sources [uses]			
Transfers in	1,135,000	463,080	368,572
Transfers out	[1,135,000]	[463,080]	[368,572]
Bond premium	-	-	-
Bond discount	-	-	-
Sale of refunding bonds	-	1,954,168	-
Payment to refunding bond escrow agent	-	[1,925,000]	-
Loan proceeds	-	-	-
Sale of bonds	-	3,965,856	1,200,000
Total other financing sources [uses]	<u>-</u>	<u>3,995,024</u>	<u>1,200,000</u>
Net change in fund balances	<u>\$ [1,157,858]</u>	<u>\$ 683,027</u>	<u>\$ [2,213,610]</u>
Debt service as a percentage of noncapital expenditures	8.37%	12.42%	9.38%

Source: City of Mission, Kansas Basic Financial Statements.

TABLE 4  
(UNAUDITED)

<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
\$ 6,124,884	\$ 6,576,639	\$ 6,597,014	\$ 7,395,843	\$ 7,336,009	\$ 7,064,955	\$ 6,927,357
120,888	112,011	106,173	95,035	101,563	90,492	16,725
625,563	430,658	666,570	4,007,306	6,014,026	3,674,723	1,147,837
150,055	189,776	147,398	199,545	322,449	161,865	132,871
1,593,983	2,050,547	2,102,420	2,341,354	2,480,423	2,801,599	2,793,683
877,194	1,200,329	1,564,082	1,903,327	1,861,780	2,171,144	1,851,040
93,159	208,687	710,936	612,662	175,208	37,475	4,282
117,421	282,229	392,427	281,947	275,087	1,212,405	415,230
<u>9,703,147</u>	<u>11,050,876</u>	<u>12,287,020</u>	<u>16,837,019</u>	<u>18,566,545</u>	<u>17,214,658</u>	<u>13,289,025</u>
1,070,642	1,418,455	1,916,208	1,975,256	2,199,511	1,912,691	1,907,311
2,444,061	2,740,399	2,722,207	3,079,884	3,326,584	3,473,046	3,438,881
2,805,876	2,980,125	2,403,996	2,574,231	2,247,005	3,489,138	3,335,084
2,519,021	2,549,985	2,521,622	2,381,770	2,387,785	2,475,261	2,477,811
2,235,832	3,820,968	8,542,329	22,198,096	9,219,468	3,899,569	2,673,142
1,960,000	1,045,000	4,685,000	5,985,000	8,345,000	28,400,000	12,365,000
-	72,332	48,919	90,494	59,190	-	-
232,246	233,084	326,898	1,097,214	1,275,507	1,606,635	1,329,292
<u>13,267,678</u>	<u>14,860,348</u>	<u>23,167,179</u>	<u>39,381,945</u>	<u>29,060,050</u>	<u>45,256,340</u>	<u>27,526,521</u>
<u>[3,564,531]</u>	<u>[3,809,472]</u>	<u>[10,880,159]</u>	<u>[22,544,926]</u>	<u>[10,493,505]</u>	<u>[28,041,682]</u>	<u>[14,237,496]</u>
2,279,072	1,285,232	1,752,338	2,080,802	1,512,547	1,634,590	2,609,467
[2,279,072]	[1,285,232]	[1,752,338]	[2,080,802]	[1,512,547]	[1,634,590]	[2,609,467]
-	294,598	61,976	1,113	-	-	105,663
-	[3,971]	-	-	[54,320]	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	273,507
<u>3,690,000</u>	<u>9,105,000</u>	<u>12,590,000</u>	<u>11,010,000</u>	<u>17,650,000</u>	<u>22,910,000</u>	<u>10,145,000</u>
<u>3,690,000</u>	<u>9,395,627</u>	<u>12,651,976</u>	<u>11,011,113</u>	<u>17,595,680</u>	<u>22,910,000</u>	<u>10,524,170</u>
<u>\$ 125,469</u>	<u>\$ 5,586,155</u>	<u>\$ 1,771,817</u>	<u>\$ [11,533,813]</u>	<u>\$ 7,102,175</u>	<u>\$ [5,131,682]</u>	<u>\$ [3,713,326]</u>
19.87%	12.23%	34.60%	41.87%	45.90%	72.76%	54.93%

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>
2001	\$ 541,494	\$1,324,719	\$79,783	\$ 785,664	\$ 42,783	\$ 682,939	\$3,457,382
2002	596,860	1,550,829	81,071	786,980	46,509	493,882	3,556,131
2003	675,451	2,671,526	180,720	1,246,079	82,306	493,477	5,349,559
2004	733,974	3,060,411	418,364	930,994	231,826	749,315	6,124,884
2005	1,294,702	2,540,060	734,473	909,570	244,768	853,066	6,576,639
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	2,439,429	439,764	963,598	129,364	976,392	7,064,955
2010	1,942,716	2,494,439	471,969	877,870	129,150	1,011,213	6,927,357

Source: City of Mission, Kansas Basic Financial Statements.

TABLE 6  
(UNAUDITED)

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

<u>Year Ended</u> <u>December 31,</u>		<u>Real Property</u>		<u>Personal Property</u>		<u>Total</u>	<u>Estimated</u>	<u>Ratio of</u>	<u>Total</u>
<u>Assessment</u>	<u>Budget</u>	<u>Assessed</u>	<u>Estimated</u>	<u>Assessed</u>	<u>Estimated</u>	<u>Assessed</u>	<u>Actual</u>	<u>to Estimated</u>	<u>Direct</u>
<u>Year</u>	<u>Year</u>	<u>Value</u>	<u>Actual Value</u>	<u>Value</u>	<u>Actual Value</u>	<u>Value</u>	<u>Value</u>	<u>Actual Value</u>	<u>Tax</u>
									<u>Rate</u>
2000	2001	\$94,836,107	\$ 609,773,749	\$ 16,008,281	\$62,965,905	\$ 110,844,388	\$ 672,739,654	0.16	5.124
2001	2002	97,587,479	636,773,160	16,526,153	65,002,868	114,113,632	701,776,028	0.16	5.124
2002	2003	117,414,721	795,044,473	14,220,866	55,935,406	131,635,587	850,979,879	0.15	5.041
2003	2004	116,464,078	821,908,020	9,316,714	36,645,742	125,780,792	858,553,762	0.14	9.935
2004	2005	119,809,159	849,677,095	9,023,996	35,494,384	128,833,155	885,171,479	0.14	9.962
2005	2006	122,948,049	880,351,925	8,749,943	29,166,477	131,697,992	909,518,402	0.14	13.176
2006	2007	128,267,489	923,590,639	9,862,567	32,875,223	138,130,056	956,465,862	0.14	13.198
2007	2008	130,722,893	936,033,240	6,713,836	22,379,453	137,436,729	958,412,693	0.14	13.215
2008	2009	124,812,666	900,169,960	3,389,601	11,298,670	128,202,267	911,468,630	0.14	13.217
2009	2010	117,416,873	858,323,410	3,104,763	10,349,210	120,521,636	868,672,620	0.14	11.213

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

TABLE 7  
(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			
2001	5.124	0.000	0.000	16.3330	38.6990	7.743
2002	5.124	0.000	0.000	16.2210	42.2380	9.428
2003	5.041	0.000	0.000	16.3810	37.7740	9.432
2004	9.935	1.000	1.025	16.0410	42.6550	9.438
2005	9.962	1.003	1.028	17.9220	49.7480	8.960
2006	13.176	1.002	1.027	17.9490	51.9800	8.872
2007	13.198	1.004	1.029	17.9850	52.0080	8.749
2008	13.215	1.005	1.030	17.7670	52.0940	8.768
2009	11.182	1.005	1.030	17.7160	55.3180	8.784
2010	10.183	0.000	1.030	17.7480	57.1920	8.799

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

TABLE 7  
(UNAUDITED)

Consolidated Fire District #2	Unified Johnson County Sewer District	Johnson County Library	Johnson County Parks and Recreation
7.703	4.181	2.971	1.382
8.008	0.000	2.948	1.602
9.240	0.000	2.954	2.365
9.241	0.000	2.956	2.367
9.405	0.000	2.955	2.286
9.335	0.000	2.960	2.290
9.356	0.000	2.962	2.295
8.992	0.000	3.057	2.341
8.991	0.000	3.151	2.346
10.074	0.000	3.158	2.350

This page intentionally left blank.

TABLE 8  
(UNAUDITED)

CITY OF MISSION, KANSAS  
PRINCIPAL TAXPAYERS  
December 31, 2010 and Nine Years Ago

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2010 Assessed Valuation</u>	<u>Rank</u>	<u>% of Total Assessed Valuation</u>	<u>2001 Assessed Valuation</u>	<u>Rank</u>	<u>% of Total Assessed Valuation</u>
Scriptpro	Medical equipment manufacturer	\$ 5,084,700	1	4.22%	Not Available		
Mission Towers Properties	Property developer	2,774,001	2	2.30%			
Southwestern Bell Telephone	Telecommunications provider	2,129,400	3	1.77%			
Sixty Three West Investors	Property developer	1,931,001	4	1.60%			
Broadmoor Place Associates	Office building development	1,903,250	5	1.58%			
Mission Mart Shopping Center	Shopping center	1,863,110	6	1.55%			
Target Corporation	Shopping center	1,798,350	7	1.49%			
Block Properties Company	Property developer	1,733,548	8	1.44%			
Tower Properties Company	Property developer	1,586,771	9	1.32%			
Silverwood Apartments, LLC	Property developer	<u>1,584,010</u>	10	1.31%			
Total		<u>\$ 22,388,141</u>		<u>18.58%</u>			

Source: Johnson County Clerks Office.

TABLE 9  
(UNAUDITED)

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

<u>Year Ended</u> <u>December 31,</u>	<u>Total</u> <u>Tax</u> <u>Levy</u>	<u>Current</u> <u>Taxes</u> <u>Collected</u>	<u>Percent of</u> <u>Current Taxes</u> <u>Collected</u>	<u>Delinquent</u> <u>Tax</u> <u>Collections</u>	<u>Total Tax</u> <u>Collections</u>	<u>Ratio of</u> <u>Total Tax</u> <u>Collections</u> <u>to Tax Levy</u>
2001	\$ 562,622	\$ 557,527	99.1%	\$ 3,967	\$ 561,494	99.8%
2002	614,100	611,283	99.5%	1,577	612,860	99.8%
2003	614,437	607,533	98.9%	6,478	614,011	99.9%
2004	613,444	606,265	98.8%	4,766	611,031	99.6%
2005	1,245,425	1,201,481	96.5%	5,735	1,207,216	96.9%
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%

TABLE 10  
(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
2001	\$2,250,000	\$ -	\$ -	\$ 775,000	\$ -	\$ -	\$3,025,000	9,727	\$ 271,091,490	311	1.12%
2002	5,755,000	-	-	132,000	-	-	5,887,000	9,727	271,091,490	605	2.17%
2003	5,265,000	1,200,000	-	120,000	-	-	6,585,000	10,020	279,257,400	657	2.36%
2004	5,755,000	1,295,000	1,160,000	105,000	-	-	8,315,000	10,020	279,257,400	830	2.98%
2005	11,219,598	4,346,029	1,010,000	90,000	-	188,136	16,853,763	10,020	279,257,400	1,682	6.04%
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%

Source: Johnson County Clerk and City of Mission Records.

TABLE 11  
(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>
2001	9,727	\$110,844,388	\$ 3,025,000	\$ 149,553	\$ 2,875,447	2.59%	\$ 295.61
2002	9,727	114,113,632	5,887,000	179,028	5,707,972	5.00%	586.82
2003	10,020	131,635,587	6,585,000	509,195	6,075,805	4.62%	606.37
2004	10,020	125,780,792	5,860,000	572,955	5,287,045	4.20%	527.65
2005	10,020	128,833,155	11,309,598	623,320	10,686,278	8.29%	1,066.49
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

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

CITY OF MISSION, KANSAS  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
December 31, 2010

<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	\$ 31,346,506	100.00%	\$ 31,346,506
Overlapping debt: (1)			
Johnson County	240,565,000	1.59%	3,824,984
Shawnee Mission School (U.S.D. 512)	236,370,000	4.09%	9,667,533
Fire District #2	1,375,000	16.43%	225,913
Johnson County Parks and Recreation	<u>3,625,000</u>	1.59%	<u>57,638</u>
Total overlapping debt	<u>481,935,000</u>		<u>13,776,068</u>
Total direct and overlapping debt	<u>\$ 513,281,506</u>		<u>\$ 45,122,574</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 resident 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 13  
(UNAUDITED)

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

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
Total Assessed Valuation of Taxable Property	\$ 110,844,388	\$ 114,113,632	\$ 131,635,587	\$ 125,780,792
Debt Limit Percent of Assessed Value	<u>30.00%</u>	<u>30.00%</u>	<u>30.00%</u>	<u>30.00%</u>
Debt Limit	33,253,316	34,234,090	39,490,676	37,734,238
Total net debt applicable to limit	<u>3,025,000</u>	<u>5,887,000</u>	<u>6,585,000</u>	<u>5,860,000</u>
Legal Debt Margin	<u>\$ 30,228,316</u>	<u>\$ 28,347,090</u>	<u>\$ 32,905,676</u>	<u>\$ 31,874,238</u>
Total Net Debt Applicable To The Limit As A Percentage of Debt Limit	9.10%	17.20%	16.67%	15.53%

Note: 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 13  
(UNAUDITED)

<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
\$ 128,833,155	\$ 131,697,992	\$ 138,130,056	\$ 137,436,729	\$ 128,202,267	\$ 120,521,636
<u>30.00%</u>	<u>30.00%</u>	<u>30.00%</u>	<u>30.00%</u>	<u>30.00%</u>	<u>30.00%</u>
38,649,947	39,509,398	41,439,017	41,231,019	38,460,680	36,156,491
<u>11,309,598</u>	<u>9,800,138</u>	<u>9,110,680</u>	<u>7,996,220</u>	<u>2,915,000</u>	<u>2,740,000</u>
<u>\$ 27,340,349</u>	<u>\$ 29,709,260</u>	<u>\$ 32,328,337</u>	<u>\$ 33,234,799</u>	<u>\$ 35,545,680</u>	<u>\$ 33,416,491</u>
29.26%	24.80%	21.99%	19.39%	7.58%	7.58%

TABLE 14  
(UNAUDITED)

CITY OF MISSION, KANSAS  
DEMOGRAPHIC STATISTICS  
LAST TEN YEARS  
December 31, 2010

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Unemployment Rate (1)</u>	<u>Per Capita Personal Income (2)</u>	<u>Personal Income</u>
2001	9,727	3.7%	\$ 27,870	\$ 271,091,490
2002	9,727	4.3%	27,870	271,091,490
2003	10,020	3.9%	27,870	279,257,400
2004	10,020	4.3%	27,870	279,257,400
2005	10,020	4.5%	27,870	279,257,400
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

(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 15  
(UNAUDITED)

CITY OF MISSION, KANSAS  
PRINCIPAL EMPLOYERS  
December 31, 2010 and Nine Years Ago

<u>Employer</u>	December 31, 2010			December 31, 2001		
	Employees	Rank	Percentage of Total Employment	Employees (1)	Rank	Percentage of Total Employment
ScriptPro	500	1	4.99%	Not Available		0.00%
AT&T Telecommunications	400	2	3.99%	Not Available		0.00%
Skillpath, Inc.	250	3	2.50%	Not Available		0.00%
U.S. Post Office	250	4	2.50%	Not Available		0.00%
HyVee Food Stores	250	5	2.50%	Not Available		0.00%
City of Mission (2)	195	6	1.95%	Not Available		0.00%
National Seminars Group	165	7	1.65%	Not Available		0.00%
Target	140	8	1.40%	Not Available		0.00%
Entercom	100	9	1.00%	Not Available		0.00%
CGI Communigroup	100	10	1.00%	Not Available		0.00%
Medical Staffing Network	100	10	1.00%	Not Available		0.00%
Cumulus Broadcasting (3)	100	10	1.00%	Not Available		0.00%
<b>Total</b>	<b>2,550</b>		<b>25.45%</b>	<b>-</b>		<b>0.00%</b>

(1) Information not available.

(2) Includes full and part time.

(3) Formerly Susquehanna, Inc.

Source: Northeast Johnson County Economic Development Council.

TABLE 16  
(UNAUDITED)

CITY OF MISSION, KANSAS  
OPERATING INDICATORS BY FUNCTION/PROGRAM  
LAST FIVE YEARS (1)  
December 31, 2010

<u>Function/Program</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b>Public Safety/Municipal Justice</b>					
911 Calls Received	9,003	10,756	9,128	8,432	10,583
DUI Arrests	213	363	335	441	317
Traffic/Parking Complaints	16,858	17,964	17,350	20,745	16,947
Accidents	316	351	287	252	234
Investigations Cases	714	744	702	668	732
Total Court Cases Processed	17,690	19,027	17,574	18,849	17,158
<b>Public Works</b>					
Curb Miles Swept (lane miles)	296	222	797	1,263	925
Streets Milled and Overlaid (Linear Feet)	1,200	2,850	9,386	2,540	4,953
Sidewalk Replaced (Square Yards)	550	550	1,330	341	1,619
Curb and Gutter Replaced (Linear Feet)	2,900	6,499	4,920	222	3,642
Acres of Lawn Mowed	4,224	1,056	1,056	1,240	1,240
<b>Urban Management and Planning</b>					
Building Permits Processed	36	60	130	161	251
Plan Reviews Performed	20	18	20	20	26
<b>Leisure and Recreation</b>					
Annual Memberships Sold	937	2,294	2,314	2,520	2,871
Annual Membership Revenue	1,054,374	1,028,942	1,022,691	952,658	941,704
Facility Reservations Processed	1,960	1,111	735	1,012	846
Facility Reservation Revenue	168,119	172,469	189,378	247,984	214,995
Pool Memberships Sold	261	230	232	315	349
Pool Revenue	53,504	54,425	57,265	63,998	67,880

(1) Data not maintained by specific function prior to 2006.

Source: City of Mission, Kansas.

TABLE 17  
(UNAUDITED)

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

<u>Function/Program</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
General Government						
Administration/Finance*	7.0	7.0	7.0	6.0	6.0	6.0
Community Development*	3.0	3.0	3.0	2.0	2.0	2.0
Municipal Court*	4.0	4.0	4.0	3.0	3.0	3.0
Public Works*	11.0	11.0	12.0	14.0	14.0	14.0
Police	31.0	31.0	30.0	30.0	30.0	29.0
Parks & Recreation*	<u>12.0</u>	<u>13.0</u>	<u>13.0</u>	<u>14.0</u>	<u>14.0</u>	<u>14.0</u>
Total	68.0	69.0	69.0	69.0	69.0	68.0

\*Data not maintained by specific function prior to 2005.

Source: City of Mission, Kansas.

TABLE 18  
(UNAUDITED)

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

<u>Function/Program</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</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	850.0	850.0	850.0	850.0	850.0	850.0	850.0	850.0	819.0	819.0
Parks & Recreation										
Parks	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	6.0	6.0
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.

---

**GOVERNMENTAL AUDIT SECTION**

---

CITY OF MISSION, KANSAS

Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2010

Federal Grantor/Pass-Through <u>Grantor/Program Title</u>	Federal CFDA <u>Number</u>	<u>Expenditures</u>
<u>U.S. Department of Transportation</u>		
Passed Through Kansas Department of Transportation		
Highway Planning and Construction	20.205	\$ 277,313
State and Community Highway Safety	20.600	1,899
Alcohol Impaired Driving Countemeasures Incentive Grants I	20.601	<u>38,929</u>
Total U.S. Department of Transportation		<u>318,141</u>
 <u>Environmental Protection Agency</u>		
Passed Through Kansas Department of Health and Environment		
Capitalization Grants for Clean Water State Revolving Funds	66.458	<u>293,737</u>
Total Environmental Protection Agency		<u>293,737</u>
Total Expenditures of Federal Awards		<u>\$ 611,878</u>

See independent auditor's report on the financial statements and notes to the schedule of expenditures of federal awards.

CITY OF MISSION, KANSAS

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended December 31, 2010

1. General

The accompanying Schedule of Expenditures of Federal Awards presents the expenditures of all federal financial assistance programs of the City of Mission, Kansas. All expenditures of federal financial assistance received directly from federal agencies as well as federal financial assistance passed through other governmental agencies are included on the schedule.

2. Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented in accordance with accounting principles generally accepted in the United States of America.

CITY OF MISSION, KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended December 31, 2010

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weakness(es) identified?        Yes   X   No

Significant deficiency(ies) identified that are not considered to be material weaknesses?        Yes   X   None reported

Noncompliance material to financial statements noted?        Yes   X   No

Federal Awards

Internal control over major programs:

Material weakness(es) identified?        Yes   X   No

Significant deficiency(ies) identified that are not considered to be material weaknesses?        Yes   X   None reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?        Yes   X   No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
20.205	Highway Planning and Construction
66.458	Capitalization Grants for Clean Water State Revolving Funds

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee?        Yes   X   No

CITY OF MISSION, KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)  
For the Year Ended December 31, 2010

Section II - Financial Statement Findings

None Noted

Section III - Federal Award Findings and Questioned Costs

None Noted

---

---

# LOWENTHAL, WEBB & ODERMANN, P.A.

---

---

CERTIFIED PUBLIC ACCOUNTANTS

900 Massachusetts, Suite 301  
Lawrence, Kansas 66044-2868  
Phone: (785) 749-5050  
Fax: (785) 749-5061  
Website: www.lswwcpa.com

David A. Lowenthal, CPA  
Patricia L. Webb, CPA  
Audrey M. Odermann, CPA

Abram M. Chrislip, CPA  
Caroline H. Eddinger, CPA  
Grant A. Huddin, CPA  
Brian W. Nyp, CPA

Members of American Institute  
and Kansas Society of  
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH "GOVERNMENT AUDITING STANDARDS"

Mayor and City Council  
City of Mission, Kansas

We have audited the financial statements of the governmental activities, each major fund, budgetary comparison information, and the aggregate remaining fund information of the City of Mission, KS (the City) as of and for the year ended December 31, 2010, which collectively comprise the City's basic financial statements and have issued our report thereon dated May 2, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in "Government Auditing Standards," issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

However, we noted certain other matters that we have reported to management in a separate letter dated May 2, 2011.

This report is intended solely for the information and use of the city council, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

*Lowenthal, Wett & Odenmann, P.A.*

May 2, 2011

---

---

# LOWENTHAL, WEBB & ODERMANN, P.A.

---

---

CERTIFIED PUBLIC ACCOUNTANTS

900 Massachusetts, Suite 301  
Lawrence, Kansas 66044-2868  
Phone: (785) 749-5050  
Fax: (785) 749-5061  
Website: www.lswwcpa.com

David A. Lowenthal, CPA  
Patricia L. Webb, CPA  
Audrey M. Odermann, CPA

Abram M. Chrislip, CPA  
Caroline H. Eddinger, CPA  
Grant A. Huddin, CPA  
Brian W. Nyp, CPA

Members of American Institute  
and Kansas Society of  
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Mayor and City Council  
City of Mission, Kansas

Compliance

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

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

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

Internal Control Over Compliance

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

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

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

This report is intended solely for the information and use of the city council, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

*Lowenthal, Wett & Odemann, P.A.*

May 2, 2011