



## AUDITOR'S COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

To the Mayor and City Council  
City of Mission, Kansas

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Mission, Kansas for the year ended December 31, 2013, and have issued our report thereon dated May 6, 2014. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

### Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated November 4, 2013, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

Our responsibility for the supplementary information accompanying the financial statements, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

### Planned Scope and Timing of the Audit

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested.

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. We will communicate our significant findings at the conclusion of the audit. We will also communicate any internal control related matters that are required to be communicated under professional standards.

We performed the audit according to the planned scope and timing previously communicated to you in our meeting about planning matters on February 10, 2014.

## Significant Audit Findings

### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended December 31, 2013. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the City's financial statements was:

Management's estimate of accumulated depreciation is based on the straight-line method of depreciation. We evaluated the key factors and assumptions used to develop the accumulated depreciation in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management and completing our audit.

### *Corrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. We have been informed that management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

### *Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated May 6, 2014.

### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City of Mission, Kansas's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition of our retention.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the mayor, city council and management of the City of Mission, Kansas, and is not intended to be, and should not be, used by anyone other than these specified parties.

*Mike Houser: Company PA*

Certified Public Accountants

May 6, 2014  
Lawrence, KS



MIZE & HOUSER  
COMPANY P.A.

Mayor and City Council  
City of Mission, Kansas

In planning and performing our audit of the financial statements of Mission, Kansas, as of and for the year ended December 31, 2013, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control.

However, during our audit, we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. This letter does not affect our report dated May 6, 2014, on the financial statements of the City of Mission, Kansas.

We will review the status of this comment during our next audit engagement. We have already discussed this comment and suggestion with various City personnel, and we will be pleased to discuss this comment in further detail at your convenience, to perform any additional study of this matter, or to assist you in implementing the recommendation. Our comment is summarized as follows:

1. It was noted during the audit that a spreadsheet of outstanding business licenses was created and periodically updated. We recommend that the list of delinquent business licenses be generated directly from the business license system. We also recommend that an individual independent of the business license receipting system review and approve the delinquent list monthly. The approval process should be documented with the initials of the reviewer and the date of the review. For 2013 many changes to this system were in process however new system controls were not operating at the time of the audit.
2. During the audit we extended our testing over purchasing card transactions and randomly selected charges for a sample of employees. In this sample we tested for supporting documentation, proper supervisor approvals, review of the business purpose and if sales tax was paid on those transactions. In this testing sample we noted four transactions were missing supervisor approval on expense reports. We recommend that someone with authority over the purchaser review all purchasing card transactions. We also noted three transactions included the payment of sales tax. The City should submit appropriate tax-exempt status documentation on all credit card purchases to avoid the payment of sales tax.

This report is intended for the use of the mayor, city council and other members of management of Mission, Kansas and should not be used by anyone other than these specified parties.

*Mize & Houser: Company PA*

Certified Public Accountants

May 6, 2014  
Lawrence, Kansas

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**CITY OF MISSION, KANSAS**

**Year Ended  
December 31, 2013**

**Prepared by the Finance and Administration Department**

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CITY OF MISSION, KANSAS  
Comprehensive Annual Financial Report  
Year ended December 31, 2013

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTORY SECTION	
Letter of Transmittal	i - iv
Organizational Chart	v - vi
Principal Officials	vii
2012 Certificate of Achievement for Excellence in Financial Reporting - Government Finance Officers Association	viii
FINANCIAL SECTION	
Independent Auditor's Report	1 - 2
Management's Discussion and Analysis	3 - 8
Basic Financial Statements:	
Government-wide Financial Statements	
Statement of Net Position	9
Statement of Activities	10
Fund Financial Statements	
Balance Sheet - Governmental Funds	11
Reconciliation of the Total Governmental Fund Balances to Net Position 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, 2013

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
Parks and Recreation Sales Tax Bond Fund	43
Sales Tax Bond Fund	44
Fiduciary Fund Descriptions - Agency Funds	45
Combining Balance Sheet - Agency Funds	46
Combining Schedule of Changes in Assets and Liabilities - Agency Funds	47

STATISTICAL SECTION

	<u>Table</u>		
Net Position by Component - Last Ten Years	1		48
Change in Net Position - Last Ten Years	2		49
Fund Balances, Governmental Funds - Last Ten Years	3		50
Changes in Fund Balances of Governmental Funds - Last Ten Years	4		51
General Government Tax Revenues by Source - Last Ten Years	5		52
Local Sales Tax Collections - Last Ten Years	6		53
Assessed and Estimated Actual Value of Taxable Property - Last Ten Years	7		54

CITY OF MISSION, KANSAS  
Comprehensive Annual Financial Report  
Year ended December 31, 2013

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	8	55
Principal Taxpayers	9	56
Property Tax Levies and Collections - Last Ten Years	10	57
Outstanding Debt by Type - Last Ten Years	11	58
Ratio of Net General Obligation Bonded Debt to Assessed Value And Net General Obligation Debt per Capita - Last Ten Years	12	59
Direct and Overlapping Governmental Activities Debt	13	60
Computation of Legal Debt Margin - Last Ten Years	14	61
Demographic Statistics - Last Ten Years	15	62
Principal Employers	16	63
Operating Indicators by Function/Program	17	64
Full Time City Employees by Function/Program - Last Nine Years	18	65
Capital Asset Statistics by Function/Program - Last Ten Years	19	66

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**INTRODUCTORY SECTION**

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# City of MISSION

City Hall - 6090 Woodson Road - Mission, Kansas 66202

Administrative Offices (913) 676-8350

[www.missionks.org](http://www.missionks.org)

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May 6, 2014

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, 2013. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

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

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

## **ECONOMIC CONDITION AND OUTLOOK**

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

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

The City's population is 9,323 with a current annual budget of \$30,460,875. 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 offers a more traditional downtown connecting retail hubs located at the City's east and west entrances. Other businesses within the City include 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 high quality service delivery. The governing body proactively addresses quality of life issues to ensure that the current standard of living is not only maintained, but ultimately enhanced.

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

## **MAJOR CITY INITIATIVES**

The City continued to facilitate and encourage redevelopment and investment throughout the community in 2013, using our comprehensive master plans to attract and secure development consistent with the community's design guidelines and standards. In January, final approval for construction and financing of The Gateway project, a 900,000+ sq. ft. mixed-use development at the former Mission Mall site, was completed. Site work and grading began during the summer.

In the City's West Gateway, Phase II of the Mission Crossing development was approved. This will allow construction of a 140,000 square foot, multistory independent senior living facility which is anticipated to be completed in the spring of 2015. Another senior housing project was initiated along the Metcalf corridor at the former Neff Printing site. These two projects are expected to bring more than 250 new residents to the community.

In November 2012, Mission voters approved a dedicated 3/8-cent sales tax to be used for parks and recreation. A portion of the funds will be used to construct a new outdoor aquatic facility. The City worked with a design-build team to collaboratively design a new pool and construction began in August. The new facility will open for the 2014 season. The remainder of the sales tax funds will provide an important revenue stream not only for continued maintenance and improvement of our recreation facilities, but also for operations.

Street and transportation network investments continue to be a high priority. Martway construction was completed in the fall of 2013, including installation of a new traffic signal at the intersection of Martway and Broadmoor. Easement and right-of-way acquisition was completed for Johnson Drive and the construction contract was put out for bid. When the project is completed in the fall of 2014, it will represent a major transformation of this downtown corridor.

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**

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

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

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

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

## **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 2013 was conducted by Mize Houser & Company P.A., Certified Public Accountants and their report on the financial statements is included in the financial section of this report.

### Reporting Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report (CAFR) for the fiscal year ending December 31, 2012. This was the twentieth 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 and Administration, Municipal Court, and Parks and Recreation departments. Our sincere appreciation is extended to all members of the staff, whose efforts made this report possible.

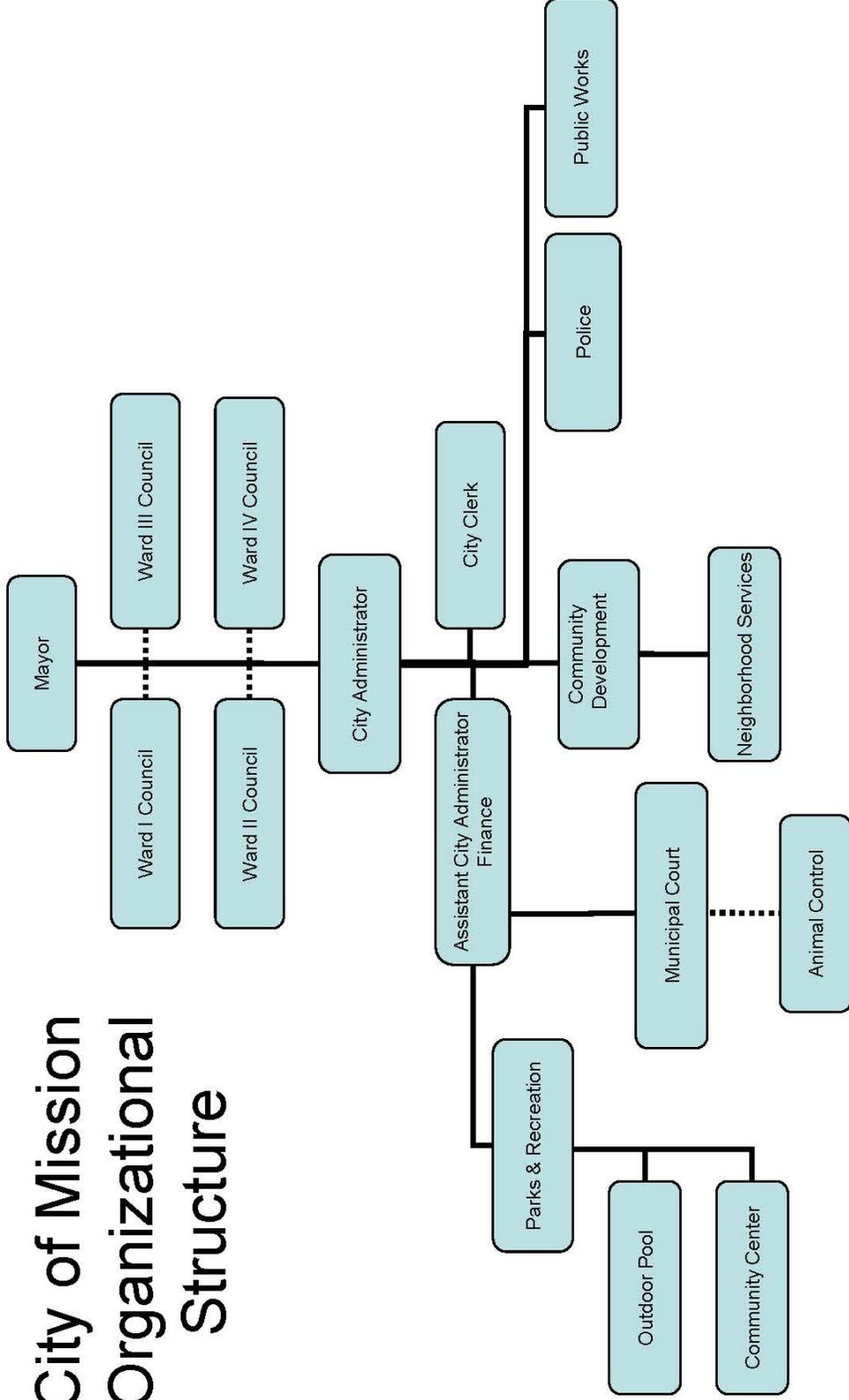
Respectfully submitted,



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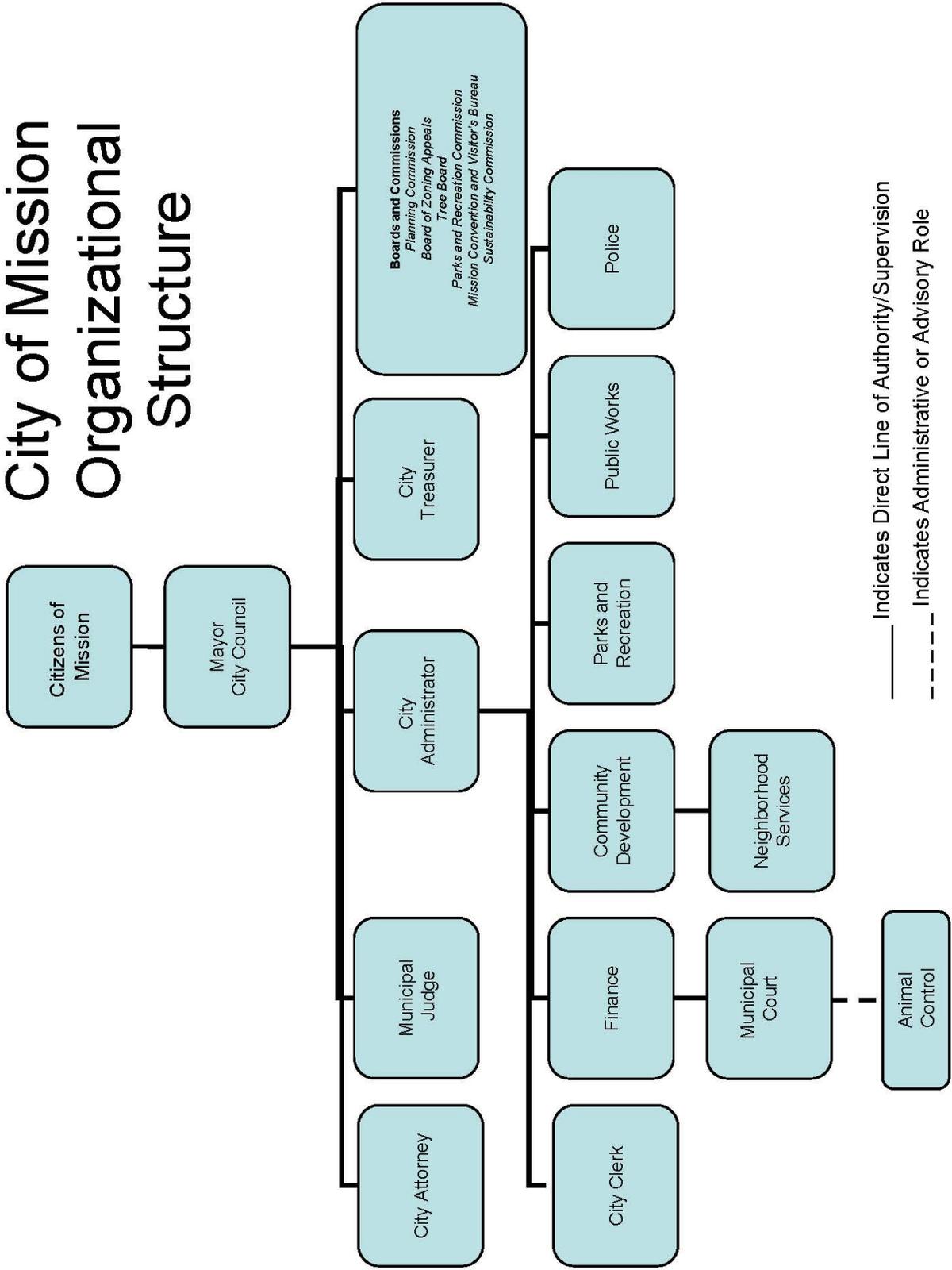
Laura Smith  
Assistant City Administrator/Finance Director

# 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 - 2013

*Mayor and City Council*

Honorable Laura L. McConwell, Mayor  
Honorable Pat Quinn - Ward 1  
Honorable Lawrence Andre - Ward 1  
Honorable Amy Miller - Ward 2  
Honorable Will Vandenberg - Ward 2  
Honorable Jennifer Cowdry - Ward 3  
Honorable Debbie Kring - Ward 3  
Honorable David Shepard - Ward 4  
Honorable Suzanne Gibbs - Ward 4

*Administration*

City Administrator: Gerry Vernon  
City Clerk: Martha Sumrall  
Assistant City Administrator/Finance Director: Laura Smith  
Treasurer: Donald C. Chamblin  
Municipal Judge: Keith E. Drill  
Interim Chief of Police: David Moley  
Community Development Director: Martin Rivarola  
Parks and Recreation Director: Christy Humerickhouse

*Attorney*

David K. Martin



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Mission  
Kansas**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2012**

Executive Director/CEO

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**FINANCIAL SECTION**

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## INDEPENDENT AUDITOR'S REPORT

Mayor and City Council  
City of Mission, Kansas

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Mission, Kansas, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

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

### **Auditor's Responsibility**

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

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

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

## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Mission, Kansas, as of December 31, 2013, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

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

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical tables as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying account and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

*Mize Houser & Company PA*

Certified Public Accountants  
Lawrence, Kansas

May 6, 2014

CITY OF MISSION, KANSAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended December 31, 2013  
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, 2013. This narrative should be read in conjunction with the City's letter of transmittal, which begins on page i.

**Financial Highlights**

- The Government-wide net position totaled \$32.1 million at the end of the current fiscal year.
- Total capital assets, net of accumulated depreciation at December 31, 2013 totaled \$62.4 million.
- During the year ended December 31, 2013, the City's total revenues (which include charges for services, local taxes and state and federal aid) exceeded total expenses by \$2.5 million.
- The City's total indebtedness increased by \$7.5 million, primarily due to the issuance of general obligation bonds.
- The City's net capital assets increased \$4.6 million in the current fiscal year.

**Using This Financial Report**

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

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

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

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

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

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

CITY OF MISSION, KANSAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended December 31, 2013  
Unaudited

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

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

**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 provides detailed information about all of the City's non-major governmental funds.

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

**The City as a Whole**

Government-Wide Position

The Statement of Net Position provides the financial position of the City as a whole. The overall financial position of the City improved by 8% in 2013. The following is a summary of the City's Statement of Net Position as of December 31, 2013 and 2012:

City of Mission  
Condensed Statement of Net Position

	Governmental Activities	
	2013	2012
Current assets	\$ 14,438,651	\$ 8,928,672
Noncurrent assets	-	506,433
Net capital assets	62,381,149	57,767,340
 Total assets	 \$ 76,819,800	 \$ 67,202,445
Current liabilities	\$ 6,586,113	\$ 3,640,998
Noncurrent liabilities	38,088,787	33,389,606
 Total liabilities	 \$ 44,674,900	 \$ 37,030,604
 Net Position:		
Net investments in capital assets	\$ 24,709,361	\$ 26,771,829
Restricted for:		
Debt Service	5,682	63,337
Unrestricted	7,429,857	3,336,675
 Total net position	 \$ 32,144,900	 \$ 30,171,841

CITY OF MISSION, KANSAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended December 31, 2013  
Unaudited

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

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

The City has \$43.0 million in long-term debt, consisting of general obligation bonds, capital improvement bonds, and special assessment bonds payable, of which \$5.5 million is due within the next fiscal year.

The City had total assets at December 31, 2013, totaling \$77.0 million. The total assets of the City exceeded the total liabilities by \$32.1 million. The net position invested in capital assets (net of related debt) totaled \$24.7 million, restricted net position totaled \$5,682 and unrestricted net position totaled \$7.4 million.

#### Government-Wide Activities

The following is a condensed statement of the City's change in net position for the year ended December 31, 2013. Major items of program revenues, grants and general revenues are detailed. Government-wide activities increased the net position of the City by approximately \$2.5 million for the year ended December 31, 2013. The increase can be attributed to an increase in sales tax along with an increase in 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 \$2.4 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 proceeds of \$10.0 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, 2013  
Unaudited

In addition, the capital outlays of \$6.5 million are treated as expenditures in the fund statements, but are treated as an increase in capital assets in the Government wide financial statements.

City of Mission  
Condensed Statement of Changes in Net Position  
For the Year Ended December 31, 2013 and 2012

	Governmental Activities	
	<u>2013</u>	<u>2012</u>
Revenues:		
Program revenues:		
Charges for services	\$ 6,785,423	\$ 6,600,864
Operating grants	1,128,680	548,344
General revenues:		
Property taxes	1,417,391	1,394,756
Sales tax	4,942,079	4,040,247
Motor fuel tax	130,868	125,721
Franchise tax	1,022,854	968,696
Investment earnings	3,214	4,227
Miscellaneous	368,921	399,104
Total revenues	<u>15,799,430</u>	<u>14,081,959</u>
Program expenses:		
General government	2,200,521	2,376,085
Public safety	3,690,037	3,725,913
Public works	3,448,002	3,306,786
Culture and recreation	2,683,576	2,635,617
Interest on long term debt	1,256,986	1,055,632
Total expenses	<u>13,279,122</u>	<u>13,100,033</u>
Increase [decrease] in net position	<u>\$ 2,520,308</u>	<u>\$ 981,926</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, 2013 for the governmental funds totaled \$11.9 million. Total unassigned fund balances at December 31, 2013 totaled \$1.5 million, of which all but [\$46,223] was attributable to the General Fund.

CITY OF MISSION, KANSAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended December 31, 2013  
Unaudited

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund was \$1.6 million. The increase in the General Fund's fund balance was \$211,197.

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 \$62,658 at December 31, 2013. The increase in the Special Highway Fund's fund balance was \$28,559. The increase was due to more conservative spending than anticipated when the budget was originally adopted.

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 \$191,051 at December 31, 2013. The increase in the Storm Drain Fund's fund balance was \$151,845. The increase can be attributed to the planned carryover of funds that will be used to complete the storm water interceptor portion of the Johnson Drive Street rehabilitation project.

The Sales Tax Bond 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 \$0 at December 31, 2013. The decrease in the fund balance was \$60,550. The fund decreased in connection with the final debt service payment for the 2002A bonds. The sales tax was retired fifteen months ahead of the originally anticipated approved timeframe. The excess sales tax revenues were transferred to the General Fund in accordance with the sales tax regulations.

The Parks and Recreation Sales Tax Bond Fund is used to account for revenues received from a dedicated three-eighths of one percent sales tax for parks and recreation. A portion of the revenues is pledged to retire the 2013B General Obligation bonds issued for the outdoor aquatic facility. The balance is dedicated to other parks and recreation expenses, both capital and operating. The ending fund balance was \$3.5 million at December 31, 2013. The increase in the fund balance was \$3.5 million. The fund increased in connection with proceeds from the 2013B debt issuance and the collection of sales tax revenues.

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 \$5,682 at December 31, 2013. The increase in the General Obligation Fund's fund balance was \$2,895. The increase in the fund balance can be attributed to increased collection of property tax revenues.

The Transportation Utility Fund is used to account for transportation utility charges received based on an established land-use formula per parcel to fund street and other transportation related improvements. The ending fund balance was \$1.1 million at December 31, 2013. The increase in the Transportation Utility Fund was \$.8 million. The increase in the fund can be attributed to carryover funds specifically being held for 2011A debt service payments due in 2014 and 2015.

The Capital Improvement Fund is used to account for resources used to construct and maintain infrastructure city-wide. The ending fund balance was approximately \$4.8 million at December 31, 2013. The increase in the Capital Improvement Fund's fund balance was \$.9 million. The increase in the fund balance can be attributed to the carryover of bond proceeds from the 2012A debt issue being used to fund portions of the Martway and Johnson Drive street rehabilitation projects and the proceeds from the 2013C bond issue.

### **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.

CITY OF MISSION, KANSAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended December 31, 2013  
Unaudited

The City's final General Fund budget was \$11,123,264, the same as the original published budget. The revenues were less than budgetary estimates by \$.1 million and the expenditures were less than budgetary estimates by \$1.4 million.

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

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

**Capital Assets and Debt Administration**

The City's investment in capital assets for its governmental activities totaled \$62.4 million (net of accumulated depreciation) as of December 31, 2013.

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

- Martway and Johnson Drive Reconstruction totaling \$3,950,776
- Aquatic Center totaling \$1,666,549
- Streetlights totaling \$651,420

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

At December 31, 2013, the City had total debt outstanding of \$43.0 million, backed by the full faith and credit of the City. Total long-term debt increased for the fiscal year ended December 31, 2013, in the amount of \$7.5 million. This was a result of 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 POSITION  
December 31, 2013

	<u>Total Governmental Activities</u>
<b>Assets</b>	
Current assets:	
Cash and investments	\$ 11,738,930
Restricted cash and investments	31,170
Receivables	<u>2,668,551</u>
Total current assets	<u>14,438,651</u>
Capital assets:	
Capital assets not being depreciated:	
Land	10,999,052
Construction in progress	6,965,752
Capital assets being depreciated	57,303,790
Less: accumulated depreciation	<u>12,887,445</u>
Total net capital assets	<u>62,381,149</u>
<b>Total assets</b>	<b><u>\$ 76,819,800</u></b>
<b>Liabilities:</b>	
Current liabilities:	
Accounts payable	\$ 95,553
Accrued liabilities	251,542
Interest payable	398,893
Municipal court bonds payable	31,170
Unearned revenue	154,051
Current portion of compensated absences	195,295
Current portion of capital leases payable	120,145
Current portion of temporary note payable	485,000
Current portion of loans payable	4,203
Current portion of general obligation bonds payable	<u>4,850,261</u>
Total current liabilities (payable from current assets)	<u>6,586,113</u>
Noncurrent liabilities:	
Compensated absences	325,938
Net other post employment benefits	270,421
Capital lease payable	44,669
Loans payable	87,589
General obligation bonds payable	<u>37,360,170</u>
Total noncurrent liabilities	<u>38,088,787</u>
<b>Total liabilities</b>	<b><u>\$ 44,674,900</u></b>
<b>Net Position</b>	
Net investments in capital assets	\$ 24,709,361
Restricted for:	
Debt service	5,682
Unrestricted	<u>7,429,857</u>
<b>Total net position</b>	<b><u>\$ 32,144,900</u></b>

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

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CITY OF MISSION, KANSAS  
STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2013

	Program Revenues				Net [Expense] Revenue and Changes in in Net Assets
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities	
<b>Governmental activities:</b>					
General government	\$ 2,200,521	\$ 609,511	\$ -	\$ -	\$ [1,591,010]
Public safety	3,690,037	1,528,186	57,824	-	[2,104,027]
Public works	3,448,002	2,871,020	1,070,856	-	493,874
Culture and recreation	2,683,576	1,776,706	-	-	[906,870]
Interest on long-term debt	1,256,986	-	-	-	[1,256,986]
Total governmental activities	\$ 13,279,122	\$ 6,785,423	\$ 1,128,680	\$ -	[5,365,019]
<b>General Revenues:</b>					
Property taxes levied for:					
General purposes					1,284,503
Debt service					132,888
Sales tax					4,942,079
Motor vehicle tax					130,868
Franchise tax					1,022,854
Investments earnings					3,214
Miscellaneous					368,921
Total general revenues					7,885,327
Change in net position					2,520,308
Net position - beginning					30,171,841
Prior period adjustment					[547,249]
Net position - beginning, restated					29,624,592
Net position - ending					\$ 32,144,900

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

CITY OF MISSION, KANSAS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2013

	<u>General</u>	<u>Special Highway</u>	<u>Storm Drain</u>	<u>Sales Tax Bond</u>
<b>ASSETS</b>				
Cash and investments	\$ 1,483,670	\$ 62,658	\$ 192,677	\$ -
Restricted cash and investments	31,170	-	-	-
Receivables				
Taxes	1,650,874	-	-	-
Intergovernmental	4	-	-	-
Other	40,722	-	-	-
Total assets	<u>\$ 3,206,440</u>	<u>\$ 62,658</u>	<u>\$ 192,677</u>	<u>\$ -</u>
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 40,453	\$ -	\$ -	\$ -
Accrued liabilities	248,290	-	1,626	-
Payable from restricted assets				
Municipal court bonds	31,170	-	-	-
Unearned revenue	152,790	-	-	-
Total liabilities	<u>472,703</u>	<u>-</u>	<u>1,626</u>	<u>-</u>
 Deferred inflows of resources				
Unavailable revenue - property taxes	1,181,966	-	-	-
Total deferred inflows of resources	<u>1,181,966</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Fund balance:				
Restricted	-	62,658	191,051	-
Committed	-	-	-	-
Unassigned	1,551,771	-	-	-
Total fund balance [deficit]	<u>1,551,771</u>	<u>62,658</u>	<u>191,051</u>	<u>-</u>
 Total liabilities, deferred inflows of resources and fund balances				
	<u>\$ 3,206,440</u>	<u>\$ 62,658</u>	<u>\$ 192,677</u>	<u>\$ -</u>

Parks and Recreation Sales Tax <u>Bond</u>	<u>General Obligation</u>	Transportation <u>Utility</u>	Capital <u>Improvement</u>	Other Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
\$ 3,451,106	\$ 5,682	\$ 1,078,816	\$ 4,795,249	\$ 669,072	\$ 11,738,930
-	-	-	-	-	31,170
72,933	119,709	-	-	124,064	1,967,580
-	-	-	-	-	4
-	-	-	5,363	-	46,085
<u>\$ 3,524,039</u>	<u>\$ 125,391</u>	<u>\$ 1,078,816</u>	<u>\$ 4,800,612</u>	<u>\$ 793,136</u>	<u>\$ 13,783,769</u>
\$ -	\$ -	\$ -	\$ 8,231	\$ 46,869	\$ 95,553
-	-	-	1,626	-	251,542
-	-	-	-	-	31,170
-	-	-	-	1,261	154,051
-	-	-	9,857	48,130	532,316
-	119,709	-	-	75,442	1,377,117
-	119,709	-	-	75,442	1,377,117
3,524,039	5,682	1,078,816	4,790,755	700,221	10,353,222
-	-	-	-	15,566	15,566
-	-	-	-	[46,223]	1,505,548
<u>3,524,039</u>	<u>5,682</u>	<u>1,078,816</u>	<u>4,790,755</u>	<u>669,564</u>	<u>11,874,336</u>
<u>\$ 3,524,039</u>	<u>\$ 125,391</u>	<u>\$ 1,078,816</u>	<u>\$ 4,800,612</u>	<u>\$ 793,136</u>	<u>\$ 13,783,769</u>

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

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CITY OF MISSION, KANSAS  
RECONCILIATION OF THE TOTAL GOVERNMENTAL FUND BALANCES TO  
NET POSITION OF GOVERNMENTAL ACTIVITIES  
December 31, 2013

Total Governmental Fund Balances		\$ 11,874,336
Amounts reported for governmental activities in the statement of net assets are different because		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds		
The cost of capital assets is	75,268,594	
Accumulated depreciation is	12,887,445	62,381,149
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
		2,031,999
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	41,830,000	
Discount	[7,313]	
Premium	387,744	
Temporary note payable	485,000	
Capital leases payable	164,814	
Loans payable	91,792	
Interest payable	398,893	
Net other post employment benefits	270,421	
Compensated absences payable	521,233	[44,142,584]
Net Position of Governmental Activities		\$ 32,144,900

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, 2013

	<u>General</u>	<u>Special Highway</u>	<u>Storm Drain</u>	<u>Sales Tax Bond</u>
REVENUES:				
Taxes	\$ 6,163,994	\$ -	\$ 422	\$ -
Intergovernmental	57,824	238,646	-	-
Licenses and permits	198,191	-	-	-
Charges for services	1,705,256	-	2,099,774	-
Fines and fees	1,528,186	-	-	-
Use of money and property	1,609	-	61	7
Miscellaneous	<u>195,616</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>9,850,676</u>	<u>238,646</u>	<u>2,100,257</u>	<u>7</u>
EXPENDITURES:				
Current				
General government	1,817,454	-	-	-
Public safety	3,540,422	-	-	-
Public works	1,722,436	210,087	73,071	-
Culture and recreation	2,418,064	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	10,000	-	1,135,000	-
Bond issuance costs	-	-	-	-
Interest and other charges	<u>9,660</u>	<u>-</u>	<u>740,341</u>	<u>-</u>
Total expenditures	<u>9,518,036</u>	<u>210,087</u>	<u>1,948,412</u>	<u>-</u>
Excess [deficiency] of revenues over [under] expenditures	<u>332,640</u>	<u>28,559</u>	<u>151,845</u>	<u>7</u>
OTHER FINANCING SOURCES [USES]				
Transfers in	60,557	-	-	-
Transfers out	[182,000]	-	-	[60,557]
Bond premium	-	-	-	-
Issuance of debt	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources [uses]	<u>[121,443]</u>	<u>-</u>	<u>-</u>	<u>[60,557]</u>
Net change in fund balances	211,197	28,559	151,845	[60,550]
Fund balance - Beginning of year	<u>1,340,574</u>	<u>34,099</u>	<u>39,206</u>	<u>60,550</u>
Fund balance - End of year	<u>\$ 1,551,771</u>	<u>\$ 62,658</u>	<u>\$ 191,051</u>	<u>\$ -</u>

Parks and Recreation Sales Tax <u>Bond</u>	General <u>Obligation</u>	Transportation <u>Utility</u>	Capital <u>Improvement</u>	Other Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
\$ 586,085	\$ 132,888	\$ -	\$ -	\$ 630,795	\$ 7,514,184
-	-	621,154	72,155	138,901	1,128,680
-	-	-	-	-	198,191
-	-	771,246	-	482,770	5,059,046
-	-	-	-	-	1,528,186
1,051	7	78	401	-	3,214
-	-	-	91,805	112,266	399,687
<u>587,136</u>	<u>132,895</u>	<u>1,392,478</u>	<u>164,361</u>	<u>1,364,732</u>	<u>15,831,188</u>
-	-	-	-	-	1,817,454
-	-	-	-	-	3,540,422
-	-	-	-	-	2,005,594
-	-	-	-	-	2,418,064
1,666,549	-	182,878	4,134,064	778,035	6,761,526
-	130,000	405,000	320,000	420,000	2,420,000
116,740	-	-	-	-	116,740
-	-	53,150	280,855	52,625	1,136,631
<u>1,783,289</u>	<u>130,000</u>	<u>641,028</u>	<u>4,734,919</u>	<u>1,250,660</u>	<u>20,216,431</u>
<u>[1,196,153]</u>	<u>2,895</u>	<u>751,450</u>	<u>[4,570,558]</u>	<u>114,072</u>	<u>[4,385,243]</u>
-	-	-	183,000	82,000	325,557
-	-	-	-	[83,000]	[325,557]
210,192	-	-	91,822	-	302,014
4,510,000	-	-	5,160,000	-	9,670,000
<u>4,720,192</u>	<u>-</u>	<u>-</u>	<u>5,434,822</u>	<u>[1,000]</u>	<u>9,972,014</u>
3,524,039	2,895	751,450	864,264	113,072	5,586,771
-	2,787	327,366	3,926,491	556,492	6,287,565
<u>\$ 3,524,039</u>	<u>\$ 5,682</u>	<u>\$ 1,078,816</u>	<u>\$ 4,790,755</u>	<u>\$ 669,564</u>	<u>\$ 11,874,336</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, 2013

Total Net Change In Fund Balances - Governmental Funds		\$ 5,586,771
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	[168,481]	
Capital outlays	6,530,930	
Depreciation expense	<u>[1,748,640]</u>	4,613,809
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 increased.		
		[120,355]
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.		
		[89,243]
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.		
Original issue premium	[302,014]	
Proceeds	<u>[9,670,000]</u>	[9,972,014]
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
		[31,759]
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.		
		100,640
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.		
		<u>2,432,459</u>
Changes In Net Position of Governmental Activities		<u>\$ 2,520,308</u>

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

CITY OF MISSION, KANSAS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - ACTUAL AND BUDGET  
GENERAL FUND  
For the Year Ended December 31, 2013

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
Revenues						
Taxes	\$ 6,163,994	\$ -	\$ 6,163,994	\$ 5,944,451	\$ 5,944,451	\$ 219,543
Intergovernmental	57,824	-	57,824	34,000	34,000	23,824
Licenses and permits	198,191	-	198,191	150,000	150,000	48,191
Charges for services	1,705,256	-	1,705,256	2,125,000	2,125,000	[419,744]
Fines and forfeitures	1,528,186	-	1,528,186	1,615,000	1,615,000	[86,814]
Interest	1,609	-	1,609	1,500	1,500	109
Other	195,616	-	195,616	186,105	186,105	9,511
Total revenues	<u>9,850,676</u>	<u>-</u>	<u>9,850,676</u>	<u>10,056,056</u>	<u>10,056,056</u>	<u>[205,380]</u>
General government						
Personal service	871,828	-	871,828	1,074,050	1,074,050	202,222
Contractual	886,878	-	886,878	584,140	584,140	[302,738]
Commodities	49,518	-	49,518	63,500	63,500	13,982
Capital outlay	8,815	-	8,815	-	-	[8,815]
Miscellaneous	415	-	415	-	-	[415]
	<u>1,817,454</u>	<u>-</u>	<u>1,817,454</u>	<u>1,721,690</u>	<u>1,721,690</u>	<u>[95,764]</u>
Public works and improvements						
Personal service	759,562	-	759,562	769,000	769,000	9,438
Contractual	865,335	-	865,335	875,150	875,150	9,815
Commodities	91,880	-	91,880	137,600	137,600	45,720
Capital outlay	2,322	-	2,322	-	-	[2,322]
Miscellaneous	3,337	-	3,337	-	-	[3,337]
	<u>1,722,436</u>	<u>-</u>	<u>1,722,436</u>	<u>1,781,750</u>	<u>1,781,750</u>	<u>59,314</u>
Public safety						
Personal service	2,940,695	-	2,940,695	2,581,500	2,581,500	[359,195]
Contractual	359,572	-	359,572	340,250	340,250	[19,322]
Commodities	128,201	-	128,201	142,500	142,500	14,299
Capital outlay	111,954	-	111,954	109,320	109,320	[2,634]
	<u>3,540,422</u>	<u>-</u>	<u>3,540,422</u>	<u>3,173,570</u>	<u>3,173,570</u>	<u>[366,852]</u>
Culture and recreation						
Personal service	1,432,614	-	1,432,614	1,648,150	1,648,150	215,536
Contractual	729,069	-	729,069	1,044,280	1,044,280	315,211
Commodities	190,681	-	190,681	161,150	161,150	[29,531]
Capital outlay	65,700	-	65,700	43,380	43,380	[22,320]
	<u>2,418,064</u>	<u>-</u>	<u>2,418,064</u>	<u>2,896,960</u>	<u>2,896,960</u>	<u>478,896</u>
Debt service						
Principal	10,000	-	10,000	-	-	[10,000]
Interest and other charges	9,660	-	9,660	-	-	[9,660]
	<u>19,660</u>	<u>-</u>	<u>19,660</u>	<u>-</u>	<u>-</u>	<u>[19,660]</u>
Total expenditures	<u>9,518,036</u>	<u>-</u>	<u>9,518,036</u>	<u>9,573,970</u>	<u>9,573,970</u>	<u>55,934</u>
Excess [deficiency] of revenues over [under] expenditures	<u>332,640</u>	<u>-</u>	<u>332,640</u>	<u>482,086</u>	<u>482,086</u>	<u>[149,446]</u>
Other financing sources [uses]						
Transfers in	60,557	-	60,557	-	-	60,557
Transfers out	[182,000]	-	[182,000]	[1,549,294]	[1,549,294]	1,367,294
Total other financing sources [uses]	<u>[121,443]</u>	<u>-</u>	<u>[121,443]</u>	<u>[1,549,294]</u>	<u>[1,549,294]</u>	<u>1,427,851</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	<u>211,197</u>	<u>-</u>	<u>211,197</u>	<u>\$ [1,067,208]</u>	<u>\$ [1,067,208]</u>	<u>\$ 1,278,405</u>
Fund balance, January 1	<u>1,340,574</u>	<u>-</u>	<u>1,340,574</u>			
Fund balance, December 31	<u>\$ 1,551,771</u>	<u>\$ -</u>	<u>\$ 1,551,771</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, 2013

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
Revenues						
Intergovernmental	\$ 238,646	\$ -	\$ 238,646	\$ 242,640	\$ 242,640	\$ [3,994]
Total revenues	<u>238,646</u>	<u>-</u>	<u>238,646</u>	<u>242,640</u>	<u>242,640</u>	<u>[3,994]</u>
Expenditures						
Public works and improvements	<u>210,087</u>	<u>-</u>	<u>210,087</u>	<u>273,912</u>	<u>273,912</u>	<u>63,825</u>
Total expenditures	<u>210,087</u>	<u>-</u>	<u>210,087</u>	<u>273,912</u>	<u>273,912</u>	<u>63,825</u>
Excess [deficiency] of revenues over [under] expenditures	28,559	-	28,559	<u>\$ [31,272]</u>	<u>\$ [31,272]</u>	<u>\$ 59,831</u>
Fund balance, January 1	<u>34,099</u>	<u>-</u>	<u>34,099</u>			
Fund balance, December 31	<u>\$ 62,658</u>	<u>\$ -</u>	<u>\$ 62,658</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, 2013

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
Revenues						
Taxes	\$ 422	\$ -	\$ 422	\$ -	\$ -	\$ 422
Charges for services	2,099,774	-	2,099,774	2,080,000	2,080,000	19,774
Use of money and property	<u>61</u>	<u>-</u>	<u>61</u>	<u>3,000</u>	<u>3,000</u>	<u>[2,939]</u>
Total revenues	<u>2,100,257</u>	<u>-</u>	<u>2,100,257</u>	<u>2,083,000</u>	<u>2,083,000</u>	<u>17,257</u>
Expenditures						
Public works and improvements	73,071	-	73,071	80,000	80,000	6,929
Principal	1,135,000	-	1,135,000	1,555,000	1,555,000	420,000
Interest and other charges	<u>740,341</u>	<u>-</u>	<u>740,341</u>	<u>-</u>	<u>-</u>	<u>[740,341]</u>
Total expenditures	<u>1,948,412</u>	<u>-</u>	<u>1,948,412</u>	<u>1,635,000</u>	<u>1,635,000</u>	<u>[313,412]</u>
Excess [deficiency] of revenues over [under] expenditures	<u>151,845</u>	<u>-</u>	<u>151,845</u>	<u>448,000</u>	<u>448,000</u>	<u>[296,155]</u>
Other financing sources [uses]						
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>[450,000]</u>	<u>[450,000]</u>	<u>450,000</u>
Total other financing sources [uses]	<u>-</u>	<u>-</u>	<u>-</u>	<u>[450,000]</u>	<u>[450,000]</u>	<u>450,000</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	<u>151,845</u>	<u>-</u>	<u>151,845</u>	<u>\$ [2,000]</u>	<u>\$ [2,000]</u>	<u>\$ 153,845</u>
Fund balance, January 1	<u>39,206</u>	<u>-</u>	<u>39,206</u>			
Fund balance, December 31	<u>\$ 191,051</u>	<u>\$ -</u>	<u>\$ 191,051</u>			

See independent auditor's report on the financial statements.

CITY OF MISSION, KANSAS  
STATEMENT OF ASSETS AND LIABILITIES  
AGENCY FUNDS  
December 31, 2013

	<u>Agency Funds</u>
Assets	
Cash and cash equivalents	\$ <u>32,852</u>
Total Assets	\$ <u>32,852</u>
Liabilities	
Due to others	\$ <u>32,852</u>
Total Liabilities	\$ <u>32,852</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, 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Mission (the City) is a city of the second class with a mayor-council form of government with the addition of a City Administrator. The City was incorporated in 1951 and covers an area of approximately 2.87 square miles in Johnson County, Kansas. The City has approximately 9,323 residents. The City's organization consists of the general government departments of General Overhead, 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 position and the statement of activities report information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. All activities of the City are governmental activities.

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

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

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

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

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

CITY OF MISSION, KANSAS  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2013

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

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

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

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

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

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

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

CITY OF MISSION, KANSAS  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Equity

1. Deposits and Investments

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

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

2. Receivables and Payables

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

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

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

Collection of current year property tax by the County Treasurer is not completed, apportioned or distributed to the various subdivisions until the succeeding year, such procedure being in conformity with governing state statutes. Consequently, current year property taxes receivable are not available as a resource that can be used to finance the current year operations of the City and therefore are not susceptible to accrual. Accruals of uncollected current year property taxes are offset by deferred revenue and are identical to the adopted budget for 2014.

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

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

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

CITY OF MISSION, KANSAS  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Equity (Continued)

3. Capital Assets

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

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

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

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

4. Long-Term Obligations

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

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

5. Fund Equity

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

CITY OF MISSION, KANSAS

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Equity (Continued)

5. Fund Equity (Continued)

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

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

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

	Major Governmental Funds									
	General	Special Highway	Storm Drain	Sales Tax	Parks and Recreation Sales Tax Bond	General Obligation	Transportation Utility	Capital Improvement	Other Governmental Funds	Total Governmental Funds
Fund Balances:										
Restricted for:										
Public safety	\$ -	\$62,658	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 62,658
Public works	-	-	191,051	-	-	-	1,078,816	-	695,806	1,965,673
Debt payments	-	-	-	-	3,524,039	5,682	-	-	4,415	3,534,136
Capital improvements	-	-	-	-	-	-	-	4,790,755	-	4,790,755
Committed for:										
Public works	-	-	-	-	-	-	-	-	15,566	15,566
Unassigned:	<u>1,551,771</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>[46,223]</u>	<u>1,505,548</u>
Total Fund Balances	<u>\$ 1,551,771</u>	<u>\$62,658</u>	<u>\$191,051</u>	<u>\$ -</u>	<u>\$3,524,039</u>	<u>\$ 5,682</u>	<u>\$ 1,078,816</u>	<u>\$ 4,790,755</u>	<u>\$ 669,564</u>	<u>\$ 11,874,336</u>

6. Compensated Absences

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

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

The General Fund has been used to liquidate the governmental funds compensated absences in prior years. The amount of the liability due within one year is \$195,295.

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

CITY OF MISSION, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Equity (Continued)

7. Special Assessments (Continued)

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, 2013, in the fund financial statements totaled \$0.

8. Use of Estimates

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

9. Net Position

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

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

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

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. The 2013 budget was amended for the Parks and Recreation Sales Tax Bond Fund.

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

CITY OF MISSION, KANSAS

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2013

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

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

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

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

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

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

	Major Governmental Funds									
	General	Special Highway	Storm Drain	Sales Tax	Parks and Recreation Sales Tax Bond	General Obligation	Transportation Utility	Capital Improvement	Other Governmental Funds	Total Governmental Funds
GAAP FUND BALANCE										
December 31, 2013	\$ 1,551,771	\$ 62,658	\$ 191,051	\$ -	\$ 3,524,039	\$ 5,682	\$ 1,078,816	\$ 4,790,755	\$ 669,564	\$ 11,874,336
Adjustments:										
Unreserved fund balances not subject to the Kansas Budget Law:										
Transportation Utility	-	-	-	-	-	-	[1,078,816]	-	-	[1,078,816]
Capital Improvement	-	-	-	-	-	-	-	[4,790,755]	-	[4,790,755]
Nonmajor governmental funds	-	-	-	-	-	-	-	-	[487,165]	[487,165]
Total deductions	-	-	-	-	-	-	[1,078,816]	[4,790,755]	[487,165]	[6,356,736]
BUDGETARY FUND BALANCE										
December 31, 2013	\$ 1,551,771	\$ 62,658	\$ 191,051	\$ -	\$ 3,524,039	\$ 5,682	\$ -	\$ -	\$ 182,399	\$ 5,517,600

CITY OF MISSION, KANSAS  
 NOTES TO THE FINANCIAL STATEMENTS  
 December 31, 2013

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

B. Restatement of Equity

The beginning governmental activities net position was restated as follows:

	<u>Governmental Activities</u>
Net position - beginning	\$ 30,171,841
Prior period adjustment	
Bond issuance costs previously deferred	[506,433]
Items previously misclassified as bond discount, net	<u>[40,816]</u>
Net position - beginning, restated	<u>\$ 29,624,592</u>

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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

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

CITY OF MISSION, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2013

III. DETAILED NOTES ON ALL FUNDS (Continued)

A. Deposits and Investments (Continued)

At December 31, 2013, 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>\$ 9,395,975</u>	S&P AAf/S1+	\$ 9,395,975	\$ -	\$ -

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. At December 31, 2013, Mission Bank held an unsecured and uncollateralized deposit of \$796,401.

B. Accounts Receivable

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

	Parks and Recreation		General Obligation	Capital Improvement	Other Governmental Funds	<u>Total</u>
	<u>General</u>	<u>Sales Tax Bond</u>				
Taxes	\$ 1,650,874	\$ 72,933	\$ 119,709	\$ -	\$ 124,064	\$ 1,967,580
Intergovernmental	4	-	-	-	-	4
Other	<u>40,722</u>	-	-	<u>5,363</u>	-	<u>46,085</u>
Total	<u>\$ 1,691,600</u>	<u>\$ 72,933</u>	<u>\$ 119,709</u>	<u>\$ 5,363</u>	<u>\$ 124,064</u>	<u>\$ 2,013,669</u>

CITY OF MISSION, KANSAS  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2013

III. DETAILED NOTES ON ALL FUNDS (Continued)

C. Capital Assets

Capital asset activity for the year ended December 31, 2013, was as follows:

	Balance at <u>12/31/12</u>	<u>Additions</u>	<u>Retirements</u>	Balance at <u>12/31/13</u>
City governmental activities:				
Capital assets, not being depreciated				
Construction in progress	\$ 1,348,427	\$ 5,617,325	\$ -	\$ 6,965,752
Land	11,130,494	-	131,442	10,999,052
Capital assets, being depreciated				
Building	8,441,030	-	16,598	8,424,432
Equipment and vehicles	4,815,905	218,578	715,196	4,319,287
Infrastructure	<u>43,907,692</u>	<u>695,027</u>	<u>42,648</u>	<u>44,560,071</u>
Total capital assets	<u>69,643,548</u>	<u>6,530,930</u>	<u>905,884</u>	<u>75,268,594</u>
Less accumulated depreciation for:				
Building	2,917,489	173,950	15,218	3,076,221
Equipment and vehicles	3,507,083	391,981	697,168	3,201,896
Infrastructure	<u>5,451,636</u>	<u>1,182,709</u>	<u>25,017</u>	<u>6,609,328</u>
Total accumulated depreciation	<u>11,876,208</u>	<u>1,748,640</u>	<u>737,403</u>	<u>12,887,445</u>
Governmental activities capital assets, net	<u>\$ 57,767,340</u>	<u>\$ 4,782,290</u>	<u>\$ 168,481</u>	<u>\$ 62,381,149</u>

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

Governmental Activities:	
General government	\$ 60,335
Public safety	165,762
Public works	1,270,388
Culture and recreation	<u>252,155</u>
Total depreciation	<u>\$ 1,748,640</u>

CITY OF MISSION, KANSAS  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2013

III. DETAILED NOTES ON ALL FUNDS (Continued)

D. Long-term Debt

During the year ended December 31, 2013, the following changes occurred in long term liabilities:

	Restated Balance January 1, <u>2013</u>	<u>Additions</u>	<u>Retirements</u>	Balance December 31, <u>2013</u>	Due Within A Year
General Obligation Bonds	\$ 34,580,000	\$ 9,670,000	\$ 2,420,000	\$ 41,830,000	\$ 4,820,000
General Obligation Bonds Discount	[8,126]	-	[813]	[7,313]	[813]
General Obligation Bonds Premium	94,906	302,014	9,176	387,744	31,074
General Obligation Bonds, Net	34,666,780	9,972,014	2,428,363	42,210,431	4,850,261
Capital Lease Payable	265,454	-	100,640	164,814	120,145
KDHE Loan Payable	95,887	-	4,095	91,792	4,203
Temporary Notes	485,000	-	-	485,000	485,000
Compensated Absences	490,957	225,571	195,295	521,233	195,295
	<u>\$ 36,004,078</u>	<u>\$ 10,197,585</u>	<u>\$ 2,728,393</u>	<u>\$ 43,473,270</u>	<u>\$ 5,654,904</u>

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

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

<u>Series</u>	<u>Date Issued</u>	<u>Original Amount</u>	<u>Interest Rates</u>	<u>Maturity Date</u>	<u>Outstanding Amount As Of December 31, 2013</u>
Series 2004A - Capital Improvement	10/1/2004	\$ 1,235,000	1.40%-3.50%	9/1/2014	\$ 140,000
Series 2007A - Capital Improvement	5/15/2007	751,114	5.00%-5.30%	9/1/2018	425,000
Series 2009A - Refunding	6/10/2009	22,910,000	1.00%-4.35%	9/1/2029	15,195,000
Series 2010A - Capital Improvement	8/18/2010	3,276,571	2.00%-2.75%	9/1/2020	2,373,599
Series 2010B - Refunding	12/15/2010	6,974,092	4.00%-4.25%	9/1/2029	6,974,092
Series 2011A - Capital Improvement	3/15/2011	4,447,596	1.25%-1.75%	9/1/2015	3,198,038
Series 2012A - Capital Improvement	2/16/2012	4,351,874	0.40%-2.00%	9/1/2022	3,932,686
Series 2013A - Capital Improvement	7/11/2013	688,786	2.00%-3.00%	9/1/2023	688,786
Series 2013B - Capital Improvement	7/11/2013	4,720,192	2.00%-3.00%	9/1/2023	4,720,192
Series 2013C - Capital Improvement	12/20/2013	4,563,037	2.00%-2.50%	9/1/2023	4,563,037
					<u>\$ 42,210,431</u>

CITY OF MISSION, KANSAS  
 NOTES TO THE FINANCIAL STATEMENTS  
 December 31, 2013

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
2014	\$ 4,850,261	\$ 1,207,204
2015	3,939,488	1,133,348
2016	3,122,968	1,054,727
2017	3,202,968	978,619
2018	3,282,968	896,044
2019-2023	16,609,321	3,027,641
2024-2028	6,279,546	909,071
2029	922,909	39,660
Total	<u>\$ 42,210,431</u>	<u>\$ 9,246,315</u>

The City issued Series 2013A General Obligation Bonds in the amount of \$680,000 on July 11, 2013, to provide long-term financing for the City to purchase the municipal streetlight system from Kansas City Power and Light. The interest rate on the bonds is 2.00% to 3.00% and has a final maturity of September 1, 2023.

The City issued Series 2013B General Obligation Bonds in the amount of \$4,510,000 on July 11, 2013, to provide long-term financing for the redevelopment of the City's outdoor aquatics facility. The interest rate on the bonds is 2.00% to 3.00% and has a final maturity of September 1, 2023.

The City issued Series 2013C General Obligation Bonds in the amount of \$4,480,000 on December 20, 2013, to provide financing for certain street improvements and related storm sewer improvements within the city. The interest rate on the bonds is 2.00% to 2.50% and has a final maturity of September 1, 2023.

The City has issued temporary notes that are currently outstanding as follows:

<u>Series</u>	<u>Date Issued</u>	<u>Original Amount</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Outstanding</u>
Series 2011-1	12/30/2011	\$ 485,000	1.15%	9/1/2014	<u>\$ 485,000</u>

Annual debt service requirements to maturity for temporary notes outstanding at December 31, 2013 are as follows:

Year Ending December 31,	Principal	Interest
2014	\$ 485,000	\$ 5,578
Total	<u>\$ 485,000</u>	<u>\$ 5,578</u>

CITY OF MISSION, KANSAS  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2013

III. DETAILED NOTES ON ALL FUNDS (Continued)

D. Long-term Debt (Continued)

The Kansas Department of Health and Environment and the City has entered into an agreement for a loan. As of December 31, 2013, the City had made \$406,272 in loan draws and had \$304,704 in principal forgiveness. The loan calls for an interest rate of 2.60%. The City will retire this loan with semi-annual payments through March 2031.

Annual debt service requirements to maturity for the KDHE loan outstanding at December 31, 2013 are as follows:

Year Ending December 31,	Principal	Interest
2014	\$ 4,203	\$ 2,133
2015	4,313	2,033
2016	4,426	1,931
2017	4,541	1,826
2018	4,660	1,719
2019-2023	25,195	6,883
2024-2028	28,669	3,743
2029-2031	15,785	561
Total	<u>\$ 91,792</u>	<u>\$ 20,830</u>

At December 31, 2013, the remaining principal balance of outstanding debt issues previously defeased is \$2,825,000. 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, 2013 there were five 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, 2013

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 up to 6% of covered salary. 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 7.94% for the year ended December 31, 2013. The City employer contributions to KPERS for the year ended December 31, 2013, 2012 and 2011 were \$185,074, \$176,846, and \$160,129, respectively, equal to the required contributions for each year. The KP&F employer rate established for fiscal years beginning in 2013 is 17.26%. 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, 2013, 2012 and 2011 were \$291,535, \$267,363, and \$253,144, respectively, equal to the required contributions for each year.

CITY OF MISSION, KANSAS  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2013

IV. OTHER INFORMATION (Continued)

C. Interfund Transfers

A reconciliation of all transfers by fund type for 2013 follows:

<u>From</u>	<u>To</u>	<u>Amount</u>	<u>Regulatory Authority</u>
General	Capital Improvement	\$ 100,000	K.S.A. 12-1,118
General	Solid Waste	82,000	Budget resolution 865 & 878
Rock Creek Drainage District #1	Capital Improvement	3,000	K.S.A. 12-1,118
Rock Creek Drainage District #2	Capital Improvement	80,000	K.S.A. 12-1,118
Sales Tax Bond	General	<u>60,557</u>	K.S.A. 12-189
	Total	<u>\$ 325,557</u>	

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

D. Defined Contribution Plan

The City has established the City of Mission Money Purchase Plan, administered by the Principal Financial Group, available to employees other than those participating in KP&F. The City Council established and amends benefit provisions. Employees are eligible to participate after completing 1,000 or more hours of service. The City's contributions for each employee are 60% vested after five years of service and vest an additional 20% each year thereafter. The City makes annual contributions to the plan equal to 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 contributions for 2012 and 2013 were \$108,877 and \$93,976, respectively.

E. Capital Leases

The City has entered into lease agreements as lessee for financing the acquisition of equipment. These lease agreements qualify as capital leases for accounting purposes and, therefore, have 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>404,825</u>

Minimum future lease payments under capital leases as of December 31, 2013 are:

Year Ended <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Payment</u>
2014	\$ 120,145	\$ 3,372	\$ 123,517
2015	36,205	992	37,197
2016	<u>8,464</u>	<u>118</u>	<u>8,582</u>
Total	<u>\$ 164,814</u>	<u>\$ 4,482</u>	<u>\$ 169,296</u>

CITY OF MISSION, KANSAS  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2013

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. K.S.A. 12-5040 requires all local governmental entities in the state that provide a group health care plan to make participation available to all retirees and dependents until the retiree reaches the age of 65 years. The General Fund has been used to liquidate 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:

<u>Monthly Contributions</u>			
<u>Coverage</u>	<u>Health</u>	<u>Dental</u>	<u>Vision</u>
Single	\$ 474.55	\$ 29.71	\$ 6.52
Single & Spouse	995.09	86.90	17.89

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

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

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

Annual required contribution	\$	103,731
Interest on net OPEB obligation		10,573
Adjustment to annual required contribution		[13,100]
Annual OPEB cost (expense)		101,204
Benefit payments		42,236
Change in net OPEB obligation		58,968
Net OPEB obligation - beginning of year		211,453
Net OPEB obligation - end of year	\$	270,421

CITY OF MISSION, KANSAS  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2013

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, 2013 was as follows:

Fiscal Year Ended	Annual OPEB Cost	Annual OPEB Cost Contributed	Net OPEB Obligation	Percentage of Annual OPEB Cost Contributed
December 31, 2011	\$ 89,536	\$ 23,545	\$ 183,769	26.30%
December 31, 2012	101,789	74,105	211,453	72.80%
December 31, 2013	101,204	42,236	270,421	41.73%

Funding Status and Funding Progress. As of January 1, 2013, the most recent actuarial valuation date, the Plan was not funded. The actuarial accrued liability for benefits was \$998,792 and the actuarial value of asset was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$998,792. The covered payroll (annual payroll of active employees covered by the plan) was \$3,345,290, and the ratio of the UAAL to the covered payroll was 29.86%.

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

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

As of January 1, 2013, the most recent actuarial valuation date, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 2% investment rate of return, which is the rate of the employer's own investments as there are no plan assets and an annual healthcare cost trend of 8.4% initially, reduced by decrements to an ultimate rate of 5% in 2023. The UAAL is being amortized as a level dollar over an open thirty-year period.

CITY OF MISSION, KANSAS  
 OTHER POST-EMPLOYMENT BENEFITS  
 REQUIRED SUPPLEMENTARY INFORMATION  
 December 31, 2013

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, 2011	\$ 89,536	\$ 23,545	\$ 183,769	26.30%
December 31, 2012	101,789	74,105	211,453	72.80%
December 31, 2013	101,204	42,236	270,421	41.73%

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%
1/1/2012	-	953,171	953,171	0.0%	3,212,684	29.67%
1/1/2013	-	998,792	998,792	0.0%	3,345,290	29.86%

CITY OF MISSION, KANSAS

COMBINING STATEMENTS - NONMAJOR FUNDS

**NONMAJOR SPECIAL REVENUE FUNDS**

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

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

CITY OF MISSION, KANSAS  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 December 31, 2013

ASSETS	Special <u>Alcohol</u>	Special <u>Parks and Recreation</u>	Special <u>Law Enforcement</u>	School <u>District Sales Tax</u>
Cash and cash equivalents	\$ 15,778	\$ 166,621	\$ 15,566	\$ 23,064
Receivables				
Taxes	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 15,778</u>	<u>\$ 166,621</u>	<u>\$ 15,566</u>	<u>\$ 23,064</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES 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>
 Deferred inflows of resources				
Unavailable revenue - property taxes	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Fund balances				
Restricted	15,778	166,621	-	23,064
Committed	-	-	15,566	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>15,778</u>	<u>166,621</u>	<u>15,566</u>	<u>23,064</u>
Total liabilities and fund balances	<u>\$ 15,778</u>	<u>\$ 166,621</u>	<u>\$ 15,566</u>	<u>\$ 23,064</u>

Mission Convention and Visitor's Bureau	Donations and Gifts	Solid Waste	Street Sales Tax	Rock Creek Drainage District #1	Rock Creek Drainage District #2	Total
\$ 53,447	\$ 5,746	\$ 646	\$ 381,283	\$ 2,506	\$ 4,415	\$ 669,072
-	-	-	48,622	2,559	72,883	124,064
<u>\$ 53,447</u>	<u>\$ 5,746</u>	<u>\$ 646</u>	<u>\$ 429,905</u>	<u>\$ 5,065</u>	<u>\$ 77,298</u>	<u>\$ 793,136</u>
\$ -	\$ -	\$ 46,869	\$ -	\$ -	\$ -	\$ 46,869
-	1,261	-	-	-	-	1,261
-	1,261	46,869	-	-	-	48,130
-	-	-	-	2,559	72,883	75,442
-	-	-	-	2,559	72,883	75,442
53,447	4,485	-	429,905	2,506	4,415	700,221
-	-	-	-	-	-	15,566
-	-	[46,223]	-	-	-	[46,223]
<u>53,447</u>	<u>4,485</u>	<u>[46,223]</u>	<u>429,905</u>	<u>2,506</u>	<u>4,415</u>	<u>669,564</u>
<u>\$ 53,447</u>	<u>\$ 5,746</u>	<u>\$ 646</u>	<u>\$ 429,905</u>	<u>\$ 5,065</u>	<u>\$ 77,298</u>	<u>\$ 793,136</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, 2013

	<u>Special Alcohol</u>	<u>Special Parks and Recreation</u>	<u>Special Law Enforcement</u>	<u>School District Sales Tax</u>	<u>Mission Convention and Visitor's Bureau</u>
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 20,268
Charges for services	-	-	-	-	-
Intergovernmental	42,641	42,641	-	-	53,619
Miscellaneous	-	100,000	9,956	-	-
Total revenues	<u>42,641</u>	<u>142,641</u>	<u>9,956</u>	<u>-</u>	<u>73,887</u>
Expenditures					
Current					
Public works and improvements	37,500	98,962	-	4,000	72,432
Debt Service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	<u>37,500</u>	<u>98,962</u>	<u>-</u>	<u>4,000</u>	<u>72,432</u>
Excess [deficiency] of revenues over [under] expenditures	<u>5,141</u>	<u>43,679</u>	<u>9,956</u>	<u>[4,000]</u>	<u>1,455</u>
Other financing sources [uses]					
Transfer in	-	-	-	-	-
Transfer out	-	-	-	-	-
Total other financing sources [uses]	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	5,141	43,679	9,956	[4,000]	1,455
Fund balances, January 1	<u>10,637</u>	<u>122,942</u>	<u>5,610</u>	<u>27,064</u>	<u>51,992</u>
Fund balances, December 31	<u>\$ 15,778</u>	<u>\$ 166,621</u>	<u>\$ 15,566</u>	<u>\$ 23,064</u>	<u>\$ 53,447</u>

<u>Donations and Gifts</u>	<u>Solid Waste</u>	<u>Street Sales Tax</u>	<u>Rock Creek Drainage District #1</u>	<u>Rock Creek Drainage District #2</u>	<u>Total</u>
\$ -	\$ -	\$ 527,892	\$ 5,020	\$ 77,615	\$ 630,795
-	482,770	-	-	-	482,770
-	-	-	-	-	138,901
-	2,277	33	-	-	112,266
-	485,047	527,925	5,020	77,615	1,364,732
-	565,141	-	-	-	778,035
-	-	420,000	-	-	420,000
-	-	52,625	-	-	52,625
-	565,141	472,625	-	-	1,250,660
-	[80,094]	55,300	5,020	77,615	114,072
-	82,000	-	-	-	82,000
-	-	-	[3,000]	[80,000]	[83,000]
-	82,000	-	[3,000]	[80,000]	[1,000]
-	1,906	55,300	2,020	[2,385]	113,072
4,485	[48,129]	374,605	486	6,800	556,492
\$ 4,485	\$ [46,223]	\$ 429,905	\$ 2,506	\$ 4,415	\$ 669,564

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, 2013

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
Revenues						
Intergovernmental	\$ 42,641	\$ -	\$ 42,641	\$ 34,000	\$ 34,000	\$ 8,641
Total revenues	<u>42,641</u>	<u>-</u>	<u>42,641</u>	<u>34,000</u>	<u>34,000</u>	<u>8,641</u>
Expenditures						
Social services	37,500	-	37,500	38,566	38,566	1,066
Total expenditures	<u>37,500</u>	<u>-</u>	<u>37,500</u>	<u>38,566</u>	<u>38,566</u>	<u>1,066</u>
Excess [deficiency] of revenues over [under] expenditures	5,141	-	5,141	<u>\$ [4,566]</u>	<u>\$ [4,566]</u>	<u>\$ 9,707</u>
Fund balance, January 1	<u>10,637</u>	<u>-</u>	<u>10,637</u>			
Fund balance, December 31	<u>\$ 15,778</u>	<u>\$ -</u>	<u>\$ 15,778</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, 2013

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
Revenues						
Intergovernmental	\$ 42,641	\$ -	\$ 42,641	\$ 34,000	\$ 34,000	\$ 8,641
Miscellaneous	<u>100,000</u>	<u>-</u>	<u>100,000</u>	<u>-</u>	<u>-</u>	<u>100,000</u>
Total revenues	<u>142,641</u>	<u>-</u>	<u>142,641</u>	<u>34,000</u>	<u>34,000</u>	<u>108,641</u>
Expenditures						
Public works and improvements	<u>98,962</u>	<u>-</u>	<u>98,962</u>	<u>107,303</u>	<u>107,303</u>	<u>8,341</u>
Total expenditures	<u>98,962</u>	<u>-</u>	<u>98,962</u>	<u>107,303</u>	<u>107,303</u>	<u>8,341</u>
Excess [deficiency] of revenues over [under] expenditures	43,679	-	43,679	<u>\$ [73,303]</u>	<u>\$ [73,303]</u>	<u>\$ 116,982</u>
Fund balance, January 1	<u>122,942</u>	<u>-</u>	<u>122,942</u>			
Fund balance, December 31	<u>\$ 166,621</u>	<u>\$ -</u>	<u>\$ 166,621</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, 2013

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
Revenues:						
Taxes	\$ 132,888	\$ -	\$ 132,888	\$ 133,557	\$ 133,557	\$ [669]
Interest	<u>7</u>	<u>-</u>	<u>7</u>	<u>50</u>	<u>50</u>	<u>[43]</u>
Total revenues	<u>132,895</u>	<u>-</u>	<u>132,895</u>	<u>133,607</u>	<u>133,607</u>	<u>[712]</u>
Expenditures:						
Principal	<u>130,000</u>	<u>-</u>	<u>130,000</u>	<u>138,200</u>	<u>138,200</u>	<u>8,200</u>
Total expenditures	<u>130,000</u>	<u>-</u>	<u>130,000</u>	<u>138,200</u>	<u>138,200</u>	<u>8,200</u>
Excess [deficiency] of revenues over [under] expenditures	2,895	-	2,895	<u>\$ [4,593]</u>	<u>\$ [4,593]</u>	<u>\$ 7,488</u>
Fund balance, January 1	<u>2,787</u>	<u>-</u>	<u>2,787</u>			
Fund balance, December 31	<u>\$ 5,682</u>	<u>\$ -</u>	<u>\$ 5,682</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  
PARKS AND RECREATION SALES TAX BOND FUND  
For the Year Ended December 31, 2013

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
Revenues:						
Taxes	\$ 586,085	\$ -	\$ 586,085	\$ -	\$ 506,250	\$ 79,835
Interest	<u>1,051</u>	<u>-</u>	<u>1,051</u>	<u>-</u>	<u>-</u>	<u>1,051</u>
Total revenues	<u>587,136</u>	<u>-</u>	<u>587,136</u>	<u>-</u>	<u>506,250</u>	<u>80,886</u>
Expenditures:						
Capital outlay	1,666,549	-	1,666,549	-	3,138,400	1,471,851
Bond issuance costs	<u>116,740</u>	<u>-</u>	<u>116,740</u>	<u>-</u>	<u>43,380</u>	<u>[73,360]</u>
Total expenditures	<u>1,783,289</u>	<u>-</u>	<u>1,783,289</u>	<u>-</u>	<u>3,181,780</u>	<u>1,398,491</u>
Excess [deficiency] of revenues over [under] expenditures	<u>[1,196,153]</u>	<u>-</u>	<u>[1,196,153]</u>	<u>-</u>	<u>[2,675,530]</u>	<u>1,479,377</u>
Other financing sources [uses]						
Bond premium	210,192	-	210,192	-	-	210,192
Issuance of debt	<u>4,510,000</u>	<u>-</u>	<u>4,510,000</u>	<u>-</u>	<u>4,600,000</u>	<u>[90,000]</u>
Total other financing sources [uses]	<u>4,720,192</u>	<u>-</u>	<u>4,720,192</u>	<u>-</u>	<u>4,600,000</u>	<u>120,192</u>
Excess [deficiency] of revenues and other sources over [under] over [under] expenditures	<u>3,524,039</u>	<u>-</u>	<u>3,524,039</u>	<u>\$ -</u>	<u>\$ 1,924,470</u>	<u>\$ 1,599,569</u>
Fund balance, January 1	<u>-</u>	<u>-</u>	<u>-</u>			
Fund balance, December 31	<u>\$ 3,524,039</u>	<u>\$ -</u>	<u>\$ 3,524,039</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, 2013

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
Revenues:						
Interest	\$ 7	\$ -	\$ 7	\$ -	\$ -	\$ 7
Total revenues	<u>7</u>	<u>-</u>	<u>7</u>	<u>-</u>	<u>-</u>	<u>7</u>
Expenditures:						
Interest, issue cost and fiscal charges	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess [deficiency] of revenues over [under] expenditures	<u>7</u>	<u>-</u>	<u>7</u>	<u>-</u>	<u>-</u>	<u>7</u>
Other financing sources [uses]						
Transfer out	<u>[60,557]</u>	<u>-</u>	<u>[60,557]</u>	<u>-</u>	<u>-</u>	<u>[60,557]</u>
Total other financing sources [uses]	<u>[60,557]</u>	<u>-</u>	<u>[60,557]</u>	<u>-</u>	<u>-</u>	<u>[60,557]</u>
Excess [deficiency] of revenues and other sources over [under] over [under] expenditures	<u>[60,550]</u>	<u>-</u>	<u>[60,550]</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ [60,550]</u>
Fund balance, January 1	<u>60,550</u>	<u>-</u>	<u>60,550</u>			
Fund balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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, 2013

	License Reinstatement Fees	Alcohol & Drug Safety	Cafeteria Plan	Totals
ASSETS				
Cash and cash equivalents	\$ 1,953	\$ 20,939	\$ 9,960	\$ 32,852
Total assets	<u>\$ 1,953</u>	<u>\$ 20,939</u>	<u>\$ 9,960</u>	<u>\$ 32,852</u>
LIABILITIES				
Due to others	\$ 1,953	\$ 20,939	\$ 9,960	\$ 32,852
Total liabilities	<u>\$ 1,953</u>	<u>\$ 20,939</u>	<u>\$ 9,960</u>	<u>\$ 32,852</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, 2013

<u>License Reinstatement Fees</u>	Balance January 1, 2013	Additions	Deductions	Balance December 31, 2013
ASSETS				
Cash and cash equivalents	\$ 1,526	\$ 39,793	\$ 39,366	\$ 1,953
Total assets	<u>\$ 1,526</u>	<u>\$ 39,793</u>	<u>\$ 39,366</u>	<u>\$ 1,953</u>

LIABILITIES

Due to others	\$ 1,526	\$ 39,793	\$ 39,366	\$ 1,953
Total liabilities	<u>\$ 1,526</u>	<u>\$ 39,793</u>	<u>\$ 39,366</u>	<u>\$ 1,953</u>

<u>Alcohol and Drug Safety</u>	Balance January 1, 2013	Additions	Deductions	Balance December 31, 2013
ASSETS				
Cash and cash equivalents	\$ 21,249	\$ 950	\$ 1,260	\$ 20,939
Total assets	<u>\$ 21,249</u>	<u>\$ 950</u>	<u>\$ 1,260</u>	<u>\$ 20,939</u>

LIABILITIES

Due to others	\$ 21,249	\$ 950	\$ 1,260	\$ 20,939
Total liabilities	<u>\$ 21,249</u>	<u>\$ 950</u>	<u>\$ 1,260</u>	<u>\$ 20,939</u>

<u>Cafeteria Plan</u>	Balance January 1, 2013	Additions	Deductions	Balance December 31, 2013
ASSETS				
Cash and cash equivalents	\$ 9,965	\$ 73,696	\$ 73,701	\$ 9,960
Total assets	<u>\$ 9,965</u>	<u>\$ 73,696</u>	<u>\$ 73,701</u>	<u>\$ 9,960</u>

LIABILITIES

Due to others	\$ 9,965	\$ 73,696	\$ 73,701	\$ 9,960
Total liabilities	<u>\$ 9,965</u>	<u>\$ 73,696</u>	<u>\$ 73,701</u>	<u>\$ 9,960</u>

<u>Total Agency Funds</u>	Balance January 1, 2013	Additions	Deductions	Balance December 31, 2013
ASSETS				
Cash and cash equivalents	\$ 32,740	\$ 114,439	\$ 114,327	\$ 32,852
Total assets	<u>\$ 32,740</u>	<u>\$ 114,439</u>	<u>\$ 114,327</u>	<u>\$ 32,852</u>

LIABILITIES

Due to others	\$ 32,740	\$ 114,439	\$ 114,327	\$ 32,852
Total liabilities	<u>\$ 32,740</u>	<u>\$ 114,439</u>	<u>\$ 114,327</u>	<u>\$ 32,852</u>

See independent auditor's report on the financial statements.

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**STATISTICAL SECTION**

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Statistical Section  
(Unaudited)

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

Contents

Financial Trends

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

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue 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 POSITION BY COMPONENT  
LAST TEN YEARS  
(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>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Governmental Activities										
Net investments in capital assets	\$ 6,511,170	\$ 4,560,491	\$ 8,129,556	\$ 15,120,064	\$ 18,606,539	\$ 21,507,063	\$ 23,644,245	\$ 25,521,486	\$ 26,771,829	\$ 24,709,361
Restricted	572,955	623,320	678,017	722,400	857,622	941,397	791,098	550,988	63,337	5,682
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>	<u>1,844,275</u>	<u>3,336,675</u>	<u>7,429,857</u>
Total Net Position	<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>	<u>\$27,916,749</u>	<u>\$30,171,841</u>	<u>\$32,144,900</u>

Source: City of Mission, Kansas Basic Financial Statements.

TABLE 2  
(UNAUDITED)

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Expenses</b>										
<b>Governmental Activities:</b>										
General government	\$ 1,425,130	\$ 1,445,969	\$ 3,547,477	\$ 1,892,510	\$ 3,534,363	\$ 2,311,207	\$ 1,893,579	\$ 2,964,860	\$ 2,376,085	\$ 2,200,521
Public safety	2,508,144	2,862,597	2,903,379	3,239,519	3,384,135	3,624,111	3,613,022	3,791,275	3,725,913	3,690,037
Public works	2,929,595	3,188,033	2,657,277	2,953,028	2,699,875	3,990,772	4,388,119	3,332,773	3,306,786	3,448,002
Culture and recreation	2,813,867	2,866,291	2,813,443	2,648,777	2,657,303	2,733,024	2,695,954	2,607,459	2,635,617	2,683,576
Interest on Long-Term Debt	241,768	304,078	617,069	1,039,158	1,390,170	1,276,197	1,007,059	974,679	1,055,632	1,256,986
<b>Total Primary Government Expenses</b>	<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>	<u>13,671,046</u>	<u>13,100,033</u>	<u>13,279,122</u>
<b>Program Revenues</b>										
<b>Governmental Activities:</b>										
Charges for services										
General government	252,111	128,692	115,658	154,005	164,213	161,865	132,871	781,913	494,255	609,511
Public safety	976,526	1,204,794	1,568,089	1,897,595	1,850,795	2,071,362	1,648,771	1,640,415	1,868,248	1,528,186
Public works	14,069	514,303	372,141	574,455	777,603	1,059,463	1,190,916	2,432,511	2,461,655	2,871,020
Culture and recreation	1,499,413	1,704,874	1,758,012	1,818,171	1,872,041	1,841,918	1,805,037	1,559,797	1,776,706	1,776,706
Operating grants and contributions										
General government	5,675	815	1,300	-	-	-	-	-	-	-
Public safety	-	-	14,573	44,286	68,313	54,871	34,335	46,848	55,474	57,824
Public works	619,889	429,843	756,870	4,058,055	5,945,713	3,619,852	1,113,502	2,308,031	492,870	1,070,856
<b>Total Primary Government Program Revenues</b>	<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>	<u>8,769,515</u>	<u>7,149,208</u>	<u>7,914,103</u>
<b>Total Primary Government Net [Expense]</b>	<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>	<u>[4,901,531]</u>	<u>[5,950,825]</u>	<u>[5,365,019]</u>
<b>General Revenues and Other Changes in Net Position</b>										
<b>Governmental activities:</b>										
Taxes:										
Property taxes	646,256	1,212,425	1,263,709	1,742,544	1,930,893	2,040,368	1,800,788	1,469,907	1,394,756	1,417,391
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	4,057,445	4,040,247	4,942,079
Motor vehicle tax	87,718	82,277	107,865	123,358	160,252	166,532	158,653	159,717	125,721	130,868
Franchise tax	749,315	853,066	929,185	986,991	1,022,445	976,392	1,011,213	1,014,732	968,696	1,022,854
Investment earnings	93,159	208,687	710,936	612,662	214,405	37,475	4,282	2,348	4,227	3,214
Miscellaneous	117,421	282,229	392,427	281,947	253,637	1,187,205	388,741	159,835	399,104	368,921
<b>Total primary government</b>	<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>	<u>6,863,984</u>	<u>6,932,751</u>	<u>7,885,327</u>
<b>Change in Net Position</b>										
<b>Governmental activities</b>	<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>	<u>\$ 1,962,453</u>	<u>\$ 981,926</u>	<u>\$ 2,520,308</u>

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>2004</u>	<u>2005</u>	<u>2006</u>
General Fund			
Unassigned	\$ -	\$ -	\$ -
Reserved	128,343	3,000	3,000
Unreserved	<u>2,598,676</u>	<u>2,694,436</u>	<u>1,923,372</u>
Total General Fund	<u>\$ 2,727,019</u>	<u>\$ 2,697,436</u>	<u>\$ 1,926,372</u>
All Other Governmental Funds			
Restricted	\$ -	\$ -	\$ -
Committed	-	-	-
Unassigned	-	-	-
Reserved	1,931,462	1,203,988	1,153,883
Unreserved, reported in:			
Special revenue funds	1,865,105	1,632,667	1,654,844
Debt service fund	572,955	623,320	678,017
Capital project funds	<u>910,339</u>	<u>7,435,624</u>	<u>9,970,696</u>
Total All Other Governmental Funds	<u>\$ 5,279,861</u>	<u>\$ 10,895,599</u>	<u>\$ 13,457,440</u>

Source: City of Mission, Kansas Basic Financial Statements.

TABLE 3  
(UNAUDITED)

<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
\$ -	\$ -	\$ -	\$ -	\$ 1,335,927	\$ 1,340,574	\$ 1,551,771
3,000	3,000	34,269	34,915	-	-	-
<u>2,120,554</u>	<u>2,459,968</u>	<u>2,473,479</u>	<u>1,289,577</u>	-	-	-
<u>\$ 2,123,554</u>	<u>\$ 2,462,968</u>	<u>\$ 2,507,748</u>	<u>\$ 1,324,492</u>	<u>\$ 1,335,927</u>	<u>\$ 1,340,574</u>	<u>\$ 1,551,771</u>
\$ -	\$ -	\$ -	\$ -	\$ 2,093,006	\$ 4,989,510	\$ 10,353,222
-	-	-	-	3,721	5,610	15,566
-	-	-	-	-	[48,129]	[46,223]
1,153,883	8,828	-	-	-	-	-
1,635,880	1,642,606	1,527,992	417,604	-	-	-
722,400	857,622	941,397	791,098	-	-	-
<u>[1,813,596]</u>	<u>5,952,272</u>	<u>815,477</u>	<u>[453,906]</u>	-	-	-
<u>\$ 1,698,567</u>	<u>\$ 8,461,328</u>	<u>\$ 3,284,866</u>	<u>\$ 754,796</u>	<u>\$ 2,096,727</u>	<u>\$ 4,946,991</u>	<u>\$ 10,322,565</u>

TABLE 4  
(UNAUDITED)

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

	<u>2004</u>	<u>2005</u>	<u>2006</u>
Revenues			
Taxes	\$ 6,124,884	\$ 6,576,639	\$ 6,597,014
Special assessments	120,888	112,011	106,173
Intergovernmental	625,563	430,658	666,570
Licenses and permits	150,055	189,776	147,398
Charges for services	1,593,983	2,050,547	2,102,420
Fines and fees	877,194	1,200,329	1,564,082
Use of money and property	93,159	208,687	710,936
Miscellaneous	117,421	282,229	392,427
Total revenues	<u>9,703,147</u>	<u>11,050,876</u>	<u>12,287,020</u>
Expenditures			
General government	1,070,642	1,418,455	1,916,208
Public safety	2,444,061	2,740,399	2,722,207
Public works	2,805,876	2,980,125	2,403,996
Culture and recreation	2,519,021	2,549,985	2,521,622
Capital outlay	2,235,832	3,820,968	8,542,329
Debt service			
Principal	1,960,000	1,045,000	4,685,000
Bond issuance costs	-	72,332	48,919
Interest and other charges	232,246	233,084	326,898
Total expenditures	<u>13,267,678</u>	<u>14,860,348</u>	<u>23,167,179</u>
Excess of revenues over [under] expenditures	<u>[3,564,531]</u>	<u>[3,809,472]</u>	<u>[10,880,159]</u>
Other financing sources [uses]			
Transfers in	2,279,072	1,285,232	1,752,338
Transfers out	[2,279,072]	[1,285,232]	[1,752,338]
Bond premium	-	294,598	61,976
Bond discount	-	[3,971]	-
Loan proceeds	-	-	-
Sale of bonds	3,690,000	9,105,000	12,590,000
Total other financing sources [uses]	<u>3,690,000</u>	<u>9,395,627</u>	<u>12,651,976</u>
Net change in fund balances	<u>\$ 125,469</u>	<u>\$ 5,586,155</u>	<u>\$ 1,771,817</u>
Debt service as a percentage of noncapital expenditures	19.87%	12.23%	34.60%

Source: City of Mission, Kansas Basic Financial Statements.

TABLE 4  
(UNAUDITED)

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
\$	7,395,843	\$ 7,336,009	\$ 7,064,955	\$ 6,927,357	\$ 6,690,601	\$ 6,571,139	\$ 7,514,184
	95,035	101,563	90,492	16,725	11,200	10,426	-
	4,007,306	6,014,026	3,674,723	1,147,837	2,354,879	548,344	1,128,680
	199,545	322,449	161,865	132,871	158,156	134,743	198,191
	2,341,354	2,480,423	2,801,599	2,793,683	4,616,065	4,597,873	5,059,046
	1,903,327	1,861,780	2,171,144	1,851,040	1,640,415	1,868,248	1,528,186
	612,662	175,208	37,475	4,282	2,348	4,227	3,214
	281,947	275,087	1,212,405	415,230	187,679	428,373	399,687
	<u>16,837,019</u>	<u>18,566,545</u>	<u>17,214,658</u>	<u>13,289,025</u>	<u>15,661,343</u>	<u>14,163,373</u>	<u>15,831,188</u>
	1,975,256	2,199,511	1,912,691	1,907,311	1,925,928	1,721,635	1,817,454
	3,079,884	3,326,584	3,473,046	3,438,881	3,710,722	3,652,781	3,540,422
	2,574,231	2,247,005	3,489,138	3,335,084	2,113,493	2,048,877	2,005,594
	2,381,770	2,387,785	2,475,261	2,477,811	2,434,362	2,407,179	2,418,064
	22,198,096	9,219,468	3,899,569	2,673,142	5,545,434	2,244,246	6,761,526
	5,985,000	8,345,000	28,400,000	12,365,000	2,976,408	2,450,000	2,420,000
	90,494	59,190	-	-	-	-	116,740
	1,097,214	1,275,507	1,606,635	1,329,292	1,047,541	1,143,744	1,136,631
	<u>39,381,945</u>	<u>29,060,050</u>	<u>45,256,340</u>	<u>27,526,521</u>	<u>19,753,888</u>	<u>15,668,462</u>	<u>20,216,431</u>
	<u>[22,544,926]</u>	<u>[10,493,505]</u>	<u>[28,041,682]</u>	<u>[14,237,496]</u>	<u>[4,092,545]</u>	<u>[1,505,089]</u>	<u>[4,385,243]</u>
	2,080,802	1,512,547	1,634,590	2,609,467	1,250,000	682,000	325,557
	[2,080,802]	[1,512,547]	[1,634,590]	[2,609,467]	[1,250,000]	[682,000]	[325,557]
	1,113	-	-	105,663	-	-	302,014
	-	[54,320]	-	-	-	-	-
	-	-	-	273,507	520,911	-	-
	<u>11,010,000</u>	<u>17,650,000</u>	<u>22,910,000</u>	<u>10,145,000</u>	<u>4,925,000</u>	<u>4,360,000</u>	<u>9,670,000</u>
	<u>11,011,113</u>	<u>17,595,680</u>	<u>22,910,000</u>	<u>10,524,170</u>	<u>5,445,911</u>	<u>4,360,000</u>	<u>9,972,014</u>
\$	<u>[11,533,813]</u>	<u>\$ 7,102,175</u>	<u>\$ [5,131,682]</u>	<u>\$ [3,713,326]</u>	<u>\$ 1,353,366</u>	<u>\$ 2,854,911</u>	<u>\$ 5,586,771</u>
	41.87%	45.90%	72.76%	54.93%	26.49%	25.62%	26.84%

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>
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	2,484,314	439,764	918,713	129,364	976,392	7,064,955
2010	1,942,716	2,475,013	471,969	897,296	129,150	1,011,213	6,927,357
2011	1,618,424	2,564,793	379,031	938,788	174,833	1,014,732	6,690,601
2012	1,562,195	2,482,815	372,011	1,002,287	174,692	977,139	6,571,139
2013	1,549,252	3,143,802	502,158	1,015,709	174,756	1,128,507	7,514,184

Source: City of Mission, Kansas Basic Financial Statements.

TABLE 6  
(UNAUDITED)

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

Category	Local Sales Tax Collected				
	2009	2010	2011	2012	2013
Auto sales, repairs, gasoline	\$ 264,802	\$ 297,058	\$ 336,701	\$ 232,132	\$ 213,482
Clothing, department and shoe stores	432,385	415,520	438,675	453,851	583,131
Construction, home repairs, maintenance	84,602	67,472	53,265	58,198	60,187
Grocery/drug store	386,318	437,049	449,708	431,180	535,619
Medical	15,962	18,900	19,979	22,897	33,419
Restaurant/entertainment	424,966	389,738	431,435	412,674	469,695
Specialty	173,076	173,346	181,528	161,861	265,677
Utilities/communications	373,797	379,538	358,793	332,923	436,971
All other outlets	328,406	296,392	294,709	377,099	545,621
<b>Total</b>	<b>\$ 2,484,314</b>	<b>\$ 2,475,013</b>	<b>\$ 2,564,793</b>	<b>\$ 2,482,815</b>	<b>\$ 3,143,802</b>
City Sales Tax Rate	1.25%	1.25%	1.25% and 1.0%	1.25% and 1.0%	1.625% and 1.0%

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

Source: Kansas Department of Revenue.

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TABLE 7  
(UNAUDITED)

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

Assessment Year	Year Ended December 31, Budget Year	Real Property		Personal Property		Total Assessed Value	Estimated Actual Value	Ratio of Assessed Value to Estimated Actual Value	Total Direct Tax Rate
		Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value				
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
2010	2011	115,357,123	862,419,740	2,594,652	8,648,840	117,951,775	871,068,580	0.14	11.371
2011	2012	112,043,638	854,717,930	2,107,544	7,025,147	114,151,182	861,743,077	0.13	11.410
2012	2013	112,122,375	848,855,960	1,725,925	5,753,083	113,848,300	854,609,043	0.13	11.413

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

TABLE 8  
(UNAUDITED)

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

Year Ended December 31,	City				Johnson County	Shawnee Mission School District	Johnson County Community College
	General Fund	Storm Drain Fund	General Obligation Fund	Total Direct Rate			
2004	9.935	1.000	1.025	11.960	16.0410	42.6550	9.438
2005	9.962	1.003	1.028	11.993	17.9220	49.7480	8.960
2006	13.176	1.002	1.027	15.205	17.9490	51.9800	8.872
2007	13.198	1.004	1.029	15.231	17.9850	52.0080	8.749
2008	13.215	1.005	1.030	15.250	17.7670	52.0940	8.768
2009	11.182	1.005	1.030	13.217	17.7160	55.3180	8.784
2010	10.183	0.000	1.030	11.213	17.7480	57.1920	8.799
2011	10.326	0.000	1.045	11.371	17.7000	56.1350	8.776
2012	10.361	0.000	1.049	11.410	17.7000	56.1350	8.776
2013	10.363	0.000	1.050	11.413	17.7450	55.6110	9.551

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

TABLE 8  
(UNAUDITED)

Consolidated Fire District #2	Unified Johnson County Sewer District	Johnson County Library	Johnson County Parks and Recreation	Total
9.241	0.000	2.956	2.367	94.658
9.405	0.000	2.955	2.286	103.269
9.335	0.000	2.960	2.290	108.591
9.356	0.000	2.962	2.295	108.586
8.992	0.000	3.057	2.341	108.269
8.991	0.000	3.151	2.346	109.523
10.074	0.000	3.158	2.350	110.534
10.098	0.000	3.145	2.343	109.568
10.098	0.000	3.145	2.343	109.607
11.004	0.000	3.155	2.347	110.826

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TABLE 9  
(UNAUDITED)

CITY OF MISSION, KANSAS  
PRINCIPAL TAXPAYERS  
December 31, 2013 and Nine Years Ago

<u>Taxpayer</u>	<u>Type of Business</u>	2013		% of Total		2004		% of Total	
		<u>Assessed</u>	<u>Valuation</u>	<u>Rank</u>	<u>Valuation</u>	<u>Assessed</u>	<u>Rank</u>	<u>Assessed</u>	<u>Valuation</u>
Scriptpro	Medical equipment manufacturer	\$ 4,415,181		1	3.87%	Not Available			
Bannister Realty Company, Inc.	Property developer	2,472,438		2	2.17%				
Tower Properties Company	Property developer	2,188,336		3	1.92%				
Broadmoor Place Associates	Office building development	1,958,501		4	1.72%				
Block Properties Company	Property developer	1,919,565		5	1.68%				
Silverwood Apartments, L.L.C.	Real estate	1,897,960		6	1.66%				
Mission Mart Shopping Center	Shopping center	1,865,347		7	1.63%				
Bridges at Foxridge NF L.L.C.	Property developer	1,736,960		8	1.52%				
Target	Shopping center	1,622,066		9	1.42%				
Sixty Three West Investors	Property developer	<u>1,602,723</u>		10	1.40%				
Total		<u>\$ 21,679,077</u>			<u>18.99%</u>				

Source: Johnson County Clerks Office.

TABLE 10  
(UNAUDITED)

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

<u>Year Ended December 31,</u>	<u>Total Tax Levy</u>	<u>Current Taxes Collected</u>	<u>Percent of Current Taxes Collected</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Ratio of Total Tax Collections to Tax Levy</u>
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%
2011	1,351,409	1,320,407	97.7%	29,563	1,349,970	99.9%
2012	1,341,230	1,321,097	98.5%	9,484	1,330,581	99.2%
2013	1,302,465	1,286,467	98.8%	13,977	1,300,444	99.8%

TABLE 11  
(UNAUDITED)

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

Fiscal Year	General Obligation Bonds	Temporary Notes	Capital Improvement Bonds	Special Assessment Bonds	Loans Bonds	Capital Leases Payable	Total	City Population	Personal Income	Debt Per Capita	Debt As A Percentage of Personal Income
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%
2011	32,748,611	485,000	-	10,000	99,864	407,344	33,750,819	9,323	328,701,011	3,620	10.27%
2012	34,625,964	485,000	-	-	95,887	265,454	35,472,305	9,323	328,701,011	3,805	10.79%
2013	41,830,000	485,000	-	-	91,792	164,814	42,571,606	9,323	328,701,011	4,566	12.95%

Source: Johnson County Clerk and City of Mission Records.

TABLE 12  
(UNAUDITED)

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

<u>Year Ended December 31.</u>	<u>Population(1)</u>	<u>Assessed Value</u>	<u>Gross Bonded Debt</u>	<u>Less Debt Service Fund</u>	<u>Net Bonded Debt</u>	<u>Ratio of Net Bonded Debt to Assessed Value</u>	<u>Net Bonded Debt per Capita</u>
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
2011	9,323	117,951,775	32,758,611	550,988	32,207,623	27.31%	3,454.64
2012	9,323	114,151,182	34,625,964	63,337	34,562,627	30.28%	3,707.24
2013	9,323	113,848,300	41,830,000	3,529,721	38,300,279	33.64%	4,108.15

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

TABLE 13  
(UNAUDITED)

CITY OF MISSION, KANSAS  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
December 31, 2013

<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	\$ 42,571,606	100.00%	\$ 42,571,606
Overlapping debt: (1)			
Johnson County	290,901,090	1.49%	4,334,426
Shawnee Mission School (U.S.D. 512)	193,790,000	3.93%	7,615,947
Fire District #2	900,000	15.71%	141,390
Johnson County Parks and Recreation	<u>2,660,000</u>	1.49%	<u>39,634</u>
Total overlapping debt	<u>488,251,090</u>		<u>12,131,397</u>
Total direct and overlapping debt	<u>\$ 530,822,696</u>		<u>\$ 54,703,003</u>

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

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

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

TABLE 14  
(UNAUDITED)

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

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Total Assessed Valuation of Taxable Property	\$ 125,780,792	\$ 128,833,155	\$ 144,047,030	\$ 150,542,400
Debt Limit Percent of Assessed Value	<u>30.00%</u>	<u>30.00%</u>	<u>30.00%</u>	<u>30.00%</u>
Debt Limit	37,734,238	38,649,947	43,214,109	45,162,720
Total net debt applicable to limit	<u>5,860,000</u>	<u>11,309,598</u>	<u>9,800,138</u>	<u>9,110,680</u>
Legal Debt Margin	<u>\$ 31,874,238</u>	<u>\$ 27,340,349</u>	<u>\$ 33,413,971</u>	<u>\$ 36,052,040</u>
Total Net Debt Applicable To The Limit As A Percentage of Debt Limit	15.53%	29.26%	22.68%	20.17%

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

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

Source: Assessed valuation from Johnson County Clerk.

TABLE 14  
(UNAUDITED)

<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
\$ 149,689,527	\$ 140,390,464	\$ 132,076,558	\$ 129,270,218	\$ 125,513,832	\$ 125,197,213
30.00%	30.00%	30.00%	30.00%	30.00%	30.00%
44,906,858	42,117,139	39,622,967	38,781,065	37,654,150	37,559,164
<u>7,996,220</u>	<u>2,915,000</u>	<u>2,740,000</u>	<u>6,535,000</u>	<u>9,865,000</u>	<u>15,935,000</u>
<u>\$ 36,910,638</u>	<u>\$ 39,202,139</u>	<u>\$ 36,882,967</u>	<u>\$ 32,246,065</u>	<u>\$ 27,789,150</u>	<u>\$ 21,624,164</u>
17.81%	6.92%	6.92%	16.85%	26.20%	42.43%

TABLE 15  
(UNAUDITED)

CITY OF MISSION, KANSAS  
DEMOGRAPHIC STATISTICS  
LAST TEN YEARS  
December 31, 2013

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Unemployment Rate (1)</u>	<u>Per Capita Personal Income (2)</u>	<u>Personal Income</u>
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
2011	9,323	6.0%	35,257	328,701,011
2012	9,323	5.4%	35,257	328,701,011
2013	9,323	3.8%	35,257	328,701,011

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

(2) Information compiled every ten years.

TABLE 16  
(UNAUDITED)

CITY OF MISSION, KANSAS  
PRINCIPAL EMPLOYERS  
December 31, 2013 and Nine Years Ago

<u>Employer</u>	December 31, 2013			December 31, 2004		
	Employees	Rank	Percentage of Total Employment	Employees (1)	Rank	Percentage of Total Employment
ScriptPro	500	1	5.36%	Not Available		0.00%
AT&T Telecommunications	400	2	4.29%	Not Available		0.00%
Skillpath, Inc.	250	3	2.68%	Not Available		0.00%
HyVee Food Stores	275	4	2.95%	Not Available		0.00%
U.S. Post Office	250	5	2.68%	Not Available		0.00%
Entercom	250	6	2.68%	Not Available		0.00%
City of Mission (2)	221	7	2.37%	Not Available		0.00%
Ace Personnel	200	8	2.15%	Not Available		0.00%
Geneva Roth Ventures	175	9	1.88%	Not Available		0.00%
Target	150	10	1.61%	Not Available		0.00%
Packaging Products Corp	120	10	1.29%	Not Available		0.00%
Cumulus Broadcasting (3)	100	10	1.07%	Not Available		0.00%
<b>Total</b>	<b>2,891</b>		<b>31.01%</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 17  
(UNAUDITED)

CITY OF MISSION, KANSAS  
OPERATING INDICATORS BY FUNCTION/PROGRAM  
LAST EIGHT YEARS (1)  
December 31, 2013

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

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

Source: City of Mission, Kansas.

TABLE 18  
(UNAUDITED)

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

<u>Function/Program</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
General Government									
Administration/Finance*	5.0	5.0	5.0	7.0	7.0	7.0	6.0	6.0	6.0
Community Development*	5.0	5.0	5.0	3.0	3.0	3.0	2.0	2.0	2.0
Municipal Court*	4.0	4.0	4.0	4.0	4.0	4.0	3.0	3.0	3.0
Public Works*	11.0	11.0	11.0	11.0	11.0	12.0	14.0	14.0	14.0
Police	31.0	31.0	31.0	31.0	31.0	30.0	30.0	30.0	29.0
Parks & Recreation*	<u>13.0</u>	<u>12.0</u>	<u>12.0</u>	<u>12.0</u>	<u>13.0</u>	<u>13.0</u>	<u>14.0</u>	<u>14.0</u>	<u>14.0</u>
Total	69.0	68.0	68.0	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 19  
(UNAUDITED)

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

<u>Function/Program</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</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	805.0	805.0	805.0	850.0	850.0	850.0	850.0	850.0	850.0	850.0
Parks & Recreation										
Parks	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
Park acreage	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0
Pools	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Tennis Courts	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Community Center	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0

Source: City of Mission, Kansas.