

COMPREHENSIVE ANNUAL FINANCIAL REPORT

CITY OF MISSION, KANSAS

**Year Ended
December 31, 2016**

Prepared by the Finance and Administration Department

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CITY OF MISSION, KANSAS
Comprehensive Annual Financial Report
Year ended December 31, 2016

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INTRODUCTORY SECTION

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April 24, 2017

The City of Mission is pleased to submit the comprehensive annual financial report for the fiscal year ending December 31, 2016. 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 of the major operating funds of the City. The City provides a range of services including police protection, solid waste collection services, 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, Kansas and lies along a major transportation corridor, making it accessible to the entire Kansas City 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 odd 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 total budget for 2016 of \$19,254,434. The City covers 2.87 square miles and is 95% developed. The daytime population of the City increases to nearly 15,000 as a result of people who come into the City to work, conduct business, and shop. The Johnson Drive corridor offers a more traditional downtown, connecting retail hubs located at the City's east and west gateways. Other businesses within the City include general offices, light manufacturing, health care facilities, laboratories, Shawnee Mission Main Post Office, Johnson County government offices, State of Kansas Driver's License Bureau, a number of restaurants and casual dining establishments, grocery stores 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 with highly rated schools. 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. Though increased this past year, the mill levy still remains one of the lowest in Johnson County and in the State of Kansas. Future financial planning efforts continue to explore revenue diversification and policies to protect cash reserves.

MAJOR CITY INITIATIVES

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

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

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

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

In 2016, the City completed a Parks Master Plan, which will become an important planning tool in shaping future decisions and development of the City's extensive park system. 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 the 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 and Recreation services to develop sustainable operating plans for the Community Center, the municipal swimming pool, and the 30+ acres of parks and recreational facilities maintained for the benefit of Mission residents. Planning and development of trails which link Mission to the rest of the metropolitan area will remain a priority.

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

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

As previously stated, street and transportation network investments continue to be a high priority. This fact was reinforced in a citizen survey completed in 2015 which ranked maintenance of City streets as the number one item of importance for residents. To address this concern the City will identify and prioritize future street repair and maintenance projects, and find sustainable funding sources. In addition, the City increased its property tax levy in 2016 by 7 mills, these funds being dedicated to funding street improvements.

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 2016 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, 2015. This was the twenty-third 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.

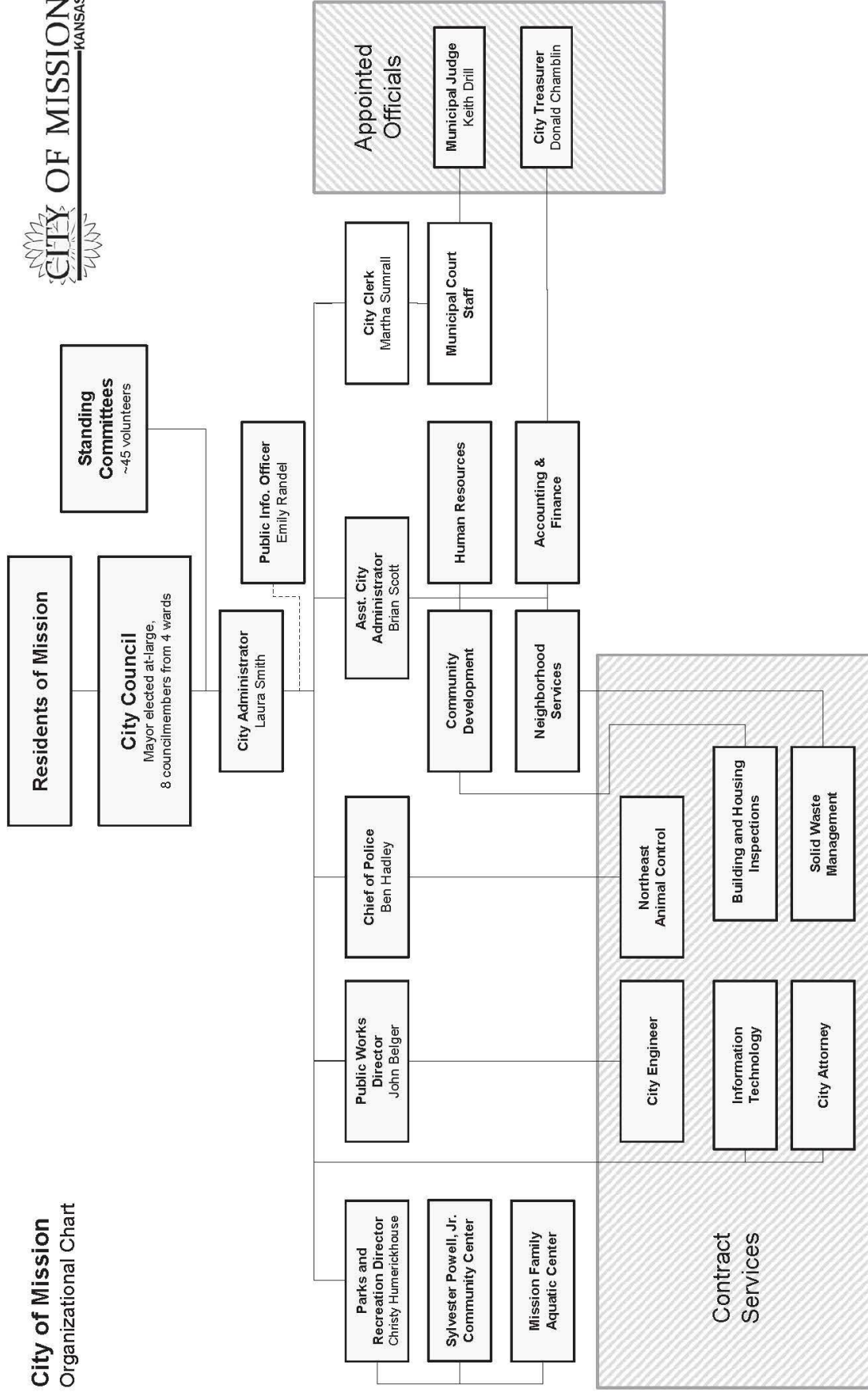
Respectfully submitted,

A handwritten signature in black ink, reading "Laura M. Smith". The signature is written in a cursive, flowing style.

Laura Smith
City Administrator



City of Mission Organizational Chart



CITY OF MISSION, KANSAS
PRINCIPAL OFFICIALS - 2016

Mayor and City Council

Honorable Steve Schowengerdt, Mayor
Honorable Pat Quinn - Ward 1
Honorable Tom Geraghty - Ward 1
Honorable Nick Schlossmacher - Ward 2
Honorable Arcie Rothrock - Ward 2
Honorable Kristin Inman - Ward 3
Honorable Debbie Kring - Ward 3
Honorable Ron Appletoft - Ward 4
Honorable Suzanne Gibbs - Ward 4

Administration

City Administrator: Laura Smith
Assistant City Administrator/Finance Director: Brian Scott
City Clerk: Martha Sumrall
Treasurer: Donald C. Chamblin
Municipal Judge: Keith E. Drill
Chief of Police: Benjamin Hadley
Public Works Director: John Belger
Public Information Officer: Emily Randel
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, 2015

A handwritten signature in black ink, reading "Jeffrey R. Emen". The signature is written in a cursive, flowing style.

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, 2016, 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, 2016, and the respective changes in financial position, thereof and the respective budgetary comparison for the general fund, the special highway fund, and the storm drain fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Emphasis of Matter

Prior Period Restatement

As discussed in Note II.B. to the financial statements, certain errors resulting in amounts previously reported as capital assets as of December 31, 2015, were discovered by management of the City during the current year. Accordingly, these amounts have been restated in the December 31, 2016, financial statements now presented, and adjustments have been made to net position to correct the error. Our opinion is not modified with respect to these matters

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 8, the schedule of funding progress on page 52, the schedule of the City's proportionate share of the net pension liability on page 53, and the schedule of City contributions on page 53 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.

Mike Houser: Company PA

Certified Public Accountants
Lawrence, Kansas

April 24, 2017

CITY OF MISSION, KANSAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2016
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, 2016. 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 \$38.7 million at the end of the current fiscal year.
- Total capital assets, net of accumulated depreciation at December 31, 2016 totaled \$66.8 million.
- During the year ended December 31, 2016, the City's total revenues (which include charges for services, local taxes and state and federal aid) exceeded total expenses by \$3.1 million.
- The City's total indebtedness decreased by \$3 million.
- The City's net capital assets decreased \$1.5 million in the current fiscal year.

Using This Financial Report

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

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

Reporting on the City as a Whole (Government Wide)

Statement of Net Position and the Statement of Activities

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

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

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

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

CITY OF MISSION, KANSAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2016
Unaudited

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

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

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

The City as a Whole

Government-Wide Position

The Statement of Net Position provides the financial position of the City as a whole. The overall financial position of the City increased by 7.6% in 2016. The following is a summary of the City's Statement of Net Position as of December 31, 2016 and 2015:

City of Mission
Condensed Statement of Net Position

	Governmental Activities	
	2016	2015
Current assets	\$ 8,970,897	\$ 7,428,671
Net capital assets	<u>66,779,553</u>	<u>68,604,890</u>
Total assets	<u>75,750,450</u>	<u>76,033,561</u>
Deferred outflows of resources	<u>1,218,213</u>	<u>392,807</u>
Total assets and deferred outflow of resources	<u>\$ 76,968,663</u>	<u>\$ 76,426,368</u>
Current liabilities	\$ 4,661,154	\$ 4,525,378
Noncurrent liabilities	<u>33,249,662</u>	<u>35,327,641</u>
Total liabilities	<u>37,910,816</u>	<u>39,853,019</u>
Deferred inflows of resources	<u>394,553</u>	<u>645,196</u>
Total liabilities and deferred inflows of resources	<u>\$ 38,305,369</u>	<u>\$ 40,498,215</u>
Net Position:		
Net investments in capital assets	\$ 36,242,192	\$ 34,647,991
Restricted for:		
Debt Service	676,572	738,850
Unrestricted	<u>1,744,530</u>	<u>541,312</u>
Total net position	<u>\$ 38,663,294</u>	<u>\$ 35,928,153</u>

CITY OF MISSION, KANSAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2016
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 \$31 million in long-term debt, consisting of general obligation bonds, capital leases, and KDHE loans, of which \$3.6 million is due within the next fiscal year.

The City had total assets and deferred outflows of resources at December 31, 2016, totaling \$77 million. The total assets and deferred outflows of resources of the City exceeded the total liabilities and deferred inflows of resources by \$38.7 million. The net position invested in capital assets (net of related debt) totaled \$36.2 million, restricted net position totaled \$.7 million and unrestricted net position totaled \$1.8 million.

CITY OF MISSION, KANSAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2016
Unaudited

Government-Wide Activities

The following is a condensed statement of the City's change in net position for the year ended December 31, 2016. Major items of program revenues, grants and general revenues are detailed. Government-wide activities increased the net position of the City by approximately \$3.1 million for the year ended December 31, 2016. The increase can be attributed to an increase in property tax. A reconciliation of the total change in fund balances for the governmental funds to the Statement of Activities is located at page 14 of the basic financial statements. A major difference in the Statement of Activities and changes in the fund balances of governmental funds as expenditures in the funds statements is the repayment of long-term debt of \$3.3 million which is treated as expenditures in the funds statements, but is treated as a reduction of long term debt in the Government wide financial statements.

In addition, the capital outlays of \$1 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, 2016 and 2015

	Governmental Activities	
	<u>2016</u>	<u>2015</u>
Revenues:		
Program revenues:		
Charges for services	\$ 6,401,019	\$ 6,656,690
Operating grants	474,190	2,090,216
General revenues:		
Property taxes	2,839,599	2,423,438
Sales tax	5,870,341	5,711,057
Transient guest tax	43,835	36,785
Motor vehicle tax	157,488	156,487
Franchise tax	1,024,850	1,009,649
Investment earnings	4,616	2,404
Miscellaneous	<u>314,640</u>	<u>553,144</u>
Total revenues	<u>17,130,578</u>	<u>18,639,870</u>
Program expenses:		
General government	2,599,590	2,617,020
Public safety	4,135,349	3,539,822
Public works	3,606,294	3,562,734
Culture and recreation	2,801,261	2,647,417
Interest on long term debt	<u>887,504</u>	<u>959,983</u>
Total expenses	<u>14,029,998</u>	<u>13,326,976</u>
Increase [decrease] in net position	<u>3,100,580</u>	<u>5,312,894</u>
Net position - beginning	35,928,153	35,961,516
Prior period adjustment	<u>[365,439]</u>	<u>[5,346,257]</u>
Net position - beginning, restated	<u>35,562,714</u>	<u>30,615,259</u>
Net position - ending	<u>\$ 38,663,294</u>	<u>\$ 35,928,153</u>

CITY OF MISSION, KANSAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2016
Unaudited

Financial Analysis of the City's Funds

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

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

Total fund balances at December 31, 2016 for the governmental funds totaled \$5.6 million. Total unassigned fund balances at December 31, 2016 totaled \$3.2 million, of which all but [\$30,882] was attributable to the General Fund.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, total ending fund balance of the general fund was \$3.6 million. Audited numbers for the 2016 fiscal year show an increase in the fund balance for the General Fund of \$738,279, or nearly 26% from the previous year. This increase is due to a number of factors including: capital projects that were budgeted but funds not yet expended nor encumbered, an increase in both sales tax revenue due to additional development activity, and salary savings recognized through vacant positions that were difficult to fill.

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 \$65,309 at December 31, 2016. The increase in the Special Highway Fund's fund balance was \$52,918.

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 \$295,917 at December 31, 2016. The increase in the Storm Drain Fund's fund balance was \$258,890.

The Solid Waste Fund is used to account for solid waste utility charges collected from an annual assessment. The ending fund balance was [\$30,882] at December 31, 2016. The increase in the Solid Waste Fund's fund balance was \$10,838.

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 \$676,572 at December 31, 2016. The decrease in the fund balance was [\$62,278].

The Capital Improvement Fund is used to account for resources used to construct and maintain infrastructure city-wide. The ending fund balance was \$418,400 at December 31, 2016. The increase in the Capital Improvement Fund's fund balance was \$381,556.

CITY OF MISSION, KANSAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2016
Unaudited

General Fund Budgeting Highlights

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

The City's final General Fund budget was \$13,011,212, the same as the original published budget. Total revenues and lease proceeds were more than budgetary estimates by \$.6 million and the expenditures and transfers out were less than budgetary estimates by \$2.1 million.

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

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

Capital Assets and Debt Administration

The City's investment in capital assets for its governmental activities totaled \$66.8 million (net of accumulated depreciation) as of December 31, 2016.

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

- Police Vehicle purchases totaling \$307,023
- Community Center improvements totaling \$186,369
- Mission Crossing Park totaling \$99,550

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

At December 31, 2016, the City had total debt outstanding of \$31 million, backed by the full faith and credit of the City. Total long-term debt decreased for the fiscal year ended December 31, 2016, in the amount of \$3 million. This was a result of continued repayment of general obligation bonds, loans and capital leases.

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

Contacting the City

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

CITY OF MISSION, KANSAS
STATEMENT OF NET POSITION
December 31, 2016

	Total Governmental Activities
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:	
Current assets:	
Cash and investments	\$ 5,306,923
Restricted cash and investments	31,211
Receivables	<u>3,632,763</u>
Total current assets	<u>8,970,897</u>
Capital assets:	
Capital assets not being depreciated:	
Land	10,181,045
Construction in progress	263,927
Capital assets being depreciated	74,637,770
Less: accumulated depreciation	<u>18,303,189</u>
Total net capital assets	<u>66,779,553</u>
Total assets	<u>75,750,450</u>
Deferred outflows of resources	
Pension - contributions subsequent to the measurement date	288,838
Pension - net difference between projected and actual earnings on pension plan investments	655,491
Pension - difference between expected and actual experience	186,037
Pension - changes in proportion	<u>87,847</u>
Total deferred outflows of resources	<u>1,218,213</u>
Total assets and deferred outflows of resources	<u>\$ 76,968,663</u>
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES:	
Current liabilities:	
Accounts payable	\$ 82,893
Accrued liabilities	95,604
Interest payable	420,485
Municipal court bonds payable	31,211
Unearned revenue	155,954
Current portion of compensated absences	324,834
Current portion of capital leases payable	238,959
Current portion of loans payable	4,541
Current portion of general obligation bonds payable	<u>3,306,673</u>
Total current liabilities (payable from current assets)	<u>4,661,154</u>
Noncurrent liabilities:	
Compensated absences	102,456
Net other post employment benefits	557,766
Net pension liability	5,189,214
Capital lease payable	454,173
Loans payable	74,310
General obligation bonds payable	<u>26,871,743</u>
Total noncurrent liabilities	<u>33,249,662</u>
Total liabilities	<u>37,910,816</u>
Deferred Inflows of Resources	
Pension - difference between expected and actual experience	68,006
Pension - changes of assumptions	37,956
Pension - change in proportion	<u>288,591</u>
Total deferred inflows of resources	<u>394,553</u>
Total liabilities and deferred inflows of resources	<u>\$ 38,305,369</u>
Net Position	
Net investments in capital assets	\$ 36,242,192
Restricted for:	
Debt service	676,572
Unrestricted	<u>1,744,530</u>
Total net position	<u>\$ 38,663,294</u>

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

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CITY OF MISSION, KANSAS
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2016

		Program Revenues		Net [Expense] Revenue and Changes in in Net Assets
	Expenses	Charges for Services	Operating Grants and Contributions	Total Governmental Activities
Governmental activities:				
General government	\$ 2,599,590	\$ 701,862	\$ -	\$ [1,897,728]
Public safety	4,135,349	1,253,047	75,844	[2,806,458]
Public works	3,606,294	2,532,476	398,346	[675,472]
Culture and recreation	2,801,261	1,913,634	-	[887,627]
Interest on long-term debt	<u>887,504</u>	<u>-</u>	<u>-</u>	<u>[887,504]</u>
Total governmental activities	<u>\$ 14,029,998</u>	<u>\$ 6,401,019</u>	<u>\$ 474,190</u>	<u>[7,154,789]</u>
General Revenues:				
Property taxes levied for:				
General purposes				2,839,599
Sales tax				5,870,341
Transient guest tax				43,835
Motor vehicle tax				157,488
Franchise tax				1,024,850
Investments earnings				4,616
Miscellaneous				<u>314,640</u>
Total general revenues				<u>10,255,369</u>
Change in net position				<u>3,100,580</u>
Net position - beginning				35,928,153
Prior period adjustment				<u>[365,439]</u>
Net position - beginning, restated				<u>35,562,714</u>
Net position - ending				<u>\$ 38,663,294</u>

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

CITY OF MISSION, KANSAS
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2016

	<u>General</u>	<u>Special Highway</u>	<u>Storm Drain</u>
ASSETS			
Cash and investments	\$ 3,401,513	\$ 65,309	\$ 295,917
Restricted cash and investments	31,211	-	-
Due from other funds	1,322	-	-
Receivables			
Taxes	2,814,525	-	-
Other	44,151	-	-
Total assets	<u>\$ 6,292,722</u>	<u>\$ 65,309</u>	<u>\$ 295,917</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 36,001	\$ -	\$ -
Accrued liabilities	95,604	-	-
Due to other funds	-	-	-
Payable from restricted assets			
Municipal court bonds	31,211	-	-
Unearned revenue	154,693	-	-
Total liabilities	<u>317,509</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources			
Unavailable revenue - property taxes	2,376,754	-	-
Total deferred inflows of resources	<u>2,376,754</u>	<u>-</u>	<u>-</u>
Fund balance:			
Restricted	-	65,309	295,917
Committed	96,436	-	-
Assigned	287,198	-	-
Unassigned	3,214,825	-	-
Total fund balance [deficit]	<u>3,598,459</u>	<u>65,309</u>	<u>295,917</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 6,292,722</u>	<u>\$ 65,309</u>	<u>\$ 295,917</u>

<u>Solid Waste</u>	<u>Parks and Recreation Sales Tax Bond</u>	<u>Capital Improvement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 15,983	\$ 611,806	\$ 413,038	\$ 503,357	\$ 5,306,923
-	-	-	-	31,211
-	-	-	-	1,322
-	64,766	-	150,887	3,030,178
-	-	5,362	-	49,513
<u>\$ 15,983</u>	<u>\$ 676,572</u>	<u>\$ 418,400</u>	<u>\$ 654,244</u>	<u>\$ 8,419,147</u>
\$ 46,865	\$ -	\$ -	\$ 27	\$ 82,893
-	-	-	-	95,604
-	-	-	1,322	1,322
-	-	-	-	31,211
-	-	-	1,261	155,954
<u>46,865</u>	<u>-</u>	<u>-</u>	<u>2,610</u>	<u>366,984</u>
-	-	-	91,764	2,468,518
-	-	-	91,764	2,468,518
-	676,572	418,400	526,436	1,982,634
-	-	-	33,434	129,870
-	-	-	-	287,198
<u>[30,882]</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,183,943</u>
<u>[30,882]</u>	<u>676,572</u>	<u>418,400</u>	<u>559,870</u>	<u>5,583,645</u>
<u>\$ 15,983</u>	<u>\$ 676,572</u>	<u>\$ 418,400</u>	<u>\$ 654,244</u>	<u>\$ 8,419,147</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, 2016

Total Governmental Fund Balances	\$ 5,583,645
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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	85,082,742	
Accumulated depreciation is	<u>18,303,189</u>	66,779,553

Pension contributions are reported as an expense in the funds and as a deferred outflow of resources in the governmental activities in the statement of net position.	1,218,213
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Pension fundings are reported as a revenue in the funds and as a deferred inflow of resources in the governmental activities in the statement of net position.	[5,583,767]
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	3,021,590
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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	29,635,000	
Discount	[4,876]	
Premium	548,292	
Capital leases payable	693,132	
Loans payable	78,851	
Interest payable	420,485	
Net other post employment benefits	557,766	
Compensated absences payable	<u>427,290</u>	<u>[32,355,940]</u>

Net Position of Governmental Activities	\$ <u>38,663,294</u>
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CITY OF MISSION, KANSAS
STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2016

	<u>General</u>	<u>Special Highway</u>	<u>Storm Drain</u>
REVENUES:			
Taxes	\$ 7,605,253	\$ -	\$ 299,798
Intergovernmental	75,844	251,967	-
Licenses and permits	152,245	-	-
Charges for services	1,963,634	-	2,532,476
Fines and fees	1,253,047	-	-
Use of money and property	3,596	12	561
Miscellaneous	<u>219,505</u>	<u>-</u>	<u>-</u>
Total revenues	<u>11,273,124</u>	<u>251,979</u>	<u>2,832,835</u>
EXPENDITURES:			
Current			
General government	1,921,928	-	-
Public safety	3,868,458	-	-
Public works	1,610,652	199,061	31,892
Culture and recreation	2,440,954	-	-
Capital outlay	-	-	-
Debt service			
Principal	166,170	-	1,684,426
Interest and other charges	<u>18,949</u>	<u>-</u>	<u>651,517</u>
Total expenditures	<u>10,027,111</u>	<u>199,061</u>	<u>2,367,835</u>
Excess [deficiency] of revenues over [under] expenditures	<u>1,246,013</u>	<u>52,918</u>	<u>465,000</u>
OTHER FINANCING SOURCES [USES]			
Transfers in	-	-	50,000
Transfers out	[875,654]	-	[256,110]
Issuance of debt - leases	<u>367,920</u>	<u>-</u>	<u>-</u>
Total other financing sources [uses]	<u>[507,734]</u>	<u>-</u>	<u>[206,110]</u>
Net change in fund balances	738,279	52,918	258,890
Fund balance - Beginning of year	<u>2,860,180</u>	<u>12,391</u>	<u>37,027</u>
Fund balance - End of year	<u>\$ 3,598,459</u>	<u>\$ 65,309</u>	<u>\$ 295,917</u>

<u>Solid Waste</u>	<u>Parks and Recreation Sales Tax Bond</u>	<u>Capital Improvement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ 861,445	\$ -	\$ 1,006,286	\$ 9,772,782
-	-	-	146,379	474,190
-	-	-	-	152,245
490,878	-	-	8,739	4,995,727
-	-	-	-	1,253,047
-	305	120	22	4,616
<u>2,233</u>	<u>6,766</u>	<u>77,713</u>	<u>44,158</u>	<u>350,375</u>
<u>493,111</u>	<u>868,516</u>	<u>77,833</u>	<u>1,205,584</u>	<u>17,002,982</u>
-	-	-	-	1,921,928
-	-	-	-	3,868,458
-	-	-	-	1,841,605
-	-	-	-	2,440,954
567,273	404,344	89,353	674,992	1,735,962
-	415,000	555,000	425,000	3,245,596
<u>-</u>	<u>111,450</u>	<u>98,688</u>	<u>45,870</u>	<u>926,474</u>
<u>567,273</u>	<u>930,794</u>	<u>743,041</u>	<u>1,145,862</u>	<u>15,980,977</u>
<u>[74,162]</u>	<u>[62,278]</u>	<u>[665,208]</u>	<u>59,722</u>	<u>1,022,005</u>
85,000	-	1,046,764	-	1,181,764
-	-	-	[50,000]	[1,181,764]
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>367,920</u>
<u>85,000</u>	<u>-</u>	<u>1,046,764</u>	<u>[50,000]</u>	<u>367,920</u>
10,838	[62,278]	381,556	9,722	1,389,925
<u>[41,720]</u>	<u>738,850</u>	<u>36,844</u>	<u>550,148</u>	<u>4,193,720</u>
<u>\$ [30,882]</u>	<u>\$ 676,572</u>	<u>\$ 418,400</u>	<u>\$ 559,870</u>	<u>\$ 5,583,645</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, 2016

Total Net Change In Fund Balances - Governmental Funds \$ 1,389,925

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	[222,798]	
Capital outlays	1,015,935	
Depreciation expense	<u>[2,253,035]</u>	[1,459,898]

Interest on long-term debt in the statement of activities differs from the amount
reported in the governmental funds because interest is recorded as an
expenditure in the funds when it is due, and thus requires the use of current
financial resources. In the statement of activities, however, interest expense
is recognized as the interest accrues, regardless of when it is due. This is
the amount by which interest decreased.

38,970

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

[84,077]

Pension payments are reported as expenditures in the governmental funds and
do not affect the statement of net activities.

44,719

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

127,597

Issuance of capital leases is a revenue in the governmental funds, but
it increases long-term liabilities in the statement of net assets and does not
affect the statement of activities.

[367,920]

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.

155,166

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.

3,256,098

Changes In Net Position of Governmental Activities

\$ 3,100,580

CITY OF MISSION, KANSAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
GENERAL FUND
For the Year Ended December 31, 2016

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
Revenues						
Taxes	\$ 7,605,253	\$ -	\$ 7,605,253	\$ 7,268,085	\$ 7,268,085	\$ 337,168
Intergovernmental	75,844	-	75,844	42,800	42,800	33,044
Licenses and permits	152,245	-	152,245	145,500	145,500	6,745
Charges for services	1,963,634	-	1,963,634	2,047,000	2,047,000	[83,366]
Fines and forfeitures	1,253,047	-	1,253,047	1,400,000	1,400,000	[146,953]
Interest	3,596	-	3,596	2,000	2,000	1,596
Other	219,505	-	219,505	178,125	178,125	41,380
Total revenues	11,273,124	-	11,273,124	11,083,510	11,083,510	189,614
General government						
Personal service	1,055,475	-	1,055,475	1,146,500	1,146,500	91,025
Contractual	733,530	-	733,530	663,100	663,100	[70,430]
Commodities	47,831	-	47,831	52,800	52,800	4,969
Capital outlay	85,054	-	85,054	71,500	71,500	[13,554]
Miscellaneous	38	-	38	-	-	[38]
	1,921,928	-	1,921,928	1,933,900	1,933,900	11,972
Public works and improvements						
Personal service	697,672	-	697,672	826,350	826,350	128,678
Contractual	754,565	-	754,565	826,700	826,700	72,135
Commodities	76,626	-	76,626	148,350	148,350	71,724
Capital outlay	78,050	-	78,050	65,000	65,000	[13,050]
Miscellaneous	3,739	-	3,739	-	-	[3,739]
	1,610,652	-	1,610,652	1,866,400	1,866,400	255,748
Public safety						
Personal service	3,011,712	-	3,011,712	3,039,800	3,039,800	28,088
Contractual	364,105	-	364,105	395,775	395,775	31,670
Commodities	114,717	-	114,717	150,400	150,400	35,683
Capital outlay	377,924	-	377,924	100,000	100,000	[277,924]
	3,868,458	-	3,868,458	3,685,975	3,685,975	[182,483]
Culture and recreation						
Personal service	1,466,224	-	1,466,224	1,396,000	1,396,000	[70,224]
Contractual	812,191	-	812,191	791,700	791,700	[20,491]
Commodities	159,186	-	159,186	136,750	136,750	[22,436]
Capital outlay	3,353	-	3,353	-	-	[3,353]
	2,440,954	-	2,440,954	2,324,450	2,324,450	[116,504]
Debt service						
Principal	166,170	-	166,170	188,310	188,310	22,140
Interest and other charges	18,949	-	18,949	-	-	[18,949]
	185,119	-	185,119	188,310	188,310	3,191
Total expenditures	10,027,111	-	10,027,111	9,999,035	9,999,035	[28,076]
Excess [deficiency] of revenues over [under] expenditures	1,246,013	-	1,246,013	1,084,475	1,084,475	161,538
Other financing sources [uses]						
Issuance of debt - leases	367,920	-	367,920	-	-	367,920
Transfers out	[875,654]	-	[875,654]	[3,012,177]	[3,012,177]	2,136,523
Total other financing sources [uses]	[507,734]	-	[507,734]	[3,012,177]	[3,012,177]	2,504,443
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	738,279	-	738,279	\$ [1,927,702]	\$ [1,927,702]	\$ 2,665,981
Fund balance, January 1	2,860,180	-	2,860,180			
Fund balance, December 31	\$ 3,598,459	\$ -	\$ 3,598,459			

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, 2016

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
Revenues						
Intergovernmental	\$ 251,967	\$ -	\$ 251,967	\$ 245,850	\$ 245,850	\$ 6,117
Interest	<u>12</u>	<u>-</u>	<u>12</u>	<u>-</u>	<u>-</u>	<u>12</u>
Total revenues	<u>251,979</u>	<u>-</u>	<u>251,979</u>	<u>245,850</u>	<u>245,850</u>	<u>6,129</u>
Expenditures						
Public works and improvements	<u>199,061</u>	<u>-</u>	<u>199,061</u>	<u>200,000</u>	<u>200,000</u>	<u>939</u>
Total expenditures	<u>199,061</u>	<u>-</u>	<u>199,061</u>	<u>200,000</u>	<u>200,000</u>	<u>939</u>
Excess [deficiency] of revenues over [under] expenditures	52,918	-	52,918	<u>\$ 45,850</u>	<u>\$ 45,850</u>	<u>\$ 7,068</u>
Fund balance, January 1	<u>12,391</u>	<u>-</u>	<u>12,391</u>			
Fund balance, December 31	<u>\$ 65,309</u>	<u>\$ -</u>	<u>\$ 65,309</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, 2016

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
Revenues						
Taxes	\$ 299,798	\$ -	\$ 299,798	\$ -	\$ -	\$ 299,798
Charges for services	2,532,476	-	2,532,476	2,230,000	2,230,000	302,476
Use of money and property	<u>561</u>	<u>-</u>	<u>561</u>	<u>150</u>	<u>150</u>	<u>411</u>
Total revenues	<u>2,832,835</u>	<u>-</u>	<u>2,832,835</u>	<u>2,230,150</u>	<u>2,230,150</u>	<u>602,685</u>
Expenditures						
Public works and improvements	31,892	-	31,892	5,000	5,000	[26,892]
Principal	1,684,426	-	1,684,426	2,640,945	2,640,945	956,519
Interest and other charges	<u>651,517</u>	<u>-</u>	<u>651,517</u>	<u>-</u>	<u>-</u>	<u>[651,517]</u>
Total expenditures	<u>2,367,835</u>	<u>-</u>	<u>2,367,835</u>	<u>2,645,945</u>	<u>2,645,945</u>	<u>278,110</u>
Excess [deficiency] of revenues over [under] expenditures	<u>465,000</u>	<u>-</u>	<u>465,000</u>	<u>[415,795]</u>	<u>[415,795]</u>	<u>880,795</u>
Other financing sources [uses]						
Transfers in	50,000	-	50,000	430,000	430,000	[380,000]
Transfers out	<u>[256,110]</u>	<u>-</u>	<u>[256,110]</u>	<u>-</u>	<u>-</u>	<u>[256,110]</u>
Total other financing sources [uses]	<u>[206,110]</u>	<u>-</u>	<u>[206,110]</u>	<u>430,000</u>	<u>430,000</u>	<u>[636,110]</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	258,890	-	258,890	<u>\$ 14,205</u>	<u>\$ 14,205</u>	<u>\$ 244,685</u>
Fund balance, January 1	<u>37,027</u>	<u>-</u>	<u>37,027</u>			
Fund balance, December 31	<u>\$ 295,917</u>	<u>\$ -</u>	<u>\$ 295,917</u>			

See independent auditor's report on the financial statements.

CITY OF MISSION, KANSAS
STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS
December 31, 2016

	Agency Funds
Assets	
Cash and cash equivalents	\$ 63,041
Total Assets	<u>\$ 63,041</u>
Liabilities	
Due to others	\$ 63,041
Total Liabilities	<u>\$ 63,041</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, 2016

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

B. Government-wide and fund financial statements

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

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

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

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

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

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

CITY OF MISSION, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

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 Solid Waste Fund is used to account for solid waste utility charges collected from an annual assessment.

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

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

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

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

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

CITY OF MISSION, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

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 2017.

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, 2016

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Equity (Continued)

3. Capital Assets

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

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

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

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

4. Long-Term Obligations

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

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

5. Fund Equity

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

CITY OF MISSION, KANSAS

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Equity (Continued)

5. Fund Equity (Continued)

The General Fund is the only fund that reports a positive unassigned fund balance amount. In governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

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

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

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

	Major Governmental Funds							
	General	Special Highway	Storm Drain	Solid Waste	Parks and Recreation Sales Tax Bond	Capital Improvement	Other Governmental Funds	Total Governmental Funds
Fund Balances:								
Restricted for:								
Public works	\$ -	\$65,309	\$295,917	\$ -	\$ -	\$ -	\$ 243,936	\$ 605,162
Debt payments	-	-	-	-	676,572	-	282,500	959,072
Capital improvements	-	-	-	-	-	418,400	-	418,400
Committed for:								
Public works	-	-	-	-	-	-	33,434	33,434
ADA compliance	96,436	-	-	-	-	-	-	96,436
Assigned for:								
Phone system and cameras	226,192	-	-	-	-	-	-	226,192
Police vehicles	61,006	-	-	-	-	-	-	61,006
Unassigned:	<u>3,214,825</u>	<u>-</u>	<u>-</u>	<u>[30,882]</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,183,943</u>
Total Fund Balances	<u>\$ 3,598,459</u>	<u>\$65,309</u>	<u>\$295,917</u>	<u>\$ [30,882]</u>	<u>\$ 676,572</u>	<u>\$ 418,400</u>	<u>\$ 559,870</u>	<u>\$ 5,583,645</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 \$324,834.

CITY OF MISSION, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Equity (Continued)

7. 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.

8. 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.

9. Deferred Outflows/Inflows of Resources

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

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

CITY OF MISSION, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

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 2016 budget was amended for the Mission Crossing TIF Fund and the Cornerstone Commons Fund.

Actual exceeded budgeted expenditures in the Parks and Recreation Sales Tax Bond Fund, which is a violation of K.S.A. 79-2935.

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

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

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

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

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

CITY OF MISSION, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

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

	Major Governmental Funds							
	General	Special Highway	Storm Drain	Solid Waste	Parks and Recreation Sales Tax Bond	Capital Improvement	Other Governmental Funds	Total Governmental Funds
GAAP FUND BALANCE								
December 31, 2016	\$ 3,598,459	\$ 65,309	\$ 295,917	\$ [30,882]	\$ 676,572	\$ 418,400	\$ 559,870	\$ 5,583,645
Adjustments:								
Unreserved fund balances not subject to the Kansas Budget Law:								
Solid Waste	-	-	-	30,882	-	-	-	30,882
Capital Improvement	-	-	-	-	-	[418,400]	-	[418,400]
Nonmajor governmental funds	-	-	-	-	-	-	[483,764]	[483,764]
Total deductions	-	-	-	30,882	-	[418,400]	[483,764]	[871,282]
BUDGETARY FUND BALANCE								
December 31, 2016	\$ 3,598,459	\$ 65,309	\$ 295,917	\$ -	\$ 676,572	\$ -	\$ 76,106	\$ 4,712,363

B. Restatement of Equity

The beginning governmental activities net position was restated as follows:

	Governmental Activities
Net position - beginning	\$ 35,928,153
Prior period adjustment	
Capital assets previously disposed	[365,439]
Net position - beginning, restated	\$ 35,562,714

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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

CITY OF MISSION, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

III. DETAILED NOTES ON ALL FUNDS (Continued)

A. Deposits and Investments (Continued)

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 and 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 obligations of the Federal National Mortgage Association, federal home loan banks or the Federal Home Loan Mortgage Corporation, repurchase agreements collateralized by direct obligations of the United States government or any agency thereof, investment agreements with a financial institution, which at the time of investment are rated in either of the three highest rating categories by Moody's Investors Service or Standard and Poors Corporation, investments in shares or units of a money market fund or trust, the portfolio of which is comprised entirely of securities in direct obligations of the United States government or any agency thereof or obligations of the Federal National Mortgage Association, federal home loan banks or Federal Home Loan Mortgage Corporation, receipts evidencing ownership interests in securities or portions thereof in direct obligations of the United States government or any agency thereof of obligations of the Federal National Mortgage Association, federal home loan banks or the Federal Home Loan Mortgage Corporation, and municipal bonds or other obligations issued by a municipality of the State of Kansas. K.S.A. 10-131 prohibits investment in derivatives.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

At December 31, 2016, the City has the following investments:

<u>Investment Type</u>	<u>Level 1</u>	<u>Rating</u>	<u>Weighted Average Maturity</u>
Kansas Municipal Investment Pool	\$ <u>3,386,572</u>	S&P AAf/S1+	1 Day

The above investments are measured at the net asset value, have an ongoing redemption frequency and liquidity fees or redemption gates are not imposed on any of the investments.

CITY OF MISSION, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

III. DETAILED NOTES ON ALL FUNDS (Continued)

A. Deposits and Investments (Continued)

The Kansas Municipal Investment Pool is under the oversight of the Pooled Money Investment Board. The board is comprised of the State Treasurer and four additional members appointed by the State Governor. The board reports annually to the Kansas legislature. State pooled monies may be invested in direct obligations of, or obligations that are insured as to principal and interest by the U.S. government or any agency thereof, with maturities up to four years. No more than 10 percent of those funds may be invested in mortgage-backed securities. In addition, the State pool may invest in repurchase agreements with Kansas banks or with primary government securities dealers. The fair value of the City's position in the municipal investment pool is substantially the same as the value of the pool shares.

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

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's deposit policy for custodial credit risk require that the depository banks will maintain 100% security in the form of FDIC coverage and pledged collateral according to KSA 9-1402. All deposits were legally secured at December 31, 2016.

B. Accounts Receivable

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

	General	Parks and Recreation Sales Tax Bond	Capital Improvement	Other Governmental Funds	Total
Taxes	\$ 2,814,525	\$ 64,766	\$ -	\$ 150,887	\$ 3,030,178
Other	44,151	-	5,362	-	49,513
Total	<u>\$ 2,858,676</u>	<u>\$ 64,766</u>	<u>\$ 5,362</u>	<u>\$ 150,887</u>	<u>\$ 3,079,691</u>

CITY OF MISSION, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

III. DETAILED NOTES ON ALL FUNDS (Continued)

C. Capital Assets

Capital asset activity for the year ended December 31, 2016, was as follows:

	Balance at 12/31/15	Prior Period Adjustments	Balance, Restated 12/31/15	Additions	Retirements	Balance at 12/31/16
City governmental activities:						
Capital assets, not being depreciated						
Construction in progress	\$ 97,281	\$ -	\$ 97,281	\$ 414,836	\$ 248,190	\$ 263,927
Land	10,674,052	[545,097]	10,128,955	52,090	-	10,181,045
Capital assets, being depreciated						
Building	13,259,159	506,993	13,766,152	-	545,097	13,221,055
Equipment and vehicles	4,819,010	12,279	4,831,289	549,009	135,849	5,244,449
Infrastructure	55,961,136	[37,060]	55,924,076	248,190	-	56,172,266
Total capital assets	<u>84,810,638</u>	<u>[62,885]</u>	<u>84,747,753</u>	<u>1,264,125</u>	<u>929,136</u>	<u>85,082,742</u>
Less accumulated depreciation for:						
Building	3,544,515	331,451	3,875,966	322,491	324,787	3,873,670
Equipment and vehicles	3,495,598	545,706	4,041,304	505,702	133,361	4,413,645
Infrastructure	9,165,635	[574,603]	8,591,032	1,424,842	-	10,015,874
Total accumulated depreciation	<u>16,205,748</u>	<u>302,554</u>	<u>16,508,302</u>	<u>2,253,035</u>	<u>458,148</u>	<u>18,303,189</u>
Governmental activities capital assets, net	<u>\$ 68,604,890</u>	<u>\$ [365,439]</u>	<u>\$ 68,239,451</u>	<u>\$ [988,910]</u>	<u>\$ 470,988</u>	<u>\$ 66,779,553</u>

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

Governmental Activities:

General government	\$ 74,237
Public safety	171,444
Public works	1,544,989
Culture and recreation	<u>462,365</u>
Total depreciation	<u>\$ 2,253,035</u>

CITY OF MISSION, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

III. DETAILED NOTES ON ALL FUNDS (Continued)

D. Long-term Debt

During the year ended December 31, 2016, the following changes occurred in long term liabilities:

	Balance January 1, <u>2016</u>	<u>Additions</u>	<u>Retirements</u>	Balance December 31, <u>2016</u>	Due Within <u>A Year</u>
General Obligation Bonds	\$ 32,775,000	\$ -	\$ 3,140,000	\$ 29,635,000	\$ 3,195,000
General Obligation Bonds Premium	660,776	-	112,484	548,292	112,486
General Obligation Bonds Discount	<u>[5,687]</u>	<u>-</u>	<u>[811]</u>	<u>[4,876]</u>	<u>[813]</u>
General Obligation Bonds, Net	33,430,089	-	3,251,673	30,178,416	3,306,673
Capital Lease Payable	480,378	367,920	155,166	693,132	238,959
KDHE Loan Payable	83,276	-	4,425	78,851	4,541
Compensated Absences	<u>446,862</u>	<u>305,262</u>	<u>324,834</u>	<u>427,290</u>	<u>324,834</u>
	<u>\$ 34,440,605</u>	<u>\$ 673,182</u>	<u>\$ 3,736,098</u>	<u>\$ 31,377,689</u>	<u>\$ 3,875,007</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, 2016</u>
Series 2007A - Capital Improvement	5/15/2007	\$ 751,114	5.00%-5.30%	9/1/2018	\$ 185,000
Series 2010A - Capital Improvement	8/18/2010	3,276,571	2.00%-2.75%	9/1/2020	1,405,628
Series 2010B - Refunding	12/15/2010	6,974,092	4.00%-4.25%	9/1/2029	6,974,093
Series 2012A - Capital Improvement	2/16/2012	4,351,874	0.40%-2.00%	9/1/2022	2,665,124
Series 2013A - Capital Improvement	7/11/2013	688,786	2.00%-3.00%	9/1/2023	496,150
Series 2013B - Capital Improvement	7/11/2013	4,720,192	2.00%-3.00%	9/1/2023	3,447,134
Series 2013C - Capital Improvement	12/20/2013	4,563,037	2.00%-2.50%	9/1/2023	3,614,584
Series 2014A - Refunding	8/7/2014	9,963,128	2.00%-3.00%	9/1/2029	9,740,711
Series 2014B - Refunding	8/27/2014	4,284,984	2.00%-4.00%	9/1/2018	1,649,992
					<u>\$ 30,178,416</u>

CITY OF MISSION, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

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,	<u>Principal</u>	<u>Interest</u>
2017	\$ 3,306,673	\$ 1,261,456
2018	3,401,673	1,126,081
2019	3,404,177	1,004,621
2020	3,477,086	882,551
2021	3,554,429	763,546
2022-2026	10,252,024	2,032,464
2027-2029	<u>2,782,354</u>	<u>324,128</u>
Total	<u>\$ 30,178,416</u>	<u>\$ 7,394,847</u>

The Kansas Department of Health and Environment and the City has entered into an agreement for a loan. As of December 31, 2016, 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, 2016 are as follows:

Year Ending December 31,	<u>Principal</u>	<u>Interest</u>
2017	\$ 4,541	\$ 1,826
2018	4,660	1,719
2019	4,782	1,609
2020	4,907	1,496
2021	5,036	1,380
2022-2026	27,226	5,048
2027-2031	<u>27,699</u>	<u>1,655</u>
Total	<u>\$ 78,851</u>	<u>\$ 14,733</u>

CITY OF MISSION, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

III. DETAILED NOTES ON ALL FUNDS (Continued)

D. Long-term Debt (Continued)

Conduit Debt Obligations. From time to time, the City has issued Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the State of Kansas, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of December 31, 2016 there were three series of Industrial Revenue Bonds outstanding, with an aggregate principal amount payable of \$29,263,252.

IV. OTHER INFORMATION

A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the City carries commercial insurance. No significant reductions in insurance coverage from that of the prior year have occurred. Settlements have not exceeded insurance coverage for each of the last three years.

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

CITY OF MISSION, KANSAS

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

IV. OTHER INFORMATION (Continued)

B. Defined Benefit Pension Plan

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

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

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

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

KPERS issues a stand-alone comprehensive annual financial report, which is available on the KPERS website at www.kpers.org.

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

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

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

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

CITY OF MISSION, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

IV. OTHER INFORMATION (Continued)

B. Defined Benefit Pension Plan (Continued)

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

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

For fiscal years beginning in 1995, Kansas legislation established statutory limits on increases in contribution rates for KPERS employers. Annual increases in the employer contribution rates related to subsequent benefit enhancements are not subject to these limitations. The statutory cap increase over the prior year contribution rate is 1.1% of total payroll for the fiscal year ended June 30, 2016.

The actuarially determined employer contribution rates (not including the 1.00% contribution rate for the Death and Disability Program) and the statutory contribution rates are as follows:

	Actuarial <u>Employer Rate</u>	Statutory Employer <u>Capped Rate</u>
Local government employees	9.18%	9.18%
Police and Firemen	20.42%	20.42%

Member contribution rates as a percentage of eligible compensation for the KPERS fiscal year June 30, 2016 are 6.00% for Local employees and 7.15% for Police and Firemen.

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

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

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

The allocation percentages for the City's share of the collective pension amounts as of December 31, 2016, are based on the ratio of its contributions to the total of the employer and nonemployer contributions of the group for the fiscal years ended December 31, 2016.

CITY OF MISSION, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

IV. OTHER INFORMATION (Continued)

B. Defined Benefit Pension Plan (Continued)

The contributions used exclude contributions made for prior service, excess benefits and irregular payments. At June 30, 2016, the City's proportion for the Local employees group was 0.121%, which was substantially the same as its proportion measured at June 30, 2015. At June 30, 2016, the City's proportion for the Police and Firemen group was 0.357%, which was an increase of .003% from its proportion measured at June 30, 2015.

Net Pension Liability. At December 31, 2016 and 2015, the City reported a liability of \$5,189,214 and \$4,157,885, respectively, for its total proportionate share of the net pension liability for the Local and Police and Firemen groups.

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation as of December 31, 2015, which was rolled forward to June 30, 2016, using the following actuarial assumptions:

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

Mortality rates were based on the RP-2000 Combined Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA.

The actuarial assumptions used in the December 31, 2015 valuation were based on the results of an actuarial experience study conducted for three years ending December 31, 2012.

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

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2016 are summarized in the following table:

<u>Asset</u>	<u>Long-Term Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global equity	47.00%	6.80%
Fixed income	13.00%	1.25%
Yield driven	8.00%	6.55%
Real return	11.00%	1.71%
Real estate	11.00%	5.05%
Alternatives	8.00%	9.85%
Short-term investments	<u>2.00%</u>	[0.25]%
Total	<u>100.00%</u>	

CITY OF MISSION, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

IV. OTHER INFORMATION (Continued)

B. Defined Benefit Pension Plan (Continued)

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

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

	1% Decrease (7.00%)	Discount rate (8.00%)	1% Increase (9.00%)
Local	\$ 2,563,163	\$ 1,870,018	\$ 1,282,286
Police and Firemen	4,553,259	3,319,196	2,276,557
Total	<u>\$ 7,116,422</u>	<u>\$ 5,189,214</u>	<u>\$ 3,558,843</u>

Pension Expense. For the year ended December 31, 2016, the City recognized Local pension expense of \$141,850 and Police and Firemen pension expense of \$371,235, which includes the changes in the collective net pension liability, projected earnings on pension plan investments, and the amortization of deferred outflows of resources and deferred inflows of resources for the current period.

Deferred Outflows of Resources and Deferred Inflows of Resources. At December 31, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions for Local and Police and Firemen groups from the following sources:

	Deferred outflows of resources	Deferred inflows of resources
Differences between actual and expected experience	\$ 186,037	\$ 68,006
Net differences between projected and actual earnings on investments	655,491	-
Changes of assumptions	-	37,956
Changes in proportion	87,847	288,591
Total	<u>\$ 929,375</u>	<u>\$ 394,553</u>

CITY OF MISSION, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

IV. OTHER INFORMATION (Continued)

B. Defined Benefit Pension Plan (Continued)

\$288,838 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2017. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,	Local Group Deferred		Police and Firemen Group Deferred		Total
	[Inflows]	Outflows	[Inflows]	Outflows	
	<u>Amount</u>		<u>Amount</u>		
2016	\$	[8,603]	\$	65,077	\$ 56,474
2017		[8,603]		65,077	56,474
2018		60,617		187,155	247,772
2019		44,980		106,229	151,209
2020		1,181		21,712	22,893
Total	\$	<u>89,572</u>	\$	<u>445,250</u>	\$ <u>534,822</u>

C. Interfund Transfers

A reconciliation of all transfers by fund type for 2016 follows:

<u>From</u>	<u>To</u>	<u>Amount</u>	<u>Regulatory Authority</u>
General	Capital Improvement	\$ 790,654	K.S.A. 12-1, 118
General	Solid Waste	85,000	Resolution 948
Storm Drain	Capital Improvement	256,110	Charter Ordinance
Rock Creek Drainage District #2	Storm Drain	50,000	Charter Ordinance
		<u>\$ 1,181,764</u>	

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

D. Defined Contribution Plan

The City has established the City of Mission Money Purchase Plan, administered by the Principal Financial Group, available to employees other than those participating in KP&F. The City Council established and amends benefit provisions. Employees are eligible to participate after completing 1,000 or more hours of service. The City's contributions for each employee are 60% vested after five years of service and vest an additional 20% each year thereafter. The City makes annual contributions to the plan equal to 2% of covered employees' wages. Employees under the plan are allowed to make contributions to the plan of up to 10% of their wages. Employee contributions and the City's contributions for 2015 and 2016 were \$38,228 and \$35,542, respectively.

CITY OF MISSION, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

IV. OTHER INFORMATION (Continued)

E. Capital Leases

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

	Governmental Activities <u>Assets</u>
Other equipment	\$ <u>1,348,383</u>

During 2016, the City entered into a lease agreement to finance the purchase police vehicles in the amount of \$367,920. The lease has an interest rate of 1.54% and a final maturity of September 1, 2020.

Minimum future lease payments under capital leases as of December 31, 2016 are:

Year Ended December 31,	<u>Principal</u>	<u>Interest</u>	<u>Total Payment</u>
2017	\$ 238,959	\$ 10,929	\$ 249,888
2018	238,726	6,065	244,791
2019	121,215	2,769	123,984
2020	<u>94,232</u>	<u>1,090</u>	<u>95,322</u>
Total	\$ <u>693,132</u>	\$ <u>20,853</u>	\$ <u>713,985</u>

F. Postemployment Healthcare Plan

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

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

	<u>Monthly Contributions</u>		
<u>Coverage</u>	<u>Health</u>	<u>Dental</u>	<u>Vision</u>
Employee	\$ 620.38	\$ 31.20	\$ 5.56
Employee & Spouse	1,231.10	91.25	14.19
Employee & Child(ren)	1,064.84	91.25	14.19
Family	1,732.38	91.25	14.19

CITY OF MISSION, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

IV. OTHER INFORMATION (Continued)

F. Postemployment Healthcare Plan (Continued)

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

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

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

Annual required contribution	\$ 149,450
Interest on net OPEB obligation	13,624
Adjustment to annual required contribution	<u>[22,494]</u>
Annual OPEB cost (expense)	140,580
Benefit payments	<u>36,931</u>
Change in net OPEB obligation	103,649
Net OPEB obligation - beginning of year	<u>454,117</u>
Net OPEB obligation - end of year	<u><u>\$ 557,766</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for the year ended December 31, 2016 was as follows:

Fiscal Year Ended	Annual OPEB Cost	Annual OPEB Cost Contributed	Net OPEB Obligation	Percentage of Annual OPEB Cost Contributed
December 31, 2014	\$ 100,498	\$ 25,670	\$ 345,250	25.54%
December 31, 2015	142,705	33,836	454,117	23.71%
December 31, 2016	140,580	36,931	557,766	26.27%

CITY OF MISSION, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

IV. OTHER INFORMATION (Continued)

F. Postemployment Healthcare Plan (Continued)

Funding Status and Funding Progress. As of January 1, 2016, the most recent actuarial valuation date, the Plan was not funded. The actuarial accrued liability for benefits was \$1,421,876 and the actuarial value of asset was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,421,876. The covered payroll (annual payroll of active employees covered by the plan) was \$4,605,013, and the ratio of the UAAL to the covered payroll was 30.9%.

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, 2016, the most recent actuarial valuation date, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 3% investment rate of return, which is the rate of the employer's own investments as there are no plan assets and an annual healthcare cost trend of 8% initially, reduced by decrements to an ultimate rate of 5% in 2041. The inflationary impact assumption is 3%. The UAAL is being amortized as a level dollar over an open thirty-year period.

G. Tax Abatements

The City of Mission has utilized a number of economic development incentives that are authorized under Kansas state statutes including constitutional tax abatements [K.S.A. 79-201a]; industrial revenue bonds (IRBs) [K.S.A. 12-1740 et seq]; tax increment financing (TIF) [K.S.A. 12-1770 et seq]; and community improvement district (CID) [K.S.A. 12-6a26 et seq].

Application of these tools is further clarified by the following city council policies:

Policy 106 - Tax Increment Financing Policy: The City will consider, on a case-by-case basis, the approval of TIF projects, where, but for the availability of TIF, such projects would not be economically viable. Furthermore, any decision regarding the approval of TIF projects will be made in accordance with guidelines and criteria that promote and stimulate the general and economic welfare and quality of life in the community.

Policy 116 - Policy Relating to the Issuance of Tax Abatements: The City will consider tax abatement for firms that qualify for such under state law and develop a final project with a value greater than \$25 million. Such projects will be evaluated on quality job creation, capital investment, diversification of the local economy, the extent to which the project would meet an identified need in the community, or follows applicable design guidelines and long-term plans.

CITY OF MISSION, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

IV. OTHER INFORMATION (Continued)

G. Tax Abatements (Continued)

Policy 123 - Community Improvement District Policy: The City will evaluate the establishment of a CID based on a number of criteria including; but not limited to:

- Whether the project promotes and supports efforts to develop or redevelop commercial sites to provide for reinvestment;
- Stimulates quality retail development that enhances the city's economic basis,
- Compliance with uses anticipated in the comprehensive plan;
- High degree of architectural design and site layout;
- The risk to the City, and any other governmental entities, in financing the proposed project (to include exposure of the general property tax levy and credit rating).

Consideration of any incentive begins with the submittal of an application (including fee) to the City. After an initial review by City staff, the City will enter into a pre-development agreement with the applicant that outlines the scope of the project and commitments, process for due diligence review, and any obligation on the part of the applicant to pay for costs that the City may incur in performing the review and/or negotiating a full development agreement.

This report provides information on current economic development projects that the City of Mission has undertaken utilizing these tools. Many projects use more than one tool, and many incorporate some form of tax abatement. The City elected to disclose all tax abatement agreements into which they have entered.

Tax Abatement Agreements Initiated By the City of Mission

Mission Crossing

Project Description:

Redevelopment of a 6.2 acre site on the City's western boundary that had been the former headquarters and manufacturing plant for Herff Jones, Inc. since 1954. The project entailed the demolition of the existing building and construction of three stand-alone buildings totaling approximately 20,000 square feet of commercial space, and a 100 unit residential facility designed for independent, senior-living.

The mixed use development complies with the redevelopment goals of the City's West Gateway district. It includes streetscape improvements along the project perimeters, a new public park located at the southwest corner of Martway and Broadmoor, a public trail along Metcalf Avenue and two transit shelters to access the enhanced bus services along the Johnson Drive/Martway corridors.

Use	Size	Project Value at Building Permit Issuance	Date of Completion
Multi-Tenant Commercial Building	8,900 sq. ft.	\$990,000 + Tenant Finishes \$731,000 (Free Birds, Sports Clips, Subway, Oasis Nails, Gigi's Cupcakes, Toppers Pizza)	2011
Chick-fil-A	4,600 sq. ft.	\$450,000	2012
Culver's	4,250 sq. ft.	\$990,000	2012
Welstone Apartments	98,500 sq. ft.	\$8,100,000	2016

CITY OF MISSION, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

IV. OTHER INFORMATION (Continued)

G. Tax Abatements (Continued)

Name of the Recipient of the Tax Abatement (the Developer):

Lane 4 Development (d/b/a as Mission Commons LLC) – 4705 Central Ave., Kansas City, MO 64112

Redevelopment Agreement Adopted (Authority):

Ordinance 1316 – An Ordinance Making Certain Findings with Respect to the Establishment of a Redevelopment District in the City of Mission, Kansas and Establishing a Redevelopment District (Mission Crossing Project Redevelopment) – Adopted January 20, 2010.

Ordinance 1317 – An Ordinance Making Findings as to the Advisability of and Creating a Community Improvement District at 6015 Travis Lane, Mission, Kansas; Authorizing Certain Community Improvement District Projects Relating Thereto: Approving the Maximum Cost of Such Community Improvement Projects; Providing for the Method of Financing; Authorizing the Imposition of a Community Improvement District Sales Tax within the Community Improvement District; Establishing a Method of Collection of Such Sales Tax; and Providing for the Segregation of Such Sales tax Revenues for the Retirement of Bonds or Pay-As-You-Go Reimbursement of Costs of the Community Improvement Projects in the Community Improvement District – Adopted January 20, 2010.

Ordinance 1324 – An Ordinance Approving and Adopting a Redevelopment Project Plan within the Boundaries of the Mission Crossing Redevelopment District in the City of Mission, Kansas (Mission Crossing Redevelopment Project) – Adopted May 19, 2010.

Ordinance 1395 – An Ordinance Authorizing The Issuance by the City of Mission, Kansas of Not to Exceed \$6,000,000 Aggregate Principal amount of Taxable Industrial Revenue Bonds (Aspen Village Project), Series 2014, to Provide Funds to Acquire, Construct and Equip A Project for AVI Mission, LP and Authorizing and Approving Certain Documents and Actions in Connection with The Issuance of Said Bonds – Adopted February 19, 2014.

Public Assistance Tools Utilized (Authority) and the Structure of Utilization:

Tax Increment Financing (TIF) [K.S.A 12-1770 et seq] is structured to reimburse the project developer on a “Pay-As-You-Go” basis with reimbursement coming from the property tax on the assessed valuation above (property tax increment) the assessed valuation at the time the agreement was adopted (base valuation), and the City’s 1% general sales tax generated from all retail sales that occur within the defined project area. Base year established 2010, TIF expires in 2030.

Community Improvement District (CID) [K.S.A 12-6a26 et seq] is structured to reimburse the developer on a “Pay-As-You-Go” basis with reimbursement coming from an additional 1% sales tax collected on retail sales generated within the district. The CID became effective October 2012 and will expire in 2034.

Industrial Revenue Bonds (IRBs) [K.S.A 12-1740 et seq] are structured to provide sales tax exemption on the construction of the senior-living component of the redevelopment project.

Eligibility Criteria for Receiving the Tax Abatement:

Kansas state statutes stipulate that proceeds from Tax Increment Financing be used for costs associated with preparing a site for development. This would include land acquisition (including incidental costs such as legal services) and site preparation (including grading and public infrastructure improvements).

CITY OF MISSION, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

IV. OTHER INFORMATION (Continued)

G. Tax Abatements (Continued)

Kansas state statutes stipulate that proceeds from a Community Improvement District can be used for vertical construction, parking, transportation improvements, streetscapes and lighting, parks, lawns, and transit facilities.

The Mission Crossing redevelopment project was built to conform with the City's newly adopted West Gate Vision plan, which called for, among other things, on street parking, sidewalks, street lighting and street-scape, and buildings built up to the sidewalk. The costs associated with these amenities are to be reimbursed with proceeds from both the TIF and the CID.

Summary of Financial Structure:

Total Project Costs: \$24,199,895		
Total Incentive Package: \$14,614,895 (60% of Total Project Costs)		
	Total Incentive	Paid To Date
TIF Eligible Costs	\$ 9,255,157	\$ 477,242
CID Eligible Costs	\$ 5,359,738	\$ 239,811
IRB	\$ 561,000	N/A

This project is anticipated to generate approximately \$3,948,000 in TIF revenue over the 20 year life of the TIF plan, and approximately \$1,188,000 in CID revenue over the 22 year life of the CID. This is a total of \$5,136,000 in TIF and CID revenue. To date, the developer has submitted just over \$6,000,000 in costs that are eligible for reimbursement under the redevelopment plan.

In 2016 the City of Mission reimbursed the Developer the following amounts from TIF and CID:

- Property Tax Increment Financing - \$103,355
- Sales Tax Increment Financing - \$65,952
- Community Improvement Financing - \$64,127

Amounts Received from Other Government's In Association with Forgone Tax Revenue:

No funds were received from other taxing entities in association with this project. However, the following property tax revenues were diverted from other taxing entities in 2016 in accordance with the Tax Increment Financing statutes:

- Johnson County Property Tax (19.5900 mills) - \$20,218
- Johnson County Community College (9.4730 mills) - \$9,776
- Johnson County Library (3.9150 mills) - \$4,039
- Johnson County Park Dist. (3.1020 mills) - \$3,202
- Consolidated Fire Dist. #2 (11.7690 mills) - \$12,139
- United School District #512 (7.430 mills) - \$35,165

The following sales taxes (based on the \$6 million in IRBs issued for the independent senior living facility) were forgone with the construction and equipping of the facility:

- City of Mission (1.625%) - \$97,500
- Johnson County (1.225%) - \$73,500
- State of Kansas (6.150%) - \$369,000

CITY OF MISSION, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

IV. OTHER INFORMATION (Continued)

G. Tax Abatements (Continued)

Commitments, Other Than Tax Abatements, Made by the City of Mission in Association with the Redevelopment Project:

The City committed to the construction of the transit stops utilizing a TIGER grant and the design and construction management of the park site.

Commitments Made by the Recipient of the Tax Abatement:

The Developer dedicated 1/2 of an acre of land for a small, pocket park, valued at approximately \$350,000. The developer also contributed \$100,000 for construction of the park amenities.

Tax Abatement Information Omitted For Legal Purposes: None

Tax Abatement Disclosed Individually: None

Cornerstone Commons

Project Description:

The Cornerstone Commons project is the redevelopment of a 2.98 acre tract at the southwest corner of Johnson Drive and Barkley Street. Prior to redevelopment, the site was an automobile dealership that had closed.

The project is a mixed-use development that conforms to the design principles of the West Gateway district and the Form Based Code by having multi-level structures situated up to the sidewalk, on-street parking, and incorporating pedestrian oriented elements such as benches, lighting, and landscaping.

The development includes a 15,000 square foot Natural Grocers store, a 4,000 square foot building for casual dining/retail, and a third 12,000 square foot building for casual dining/retail and office.

Use	Size	Project Value at Building Permit	Date of Completion
Natural Grocers Retailer	15,000 sq. ft.	\$ 1,750,000	2015
Lot 2 Building			
Pie-Five Restaurant	1,900 sq. ft.	\$ 130,000	2015
Pot-Belly's Restaurant	2,100 sq. ft.	\$ 190,000	2015
Lot 3 Building			
Five Guys Restaurant	2,500 sq. ft.	\$ 250,000	2015
Pepperjax Grill	2,600 sq. ft.	\$ 270,000	2015
Office	4,000 sq. ft.	\$ 800,000	2015

CITY OF MISSION, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

IV. OTHER INFORMATION (Continued)

G. Tax Abatements (Continued)

Name of the Recipient of the Tax Abatement (the Developer):

Christie Development Associates (d/b/a Cornerstone Commons, LLC) 7387 W. 162nd St., Suite 200, Stilwell, KS 66085

Redevelopment Agreement Adopted (Authority):

Ordinance 1402 - An Ordinance Authorizing the Creation of the Cornerstone Commons Community Improvement District In the City of Mission, Kansas; Authorizing the Making of Certain Project Improvements Relating Thereto; Approving the Estimated Costs of Such Project Improvements; Levying 1% CID Sales Tax, and Providing for the Method of Financing of Said – Adopted July 16, 2014.

Public Assistance Tools Utilized (Authority) and the Structure of Utilization:

Community Improvement District (CID) [K.S.A 12-6a26 et seq] is structured to reimburse the project developer on a “Pay-As-You-Go” basis with reimbursement coming from an additional 1% sales tax collected on retail sales generated within the district. The CID became effective June 2015 and will expire in 2037.

Eligibility Criteria for Receiving the Tax Abatement:

The redevelopment project is intended to conform to the design principles of the West Gateway district and the Form Based Code by having multi-level structures situated at the sidewalk and incorporating pedestrian oriented elements such as benches, lighting, landscaping, and on-street parking. To this end, the redevelopment agreement provides for reimbursement of specific eligible costs that further the intended design of the redevelopment project. These include, but are not limited to:

- Right-of-Way Dedication on Johnson Drive and Barkley
- Street-Scape Improvements on Johnson Drive and Barkley
- Storm Water Improvements on Johnson Drive and Barkley
- Demolition and Removal Costs for Existing Building and Parking Lot
- Glass Upgrades on Tenant A, B, C Buildings
- Street Patio with Pergola, Decorative Wrought Iron Fencing, and Building Enhancements Facing Johnson
- Natural Grocers Pedestrian Enhancement, Outdoor Seating, and Building Enhancements Facing Johnson Drive

The total estimated value for all of these improvements is \$1,721,788, of which the redevelopment agreement stipulates that no more than \$1,500,000 will be reimbursed to the developer through the CID sales tax.

Summary of Financial Structure:

Total Project Costs: \$9,000,504		
Total Incentive Package: \$ 1,500,000 + 7% interest (17% of Total Project Costs)		
	Total Incentive	Paid To Date
CID Eligible Costs	\$ 1,500,000	\$ 61,272

CITY OF MISSION, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

IV. OTHER INFORMATION (Continued)

G. Tax Abatements (Continued)

The sales tax will generate approximately \$1.3 million over the life of the CID.

The CID Sales Tax is a special 1% sales tax placed on all retail sales that occur within the boundaries of the CID (the redevelopment project). Because this is a special sales tax above the current sales tax, no sales tax revenue is diverted from the City or other taxing jurisdictions.

Amounts Received from Other Government's In Association with Forgone Tax Revenue: None

The CID Sales Tax is a special 1% sales tax placed on all retail sales that occur within the boundaries of the CID (the redevelopment project). Because this is a special sales tax above the current sales tax, no sales tax revenue is diverted from the City or other taxing jurisdictions.

Provisions for Recapturing Abated Taxes: None

Commitments, Other Than Tax Abatements, Made by the City of Mission in Association with the Redevelopment Project: None

Commitments Made by the Recipient of the Tax Abatement: None

Tax Abatement Information Omitted For Legal Purposes: None

Tax Abatement Disclosed Individually: None

Herald Corner (Brinshore)

Project Description:

This is the redevelopment of a 1.5 acre site located within the interior of a block at the southeast corner of Metcalf Avenue and Johnson Drive, more commonly known by its address as 7080 Martway. The site had been the former location of the Neff Printing Company since the 1930s.

The Developer proposed the construction of a three-story, 32 unit senior-living residential facility on the site. The development was dependent on the successful application for low-income housing credits from the Kansas Housing Resources Corporation. The Developer was unable to achieve this, and the pre-development agreement between the City and Developer has since been dissolved. At present there is no proposed project for this site.

Name of the Recipient of the Tax Abatement (the Developer):

The Developer for the proposed project was Brinshore Development LLC, 666 Dundee Road, Suite 1102, Northbrook, IL 60062. The development agreement with this Developer has been dissolved, and at present there is no developer.

Redevelopment Agreement Adopted (Authority):

Ordinance 1413 - An Ordinance Making Certain Findings with Respect to the Establishment of a Redevelopment District in the City of Mission, Kansas and Establishing a Redevelopment District (Herald Corner Project Redevelopment) – Adopted November 19, 2014..

CITY OF MISSION, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

IV. OTHER INFORMATION (Continued)

G. Tax Abatements (Continued)

Public Assistance Tools Utilized (Authority) and the Structure of Utilization:

A Tax Increment Financing (TIF) [K.S.A 12-1770a(d)] district was established to reimburse the project developer on a for eligible costs with reimbursement coming from the property tax on the assessed valuation above (property tax increment) the assessed valuation at the time the agreement was adopted (base valuation). A specific project area has not been activated, and thus no base year has been established.

Eligibility Criteria for Receiving the Tax Abatement:

The Developer was required to seek and obtain housing credits from the Kansas Housing Resources Corporation before the redevelopment project could be approved and executed. The Developer was unable to accomplish this.

Future projects will be required to meet the design guidelines of the West Gateway Plan.

Summary of Financial Structure:

No financial structure for this project exists at this time.

Amounts Received from Other Government's In Association with Forgone Tax Revenue:

The previous development plan had stipulated that the Developer was to apply for low-income tax credits from the Kansas Housing Resources Corporation. This did not occur. As of this writing, there are no other commitments from other tax entities, and no taxes have been forgone.

Provisions for Recapturing Abated Taxes: None

Commitments, Other Than Tax Abatements, Made by the City of Mission in Association with the Redevelopment Project: None

Commitments Made by the Recipient of the Tax Abatement: None

Tax Abatement Information Omitted For Legal Purposes: None

Tax Abatement Disclosed Individually: None

Mission Gateway

Project Description:

This project is the redevelopment of a 16 acre site that was formerly the Mission Mall, originally built in the 1950s as one of the first suburban shopping centers in the United States. The site is located on the City's east side and is bounded by Johnson Drive, Roeland Drive, and Shawnee Mission Parkway.

Purchased by the Developer in 2005, the mall was demolished the following year to make way for a \$380 million mixed-used project that would include a 150 room hotel, a 350 unit condominium building, 180,000 square feet office building, and 500,000 square feet of retail.

CITY OF MISSION, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

IV. OTHER INFORMATION (Continued)

G. Tax Abatements (Continued)

However, redevelopment could not begin until the site was removed from the 100 year flood plain. This entailed realigning and enclosing the creek channel, which ran through the site, and making other improvements upstream of the site. The Rock Creek Tax Increment Finance district was established in 2006 which included, not only the site of the redevelopment project, but properties along either side of the creek that made up much of the drainage basin. A development agreement between the City and the Developer was adopted in 2006 detailing the funding arrangement for the site improvements and the development of the project.

Since this time, the storm water improvements have been completed by the City, but the redevelopment plan has gone through several reiterations including the addition and then deletion of a two million gallon aquarium (and associated STAR bonds), difficulty obtaining retail interest in the midst of the Great Recession, and the denial by the City Council of a revision to the redevelopment plan that would have provided a 150,000 square foot Wal-Mart. The TIF and development agreement have been amended several times to reflect these changes.

As of 2016, the redevelopment of the site has yet to be initiated. The Developer is currently purposing a smaller development consisting of a 200 room hotel, 168 unit apartment building, and approximately 150,000 square feet of retail. The total cost for the latest plan is approximately \$140 million. A new development agreement will have to be adopted.

Name of the Recipient of the Tax Abatement (the Developer):

Cameron Group LLC, 6007 Fair Lakes Road, East Syracuse, NY 13057

Redevelopment Agreement Adopted (Authority):

Ordinance 1190 – An Ordinance Making Certain Findings with Respect to The Establishment of a Redevelopment District In The City of Mission, Kansas, and Establishing a Redevelopment District (Rock Creek Redevelopment) – Adopted January 11, 2006; Amended (Ordinance 1195) February 8, 2006; Amended (Ordinance 1255) January 23, 2008.

Ordinance 1376 – Authorizing the Creation of the Mission Gateway Community Improvement District #1 in the City of Mission, Kansas; Authorizing the Making of Certain Project Improvements Relating Thereto; Approving the Estimated Costs of Such Project Improvements; Levying a 0.5% CID Sales Tax, Providing for Special Assessments and Providing for the Method of Financing the Same, Including the Issuance of Special Obligation Bonds and Full Faith and Credit Bonds – Adopted, February 20, 2013; Amended (Ordinance 1408) September 17, 2014; Amended (Ordinance 1428) September 16, 2015; Amended (Ordinance 1440) July 20, 2016.

Ordinance 1377 – Authorizing the Creation of the Mission Gateway Community Improvement District #2 in the City of Mission, Kansas; Authorizing the Making of Certain Project Improvements Relating Thereto; Approving the Estimated Costs of Such Project Improvements; Levying a 0.5% CID Sales Tax, Providing for Special Assessments and Providing for the Method of Financing the Same, Including the Issuance of Special Obligation Bonds and Full Faith and Credit Bonds – Adopted, February 20, 2013; Amended (Ordinance 1409) September 17, 2014; Amended (Ordinance 1429) September 16, 2015; Amended (Ordinance 1441) July 20, 2016.

Ordinance 1210 – An Ordinance Approving and Adopting a Redevelopment Project Plan for Project Area 1 Within the Boundaries of the Rock Creek Redevelopment District in the City of Mission, Kansas (Gateway Redevelopment Project) – Adopted September 13, 2006; Amended (Ordinance 1255) January 23, 2008; Amended (Ordinance 1374) January 16, 2013.

CITY OF MISSION, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

IV. OTHER INFORMATION (Continued)

G. Tax Abatements (Continued)

Public Assistance Tools Utilized (Authority) and the Structure of Utilization:

Tax Increment Financing (TIF) [K.S.A 12-1770a(c)(1)] is structured to reimburse holders of General Obligation Bonds until fully reimbursed, and then the Developer on a "Pay-As-You-Go" basis with reimbursement coming from the property tax on the assessed valuation above (property tax increment) the assessed valuation at the time the agreement was adopted (base valuation), and the City's 1% general sales tax generated from all retail sales that occur within the defined project area. A TIF project area has not been activated as of this writing.

Community Improvement Districts (CID) [K.S.A 12-6a26 et seq] are structured to reimburse holders of General Obligation Bonds until fully reimbursed, and then the Developer on a "Pay-As-You-Go" basis with reimbursement coming from two separate 0.5 % CID sales tax as collected on certain retail sales generated within the respective districts. The CIDs were established in 2013, but have not been activated.

Eligibility Criteria for Receiving the Tax Abatement:

Completion of a proposed redevelopment project that conform to the standards of the East Gateway Redevelopment District Guidelines which stipulate a mixed-used development on the site with "urban" style components including buildings built to the sidewalk, on street parking, streetscape, and public spaces.

Summary of Financial Structure:

Total Project Costs: \$170,000,000		
Total Incentive Package: \$36,000,000 (21% of Total Project Costs)		
	Total Incentive	Paid To Date
TIF Eligible Costs	Not Yet Determined	\$ 0
CID Eligible Costs	Not Yet Determined	\$ 0

Financial Structure is based on the Second Amended and Restated Redevelopment Agreement, which was adopted in 2013, but has not yet been implemented; and probably will not be as the redevelopment project has changed considerably since.

No tax increment has been collected, so there has been no financial impact on the City's taxes (property or sales), nor on any other taxing jurisdiction.

Amounts Received from Other Government's In Association with Forgone Tax Revenue:

None as of this writing. If the development proceeds, and incentives are granted by the City, then other taxing entities would forego property taxes and sales taxes.

Provisions for Recapturing Abated Taxes: None

Commitments, Other Than Tax Abatements, Made by the City of Mission in Association with the Redevelopment Project:

The City committed to storm water improvements on the site that consisted of realigning and enclosing the Rock Creek channel, thus removing the site from the 100 year flood plain. The improvements totaled approximately \$12 million, of which the City was to be reimbursed from TIF and/or CID proceeds. Because the redevelopment project has not been initiated, revenues have not been generated to reimburse the City.

CITY OF MISSION, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

IV. OTHER INFORMATION (Continued)

G. Tax Abatements (Continued)

Consequently, the City established a special benefit district and assessed the property for the cost of these improvements (Ordinance 1419).

Commitments Made by the Recipient of the Tax Abatement:

Completion of the redevelopment project in accordance with the design guidelines of the East Gateway Redevelopment Plan.

*Tax Abatement Information Omitted For Legal Purposes:*None

Tax Abatement Disclosed Individually: None

Mission Square

Project Description:

This project entailed the construction and equipping of an 87,000 square foot, three story independent living facility for seniors. The facility consists of 55 individual two and one bedroom units, a dining hall, recreation and meeting rooms, and guest rooms.

Completed in 2010, the project was built on a parcel of property acquired from the City of Mission at the northeast corner of Lamar and Martway, adjacent to the City's community center.

The Developer acquired the site from the City for \$550,000. The Developer then entered into an agreement with the City whereby the City would issue \$17 million in Senior Housing Revenue Bonds to finance the acquisition, construction and equipping of the facility. Operating as a non-profit, the Developer provides an annual payment-in-lieu-of-taxes to the City in the amount of \$50,000 to cover the cost of membership for the facility's residents to use the City's community center and the lease of a parking lot across the street from the community center.

Name of the Recipient of the Tax Abatement (the Developer):

Essex Corporation (d/b/a Mission Square Inc.,) - 11606 Nicholas Street, Omaha, NE 68154

Redevelopment Agreement Adopted (Authority):

Ordinance 1307 – An Ordinance Authorizing the Issuance by the City of Mission, Kansas of Not to Exceed \$17,000,000 Aggregate Principal Amount of Senior Housing Revenue Bonds (Mission Square, Inc. Project) In One or More Series 2009, to Provide Fund to Acquire, Construct, and Equip a Project for Mission Square, Inc., and Authorizing and Approving Certain Documents and Actions in Connection with the Issuance of Said Bonds – Adopted November 18, 2009; Amended (Ordinance 1392) December 18, 2013.

Public Assistance Tools Utilized (Authority) and the Structure of Utilization:

Industrial Revenue Bonds [K.S.A 12-1740 to 12-1749d] allows cities to utilize their tax exempt status to issue bonds for the acquisition, construction, and equipping of certain facilities including senior housing. To preserve the tax-exempt status, the City holds legal title to the property and leases the property back to the Developer for a period of up to ten years. IRB's are often used to exempt sales tax associated with the construction or renovation of a facility.

CITY OF MISSION, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

IV. OTHER INFORMATION (Continued)

G. Tax Abatements (Continued)

Eligibility Criteria for Receiving the Tax Abatement:

The Developer is to maintain the facility as an independent, senior living facility.

Summary of Financial Structure:

Total Project Costs: \$17,000,000
Total Incentive Package: \$1,945,500 (12 % of Total Project Costs)

Amounts Received from Other Government's In Association with Forgone Tax Revenue:

No funds were received from taxing entities in association with this project.

The following sales taxes were forgone with the construction and equipping of the senior-living facility:

- City of Mission (1.625%) - \$31,614
- Johnson County (1.225%) - \$23,832
- State of Kansas (6.150%) - \$119,648

Provisions for Recapturing Abated Taxes: None

Commitments, Other Than Tax Abatements, Made by the City of Mission in Association with the Redevelopment Project: None

Commitments Made by the Recipient of the Tax Abatement:

Completion of the redevelopment project.

Tax Abatement Information Omitted For Legal Purposes: None

Tax Abatement Disclosed Individually: None

CITY OF MISSION, KANSAS
OTHER POST-EMPLOYMENT BENEFITS
REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2016

Schedule of Funding Progress:

Actuarial Valuation <u>Date</u>	Actuarial Value of <u>Assets (a)</u>	Actuarial Accrued Liability (b)	Unfunded AAL <u>(b) - (a)</u>	Funded Ratio <u>(a/b)</u>	Covered Payroll <u>(c)</u>	UAAL as Percent of Payroll <u>(b-a)/(c)</u>
1/1/2014	\$ -	\$ 1,056,015	\$ 1,056,015	0.00%	\$ 4,614,807	22.88%
1/1/2015	-	1,336,108	1,336,108	0.00%	3,152,109	42.39%
1/1/2016	-	1,421,876	1,421,876	0.00%	4,605,013	30.88%

CITY OF MISSION, KANSAS
 KPERS PENSION PLAN
 REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
 December 31, 2016

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

	Local <u>12/31/16</u>	Police and Firemen <u>12/31/16</u>	Local <u>12/31/15</u>	Police and Firemen <u>12/31/15</u>
City's proportion of the net pension liability	0.121%	0.357%	0.121%	0.354%
City's proportionate share of the net pension liability	\$ 1,870,018	\$ 3,319,196	\$ 1,588,416	\$ 2,569,469
City's covered employee payroll	\$ 2,048,888	\$ 1,796,206	\$ 2,047,740	\$ 1,613,584
City's proportionate share of the net pension liability as a percentage of its covered employee payroll	91.27%	184.79%	77.57%	159.24%
Plan fiduciary net position as a percentage of the total pension liability	68.55%	69.30%	71.98%	74.60%

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

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

	Local <u>12/31/16</u>	Police and Firemen <u>12/31/16</u>	Local <u>12/31/15</u>	Police and Firemen <u>12/31/15</u>
Contractually required contribution	\$ 194,456	\$ 362,921	\$ 194,783	\$ 351,871
Contributions in relation to the contractually required contribution	<u>194,456</u>	<u>362,921</u>	<u>194,783</u>	<u>351,871</u>
Contribution deficiency [excess]	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered-employee payroll	\$ 2,118,261	\$ 1,777,281	\$ 2,054,675	\$ 1,647,336
Contributions as a percentage of covered employee payroll	9.18%	20.42%	9.48%	21.36%

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

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CITY OF MISSION, KANSAS

COMBINING STATEMENTS - NONMAJOR FUNDS

NONMAJOR SPECIAL REVENUE FUNDS

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

1. **Special Alcohol Fund** - established to account for one-third of the Alcohol Tax Funds sent to the City quarterly from the State Treasurer's office, and to disperse monies that are allocated yearly for distribution to agencies that are approved by the City Council in specified amounts on a yearly basis.
2. **Special Parks and Recreation Fund** - established to account for one-third of the Alcohol Tax Funds that are sent to the City quarterly by the State Treasurer's office which are computed in compliance with K.S.A. Supp. 79-41A04 et seq., representing tax receipts and adjustments processed by the Department of Revenue.
3. **Special Law Enforcement Fund** - established to provide a depository for monies forfeited to the police department pursuant to provisions of K.S.A. 65-4135 and 65-4156 relating to controlled substance investigation forfeitures. Expenditures from this fund are made only for authorized law enforcement purposes of the police department. Monies in the fund are not to be used for normal operating expenses of the City's police department.
4. **School District Sales Tax Fund** - established to account for the City's portion of sales tax monies received as a result of a 1/8th 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. **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.
8. **Rock Creek Drainage District #1** – established to account for the Rock Creek Drainage District #1.
9. **Rock Creek Drainage District #2** – established to account for the Rock Creek Drainage District #2.
10. **Mission Crossing TIF** – established to account for the property tax and sales tax that is generated from the development of the Mission Crossing Shopping Center and Welstone senior, independent living facility. These taxes are remitted back to the developer to reimburse for certain eligible costs associated with the development in accordance with K.S.A 12-1770 (Tax Increment Finance Statutes) and K.S.A 12-6a26 (Community Improvement District Act).
11. **Cornerstone Commons** – established to account for a 1% Community Improvement District (CID) sales tax that is generated from retailers located within the Cornerstone Commons CID. This sales tax is remitted back to the developer to reimburse for certain eligible costs associated with the development in accordance with K.S.A 12-6a26 (Community Improvement District Act).
12. **Transportation Utility** – established 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.
13. **Mission Farm and Flower Market** – established to account for the Mission Farm and Flower Market

CITY OF MISSION, KANSAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
December 31, 2016

	Special <u>Alcohol</u>	Special Parks and <u>Recreation</u>	Special Law <u>Enforcement</u>	School District <u>Sales Tax</u>	Mission Convention and Visitor's <u>Bureau</u>	Donations and Gifts
ASSETS						
Cash and cash equivalents	\$ 46,201	\$ 29,905	\$ 33,434	\$ 17,594	\$ 76,345	\$ 4,852
Receivables						
Taxes	-	-	-	-	-	-
Total assets	<u>\$ 46,201</u>	<u>\$ 29,905</u>	<u>\$ 33,434</u>	<u>\$ 17,594</u>	<u>\$ 76,345</u>	<u>\$ 4,852</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	1,261
Total liabilities	-	-	-	-	-	1,261
Deferred inflows of resources						
Unavailable revenue - property taxes	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-
Fund balances						
Restricted	46,201	29,905	-	17,594	76,345	3,591
Committed	-	-	33,434	-	-	-
Total fund balances	<u>46,201</u>	<u>29,905</u>	<u>33,434</u>	<u>17,594</u>	<u>76,345</u>	<u>3,591</u>
Total liabilities and fund balances	<u>\$ 46,201</u>	<u>\$ 29,905</u>	<u>\$ 33,434</u>	<u>\$ 17,594</u>	<u>\$ 76,345</u>	<u>\$ 4,852</u>

<u>Street Sales Tax</u>	<u>Rock Creek Drainage District #1</u>	<u>Rock Creek Drainage District #2</u>	<u>Mission Crossing TIF</u>	<u>Cornerstone Commons</u>	<u>Transportation Utility</u>	<u>Mission Farm and Flower Market</u>	<u>Total</u>
\$ 239,323	\$ 3,672	\$ 10,814	\$ 20,517	\$ 4,357	\$ 14,098	\$ 2,245	\$ 503,357
<u>43,177</u>	<u>4,457</u>	<u>87,307</u>	<u>10,805</u>	<u>5,138</u>	<u>-</u>	<u>3</u>	<u>150,887</u>
<u>\$ 282,500</u>	<u>\$ 8,129</u>	<u>\$ 98,121</u>	<u>\$ 31,322</u>	<u>\$ 9,495</u>	<u>\$ 14,098</u>	<u>\$ 2,248</u>	<u>\$ 654,244</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	27	\$ 27
-	-	-	-	-	-	1,322	1,322
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,261</u>
-	-	-	-	-	-	1,349	2,610
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	4,457	87,307	-	-	-	-	91,764
<u>-</u>	<u>4,457</u>	<u>87,307</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>91,764</u>
282,500	3,672	10,814	31,322	9,495	14,098	899	526,436
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>33,434</u>
<u>282,500</u>	<u>3,672</u>	<u>10,814</u>	<u>31,322</u>	<u>9,495</u>	<u>14,098</u>	<u>899</u>	<u>559,870</u>
<u>\$ 282,500</u>	<u>\$ 8,129</u>	<u>\$ 98,121</u>	<u>\$ 31,322</u>	<u>\$ 9,495</u>	<u>\$ 14,098</u>	<u>\$ 2,248</u>	<u>\$ 654,244</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, 2016

	Special <u>Alcohol</u>	Special Parks and <u>Recreation</u>	Special Law <u>Enforcement</u>	School District <u>Sales Tax</u>	Mission Convention and Visitor's <u>Bureau</u>	Donations and Gifts
Revenues						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 43,835	\$ -
Charges for services	-	-	-	-	-	-
Intergovernmental	61,815	60,484	-	-	24,080	-
Interest	-	22	-	-	-	-
Miscellaneous	-	385	-	8	17	41,352
Total revenues	<u>61,815</u>	<u>60,891</u>	<u>-</u>	<u>8</u>	<u>67,932</u>	<u>41,352</u>
Expenditures						
Current						
Public works and improvements	43,037	55,051	9,395	2,000	53,080	41,351
Debt Service						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total expenditures	<u>43,037</u>	<u>55,051</u>	<u>9,395</u>	<u>2,000</u>	<u>53,080</u>	<u>41,351</u>
Excess [deficiency] of revenues over [under] expenditures	<u>18,778</u>	<u>5,840</u>	<u>[9,395]</u>	<u>[1,992]</u>	<u>14,852</u>	<u>1</u>
Other financing sources [uses]						
Transfer out	-	-	-	-	-	-
Total other financing sources [uses]	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	18,778	5,840	[9,395]	[1,992]	14,852	1
Fund balances, January 1	<u>27,423</u>	<u>24,065</u>	<u>42,829</u>	<u>19,586</u>	<u>61,493</u>	<u>3,590</u>
Fund balances, December 31	<u>\$ 46,201</u>	<u>\$ 29,905</u>	<u>\$ 33,434</u>	<u>\$ 17,594</u>	<u>\$ 76,345</u>	<u>\$ 3,591</u>

<u>Street Sales Tax</u>	<u>Rock Creek Drainage District #1</u>	<u>Rock Creek Drainage District #2</u>	<u>Mission Crossing TIF</u>	<u>Cornerstone Commons</u>	<u>Transportation Utility</u>	<u>Mission Farm and Flower Market</u>	<u>Total</u>
\$ 574,296	\$ 2,249	\$ 81,037	\$ 238,168	\$ 66,701	\$ -	\$ -	\$ 1,006,286
-	-	-	-	-	-	8,739	8,739
-	-	-	-	-	-	-	146,379
-	-	-	-	-	-	-	22
<u>75</u>	<u>-</u>	<u>37</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,284</u>	<u>44,158</u>
<u>574,371</u>	<u>2,249</u>	<u>81,074</u>	<u>238,168</u>	<u>66,701</u>	<u>-</u>	<u>11,023</u>	<u>1,205,584</u>
140,000	-	23,670	233,433	63,772	79	10,124	674,992
425,000	-	-	-	-	-	-	425,000
<u>45,870</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>45,870</u>
<u>610,870</u>	<u>-</u>	<u>23,670</u>	<u>233,433</u>	<u>63,772</u>	<u>79</u>	<u>10,124</u>	<u>1,145,862</u>
<u>[36,499]</u>	<u>2,249</u>	<u>57,404</u>	<u>4,735</u>	<u>2,929</u>	<u>[79]</u>	<u>899</u>	<u>59,722</u>
<u>-</u>	<u>-</u>	<u>[50,000]</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>[50,000]</u>
<u>-</u>	<u>-</u>	<u>[50,000]</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>[50,000]</u>
<u>[36,499]</u>	<u>2,249</u>	<u>7,404</u>	<u>4,735</u>	<u>2,929</u>	<u>[79]</u>	<u>899</u>	<u>9,722</u>
<u>318,999</u>	<u>1,423</u>	<u>3,410</u>	<u>26,587</u>	<u>6,566</u>	<u>14,177</u>	<u>-</u>	<u>550,148</u>
<u>\$ 282,500</u>	<u>\$ 3,672</u>	<u>\$ 10,814</u>	<u>\$ 31,322</u>	<u>\$ 9,495</u>	<u>\$ 14,098</u>	<u>\$ 899</u>	<u>\$ 559,870</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 ALCOHOL FUND
For the Year Ended December 31, 2016

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
Revenues						
Intergovernmental	\$ 61,815	\$ -	\$ 61,815	\$ 42,800	\$ 42,800	\$ 19,015
Total revenues	<u>61,815</u>	<u>-</u>	<u>61,815</u>	<u>42,800</u>	<u>42,800</u>	<u>19,015</u>
Expenditures						
Social services	<u>43,037</u>	<u>-</u>	<u>43,037</u>	<u>45,000</u>	<u>45,000</u>	<u>1,963</u>
Total expenditures	<u>43,037</u>	<u>-</u>	<u>43,037</u>	<u>45,000</u>	<u>45,000</u>	<u>1,963</u>
Excess [deficiency] of revenues over [under] expenditures	18,778	-	18,778	<u>\$ [2,200]</u>	<u>\$ [2,200]</u>	<u>\$ 20,978</u>
Fund balance, January 1	<u>27,423</u>	<u>-</u>	<u>27,423</u>			
Fund balance, December 31	<u>\$ 46,201</u>	<u>\$ -</u>	<u>\$ 46,201</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, 2016

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
Revenues						
Intergovernmental	\$ 60,484	\$ -	\$ 60,484	\$ 42,800	\$ 42,800	\$ 17,684
Interest	22	-	22	-	-	22
Miscellaneous	385	-	385	-	-	385
Total revenues	60,891	-	60,891	42,800	42,800	18,091
Expenditures						
Public works and improvements	55,051	-	55,051	55,200	55,200	149
Total expenditures	55,051	-	55,051	55,200	55,200	149
Excess [deficiency] of revenues over [under] expenditures	5,840	-	5,840	\$ [12,400]	\$ [12,400]	\$ 18,240
Fund balance, January 1	24,065	-	24,065			
Fund balance, December 31	\$ 29,905	\$ -	\$ 29,905			

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, 2016

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
Revenues:						
Taxes	\$ 861,445	\$ -	\$ 861,445	\$ 775,000	\$ 775,000	\$ 86,445
Use of money and property	305	-	305	-	-	305
Miscellaneous	<u>6,766</u>	<u>-</u>	<u>6,766</u>	<u>-</u>	<u>-</u>	<u>6,766</u>
Total revenues	<u>868,516</u>	<u>-</u>	<u>868,516</u>	<u>775,000</u>	<u>775,000</u>	<u>93,516</u>
Expenditures:						
Capital outlay	404,344	-	404,344	293,850	293,850	[110,494]
Principal	415,000	-	415,000	415,000	415,000	-
Interest and other charges	<u>111,450</u>	<u>-</u>	<u>111,450</u>	<u>111,450</u>	<u>111,450</u>	<u>-</u>
Total expenditures	<u>930,794</u>	<u>-</u>	<u>930,794</u>	<u>820,300</u>	<u>820,300</u>	<u>[110,494]</u>
Excess [deficiency] of revenues over [under] expenditures	[62,278]	-	[62,278]	\$ [45,300]	\$ [45,300]	\$ [16,978]
Fund balance, January 1	<u>738,850</u>	<u>-</u>	<u>738,850</u>			
Fund balance, December 31	<u>\$ 676,572</u>	<u>\$ -</u>	<u>\$ 676,572</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, 2016

	License Reinstatement Fees	Alcohol & Drug Safety	Cafeteria Plan	Totals
ASSETS				
Cash and cash equivalents	\$ 6,559	\$ 20,669	\$ 35,813	\$ 63,041
Total assets	<u>\$ 6,559</u>	<u>\$ 20,669</u>	<u>\$ 35,813</u>	<u>\$ 63,041</u>
LIABILITIES				
Due to others	\$ 6,559	\$ 20,669	\$ 35,813	\$ 63,041
Total liabilities	<u>\$ 6,559</u>	<u>\$ 20,669</u>	<u>\$ 35,813</u>	<u>\$ 63,041</u>

See independent auditor's report on the financial statements.

CITY OF MISSION, KANSAS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
For the Year Ended December 31, 2016

<u>License Reinstatement Fees</u>	Balance January 1, 2016	Additions	Deductions	Balance December 31, 2016
ASSETS				
Cash and cash equivalents	\$ 6,498	\$ 26,743	\$ 26,682	\$ 6,559
Total assets	<u>\$ 6,498</u>	<u>\$ 26,743</u>	<u>\$ 26,682</u>	<u>\$ 6,559</u>
LIABILITIES				
Due to others	\$ 6,498	\$ 26,743	\$ 26,682	\$ 6,559
Total liabilities	<u>\$ 6,498</u>	<u>\$ 26,743</u>	<u>\$ 26,682</u>	<u>\$ 6,559</u>
 <u>Alcohol and Drug Safety</u>	 Balance January 1, 2016	 Additions	 Deductions	 Balance December 31, 2016
ASSETS				
Cash and cash equivalents	\$ 20,669	\$ -	\$ -	\$ 20,669
Total assets	<u>\$ 20,669</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,669</u>
LIABILITIES				
Due to others	\$ 20,669	\$ -	\$ -	\$ 20,669
Total liabilities	<u>\$ 20,669</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,669</u>
 <u>Cafeteria Plan</u>	 Balance January 1, 2016	 Additions	 Deductions	 Balance December 31, 2016
ASSETS				
Cash and cash equivalents	\$ 32,548	\$ 66,628	\$ 63,363	\$ 35,813
Total assets	<u>\$ 32,548</u>	<u>\$ 66,628</u>	<u>\$ 63,363</u>	<u>\$ 35,813</u>
LIABILITIES				
Due to others	\$ 32,548	\$ 66,628	\$ 63,363	\$ 35,813
Total liabilities	<u>\$ 32,548</u>	<u>\$ 66,628</u>	<u>\$ 63,363</u>	<u>\$ 35,813</u>
 <u>Total Agency Funds</u>	 Balance January 1, 2016	 Additions	 Deductions	 Balance December 31, 2016
ASSETS				
Cash and cash equivalents	\$ 59,715	\$ 93,371	\$ 90,045	\$ 63,041
Total assets	<u>\$ 59,715</u>	<u>\$ 93,371</u>	<u>\$ 90,045</u>	<u>\$ 63,041</u>
LIABILITIES				
Due to others	\$ 59,715	\$ 93,371	\$ 90,045	\$ 63,041
Total liabilities	<u>\$ 59,715</u>	<u>\$ 93,371</u>	<u>\$ 90,045</u>	<u>\$ 63,041</u>

See independent auditor's report on the financial statements.

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STATISTICAL SECTION

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Statistical Section (Unaudited)

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

Contents

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economical Information

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

Operating Information

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

Sources: Unless otherwise noted, the information in these schedules is derived from the Annual Financial Report for the relevant year.

TABLE 1
(UNAUDITED)

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental Activities										
Net investments in capital assets	\$ 15,120,064	\$ 18,606,539	\$ 21,507,063	\$ 23,644,245	\$ 25,521,486	\$ 26,771,829	\$ 24,709,361	\$ 31,231,003	\$ 34,647,991	\$ 36,242,192
Restricted	722,400	857,622	941,397	791,098	550,988	63,337	5,682	672,282	738,850	676,572
Unrestricted	<u>2,360,686</u>	<u>3,571,184</u>	<u>3,841,032</u>	<u>1,518,953</u>	<u>1,844,275</u>	<u>3,336,675</u>	<u>7,429,857</u>	<u>4,058,231</u>	<u>541,312</u>	<u>1,744,530</u>
Total Net Position	<u>\$ 18,203,150</u>	<u>\$ 23,035,345</u>	<u>\$ 26,289,492</u>	<u>\$ 25,954,296</u>	<u>\$ 27,916,749</u>	<u>\$ 30,171,841</u>	<u>\$ 32,144,900</u>	<u>\$ 35,961,516</u>	<u>\$ 35,928,153</u>	<u>\$ 38,663,294</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)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses										
Governmental Activities:										
General government	\$ 1,892,510	\$ 3,534,363	\$ 2,311,207	\$ 1,893,579	\$ 2,964,860	\$ 2,376,085	\$ 2,200,521	\$ 2,480,810	\$ 2,617,020	\$ 2,599,590
Public safety	3,239,519	3,384,135	3,624,111	3,613,022	3,791,275	3,725,913	3,690,037	3,774,245	3,539,822	4,135,349
Public works	2,953,028	2,699,875	3,990,772	4,388,119	3,332,773	3,306,786	3,448,002	3,263,297	3,562,734	3,606,294
Culture and recreation	2,648,777	2,657,303	2,733,024	2,695,954	2,607,459	2,635,617	2,683,576	2,695,856	2,647,417	2,801,261
Interest on Long-Term Debt	1,039,158	1,390,170	1,276,197	1,007,059	974,679	1,055,632	1,256,986	1,483,825	959,983	887,504
Total Primary Government Expenses	<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>	<u>13,698,033</u>	<u>13,326,976</u>	<u>14,029,998</u>
Program Revenues										
Governmental Activities:										
Charges for services										
General government	154,005	164,213	161,865	132,871	781,913	494,255	609,511	663,866	608,814	701,862
Public safety	1,897,595	1,850,795	2,071,362	1,648,771	1,640,415	1,868,248	1,528,186	1,462,936	1,345,844	1,253,047
Public works	574,455	777,603	1,059,463	1,190,916	2,432,511	2,461,655	2,871,020	2,826,091	2,855,225	2,532,476
Culture and recreation	1,818,171	1,872,041	1,841,918	1,805,037	1,559,797	1,776,706	1,776,706	1,808,576	1,846,807	1,913,634
Operating grants and contributions										
Public safety	44,286	68,313	54,871	34,335	46,848	55,474	57,824	47,323	70,816	75,844
Public works	4,058,055	5,945,713	3,619,852	1,113,502	2,308,031	492,870	1,070,856	1,988,215	2,019,400	398,346
Total Primary Government Program Revenues	<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>	<u>8,797,007</u>	<u>8,746,906</u>	<u>6,875,209</u>
Total Primary Government Net [Expense]	<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>	<u>[4,901,026]</u>	<u>[4,580,070]</u>	<u>[7,154,789]</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes	1,742,544	1,930,893	2,040,368	1,800,788	1,469,907	1,394,756	1,417,391	1,444,658	2,460,223	2,883,434
Sales and use tax	4,542,950	4,323,982	3,972,155	3,973,428	4,057,445	4,040,247	4,942,079	5,744,564	5,711,057	5,870,341
Motor vehicle tax	123,358	160,252	166,532	158,653	159,717	125,721	130,868	134,758	156,487	157,488
Franchise tax	986,991	1,022,445	976,392	1,011,213	1,014,732	968,696	1,022,854	1,036,905	1,009,649	1,024,850
Investment earnings	612,662	214,405	37,475	4,282	2,348	4,227	3,214	1,954	2,404	4,616
Miscellaneous	281,947	253,637	1,187,205	388,741	159,835	399,104	368,921	378,658	553,144	314,640
Total primary government	<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>	<u>8,741,497</u>	<u>9,892,964</u>	<u>10,255,369</u>
Change in Net Position										
Governmental activities	<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>	<u>\$ 3,840,471</u>	<u>\$ 5,312,894</u>	<u>\$ 3,100,580</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>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
General Fund				
Unassigned	\$ -	\$ -	\$ -	\$ -
Assigned	-	-	-	-
Restricted	-	-	-	-
Reserved	3,000	3,000	34,269	34,915
Unreserved	<u>2,120,554</u>	<u>2,459,968</u>	<u>2,473,479</u>	<u>1,289,577</u>
Total General Fund	<u>\$ 2,123,554</u>	<u>\$ 2,462,968</u>	<u>\$ 2,507,748</u>	<u>\$ 1,324,492</u>
All Other Governmental Funds				
Assigned	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Committed	-	-	-	-
Unassigned	-	-	-	-
Reserved	1,153,883	8,828	-	-
Unreserved, reported in:				
Special revenue funds	1,635,880	1,642,606	1,527,992	417,604
Debt service fund	722,400	857,622	941,397	791,098
Capital project funds	<u>[1,813,596]</u>	<u>5,952,272</u>	<u>815,477</u>	<u>[453,906]</u>
Total All Other Governmental Funds	<u>\$ 1,698,567</u>	<u>\$ 8,461,328</u>	<u>\$ 3,284,866</u>	<u>\$ 754,796</u>

Source: City of Mission, Kansas Basic Financial Statements.

TABLE 3
(UNAUDITED)

<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
\$ 1,335,927	\$ 1,340,574	\$ 1,551,771	\$ 2,341,433	\$ 2,860,180	\$ 3,214,825
-	-	-	122,279	-	96,436
-	-	-	-	-	287,198
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 1,335,927</u>	<u>\$ 1,340,574</u>	<u>\$ 1,551,771</u>	<u>\$ 2,463,712</u>	<u>\$ 2,860,180</u>	<u>\$ 3,598,459</u>
\$ -	\$ -	\$ -	\$ 63,100	\$ -	\$ -
2,093,006	4,989,510	10,353,222	1,695,376	1,332,431	1,982,634
3,721	5,610	15,566	60,615	42,829	33,434
-	[48,129]	[46,223]	[45,010]	[41,720]	[30,882]
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 2,096,727</u>	<u>\$ 4,946,991</u>	<u>\$ 10,322,565</u>	<u>\$ 1,774,081</u>	<u>\$ 1,333,540</u>	<u>\$ 1,985,186</u>

TABLE 4
(UNAUDITED)

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>
Revenues			
Taxes	\$ 7,395,843	\$ 7,336,009	\$ 7,064,955
Special assessments	95,035	101,563	90,492
Intergovernmental	4,007,306	6,014,026	3,674,723
Licenses and permits	199,545	322,449	161,865
Charges for services	2,341,354	2,480,423	2,801,599
Fines and fees	1,903,327	1,861,780	2,171,144
Use of money and property	612,662	175,208	37,475
Miscellaneous	281,947	275,087	1,212,405
Total revenues	<u>16,837,019</u>	<u>18,566,545</u>	<u>17,214,658</u>
Expenditures			
General government	1,975,256	2,199,511	1,912,691
Public safety	3,079,884	3,326,584	3,473,046
Public works	2,574,231	2,247,005	3,489,138
Culture and recreation	2,381,770	2,387,785	2,475,261
Capital outlay	22,198,096	9,219,468	3,899,569
Debt service			
Principal	5,985,000	8,345,000	28,400,000
Interest and other charges	1,187,708	1,334,697	1,606,635
Total expenditures	<u>39,381,945</u>	<u>29,060,050</u>	<u>45,256,340</u>
Excess of revenues over [under] expenditures	<u>[22,544,926]</u>	<u>[10,493,505]</u>	<u>[28,041,682]</u>
Other financing sources [uses]			
Transfers in	2,080,802	1,512,547	1,634,590
Transfers out	[2,080,802]	[1,512,547]	[1,634,590]
Bond premium	1,113	-	-
Bond discount	-	[54,320]	-
Issuance of debt - leases	-	-	-
Issuance of debt - bonds	11,010,000	17,650,000	22,910,000
Total other financing sources [uses]	<u>11,011,113</u>	<u>17,595,680</u>	<u>22,910,000</u>
Net change in fund balances	<u>\$ [11,533,813]</u>	<u>\$ 7,102,175</u>	<u>\$ [5,131,682]</u>
Debt service as a percentage of noncapital expenditures	41.87%	45.90%	72.76%

Source: City of Mission, Kansas Basic Financial Statements.

TABLE 4
(UNAUDITED)

<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
\$ 6,927,357	\$ 6,690,601	\$ 6,571,139	\$ 7,514,184	\$ 8,329,707	\$ 8,440,524	\$ 9,772,782
16,725	11,200	10,426	-	-	-	-
1,147,837	2,354,879	548,344	1,128,680	2,035,538	2,090,216	474,190
132,871	158,156	134,743	198,191	135,133	141,750	152,245
2,793,683	4,616,065	4,597,873	5,059,046	5,163,400	5,169,096	4,995,727
1,851,040	1,640,415	1,868,248	1,528,186	1,462,936	1,345,844	1,253,047
4,282	2,348	4,227	3,214	1,954	2,404	4,616
415,230	187,679	428,373	399,687	410,738	587,139	350,375
<u>13,289,025</u>	<u>15,661,343</u>	<u>14,163,373</u>	<u>15,831,188</u>	<u>17,539,406</u>	<u>17,776,973</u>	<u>17,002,982</u>
1,907,311	1,925,928	1,721,635	1,817,454	1,876,551	2,047,368	1,921,928
3,438,881	3,710,722	3,652,781	3,540,422	3,667,321	3,480,670	3,868,458
3,335,084	2,113,493	2,048,877	2,005,594	1,926,534	2,195,809	1,841,605
2,477,811	2,434,362	2,407,179	2,418,064	2,421,207	2,268,368	2,440,954
2,673,142	5,545,434	2,244,246	6,761,526	8,912,494	3,225,688	1,735,962
12,365,000	2,976,408	2,450,000	2,420,000	19,399,203	3,979,313	3,245,596
1,329,292	1,047,541	1,143,744	1,253,371	1,370,028	1,013,218	926,474
<u>27,526,521</u>	<u>19,753,888</u>	<u>15,668,462</u>	<u>20,216,431</u>	<u>39,573,338</u>	<u>18,210,434</u>	<u>15,980,977</u>
<u>[14,237,496]</u>	<u>[4,092,545]</u>	<u>[1,505,089]</u>	<u>[4,385,243]</u>	<u>[22,033,932]</u>	<u>[433,461]</u>	<u>1,022,005</u>
2,609,467	1,250,000	682,000	325,557	351,450	1,339,356	1,181,764
[2,609,467]	[1,250,000]	[682,000]	[325,557]	[351,450]	[1,339,356]	[1,181,764]
105,663	-	-	302,014	418,111	-	-
-	-	-	-	-	-	-
273,507	520,911	-	-	190,000	389,388	367,920
10,145,000	4,925,000	4,360,000	9,670,000	13,830,000	-	-
<u>10,524,170</u>	<u>5,445,911</u>	<u>4,360,000</u>	<u>9,972,014</u>	<u>14,438,111</u>	<u>389,388</u>	<u>367,920</u>
<u>\$ [3,713,326]</u>	<u>\$ 1,353,366</u>	<u>\$ 2,854,911</u>	<u>\$ 5,586,771</u>	<u>\$ [7,595,821]</u>	<u>\$ [44,073]</u>	<u>\$ 1,389,925</u>
54.93%	26.49%	25.62%	26.84%	66.36%	31.86%	27.88%

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>Transient</u> <u>Guest Tax</u>	<u>Development</u> <u>District</u> <u>Tax</u>	<u>Franchise</u> <u>Tax</u>	<u>Total</u>
2007	\$ 1,865,902	\$ 2,647,561	\$ 614,798	\$ 1,035,776	\$ 244,815	\$ -	\$ -	\$ 986,991	\$ 7,395,843
2008	1,961,713	2,625,275	461,553	1,097,660	139,494	27,869	-	1,022,445	7,336,009
2009	2,078,687	2,484,314	439,764	918,713	129,364	37,721	-	976,392	7,064,955
2010	1,923,216	2,475,013	471,969	897,296	129,150	19,500	-	1,011,213	6,927,357
2011	1,597,782	2,564,793	379,031	938,788	174,833	20,642	-	1,014,732	6,690,601
2012	1,550,697	2,482,815	372,011	1,002,287	174,692	11,498	-	977,139	6,571,139
2013	1,528,984	3,143,802	502,158	1,015,709	174,756	20,268	-	1,128,507	7,514,184
2014	1,524,678	3,700,732	1,003,224	876,568	163,707	23,893	-	1,036,905	8,329,707
2015	1,683,032	3,739,017	914,404	886,416	171,221	36,785	-	1,009,649	8,440,524
2016	2,833,757	3,731,155	821,687	982,627	199,878	43,835	134,993	1,024,850	9,772,782

Source: City of Mission, Kansas Basic Financial Statements.

TABLE 6
(UNAUDITED)

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

Category	Local Sales Tax Collected							
	2009	2010	2011	2012	2013	2014	2015	2016
Auto sales, repairs and parts	\$ 264,802	\$ 297,058	\$ 336,701	\$ 232,132	\$ 213,482	\$ 228,554	\$ 300,907	\$ 156,058
Clothing, department and shoe stores	432,385	415,520	438,675	453,851	583,131	682,553	655,278	724,877
Building construction, repairs, and maint.	84,602	67,472	53,265	58,198	60,187	92,319	143,443	116,372
Grocery and drug stores	386,318	437,049	449,708	431,180	535,619	620,021	593,849	668,627
Medical	15,962	18,900	19,979	22,897	33,419	27,661	18,874	13,463
Hotels, restaurants and entertainment	424,966	389,738	431,435	412,674	469,695	648,415	638,244	778,202
Specialty	173,076	173,346	181,528	161,861	265,677	285,063	380,581	370,093
Utilities/communications	373,797	379,538	358,793	332,923	436,971	505,198	416,654	438,836
All other outlets	328,406	296,392	294,709	377,099	545,621	576,026	607,284	464,627
Total	<u>\$ 2,484,314</u>	<u>\$ 2,475,013</u>	<u>\$ 2,564,793</u>	<u>\$ 2,482,815</u>	<u>\$ 3,143,802</u>	<u>\$ 3,665,810</u>	<u>\$ 3,755,114</u>	<u>\$ 3,731,155</u>
<u>City Sales Tax Rates:</u>								
General Sales Tax	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Street Sales Tax (For 10 Years)	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%
Parks Sales Tax (For 10 Years)	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.38%</u>	<u>0.38%</u>	<u>0.38%</u>	<u>0.38%</u>
	1.25%	1.25%	1.25%	1.25%	1.63%	1.63%	1.63%	1.63%

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

Source: Kansas Department of Revenue.

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TABLE 7
(UNAUDITED)

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

Year Ended December 31,		Real Property		Personal Property		Total	Estimated	Ratio of Assessed Value to Estimated Actual Value	Total Direct Tax Rate
Assessment Year	Budget Year	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Actual Value		
2006	2007	\$ 128,267,489	\$ 923,590,639	\$ 9,862,567	\$ 32,875,223	\$ 138,130,056	\$ 956,465,862	0.14	13.176
2007	2008	130,722,893	936,033,240	6,713,836	22,379,453	137,436,729	958,412,693	0.14	13.198
2008	2009	124,812,666	900,169,960	3,389,601	11,298,670	128,202,267	911,468,630	0.14	13.215
2009	2010	117,416,873	858,323,410	3,104,763	10,349,210	120,521,636	868,672,620	0.14	13.217
2010	2011	115,357,123	862,419,740	2,594,652	8,648,840	117,951,775	871,068,580	0.14	11.213
2011	2012	112,043,638	854,717,930	2,107,544	7,025,147	114,151,182	861,743,077	0.13	11.371
2012	2013	112,122,375	848,855,960	1,725,925	5,753,083	113,848,300	854,609,043	0.13	11.410
2013	2014	115,710,355	879,419,020	1,490,100	4,967,000	117,200,455	884,386,020	0.13	11.413
2014	2015	120,318,510	910,954,710	1,270,673	4,235,577	121,589,183	915,190,287	0.13	11.354
2015	2016	130,726,507	966,136,620	1,250,762	4,169,207	131,977,269	970,305,827	0.14	18.225

(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			
2007	13.176	1.002	1.027	15.205	17.9490	51.9800	8.872
2008	13.198	1.004	1.029	15.231	17.9850	52.0080	8.749
2009	13.215	1.005	1.030	15.250	17.7670	52.0940	8.768
2010	11.182	1.005	1.030	13.217	17.7160	55.3180	8.784
2011	10.183	0.000	1.030	11.213	17.7480	57.1920	8.799
2012	10.326	0.000	1.045	11.371	17.7000	56.1350	8.776
2013	10.361	0.000	1.049	11.410	17.7000	56.1350	8.776
2014	10.363	0.000	1.050	11.413	17.7450	55.6110	9.551
2015	11.354	0.000	0.000	11.354	17.7640	55.9110	9.461
2016	18.225	0.000	0.000	18.225	19.5820	54.0590	9.469

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

TABLE 8
(UNAUDITED)

Consolidated Fire District #2	Johnson County Library	Johnson County Parks and Recreation	Total
9.335	2.960	2.290	108.591
9.356	2.962	2.295	108.586
8.992	3.057	2.341	108.269
8.991	3.151	2.346	109.523
10.074	3.158	2.350	110.534
10.098	3.145	2.343	109.568
10.098	3.145	2.343	109.607
11.004	3.155	2.347	110.826
11.003	3.157	2.349	110.999
11.757	3.912	3.101	120.105

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TABLE 9
(UNAUDITED)

CITY OF MISSION, KANSAS
PRINCIPAL TAXPAYERS
December 31, 2016 and Nine Years Ago

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2016 Assessed Valuation</u>	<u>Rank</u>	<u>% of Total Assessed Valuation</u>	<u>2007 Assessed Valuation</u>	<u>Rank</u>	<u>% of Total Assessed Valuation</u>
Scriptpro	Medical equipment manufacturer	\$ 4,779,606	1	3.62%	\$ 4,832,392	1	3.50%
Target Corporation	Shopping center	4,203,706	2	3.19%	2,648,131	3	1.92%
MOHR Mission, L.L.C.	Real estate	2,658,924	3	2.01%	-		0.00%
CAPROCQ KC Mission, L.L.C.	Real estate	2,479,651	4	1.88%	-		0.00%
Tower Properties Company	Property developer	2,477,561	5	1.88%	1,875,168	8	1.36%
Silverwood Apartments, L.L.C.	Real estate	2,173,270	6	1.65%	1,987,718	7	1.44%
Bridges at Foxridge NF L.L.C.	Property developer	2,094,610	7	1.59%	2,267,019	5	1.64%
Mission Mart Shopping Center	Shopping center	2,080,577	8	1.58%	1,794,385	9	1.30%
Whispering Falls, L.L.C.	Real estate	2,013,305	9	1.53%	-		0.00%
Hy-Vee, Inc.	Grocer	1,867,250	10	1.41%	-		0.00%
SBC Internet Services, Inc.	Telecommunications provider	-		0.00%	3,797,432	2	2.75%
Broadmoor Place Associates	Office building development	-		0.00%	2,383,000	4	1.73%
Sixty Three West Investors	Property developer	-		0.00%	2,253,776	6	1.63%
Block Properties Company	Property developer	-		0.00%	1,766,076		1.28%
Total		<u>\$ 26,828,460</u>		<u>20.34%</u>	<u>\$ 25,605,097</u>		<u>18.55%</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>
2007	\$ 1,733,032	\$ 1,697,828	98.0%	\$ 30,411	\$ 1,728,239	99.7%
2008	1,821,495	1,685,188	92.5%	104,970	1,790,158	98.3%
2009	1,814,496	1,776,342	97.9%	36,912	1,813,254	99.9%
2010	1,694,787	1,657,376	97.8%	12,236	1,669,612	98.5%
2011	1,351,409	1,320,407	97.7%	29,563	1,349,970	99.9%
2012	1,341,230	1,321,097	98.5%	9,484	1,330,581	99.2%
2013	1,302,465	1,286,467	98.8%	13,977	1,300,444	99.8%
2014	1,299,351	1,279,755	98.5%	14,966	1,294,721	99.6%
2015	1,330,712	1,297,246	97.5%	3,139	1,300,385	97.7%
2016	2,215,969	2,160,946	97.5%	21,222	2,182,168	98.5%

TABLE 11
(UNAUDITED)

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

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Temporary Notes</u>	<u>Capital Improvement Bonds</u>	<u>Special Assessment Bonds</u>	<u>Loans Bonds</u>	<u>Capital Leases Payable</u>	<u>Total</u>	<u>City Population</u>	<u>Personal Income</u>	<u>Debt Per Capita</u>	<u>Debt As A Percentage of Personal Income</u>
2007	\$ 9,050,680	\$ 19,771,525	\$ 700,000	\$ 60,000	\$ -	\$ 66,200	\$ 29,648,405	10,020	\$ 279,257,400	2,959	10.62%
2008	7,951,220	30,265,805	535,000	45,000	-	136,823	38,933,848	10,020	279,257,400	3,886	13.94%
2009	29,666,760	3,231,666	365,000	30,000	-	122,359	33,415,785	10,020	279,257,400	3,335	11.97%
2010	30,800,663	-	185,000	20,000	273,507	67,336	31,346,506	9,323	328,701,011	3,362	9.54%
2011	32,748,611	485,000	-	10,000	99,864	407,344	33,750,819	9,323	328,701,011	3,620	10.27%
2012	34,625,964	485,000	-	-	95,887	265,454	35,472,305	9,323	328,701,011	3,805	10.79%
2013	42,210,431	485,000	-	-	91,792	164,814	42,952,037	9,323	328,701,011	4,607	13.07%
2014	37,518,281	-	-	-	87,589	226,067	37,831,937	9,323	328,701,011	4,058	11.51%
2015	33,430,089	-	-	-	83,276	480,378	33,993,743	9,323	328,701,011	3,646	10.34%
2016	30,178,416	-	-	-	78,851	693,132	30,950,399	9,323	328,701,011	3,320	9.42%

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>
2007	10,020	\$ 138,130,056	\$ 9,110,680	\$ 722,400	\$ 8,388,280	6.07%	\$ 837.15
2008	10,020	137,436,729	7,996,220	857,622	7,138,598	5.19%	712.43
2009	10,020	128,202,267	29,696,760	941,397	28,755,363	22.43%	2,869.80
2010	9,323	120,521,636	30,820,663	791,098	30,029,565	24.92%	3,221.02
2011	9,323	117,951,775	32,758,611	550,988	32,207,623	27.31%	3,454.64
2012	9,323	114,151,182	34,625,964	63,337	34,562,627	30.28%	3,707.24
2013	9,323	113,848,300	42,210,431	3,529,721	38,680,710	33.98%	4,148.96
2014	9,323	117,200,455	37,518,281	672,282	36,845,999	31.44%	3,952.16
2015	9,323	121,589,183	33,430,089	738,850	32,691,239	26.89%	3,506.51
2016	9,323	131,977,269	30,178,416	676,572	29,501,844	22.35%	3,164.42

(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, 2016

<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	\$ 30,950,399	100.00%	\$ 30,950,399
Overlapping debt: (1)			
Johnson County	368,395,000	1.43%	5,268,049
Shawnee Mission School (U.S.D. 512)	252,590,000	3.86%	9,749,974
Fire District #2	365,000	15.82%	57,743
Johnson County Parks and Recreation	1,595,000	1.43%	22,809
Total overlapping debt	622,945,000		15,098,575
Total direct and overlapping debt	\$ 653,895,399		\$ 46,048,974

(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>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Total Assessed Valuation of Taxable Property	\$ 150,542,400	\$ 149,689,527	\$ 140,390,464	\$ 132,076,558
Debt Limit Percent of Assessed Value	30.00%	30.00%	30.00%	30.00%
Debt Limit	45,162,720	44,906,858	42,117,139	39,622,967
Total net debt applicable to limit	<u>9,110,680</u>	<u>7,996,220</u>	<u>2,915,000</u>	<u>2,740,000</u>
Legal Debt Margin	<u>\$ 36,052,040</u>	<u>\$ 36,910,638</u>	<u>\$ 39,202,139</u>	<u>\$ 36,882,967</u>
Total Net Debt Applicable To The Limit As A Percentage of Debt Limit	20.17%	17.81%	6.92%	6.92%

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

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

Source: Assessed valuation from Johnson County Clerk.

TABLE 14
(UNAUDITED)

<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
\$ 129,270,218	\$ 125,513,832	\$ 125,197,213	\$ 128,836,941	\$ 133,572,726	\$ 144,400,516
30.00%	30.00%	30.00%	30.00%	30.00%	30.00%
38,781,065	37,654,150	37,559,164	38,651,082	40,071,818	43,320,155
<u>6,535,000</u>	<u>9,865,000</u>	<u>15,935,000</u>	<u>11,720,000</u>	<u>9,591,160</u>	<u>8,372,455</u>
<u>\$ 32,246,065</u>	<u>\$ 27,789,150</u>	<u>\$ 21,624,164</u>	<u>\$ 26,931,082</u>	<u>\$ 30,480,658</u>	<u>\$ 34,947,700</u>
16.85%	26.20%	42.43%	30.32%	23.93%	19.33%

TABLE 15
(UNAUDITED)

CITY OF MISSION, KANSAS
DEMOGRAPHIC STATISTICS
LAST TEN YEARS
December 31, 2016

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Unemployment Rate (1)</u>	<u>Per Capita Personal Income (2)</u>	<u>Personal Income</u>
2007	10,020	3.9%	\$ 27,870	\$ 279,257,400
2008	10,020	4.4%	27,870	279,257,400
2009	10,020	6.3%	27,870	279,257,400
2010	9,323	6.8%	35,257	328,701,011
2011	9,323	6.0%	35,257	328,701,011
2012	9,323	5.4%	35,257	328,701,011
2013	9,323	3.8%	35,257	328,701,011
2014	9,323	3.3%	35,257	328,701,011
2015	9,323	3.3%	35,257	328,701,011
2016	9,323	2.9%	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, 2016 and Nine Years Ago

<u>Employer</u>	<u>December 31, 2016</u>			<u>December 31, 2007</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>
AT&T Telecommunications	950	1	10.19%	400	2	3.99%
ScriptPro	700	2	7.51%	500	1	4.99%
VinSolutions	500	3	5.36%			0.00%
Entercom	477	4	5.12%	200	6	2.00%
HyVee Food Stores	360	5	3.86%	250	5	2.50%
Packaging Products Corp	250	6	2.68%	Not Available		0.00%
Skillpath, Inc.	160	7	1.72%	250	3	2.50%
U.S. Post Office	128	8	1.37%	250	4	2.50%
Fred Pryor Seminars	100	9	1.07%	Not Available		0.00%
Legacy Technologies	100	10	1.07%	Not Available		0.00%
CGI Communigroup	-		0.00%	100	7	1.00%
cGMP Validation, LLC	-		0.00%	100	8	1.00%
Medical Staffing Network	-		0.00%	100	9	1.00%
Susquehanna, Inc.	-		0.00%	100	10	1.00%
Total	<u>3,725</u>		<u>39.95%</u>	<u>2,250</u>		<u>22.48%</u>

Source: Northeast Johnson County Economic Development Council.

TABLE 17
(UNAUDITED)

CITY OF MISSION, KANSAS
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN YEARS
December 31, 2016

<u>Function/Program</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Public Safety/Municipal Justice										
911 Calls Received	10,756	9,128	8,432	10,583	9,150	10,004	9,640	9,619	10,295	9,492
DUI Arrests	363	335	441	317	328	254	252	241	222	188
Traffic/Parking Complaints	17,964	17,350	20,745	16,947	14,471	15,360	10,724	10,185	9,569	9,995
Accidents	351	287	252	234	294	272	257	254	267	353
Investigations Cases	744	702	668	732	543	450	474	368	458	407
Total Court Cases Processed	19,027	17,574	18,849	17,158	14,760	16,624	10,808	10,237	9,537	8,356
Public Works										
Curb Miles Swept (lane miles)	222	797	1,263	925	1,416	880	1,327	1,490	890	785
Streets Milled and Overlaid (Linear Feet)	2,850	9,386	2,540	4,953	13,330	8,417	6,682	4,329	1,386	3,544
Sidewalk Replaced (Square Yards)	550	1,330	341	1,619	6,015	455	5,134	6,776	2,265	138
Curb and Gutter Replaced (Linear Feet)	6,499	4,920	222	3,642	11,266	4,965	8,027	11,631	1,712	2,363
Acres of Lawn Mowed	1,056	1,056	1,240	1,240	1,240	1,240	1,461	1,575	1,599	1,599
Urban Management and Planning										
Building Permits Processed	60	130	161	251	281	409	331	357	442	468
Plan Reviews Performed	18	20	20	26	17	14	10	14	26	20
Leisure and Recreation										
Annual Memberships Sold	2,294	2,314	2,520	2,871	2,115	2,031	2,413	2,835	2,140	1,969
Annual Membership Revenue	1,028,942	1,022,691	952,658	941,704	932,068	872,878	854,846	834,076	825,630	802,554
Facility Reservations Processed	1,111	735	1,012	846	906	1,027	817	1,560	1,374	1,723
Facility Reservation Revenue	172,469	189,378	247,984	214,995	209,024	221,259	187,577	194,746	222,183	280,731
Pool Memberships Sold	230	232	315	349	323	262	349	998	291	345
Pool Revenue	54,425	57,265	63,998	67,880	55,932	57,339	50,684	104,750	104,544	123,679

Source: City of Mission, Kansas.

TABLE 18
(UNAUDITED)

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

<u>Function/Program</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
General Government										
Administration/Finance	7.0	7.0	6.0	5.0	5.0	5.0	7.0	7.0	7.0	6.0
Community Development	4.0	5.0	5.0	5.0	5.0	5.0	3.0	3.0	3.0	2.0
Municipal Court	3.0	3.0	3.0	4.0	4.0	4.0	4.0	4.0	4.0	3.0
Public Works	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	12.0	14.0
Police	31.0	31.0	31.0	31.0	31.0	31.0	31.0	31.0	30.0	30.0
Parks & Recreation	<u>12.0</u>	<u>13.0</u>	<u>13.0</u>	<u>13.0</u>	<u>12.0</u>	<u>12.0</u>	<u>12.0</u>	<u>13.0</u>	<u>13.0</u>	<u>14.0</u>
Total	68.0	70.0	69.0	69.0	68.0	68.0	68.0	69.0	69.0	69.0

Source: City of Mission, Kansas.

TABLE 19
(UNAUDITED)

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

<u>Function/Program</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Police										
Stations	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Public Works										
Miles of streets	44.7	44.7	44.7	44.7	44.7	44.7	44.7	44.7	44.7	44.7
Streetlights	845.0	845.0	845.0	805.0	805.0	805.0	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.