

CITY OF BONNER SPRINGS, KANSAS

FINANCIAL STATEMENTS

Year ending December 31, 2013

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CITY OF BONNER SPRINGS, KANSAS

Financial Statements
Year ending December 31, 2013

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INDEPENDENT AUDITOR'S REPORT

Mayor and City Council
City of Bonner Springs, Kansas

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the *Kansas Municipal Audit and Accounting Guide*. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is 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, the business-type activities, each major fund, the aggregate discretely presented component unit, and the aggregate remaining fund information of the City of Bonner Springs, Kansas, as of December 31, 2013, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 8 and the schedule of funding progress on page 44 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 combining and individual nonmajor fund financial statements and schedules, 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 schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 13, 2014, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Mize Houser & Company PA

Certified Public Accountants
Lawrence, Kansas

August 13, 2014

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

Our discussion and analysis of the City of Bonner Springs, Kansas financial performance provides an overview of the City's financial activities for the fiscal year ended December 31, 2013.

Financial Highlights

- The Government-wide net position totaled \$33.5 million at the end of the current fiscal year.
- The Government-wide unrestricted current assets exceed the current liabilities by \$7.8 million, representing the City's ability to meet its current obligations when due.
- Total capital assets, net of accumulated depreciation at December 31, 2013 totaled \$44.8 million.
- During the year ended December 31, 2013, the City's total revenues exceeded total expenses (which include charges for services, local taxes, and state and federal aid) by \$3.1 million.
- The City's total indebtedness decreased by \$3 million.
- The City's net capital assets increased \$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 both governmental and business-type 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 those net position. The change in net position is important because it tells the reader whether the City, as a whole, has improved or diminished its financial position. Over time, increases or decreases in the City's net position are one indicator of whether its financial health is improving or deteriorating. Causes of these changes may be the result of many factors, some financial, some not. Non-financial factors include the City's property tax base, state mandates, and the financial condition of the State of Kansas general fund.

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

In the Statement of Net Position and the Statement of Activities, the City is divided into two distinct kinds of activities:

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

Business-Type Activities - These services are provided on a charge for goods and services basis to recover all of the expenses of the goods or services provided. The City's solid waste disposal, wastewater collection/treatment, and water treatment/distribution are reported as business-type activities. In addition, the City's clearing fund which pays for fuel, office supplies, copier expenses, and postage used by all departments and receives income from each department based on usage of these items, is an internal service fund.

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 balances left over at fiscal year end 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 where 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.

Proprietary Funds - Proprietary funds (Solid Waste, Wastewater Collection/Treatment, and Water Treatment/Distribution) are enterprise funds that use the same basis of accounting as business-type activities, therefore, these statements replicate the information provided in the government-wide financial statements.

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

The City as a Whole

Government-Wide Assets

The Statement of Net Position provides the financial position of the City as a whole. The following is a summary of the City's Statement of Net Position as of December 31, 2013:

City of Bonner Springs
Condensed Statement of Net Position
December 31, 2013 and 2012

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Current assets	\$ 8,513,642	\$ 8,903,965	\$ 3,914,097	\$ 4,794,593	\$ 12,427,739	\$ 13,698,558
Net capital assets	<u>24,689,929</u>	<u>25,625,415</u>	<u>20,095,492</u>	<u>17,653,273</u>	<u>44,785,421</u>	<u>43,278,688</u>
 Total assets	 <u>\$ 33,203,571</u>	 <u>\$ 34,529,380</u>	 <u>\$ 24,009,589</u>	 <u>\$ 22,447,866</u>	 <u>\$ 57,213,160</u>	 <u>\$ 56,977,246</u>
 Current liabilities	 \$ 2,067,011	 \$ 2,308,693	 \$ 2,574,851	 \$ 822,441	 \$ 4,641,862	 \$ 3,131,134
Noncurrent liabilities	8,864,934	11,237,469	8,003,784	10,323,356	16,868,718	21,560,825
Deferred inflows	<u>2,203,824</u>	<u>2,025,736</u>	<u>-</u>	<u>-</u>	<u>2,203,824</u>	<u>2,025,736</u>
 Total liabilities	 <u>\$ 13,135,769</u>	 <u>\$ 15,571,898</u>	 <u>\$ 10,578,635</u>	 <u>\$ 11,145,797</u>	 <u>\$ 23,714,404</u>	 <u>\$ 26,717,695</u>
 Net position:						
Invested in capital assets net of debt	\$ 15,240,624	\$ 13,775,674	\$ 9,850,529	\$ 8,601,360	\$ 25,091,153	\$ 22,377,034
Restricted for:						
Debt Service	365,516	326,167	-	-	365,516	326,167
Unrestricted	<u>4,461,662</u>	<u>4,855,641</u>	<u>3,580,425</u>	<u>2,700,709</u>	<u>8,042,087</u>	<u>7,556,350</u>
 Total net position	 <u>\$ 20,067,802</u>	 <u>\$ 18,957,482</u>	 <u>\$ 13,430,954</u>	 <u>\$ 11,302,069</u>	 <u>\$ 33,498,756</u>	 <u>\$ 30,259,551</u>

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, improvements other than buildings, machinery and equipment, 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, customer deposits, and current portion of long-term obligations. Current assets exceed current liabilities and deferred inflows by \$5.6 million, representing the City's ability to meet current obligations when due.

The City has \$19.7 million in long-term debt, consisting of general obligation bonds, temporary notes, loans, and capital leases payable, of which \$3.9 million is due within the next fiscal year.

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

The City had total assets at December 31, 2013, totaling \$57.2 million. The total assets of the City exceeded the total liabilities by \$33.5 million. Net position invested in capital assets, net of related debt, totaled \$25.1 million, restricted net position totaled \$.4 million and unrestricted net position totaled \$8 million.

Government-Wide Activities

The following is a condensed statement of the City's change in net position for the year ended December 31, 2013. Major items of program revenues, grants and general revenues are detailed below. Government-wide activities increased the net position of the City by \$1.1 million for the year ended December 31, 2013. A reconciliation of the total change in fund balances for the governmental funds to the Statement of Activities is located on page 14 of the basic financial statements. Major differences in the Statement of Activities and changes in the fund balances of governmental funds as expenditures in the funds statements include the repayment of bonds, temporary notes, and leases in the current fiscal year of \$2.3 million which are treated as an expenditure in the fund statements and a reduction of long term debt payable in the Government wide financial statements. In addition, the capital outlays of \$.5 million are treated as expenditures in the fund statements, but are treated as capital assets in the Government wide financial statements.

City of Bonner Springs
Condensed Statement of Changes in Net Position
For the Years Ending December 31, 2013 and 2012

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Revenues:						
Program revenues:						
Charges for services	\$ 1,340,013	\$ 1,360,860	\$ 3,666,622	\$ 3,732,039	\$ 5,006,635	\$ 5,092,899
Operating grants	2,570,894	592,123	-	-	2,570,894	592,123
Capital contributions	189,824	124,644	1,950,568	-	2,140,392	124,644
General revenues:						
Taxes	7,629,746	7,344,958	-	-	7,629,746	7,344,958
Transfers [net]	126,504	134,672	[126,504]	[134,672]	-	-
Other	<u>1,052,078</u>	<u>768,544</u>	<u>166,835</u>	<u>30,773</u>	<u>1,218,913</u>	<u>799,317</u>
Total revenues	<u>12,909,059</u>	<u>10,325,801</u>	<u>5,657,521</u>	<u>3,628,140</u>	<u>18,566,580</u>	<u>13,953,941</u>
Expenses:						
Program expenses:						
General government	2,195,147	1,527,431	-	-	2,195,147	1,527,431
Public safety	4,044,233	3,646,068	-	-	4,044,233	3,646,068
Public works	4,097,801	2,910,596	-	-	4,097,801	2,910,596
Culture and recreation	1,111,032	1,557,244	-	-	1,111,032	1,557,244
Solid waste	-	-	324,935	322,591	324,935	322,591
Wastewater collection/treatment	-	-	1,511,893	1,361,644	1,511,893	1,361,644
Water treatment/distribution	-	-	1,817,104	1,775,108	1,817,104	1,775,108
Interest on long-term debt	<u>350,526</u>	<u>411,202</u>	<u>-</u>	<u>-</u>	<u>350,526</u>	<u>411,202</u>
Total expenses	<u>11,798,739</u>	<u>10,052,541</u>	<u>3,653,932</u>	<u>3,459,343</u>	<u>15,452,671</u>	<u>13,511,884</u>
Increase [decrease] in net position	<u>\$ 1,110,320</u>	<u>\$ 273,260</u>	<u>\$ 2,003,589</u>	<u>\$ 168,797</u>	<u>\$ 3,113,909</u>	<u>\$ 442,057</u>

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

Governmental Activities increase the net position by \$1.1 million. Business-type activities increased the net position by \$2 million.

Financial Analysis of the City's Funds

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

The governmental funds of the City provide information on near-term inflows, outflows and balances of spendable resources. Unreserved fund balances, in particular, measure the City's net resources available for spending at the end of the City's fiscal year.

Total fund balances at December 31, 2013 for the governmental funds totaled \$6.0 million. Total unassigned fund balances at December 31, 2013 totaled \$2.6 million, all of which was attributable to the General Fund.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund was \$2.6 million, which represents all but \$34,660 of the total fund balance. The increase in the General Fund's fund balance was \$78,499.

The Debt Service Fund is used to accumulate tax revenues and other revenues for the payment of principal and interest on general long-term debt.

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Solid Waste Fund at the end of the year amounted to \$122,866, the unrestricted net position of the Wastewater Collection/Treatment Fund at the end of the year amounted to \$1.2 million, and the unrestricted Water Treatment/Distribution Fund at the end of the year amounted to \$2.3 million. The total change in all three funds was \$436, \$1.6 million, and \$4 million, respectively.

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 and original General Fund budget was \$7,264,267. The revenues were more than budgetary estimates by \$568,988 and the expenditures were less than budgetary estimates by \$704,880.

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

Fixed Assets and Debt Administration

The City's investment in fixed assets for its governmental and business-type activities totaled \$44.8 million (net of accumulated depreciation) as of December 31, 2013.

Major fixed asset events during the current fiscal year included the following:

Four new vehicles for the public safety departments were purchased for \$139,733.

Other assets which were partially completed and in progress at the end of 2013 included the 134th Street Waterline Relocation project and the 134th Street Sewerline Relocation project in the amount of \$913,736 and \$2 million respectively.

At December 31, 2013, the City had total debt outstanding of \$19.7 million, backed by the full faith and credit of the City. Total long-term debt decreased for the fiscal year ended December 31, 2013, in the amount of \$3 million. This was a result of the gradual pay down of current outstanding debt.

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 Department at 205 E. Second St., Bonner Springs, Kansas 66012.

CITY OF BONNER SPRINGS, KANSAS

STATEMENT OF NET POSITION
December 31, 2013

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total Primary Government	Housing Authority	Library
ASSETS					
Current assets:					
Cash and investments	\$ 6,929,140	\$ 2,813,019	\$ 9,742,159	\$ 234,409	\$ 119,434
Cash with fiscal agent	6,200	-	6,200	-	-
Taxes receivable	2,203,824	-	2,203,824	-	-
Accounts receivable	43,049	181,750	224,799	13,485	-
Prepaid expenses	-	-	-	14,830	-
Deferred charges	-	99,335	99,335	1,479	-
Inventory	9,087	142,335	151,422	-	-
Due from other funds	[677,658]	677,658	-	-	-
Total current assets	<u>8,513,642</u>	<u>3,914,097</u>	<u>12,427,739</u>	<u>264,203</u>	<u>119,434</u>
Capital assets:					
Construction in progress	51,942	3,206,595	3,258,537	-	-
Capital assets	34,550,034	28,232,488	62,782,522	2,527,327	1,154,685
Less: accumulated depreciation	9,912,047	11,343,591	21,255,638	1,872,006	760,451
Total net capital assets	<u>24,689,929</u>	<u>20,095,492</u>	<u>44,785,421</u>	<u>655,321</u>	<u>394,234</u>
Total assets	<u>\$ 33,203,571</u>	<u>\$ 24,009,589</u>	<u>\$ 57,213,160</u>	<u>\$ 919,524</u>	<u>\$ 513,668</u>
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES					
Liabilities:					
Current liabilities:					
Accounts payable	\$ 184,984	\$ 17,685	\$ 202,669	\$ 9,151	\$ -
Accrued liabilities	265,877	122,079	387,956	3,859	19,835
Customer deposits	-	98,750	98,750	9,410	-
Matured bond principal and interest	6,200	-	6,200	-	-
Current portion of temporary notes payable	-	1,750,000	1,750,000	-	-
Current portion of general obligation bonds payable	1,609,950	586,337	2,196,287	-	-
Total current liabilities (payable from current assets)	<u>2,067,011</u>	<u>2,574,851</u>	<u>4,641,862</u>	<u>22,420</u>	<u>19,835</u>
Noncurrent liabilities:					
Compensated absences	809,614	95,158	904,772	24,059	-
Net other post employment benefit obligation	215,965	-	215,965	-	-
General obligation bonds payable	7,839,355	7,908,626	15,747,981	-	-
Total noncurrent liabilities	<u>8,864,934</u>	<u>8,003,784</u>	<u>16,868,718</u>	<u>24,059</u>	<u>-</u>
Total liabilities	<u>10,931,945</u>	<u>10,578,635</u>	<u>21,510,580</u>	<u>46,479</u>	<u>19,835</u>
Deferred inflows of resources					
Unavailable revenue - property taxes	2,203,824	-	2,203,824	-	-
Total deferred inflows of resources	<u>2,203,824</u>	<u>-</u>	<u>2,203,824</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	<u>\$ 13,135,769</u>	<u>\$ 10,578,635</u>	<u>\$ 23,714,404</u>	<u>\$ 46,479</u>	<u>\$ 19,835</u>
Net Position					
Invested in capital assets, net of related debt	\$ 15,240,624	\$ 9,850,529	\$ 25,091,153	\$ 655,321	\$ 394,234
Restricted for:					
Debt service	365,516	-	365,516	-	-
Unrestricted	4,461,662	3,580,425	8,042,087	217,724	99,599
Total net position	<u>\$ 20,067,802</u>	<u>\$ 13,430,954</u>	<u>\$ 33,498,756</u>	<u>\$ 873,045</u>	<u>\$ 493,833</u>

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

CITY OF BONNER SPRINGS, KANSAS

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2013

	Program Revenues				Net [Expenses] Revenue and Changes in Net Position			Component Units	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Housing Authority	Bonner Springs City Library
					Governmental Activities	Business Type Activities	Total		
Governmental activities:									
General government	\$ 2,195,147	\$ 745,077	\$ 3,293	\$ -	\$ [1,446,777]	\$ -	\$ [1,446,777]	\$ -	\$ -
Public safety	4,044,233	251,806	-	-	[3,792,427]	-	[3,792,427]	-	-
Public works	4,097,801	90,934	2,498,725	189,824	[1,318,318]	-	[1,318,318]	-	-
Culture and recreation	1,111,032	252,196	68,876	-	[789,960]	-	[789,960]	-	-
Interest on long-term debt	350,526	-	-	-	[350,526]	-	[350,526]	-	-
Total governmental activities	11,798,739	1,340,013	2,570,894	189,824	[7,698,008]	-	[7,698,008]	-	-
Business-type activities:									
Solid Waste	324,935	334,932	-	-	-	9,997	9,997	-	-
Wastewater Collection/Treatment	1,511,893	1,452,135	-	1,616,980	-	1,557,222	1,557,222	-	-
Water Treatment/Distribution	1,817,104	1,879,555	-	333,588	-	396,039	396,039	-	-
Total business-type activities	3,653,932	3,666,622	-	1,950,568	-	1,963,258	1,963,258	-	-
Total primary government	\$ 15,452,671	\$ 5,006,635	\$ 2,570,894	\$ 2,140,392	[7,698,008]	1,963,258	[5,734,750]	-	-
Component units:									
Housing Authority	\$ 398,403	\$ 109,259	\$ 258,244	\$ -	\$ -	\$ -	\$ -	\$ [30,900]	\$ -
Bonner Springs City Library	581,842	38,252	525,011	-	-	-	-	-	[18,579]
Total component units	\$ 980,245	\$ 147,511	\$ 783,255	\$ -	-	-	-	[30,900]	[18,579]
General revenues:									
Property taxes levied for									
General purposes					1,546,165	-	1,546,165	-	-
Debt service					518,069	-	518,069	-	-
Sales and use tax					4,346,207	-	4,346,207	-	-
Franchise tax					708,511	-	708,511	-	-
Liquor tax					169,576	-	169,576	-	-
Guest tax					88,300	-	88,300	-	-
Motor recreational vehicle tax					252,918	-	252,918	-	-
Investments earnings					18,038	5,151	23,189	-	-
Miscellaneous					1,034,040	161,684	1,195,724	-	-
Transfers, net					126,504	[126,504]	-	-	-
Total general revenues					8,808,328	40,331	8,848,659	-	-
Change in net position					1,110,320	2,003,589	3,113,909	[30,900]	[18,579]
Net position - beginning					18,957,482	11,302,069	30,259,551	903,945	632,469
Prior period adjustment					-	125,296	125,296	-	[120,057]
Net position - beginning, restated					18,957,482	11,427,365	30,384,847	903,945	512,412
Net position - ending					\$ 20,067,802	\$ 13,430,954	\$ 33,498,756	\$ 873,045	\$ 493,833

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

CITY OF BONNER SPRINGS, KANSAS

BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2013

	General	Library	Debt Service	Library Project	Other Governmental Funds	Total
ASSETS						
Cash and cash equivalents	\$ 2,656,946	\$ 168	\$ 365,516	\$ -	\$ 3,906,510	\$ 6,929,140
Cash with fiscal agent	-	-	6,200	-	-	6,200
Inventory	9,087	-	-	-	-	9,087
Receivables						
Accounts	2,646	16	-	-	40,387	43,049
Taxes	1,493,170	338,116	372,538	-	-	2,203,824
Due from other funds	175,176	-	-	-	20,986	196,162
Total assets	<u>\$ 4,337,025</u>	<u>\$ 338,300</u>	<u>\$ 744,254</u>	<u>\$ -</u>	<u>\$ 3,967,883</u>	<u>\$ 9,387,462</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 60,924	\$ -	\$ -	\$ -	\$ 124,060	\$ 184,984
Accrued liabilities	138,361	-	-	-	15,551	153,912
Matured bonds and interest payable	-	-	6,200	-	-	6,200
Due to other funds	-	-	-	-	873,820	873,820
Total liabilities	<u>199,285</u>	<u>-</u>	<u>6,200</u>	<u>-</u>	<u>1,013,431</u>	<u>1,218,916</u>
Deferred inflows of resources						
Unavailable revenue - property taxes	1,493,170	338,116	372,538	-	-	2,203,824
Total deferred inflows of resources	<u>1,493,170</u>	<u>338,116</u>	<u>372,538</u>	<u>-</u>	<u>-</u>	<u>2,203,824</u>
FUND BALANCES						
Nonspendable	9,087	-	-	-	-	9,087
Restricted	-	184	365,516	-	2,317,710	2,683,410
Committed	-	-	-	-	636,742	636,742
Assigned	25,573	-	-	-	-	25,573
Unassigned	2,609,910	-	-	-	-	2,609,910
Total fund balances	<u>2,644,570</u>	<u>184</u>	<u>365,516</u>	<u>-</u>	<u>2,954,452</u>	<u>5,964,722</u>
Total liabilities, deferred inflows of Resources and fund balances	<u>\$ 4,337,025</u>	<u>\$ 338,300</u>	<u>\$ 744,254</u>	<u>\$ -</u>	<u>\$ 3,967,883</u>	<u>\$ 9,387,462</u>

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

CITY OF BONNER SPRINGS, KANSAS

RECONCILIATION OF THE TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES

December 31, 2013

Total Governmental Fund Balances		\$ 5,964,722
Amounts reported for governmental activities in the statement of net position 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	34,601,976	
Accumulated depreciation is	<u>9,912,047</u>	24,689,929
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	9,449,305	
Interest payable	111,965	
Net other post employment benefit obligation	215,965	
Compensated absences payable	<u>809,614</u>	<u>[10,586,849]</u>
Net Position of Governmental Activities		<u>\$ 20,067,802</u>

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

CITY OF BONNER SPRINGS, KANSAS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2013

	<u>General</u>	<u>Library</u>	<u>Debt Service</u>	<u>Library Project</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Revenues						
Taxes	\$ 5,019,332	\$ 358,839	\$ 518,069	\$ -	\$ 1,733,505	\$ 7,629,745
Special assessments	-	-	189,824	-	-	189,824
Intergovernmental	4,279	-	-	-	2,566,615	2,570,894
Licenses and permits	154,338	-	-	-	-	154,338
Charges for services	155,768	-	-	-	669,483	825,251
Fines and fees	346,174	-	-	-	14,250	360,424
Use of money and property	5,683	-	1,631	-	10,724	18,038
Reimbursements	103,970	21,903	-	-	26,364	152,237
Miscellaneous	663,709	-	-	-	24,741	688,450
Total revenues	<u>6,453,253</u>	<u>380,742</u>	<u>709,524</u>	<u>-</u>	<u>5,045,682</u>	<u>12,589,201</u>
Expenditures						
Current						
General government	1,159,288	-	-	-	709,561	1,868,849
Public safety	2,784,259	-	-	-	805,549	3,589,808
Public works	1,192,668	-	-	-	134,509	1,327,177
Culture and recreation	518,962	-	-	-	-	518,962
Capital outlay	117,299	-	-	-	2,512,408	2,629,707
Debt service						
Principal	-	-	2,276,113	-	-	2,276,113
Interest and other charges	-	-	413,138	-	-	413,138
Total expenditures	<u>5,772,476</u>	<u>-</u>	<u>2,689,251</u>	<u>-</u>	<u>4,162,027</u>	<u>12,623,754</u>
Excess [deficiency] of revenues over [under] expenditures	<u>680,777</u>	<u>380,742</u>	<u>[1,979,727]</u>	<u>-</u>	<u>883,655</u>	<u>[34,553]</u>
Other financing sources [uses]						
Transfers in	210,470	-	2,019,076	-	882,329	3,111,875
Transfers out	[812,748]	-	-	[49,061]	[2,123,562]	[2,985,371]
Component unit transfers out	-	[384,947]	-	-	-	[384,947]
Total other financing sources [uses]	<u>[602,278]</u>	<u>[384,947]</u>	<u>2,019,076</u>	<u>[49,061]</u>	<u>[1,241,233]</u>	<u>[258,443]</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	<u>78,499</u>	<u>[4,205]</u>	<u>39,349</u>	<u>[49,061]</u>	<u>[357,578]</u>	<u>[292,996]</u>
Fund balances, January 1	<u>2,566,071</u>	<u>4,389</u>	<u>326,167</u>	<u>49,061</u>	<u>3,312,030</u>	<u>6,257,718</u>
Fund balance, December 31	<u>\$ 2,644,570</u>	<u>\$ 184</u>	<u>\$ 365,516</u>	<u>\$ -</u>	<u>\$ 2,954,452</u>	<u>\$ 5,964,722</u>

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

CITY OF BONNER SPRINGS, KANSAS

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES WITH THE GOVERNMENT WIDE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2013

Total Net Change In Fund Balances - Governmental Funds \$ [292,996]

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 position 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.

Capital outlays	451,495	
Depreciation expense	<u>[1,415,992]</u>	[964,497]

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.

62,612

Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The assets and liabilities of certain internal service funds are included in governmental activities in the statement of net position.

[963]

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

[85,868]

Repayment of leases is an expenditure in the governmental funds, but it reduces long-term liabilities in the statement of net position and does not affect the statement of activities.

115,918

Repayment of bond principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the statement of net position and does not affect the statement of activities.

2,276,114

Changes In Net Position of Governmental Activities

\$ 1,110,320

CITY OF BONNER SPRINGS, KANSAS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
GENERAL FUND

For the Year Ended December 31, 2013

	GAAP Basis <u>Actual</u>	<u>Adjustment</u>	Budgetary Basis <u>Actual</u>	<u>Original Budget</u>	<u>Amended Budget</u>	Variance Positive [Negative]
Revenues						
Taxes	\$ 5,019,332	\$ -	\$ 5,019,332	\$ 4,676,112	\$ 4,676,112	\$ 343,220
Intergovernmental	4,279	-	4,279	1,000	1,000	3,279
Licenses and permits	154,338	-	154,338	159,000	159,000	[4,662]
Charges for services	155,768	-	155,768	155,605	155,605	163
Fines and fees	346,174	-	346,174	334,000	334,000	12,174
Use of money and property	5,683	-	5,683	8,000	8,000	[2,317]
Reimbursements	103,970	-	103,970	70,000	70,000	33,970
Miscellaneous	663,709	-	663,709	496,300	496,300	167,409
Total revenues	6,453,253	-	6,453,253	5,900,017	5,900,017	553,236
Expenditures						
City council						
Personal services	10,085	-	10,085	369,795	369,795	359,710
Contractual services	17,026	-	17,026	8,215	8,215	[8,811]
Commodities	3,662	-	3,662	5,030	5,030	1,368
Total city council	30,773	-	30,773	383,040	383,040	352,267
City manager						
Personal services	372,845	-	372,845	380,967	380,967	8,122
Contractual services	46,355	-	46,355	42,575	42,575	[3,780]
Commodities	3,229	-	3,229	5,043	5,043	1,814
Total city manager	422,429	-	422,429	428,585	428,585	6,156
City clerk						
Personal services	182,144	-	182,144	243,524	243,524	61,380
Contractual services	105,070	[875]	104,195	125,308	125,308	21,113
Commodities	33,900	[7,125]	26,775	7,400	7,400	[19,375]
Capital outlay	12,857	-	12,857	46,000	46,000	33,143
Total city clerk	333,971	[8,000]	325,971	422,232	422,232	96,261
Budget & finance						
Personal services	262,511	-	262,511	270,024	270,024	7,513
Contractual services	40,172	-	40,172	41,700	41,700	1,528
Commodities	5,695	-	5,695	4,700	4,700	[995]
Total budget & finance	308,378	-	308,378	316,424	316,424	8,046
Municipal court						
Personal services	100,559	-	100,559	109,561	109,561	9,002
Contractual services	73,433	-	73,433	84,550	84,550	11,117
Commodities	2,525	-	2,525	-	-	[2,525]
Total municipal court	176,517	-	176,517	194,111	194,111	17,594

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

CITY OF BONNER SPRINGS, KANSAS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
GENERAL FUND

For the Year Ended December 31, 2013

	GAAP Basis <u>Actual</u>	<u>Adjustment</u>	Budgetary Basis <u>Actual</u>	<u>Original Budget</u>	<u>Amended Budget</u>	Variance Positive [Negative]
Expenditures - continued						
Custodial						
Personal services	\$ 69,123	\$ -	\$ 69,123	\$ 74,340	\$ 74,340	\$ 5,217
Contractual services	628	-	628	500	500	[128]
Commodities	8,677	-	8,677	10,125	10,125	1,448
Capital outlay	-	-	-	500	500	500
Total custodial	<u>78,428</u>	<u>-</u>	<u>78,428</u>	<u>85,465</u>	<u>85,465</u>	<u>7,037</u>
Police						
Personal services	2,048,612	-	2,048,612	2,149,333	2,149,333	100,721
Contractual services	255,004	[1,106]	253,898	221,755	221,755	[32,143]
Commodities	112,434	1,374	113,808	108,000	108,000	[5,808]
Capital outlay	908	-	908	-	-	[908]
Total police	<u>2,416,958</u>	<u>268</u>	<u>2,417,226</u>	<u>2,479,088</u>	<u>2,479,088</u>	<u>61,862</u>
Fire						
Personal services	88,311	-	88,311	91,315	91,315	3,004
Contractual services	81,745	[5,680]	76,065	86,110	86,110	10,045
Commodities	21,636	4,490	26,126	29,550	29,550	3,424
Capital outlay	4,070	[914]	3,156	3,000	3,000	[156]
Total fire	<u>195,762</u>	<u>[2,104]</u>	<u>193,658</u>	<u>209,975</u>	<u>209,975</u>	<u>16,317</u>
Parks & recreation						
Personal services	357,649	-	357,649	405,281	405,281	47,632
Contractual services	102,696	365	103,061	103,875	103,875	814
Commodities	45,871	[1,229]	44,642	38,600	38,600	[6,042]
Capital outlay	4,380	6,287	10,667	8,430	8,430	[2,237]
Total parks & recreation	<u>510,596</u>	<u>5,423</u>	<u>516,019</u>	<u>556,186</u>	<u>556,186</u>	<u>40,167</u>
Cemetery						
Personal services	56,220	-	56,220	61,144	61,144	4,924
Contractual services	4,929	-	4,929	4,027	4,027	[902]
Commodities	2,588	-	2,588	5,015	5,015	2,427
Total cemetery	<u>63,737</u>	<u>-</u>	<u>63,737</u>	<u>70,186</u>	<u>70,186</u>	<u>6,449</u>
Planning						
Personal services	102,585	-	102,585	103,635	103,635	1,050
Contractual services	9,813	-	9,813	10,615	10,615	802
Commodities	809	-	809	2,300	2,300	1,491
Total planning	<u>113,207</u>	<u>-</u>	<u>113,207</u>	<u>116,550</u>	<u>116,550</u>	<u>3,343</u>
Codes administration						
Personal services	112,023	-	112,023	112,850	112,850	827
Contractual services	5,459	-	5,459	4,920	4,920	[539]
Commodities	2,124	-	2,124	2,375	2,375	251
Total codes administration	<u>119,606</u>	<u>-</u>	<u>119,606</u>	<u>120,145</u>	<u>120,145</u>	<u>539</u>

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

CITY OF BONNER SPRINGS, KANSAS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
GENERAL FUND

For the Year Ended December 31, 2013

	GAAP Basis <u>Actual</u>	<u>Adjustment</u>	Budgetary Basis <u>Actual</u>	<u>Original Budget</u>	<u>Amended Budget</u>	Variance Positive [Negative]
Expenditures - continued						
Property maintenance codes administration						
Personal services	\$ 57,822	\$ -	\$ 57,822	\$ 58,214	\$ 58,214	\$ 392
Contractual services	6,646	-	6,646	8,145	8,145	1,499
Commodities	1,543	-	1,543	2,100	2,100	557
Total property maintenance codes administration	<u>66,011</u>	<u>-</u>	<u>66,011</u>	<u>68,459</u>	<u>68,459</u>	<u>2,448</u>
Bonner beautiful						
Contractual services	2,132	-	2,132	3,230	3,230	1,098
Commodities	3,022	-	3,022	3,060	3,060	38
Total bonner beautiful	<u>5,154</u>	<u>-</u>	<u>5,154</u>	<u>6,290</u>	<u>6,290</u>	<u>1,136</u>
Public works						
Personal services	506,884	-	506,884	566,628	566,628	59,744
Contractual services	88,084	800	88,884	86,152	86,152	[2,732]
Commodities	130,782	[22,457]	108,325	155,000	155,000	46,675
Capital outlay	107,941	-	107,941	110,000	110,000	2,059
Total public works	<u>833,691</u>	<u>[21,657]</u>	<u>812,034</u>	<u>917,780</u>	<u>917,780</u>	<u>105,746</u>
Project manager						
Personal services	82,876	-	82,876	82,881	82,881	5
Contractual services	6,398	-	6,398	5,925	5,925	[473]
Commodities	392	233	625	475	475	[150]
Total project manager	<u>89,666</u>	<u>233</u>	<u>89,899</u>	<u>89,281</u>	<u>89,281</u>	<u>[618]</u>
City band						
Personal services	256	-	256	550	550	294
Contractual services	6,486	-	6,486	7,420	7,420	934
Commodities	850	-	850	1,210	1,210	360
Total city band	<u>7,592</u>	<u>-</u>	<u>7,592</u>	<u>9,180</u>	<u>9,180</u>	<u>1,588</u>
Total expenditures	<u>5,772,476</u>	<u>[25,837]</u>	<u>5,746,639</u>	<u>6,472,977</u>	<u>6,472,977</u>	<u>726,338</u>
Excess [deficiency] of revenues over [under] expenditures	<u>680,777</u>	<u>25,837</u>	<u>706,614</u>	<u>[572,960]</u>	<u>[572,960]</u>	<u>1,279,574</u>
Other financing sources [uses]						
Transfer in	210,470	-	210,470	194,718	194,718	15,752
Transfer [out]	[812,748]	-	[812,748]	[791,290]	[791,290]	[21,458]
Total other financing sources [uses]	<u>[602,278]</u>	<u>-</u>	<u>[602,278]</u>	<u>[596,572]</u>	<u>[596,572]</u>	<u>[5,706]</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	78,499	\$ <u>25,837</u>	104,336	\$ <u>[1,169,532]</u>	\$ <u>[1,169,532]</u>	\$ <u>1,273,868</u>
Fund balance, January 1	<u>2,566,071</u>		<u>2,505,574</u>			
Fund balance, December 31	<u>\$ 2,644,570</u>		<u>\$ 2,609,910</u>			

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

CITY OF BONNER SPRINGS, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
LIBRARY FUND

For the Year Ended December 31, 2013

	GAAP Basis <u>Actual</u>	<u>Adjustments</u>	Budgetary Basis <u>Actual</u>	<u>Original Budget</u>	<u>Final Budget</u>	Variance Positive <u>[Negative]</u>
Revenues						
Taxes	\$ 358,839	\$ -	\$ 358,839	\$ 355,112	\$ 355,112	\$ 3,727
Reimbursements	<u>21,903</u>	<u>-</u>	<u>21,903</u>	<u>15,000</u>	<u>15,000</u>	<u>6,903</u>
Total revenues	<u>380,742</u>	<u>-</u>	<u>380,742</u>	<u>370,112</u>	<u>370,112</u>	<u>10,630</u>
Expenditures						
Personal services	9,008	-	9,008	-	-	[9,008]
Contractual	12,405	-	12,405	-	-	[12,405]
Commodities	1,233	-	1,233	-	-	[1,233]
Component unit transfer out	362,301	-	362,301	338,748	348,331	[13,970]
Miscellaneous	-	-	-	15,000	15,000	15,000
Qualifying budget credits	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,903</u>	<u>21,903</u>	<u>21,903</u>
Total expenditures	<u>384,947</u>	<u>-</u>	<u>384,947</u>	<u>375,651</u>	<u>385,234</u>	<u>287</u>
Excess [deficiency] of revenues over [under] expenditures	[4,205]	<u>\$ -</u>	[4,205]	<u>\$ [5,539]</u>	<u>\$ [15,122]</u>	<u>\$ 10,917</u>
Fund balance, January 1	<u>4,389</u>		<u>4,389</u>			
Fund balance, December 31	<u>\$ 184</u>		<u>\$ 184</u>			

See independent auditor's report on the financial statements.

CITY OF BONNER SPRINGS, KANSAS

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 December 31, 2013

	Business-Type Activities: Enterprise Funds				Internal Service Fund
	Solid Waste	Wastewater Collection/ Treatment	Water Treatment/ Distribution	Total Enterprise Funds	
Assets					
Current assets:					
Cash and cash equivalents	\$ 102,650	\$ 947,892	\$ 1,762,477	\$ 2,813,019	\$ -
Receivables					
Accounts	20,216	68,914	92,620	181,750	-
Due from other funds	-	181,998	495,660	677,658	-
Deferred charges	-	86,389	12,946	99,335	-
Inventories	-	24,119	118,216	142,335	-
Total current assets	<u>122,866</u>	<u>1,309,312</u>	<u>2,481,919</u>	<u>3,914,097</u>	<u>-</u>
Capital assets:					
Buildings and equipment	-	15,346,236	12,420,675	27,766,911	-
Land	-	185,441	280,136	465,577	-
Construction in progress	-	2,083,216	1,123,379	3,206,595	-
Accumulated depreciation	-	[6,640,297]	[4,703,294]	[11,343,591]	-
Total capital assets	<u>-</u>	<u>10,974,596</u>	<u>9,120,896</u>	<u>20,095,492</u>	<u>-</u>
Total assets	<u>\$ 122,866</u>	<u>\$ 12,283,908</u>	<u>\$ 11,602,815</u>	<u>\$ 24,009,589</u>	<u>\$ -</u>
Liabilities					
Current liabilities (payable from current assets):					
Accounts payable	\$ -	\$ 12,958	\$ 4,727	\$ 17,685	\$ -
Customer deposits	-	-	98,750	98,750	-
Accrued liabilities	-	66,024	56,055	122,079	-
Due to other funds	-	-	-	-	-
Current portion of temporary notes payable	-	609,272	1,140,728	1,750,000	-
Current portion of general obligation bonds payable	-	376,752	209,585	586,337	-
Total current liabilities (payable from current assets)	<u>-</u>	<u>1,065,006</u>	<u>1,509,845</u>	<u>2,574,851</u>	<u>-</u>
Noncurrent liabilities:					
Accrued compensated absences	-	38,063	57,095	95,158	-
General obligation bonds payable	-	5,067,059	2,841,567	7,908,626	-
Total noncurrent liabilities	<u>-</u>	<u>5,105,122</u>	<u>2,898,662</u>	<u>8,003,784</u>	<u>-</u>
Total liabilities	<u>\$ -</u>	<u>\$ 6,170,128</u>	<u>\$ 4,408,507</u>	<u>\$ 10,578,635</u>	<u>\$ -</u>
Net Position					
Invested in capital assets, net of related debt	\$ -	\$ 4,921,513	\$ 4,929,016	\$ 9,850,529	\$ -
Unrestricted	122,866	1,192,267	2,265,292	3,580,425	-
Total net position	<u>\$ 122,866</u>	<u>\$ 6,113,780</u>	<u>\$ 7,194,308</u>	<u>\$ 13,430,954</u>	<u>\$ -</u>

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

CITY OF BONNER SPRINGS, KANSAS

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS

For the Year Ended December 31, 2013

	Business-Type Activities: Enterprise Funds				Internal Service Fund
	Solid Waste	Wastewater Collection/ Treatment	Water Treatment/ Distribution	Total Enterprise Funds	
Operating revenues					
Charges for services	\$ 334,932	\$ 1,452,135	\$ 1,879,555	\$ 3,666,622	\$ -
Miscellaneous	749	20,905	140,030	161,684	193,353
Total operating revenues	<u>335,681</u>	<u>1,473,040</u>	<u>2,019,585</u>	<u>3,828,306</u>	<u>193,353</u>
Operating expenses					
Personal services	-	334,592	552,966	887,558	-
Contractual	324,804	519,046	367,052	1,210,902	194,316
Commodities	-	46,070	328,935	375,005	-
Capital outlay	131	10,769	188,112	199,012	-
Depreciation and amortization	-	425,588	258,345	683,933	-
Total operating expenses	<u>324,935</u>	<u>1,336,065</u>	<u>1,695,410</u>	<u>3,356,410</u>	<u>194,316</u>
Operating income [loss]	<u>10,746</u>	<u>136,975</u>	<u>324,175</u>	<u>471,896</u>	<u>[963]</u>
Nonoperating revenues [expenses]					
Capital contribution	-	1,616,980	333,588	1,950,568	-
Interest expense	-	[175,828]	[121,694]	[297,522]	-
Interest income	190	1,696	3,265	5,151	-
Total nonoperating revenues [expenses]	<u>190</u>	<u>1,442,848</u>	<u>215,159</u>	<u>1,658,197</u>	<u>-</u>
Income [loss] before operating transfers	<u>10,936</u>	<u>1,579,823</u>	<u>539,334</u>	<u>2,130,093</u>	<u>[963]</u>
Transfers from [to] other funds					
Transfers in	-	10,345	1,785	12,130	-
Transfers [out]	[10,500]	[32,035]	[96,099]	[138,634]	-
Total transfers	<u>[10,500]</u>	<u>[21,690]</u>	<u>[94,314]</u>	<u>[126,504]</u>	<u>-</u>
Changes in net position	<u>436</u>	<u>1,558,133</u>	<u>445,020</u>	<u>2,003,589</u>	<u>[963]</u>
Net position, January 1	122,430	4,502,683	6,676,956	11,302,069	963
Prior period adjustment	-	52,964	72,332	125,296	-
Net position, January 1, restated	<u>122,430</u>	<u>4,555,647</u>	<u>6,749,288</u>	<u>11,427,365</u>	<u>963</u>
Net position, December 31	<u>\$ 122,866</u>	<u>\$ 6,113,780</u>	<u>\$ 7,194,308</u>	<u>\$ 13,430,954</u>	<u>\$ -</u>

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

CITY OF BONNER SPRINGS, KANSAS

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 For the Year Ended December 31, 2013

	Business-Type Activities: Enterprise Funds				Internal Service Fund
	Solid Waste	Wastewater Collection/ Treatment	Water Treatment/ Distribution	Total Enterprise Funds	
Cash flows from operating activities					
Cash received from customers and users	\$ 335,347	\$ 1,468,410	\$ 2,033,442	\$ 3,837,199	\$ 193,353
Cash payments to employees for services	-	[330,915]	[543,202]	[874,117]	-
Cash payments to other suppliers of goods or services	[324,935]	[578,229]	[939,521]	[1,842,685]	[204,900]
Net cash provided by [used in] operating activities	10,412	559,266	550,719	1,120,397	[11,547]
Cash flows from noncapital financing activities					
Transfers from other funds	-	10,345	1,785	12,130	-
Transfers [to] other funds	[10,500]	[32,035]	[96,099]	[138,634]	-
Net cash provided by [used in] noncapital financing activities	[10,500]	[21,690]	[94,314]	[126,504]	-
Cash flows from capital and related financing activities					
Purchase and construction of fixed assets, net	-	[1,993,966]	[1,000,692]	[2,994,658]	-
Amounts due to other funds	-	327,262	549,527	876,789	-
Contributed capital	-	1,616,980	333,588	1,950,568	-
Interest payments - bonds and notes	-	[170,746]	[120,933]	[291,679]	-
Principal payments - bonds and notes	-	[365,372]	[191,577]	[556,949]	-
Net cash provided by [used in] capital and related financing activities	-	[585,842]	[430,087]	[1,015,929]	-
Cash flows from investing activities					
Interest received	190	1,696	3,265	5,151	-
Net cash provided by [used in] investing activities	190	1,696	3,265	5,151	-
Net increase [decrease] in cash and cash equivalents	102	[46,570]	29,583	[16,885]	[11,547]
Cash and cash equivalents, January 1	102,548	994,462	1,732,894	2,829,904	11,547
Cash and cash equivalents, December 31	\$ 102,650	\$ 947,892	\$ 1,762,477	\$ 2,813,019	\$ -

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

CITY OF BONNER SPRINGS, KANSAS
STATEMENT OF CASH FLOWS (Continued)
PROPRIETARY FUNDS
For the Year Ended December 31, 2013

	Business-Type Activities: Enterprise Funds				Internal Service Fund
	<u>Solid Waste</u>	<u>Wastewater Collection/ Treatment</u>	<u>Water Treatment/ Distribution</u>	<u>Total Enterprise Funds</u>	
Reconciliation of operating income [loss] to net cash provided by [used in] operating activities					
Operating income [loss]	\$ 10,746	\$ 136,975	\$ 324,175	\$ 471,896	\$ [963]
Adjustments to reconcile operating income [loss] to net cash provided by [used in] operating activities					
Depreciation expense	-	425,588	258,345	683,933	-
[Increase] decrease in accounts receivable	[334]	[4,630]	[243]	[5,207]	-
[Increase] decrease in inventory	-	5,362	[19,176]	[13,814]	-
Increase [decrease] in accounts payable	-	[7,706]	[36,246]	[43,952]	[10,584]
Increase [decrease] in accrued liabilities	-	[3,029]	[296]	[3,325]	-
Increase [decrease] in customer deposits	-	-	14,100	14,100	-
Increase [decrease] in accrued compensated absences	-	6,706	10,060	16,766	-
Net cash provided by [used in] operating activities	<u>\$ 10,412</u>	<u>\$ 559,266</u>	<u>\$ 550,719</u>	<u>\$ 1,120,397</u>	<u>\$ [11,547]</u>

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

CITY OF BONNER SPRINGS, KANSAS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
December 31, 2013

	Private Purpose <u>Trust</u>	Agency <u>Funds</u>
Assets		
Cash and cash equivalents	\$ 51,409	\$ 63,631
Total Assets	<u>\$ 51,409</u>	<u>\$ 63,631</u>
Liabilities		
Accounts payable	\$ -	\$ 63,631
Total Liabilities	<u>-</u>	<u>63,631</u>
Net position		
Unreserved Undesignated	<u>51,409</u>	<u>-</u>
Total liabilities and net position	<u>\$ 51,409</u>	<u>\$ 63,631</u>

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

CITY OF BONNER SPRINGS, KANSAS

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Year Ended December 31, 2013

	Private Purpose <u>Trust</u>
Additions:	
Charges for services	\$ 2,476
Donations	6,600
Transfer in	4,640
Interest income	<u>6,369</u>
Total additions	<u>20,085</u>
Deductions	
Contractual	<u>17,327</u>
Total deductions	<u>17,327</u>
Change in net position	2,758
Net position, January 1	<u>48,651</u>
Net position, December 31	<u>\$ 51,409</u>

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

CITY OF BONNER SPRINGS, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
Year ended December 31, 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. *Reporting Entity*

The City of Bonner Springs (the City) is a municipal corporation governed by a mayor and city council. As required by accounting principles generally accepted in the United States of America, these financial statements present the City and its component unit entities for which the City is considered to be financially accountable. The discretely presented component units are reported in separate columns in the combined financial statements to emphasize they are legally separate from the City.

Component Units that are Discretely Presented. The Bonner Springs City Library (Library) serves the citizens within the City's jurisdiction. Acquisition or disposition of real property by the Library must be approved by the City. Bond issues must be approved by the City. The Library is presented as a governmental fund type with a December 31st year-end.

The Housing Authority of the City of Bonner Springs (Housing Authority) operates the City's housing projects. The Housing Authority can sue and be sued, and can buy, sell or lease real property. Bond issuances must be approved by the City. The Housing Authority is presented as a governmental fund type. Complete financial statements for the Housing Authority may be obtained at its office at 420 North Park, Bonner Springs, Kansas.

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 primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are charges between the City's governmental and business-type activities. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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, proprietary 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, as are the proprietary fund and fiduciary fund financial statements. 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.

CITY OF BONNER SPRINGS, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
Year ended December 31, 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

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.

Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing goods and services in connection with a proprietary fund's ongoing operations. The principal operating revenues of the City's proprietary funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The internal service funds account for operations that provide services to other departments or agencies of the government, or to other governments, on a cost-reimbursement basis.

The private purpose trust funds are used to account for resources legally held in trust. 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 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 Library Fund is used to account for taxes collected and remitted to the Bonner Springs City Library.

The Debt Service Fund is used to account for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources and special assessment bond principal and interest from special assessment levies when the City is obligated in some manner for the payment.

CITY OF BONNER SPRINGS, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
Year ended December 31, 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The Library Project Fund is used to account for construction of the new library.

The City reports the following major proprietary funds:

Solid Waste Fund accounts for funds derived from customer service charges for solid waste disposal. All activities necessary to provide such services are accounted for in this fund.

Wastewater Collection/Treatment Fund is used to account for all sewer operations including administration, maintenance, financing and related debt service and billing collection. All operations are financed by means of customer user fees which are established by the governing body.

Water Treatment/Distribution Fund is used to account for the provision of water service to the residents of the City. All activities necessary to provide water service are accounted for in this fund, including administration, operations, maintenance, financing and related debt service and billing collection.

D. Assets, Liabilities and Equity

1. 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." Any residual balances outstanding between governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

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

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

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

CITY OF BONNER SPRINGS, KANSAS
 NOTES TO THE FINANCIAL STATEMENTS
 Year ended December 31, 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. *Assets, Liabilities and Equity (Continued)*

1. Receivables and Payables (Continued)

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 five (5) subsequent dates throughout the calendar year.

2. Inventories

Inventories are valued at cost using the first-in / first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when purchased rather than when consumed.

3. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Capital assets used in governmental fund types of the City are recorded at cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their estimated fair value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type is included in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

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

<u>Assets</u>	<u>Years</u>
Buildings	20-75
Improvements Other Than Buildings	20-75
Machinery and Equipment	5-10
Infrastructure	20-75

CITY OF BONNER SPRINGS, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
Year ended December 31, 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Equity (Continued)

4. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation, compensatory and sick pay benefits. Vacation and sick pay is accrued when incurred in the government-wide and proprietary funds and reported as a fund liability. Vacation and sick pay that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it.

5. Long-Term Obligations

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

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

6. 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. Assigned fund balances include amounts that are constrained by the City management's intent to be used for specific purposes, but are neither restricted nor committed. Unassigned fund balance represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available restricted amounts is considered to be spent first. 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.

CITY OF BONNER SPRINGS, KANSAS
 NOTES TO THE FINANCIAL STATEMENTS
 Year ended December 31, 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Equity (Continued)

6. Fund Equity (Continued)

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

	Major Governmental Funds				Other Governmental Funds	Total Governmental Funds
	General	Library	Debt Service	Library Project		
Fund Balances:						
Nonspendable for:						
Inventory	\$ 9,087	\$ -	\$ -	\$ -	\$ -	\$ 9,087
Restricted for:						
Public housing	-	-	-	-	185,750	185,750
Public safety	-	-	-	-	175,055	175,055
Public works	-	-	-	-	431,660	431,660
Culture and recreation	-	184	-	-	902,880	903,064
Debt retirement	-	-	365,516	-	-	365,516
Capital improvements	-	-	-	-	622,365	622,365
Committed for:						
Culture and recreation	-	-	-	-	195,047	195,047
Public works	-	-	-	-	284,014	284,014
Economic development	-	-	-	-	15,140	15,140
Risk management	-	-	-	-	142,541	142,541
Assigned for:						
City clerk	1,350	-	-	-	-	1,350
Public safety	10,840	-	-	-	-	10,840
Culture and recreation	11,885	-	-	-	-	11,885
Public works	1,498	-	-	-	-	1,498
Unassigned:	2,609,910	-	-	-	-	2,609,910
Total Fund Balances	\$ 2,644,570	\$ 184	\$ 365,516	\$ -	\$ 2,954,452	\$ 5,964,722

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. 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.

CITY OF BONNER SPRINGS, KANSAS

NOTES TO THE FINANCIAL STATEMENTS
Year ended December 31, 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

8. Deferred outflows/inflows of resources (Continued)

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 has only one type of item that qualifies for reporting in this category. The government funds report unavailable revenues from one source: property taxes. The government-wide statements of net position report only the unavailable revenue for property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

9. Net Position

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

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the General Fund, special revenue funds (unless specifically exempted by statute), Debt Service Fund, and enterprise 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 City Council 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 City Council may amend the budget at that time. During the current year the City amended the following funds:

<u>Fund</u>	<u>Adopted</u>	<u>Amended</u>
Aquatic Facility Sales Tax	\$ 1,252,821	\$ 1,294,761
Library	353,748	363,331
Special Parks and Recreation	102,900	105,400
Recreation Programs	73,460	143,695
Street Projects	537,412	578,912
Water	1,665,041	1,975,601
Tiblow Transit	95,389	98,846
Soccer	8,910	16,218
Bonner Springs Center		
CID Funding Agreement	-	11,190

CITY OF BONNER SPRINGS, KANSAS

NOTES TO THE FINANCIAL STATEMENTS
Year ended December 31, 2013

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

Budgetary Information (Continued)

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.

All legal annual operating budgets are prepared using the statutory basis of accounting, in which revenues are recognized when cash is received, and expenditures include disbursements, accounts payable and encumbrances. 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.

A legal operating budget is not required for certain special revenue funds, capital project funds and trust 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 council.

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	Library	Debt Service	Library Project	Other Governmental Funds	Total Governmental Funds
GAAP FUND BALANCE						
December 31, 2013	\$ 2,644,570	\$ 184	\$ 365,516	\$ -	\$ 2,954,452	\$ 5,964,722
Adjustments:						
Unreserved fund balances not subject to the Kansas Budget Law:						
Centennial Park	-	-	-	-	[375]	[375]
FEMA Mitigation Grant	-	-	-	-	259	259
Senior Center Activities	-	-	-	-	[1,414]	[1,414]
PHA Investment	-	-	-	-	[185,750]	[185,750]
Federal Sharing (Police)	-	-	-	-	[861]	[861]
LLEBG Grant #98-07	-	-	-	-	[132]	[132]
Stormwater	-	-	-	-	[260,468]	[260,468]
Bonner Springs Center CID Funding Agreement	-	-	-	-	[11,190]	[11,190]
Fire Equipment Grant	-	-	-	-	[9,476]	[9,476]
Nonmajor Capital Projects	-	-	-	-	[622,365]	[622,365]
Accounts receivable	-	-	-	-	[35,080]	[35,080]
Inventory	[9,087]	-	-	-	-	[9,087]
Reserve for encumbrances	[25,573]	-	-	-	[179,198]	[204,771]
Total deductions	[34,660]	-	-	-	[1,306,050]	[1,340,710]
BUDGETARY FUND BALANCE						
December 31, 2013	\$ 2,609,910	\$ 184	\$ 365,516	\$ -	\$ 1,648,402	\$ 4,624,012

CITY OF BONNER SPRINGS, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
Year ended December 31, 2013

III. DETAILED NOTES ON ALL FUNDS

A. *Deposits and Investments*

Deposits. K.S.A. 9-1401 establishes the depositories which may be used by the City. The statute requires banks eligible to hold the City's funds have a main or branch bank in the county in which the City is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The City has no other policies that would further limit interest rate risk.

Investments. K.S.A. 12-1675 limits the City's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The City has no investment policy that would further limit its investment choices. As of December 31, 2013, the City held no such investments.

Concentration of credit risk. State statutes place no limit on the amount the City may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The City has no designated "peak periods". All deposits were legally secured at December 31, 2013.

At December 31, 2013, the City's carrying amount of deposits was \$9,863,399 and the bank balance was \$9,990,490. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, \$250,000 was covered by federal depository insurance and the balance of \$9,740,490 was collateralized with securities held by the pledging financial institutions' agents in the City's name.

Custodial credit risk – investments. For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

The Housing Authority of Bonner Springs' deposits and investments can only be placed in the following, as per HUD requirements: direct obligations of the United States federal government, obligations of government agencies, securities of government sponsored agencies, demand and savings deposits, time deposits and repurchase agreements. Investments are stated at cost.

CITY OF BONNER SPRINGS, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
Year ended December 31, 2013

III. DETAILED NOTES ON ALL FUNDS (Continued)

B. Receivables

Receivables as of year-end are as follows:

	General	Library	Debt Service	Solid Waste	Wastewater Collection Treatment	Water Treatment Distribution	Other Govt. Funds	Totals
Receivables:								
Taxes	\$ 1,493,170	\$ 338,116	\$ 372,538	\$ -	\$ -	\$ -	\$ -	\$ 2,203,824
Accounts	<u>2,646</u>	<u>16</u>	<u>-</u>	<u>20,216</u>	<u>68,914</u>	<u>92,620</u>	<u>40,387</u>	<u>224,799</u>
Total receivables	<u>\$ 1,495,816</u>	<u>\$ 338,132</u>	<u>\$ 372,538</u>	<u>\$ 20,216</u>	<u>\$ 68,914</u>	<u>\$ 92,620</u>	<u>\$ 40,387</u>	<u>\$ 2,428,623</u>

C. Interfund Receivables and Payables

The composition of interfund balances as of December 31, 2013, is as follows:

	<u>Due From</u>	<u>Due To</u>
General	\$ 175,176	\$ -
Other Governmental Funds	20,986	873,820
Wastewater Collection/Treatment	181,998	-
Water Treatment/Distribution	<u>495,660</u>	<u>-</u>
Total	<u>\$ 873,820</u>	<u>\$ 873,820</u>

CITY OF BONNER SPRINGS, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
Year ended December 31, 2013

III. DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

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

	Balance 12/31/12	Restatement	Balance Restated 12/31/2012	Additions	Retirements	Balance 12/31/13
City governmental activities:						
Capital assets, not being depreciated						
Construction in progress	\$ 49,714	\$ -	\$ 49,714	\$ 2,228	\$ -	\$ 51,942
Land	918,248	-	918,248	-	-	918,248
Capital assets, being depreciated						
Buildings	12,622,257	-	12,622,257	56,356	-	12,678,613
Improvements other than buildings	457,845	-	457,845	-	-	457,845
Machinery and equipment	5,364,949	-	5,364,949	421,922	29,011	5,757,860
Infrastructure	<u>14,737,468</u>	<u>-</u>	<u>14,737,468</u>	<u>-</u>	<u>-</u>	<u>14,737,468</u>
Total capital assets	<u>34,150,480</u>	<u>-</u>	<u>34,150,480</u>	<u>480,506</u>	<u>29,011</u>	<u>34,601,975</u>
Less accumulated depreciation for:						
Buildings	1,739,737	-	1,739,737	268,507	-	2,008,244
Improvements other than buildings	171,761	-	171,761	25,814	-	197,575
Machinery and equipment	3,556,719	-	3,556,719	435,049	29,011	3,962,756
Infrastructure	<u>3,056,848</u>	<u>-</u>	<u>3,056,848</u>	<u>686,623</u>	<u>-</u>	<u>3,743,471</u>
Total accumulated depreciation	<u>8,525,065</u>	<u>-</u>	<u>8,525,065</u>	<u>1,415,992</u>	<u>29,011</u>	<u>9,912,046</u>
Governmental activities capital assets, net	<u>\$ 25,625,415</u>	<u>\$ -</u>	<u>\$ 25,625,415</u>	<u>\$ [935,486]</u>	<u>\$ -</u>	<u>\$ 24,689,929</u>
Business-type activities:						
Capital assets, not being depreciated						
Construction in progress	\$ 174,073	\$ 125,297	\$ 299,370	\$ 2,907,226	\$ -	\$ 3,206,596
Land	426,417	-	426,417	39,160	-	465,577
Capital assets, being depreciated						
Plant	27,143,596	-	27,143,596	37,288	-	27,180,884
Machinery and equipment	<u>575,044</u>	<u>-</u>	<u>575,044</u>	<u>22,175</u>	<u>11,191</u>	<u>586,027</u>
Total capital assets	<u>28,319,130</u>	<u>125,297</u>	<u>28,444,427</u>	<u>3,005,848</u>	<u>11,191</u>	<u>31,439,084</u>
Less accumulated depreciation for:						
Plant	10,251,511	-	10,251,511	649,732	-	10,901,243
Machinery and equipment	<u>414,347</u>	<u>-</u>	<u>414,347</u>	<u>34,201</u>	<u>6,200</u>	<u>442,348</u>
Total accumulated depreciation	<u>10,665,858</u>	<u>-</u>	<u>10,665,858</u>	<u>683,934</u>	<u>6,200</u>	<u>11,343,592</u>
Business-type activities capital assets, net	<u>\$ 17,653,272</u>	<u>\$ 125,297</u>	<u>\$ 17,778,569</u>	<u>\$ 2,321,915</u>	<u>\$ 4,991</u>	<u>\$ 20,095,492</u>

CITY OF BONNER SPRINGS, KANSAS
 NOTES TO THE FINANCIAL STATEMENTS
 Year ended December 31, 2013

III. DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

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

Governmental Activities:	
General government	\$ 87,602
Public safety	423,970
Highways and streets	697,297
Culture and recreation	<u>207,123</u>
Total depreciation	<u>\$ 1,415,992</u>
Business-type Activities:	
Wastewater Collection/Treatment	\$ 425,588
Water Treatment/Distribution	<u>258,345</u>
Total depreciation	<u>\$ 683,934</u>

E. Leases

The City has entered into lease agreements as lessee for financing the acquisition of equipment. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the inception date in the government wide statements.

The assets acquired through capital leases are as follows:

	Government Activities
<u>Assets</u>	<u>Assets</u>
Machinery and equipment	<u>\$ 1,314,302</u>

CITY OF BONNER SPRINGS, KANSAS
 NOTES TO THE FINANCIAL STATEMENTS
 Year ended December 31, 2013

III. DETAILED NOTES ON ALL FUNDS (Continued)

F. Long-term Debt

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

Governmental Activities

	Balance	Additions/ Adjustments		Balance	Amounts Due Within
	January 1, 2013	Adjustments	Reductions	December 31, 2013	One Year
General obligation bonds	\$ 11,733,823	\$ -	\$ 2,284,518	\$ 9,449,305	\$ 1,069,950
Capital leases payable	115,918	-	115,918	-	-
Compensated absences	754,202	461,286	405,874	809,614	405,874
	<u>\$ 12,603,943</u>	<u>\$ 461,286</u>	<u>\$ 2,806,310</u>	<u>\$ 10,258,919</u>	<u>\$ 1,475,824</u>

Business Type Activities

	Balance	Additions/ Adjustments		Balance	Amounts Due Within
	January 1, 2013	Adjustments	Reductions	December 31, 2013	One Year
General obligation bonds	\$ 9,051,913	\$ -	\$ 556,950	\$ 8,494,963	\$ 586,337
Temporary notes payable	1,750,000	-	-	1,750,000	1,750,000
Compensated absences	78,392	100,808	84,042	95,158	84,041
	<u>\$ 10,880,305</u>	<u>\$ 100,808</u>	<u>\$ 640,992</u>	<u>\$ 10,340,121</u>	<u>\$ 2,420,378</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 have been issued for both general government and proprietary fund activities. These bonds are reported in the proprietary funds if they are expected to be repaid from proprietary fund revenues. In addition, general obligation bonds have been issued to refund other general obligation bonds.

CITY OF BONNER SPRINGS, KANSAS
 NOTES TO THE FINANCIAL STATEMENTS
 Year ended December 31, 2013

III. DETAILED NOTES ON ALL FUNDS (Continued)

F. Long-term Debt (Continued)

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

<u>Purpose</u>	<u>Interest Rates</u>	<u>Outstanding Balance</u>	<u>Original Amount</u>
Improvement and Refunding			
Series 2004	3.4% to 4.6%	\$ 910,000	1,400,000
Series 2006	3.6% to 4.25%	1,645,000	3,500,000
Series 2007	3.9% to 5.0%	760,000	1,120,000
Series 2008	3.6% to 4.3%	1,415,000	1,680,000
Series 2009	2.0% to 4.4%	5,290,000	7,605,000
Series 2011	2.0% to 4.2%	<u>7,924,267</u>	8,765,000
Total		<u>\$ 17,944,267</u>	

Allocation

Governmental Activities	\$ 9,449,305
Business Type Activities	<u>8,494,963</u>
Total	<u>\$ 17,944,268</u>

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

<u>Year Ending December 31,</u>	<u>Governmental Activities</u>	<u>Business Type Activities</u>	<u>Totals</u>
2014	\$ 1,398,748	\$ 874,487	2,273,235
2015	1,244,047	875,829	2,119,876
2016	1,254,454	868,094	2,122,548
2017	1,261,916	875,703	2,137,619
2018	785,414	870,424	1,655,838
2019 - 2023	3,744,712	3,958,379	7,703,091
2024 - 2028	1,785,447	1,943,223	3,728,670
2029 - 2030	<u>261,966</u>	<u>606,425</u>	<u>868,391</u>
Total Principal and Interest	11,736,704	10,872,565	22,609,269
Total Interest	<u>2,287,399</u>	<u>2,377,602</u>	<u>4,665,001</u>
Total Principal	<u>\$ 9,449,305</u>	<u>\$ 8,494,963</u>	<u>\$ 17,944,268</u>

CITY OF BONNER SPRINGS, KANSAS
 NOTES TO THE FINANCIAL STATEMENTS
 Year ended December 31, 2013

III. DETAILED NOTES ON ALL FUNDS (Continued)

F. Long-term Debt (Continued)

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

<u>Series</u>	<u>Date Issued</u>	<u>Original Amount</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Outstanding</u>
2012	11/15/2012	\$ 1,750,000	0.45%	5/1/2014	<u>\$ 1,750,000</u>

Annual debt service requirements to maturity for temporary notes are as follows:

<u>Year Ending December 31,</u>	
2014	<u>\$ 1,761,506</u>
Total Principal and Interest	1,761,506
Total Interest	<u>11,506</u>
Total Principal	<u>\$ 1,750,000</u>

The City has entered into an agreement for a loan from the Kansas Department of Health and Environment. The City is currently authorized for a loan in the amount of \$550,000 with an interest rate of 2.25%. As of December 31, 2013, the City has not made any loan draws.

Special Assessments. As provided by Kansas statutes, projects financed in part by special assessments are financed through general obligation bonds of the City and are retired from the Debt Service Fund. Special assessments paid prior to the issuance of bonds are recorded as revenue in the appropriate project. Special assessments received after the issuance of bonds are recorded as revenue in the Debt Service Fund. The special assessments receivable are not recorded as revenue when levied against the respective property owners as such amounts are not available to finance current year operations. The special assessment debt is a contingent liability of the City to the extent of property owner defaults which have historically been immaterial.

G. *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 public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the State of Kansas, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of December 31, 2013, there were five series of Industrial Revenue Bonds outstanding, with an aggregate principal amount payable of \$7,724,768.

CITY OF BONNER SPRINGS, KANSAS

NOTES TO THE FINANCIAL STATEMENTS
Year ended December 31, 2013

IV. OTHER INFORMATION

A. *Contingent Liabilities*

Amounts received or receivable from grantor agencies are subject to audit and adjustment by these agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

B. *Defined Benefit Pension Plan*

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

Funding Policy - K.S.A. 74-4919 establishes the KPERs member-employee contribution rate at up to 6% of covered salary. KSA 74-4975 establishes the KP&F member-employee contribution rate at 7% of covered salary. The employer collects and remits member-employee contributions according to the provision of section 414(h) of the Internal Revenue Code. State law provides that the employer contribution rates be determined annually based on the results of an annual actuarial valuation. KPERs and KP&F are funded on an actuarial reserve basis. State law sets a limitation on annual increases in the contribution rates. The KPERs employer rate was 7.94% for 2013. The City employer contributions to KPERs for the year ended December 31, 2013, 2012 and 2011 were \$242,441, \$208,359, and \$190,840 respectively, equal to the required contributions for each year. The KP&F employer rate established for fiscal years beginning in 2013 is 17.26%. Employers participating in KP&F also make contributions to amortize the liability for past service costs, if any, which are determined separately for each participating employer. The City's contributions to KP&F for the years ended December 31, 2013, 2012, and 2011 were \$238,487, \$215,872, and \$182,098, respectively, equal to the retired contributions for each year.

C. *Interfund Transfers*

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

<u>From</u>	<u>To</u>	<u>Amount</u>	<u>Regulatory Authority</u>
General	Nonmajor Governmental Funds	\$ 802,998	City ordinance 2178
General	Wastewater Collection/Treatment	9,750	City ordinance 2178
Library Project	Debt Service	49,061	City ordinance 2178
Nonmajor Governmental Funds	General	71,836	City ordinance 2178
Nonmajor Governmental Funds	Debt Service	1,970,015	City ordinance 2178
Wastewater Collection/Treatment	General	32,035	K.S.A. 12-825d
Water Treatment/Distribution	General	96,099	K.S.A. 12-825d
Solid Waste	General	10,500	K.S.A. 12-825d
Nonmajor Governmental Funds	Wastewater Collection/Treatment	595	City ordinance 2178
Nonmajor Governmental Funds	Water Treatment/Distribution	1,785	City ordinance 2178
Nonmajor Governmental Funds	Nonmajor Governmental Funds	<u>79,331</u>	City ordinance 2178
	Total	<u>\$ 3,124,005</u>	

CITY OF BONNER SPRINGS, KANSAS
 NOTES TO THE FINANCIAL STATEMENTS
 Year ended December 31, 2013

IV. OTHER INFORMATION (Continued)

D. Risk Management (Continued)

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 commercial insurance coverage in any of the past three fiscal years.

E. Restatement

Following the close of the previous fiscal year, it was discovered that several construction in progress (CIP) amounts were misclassified. Accordingly, the beginning net positions of the Wastewater Collection/Treatment and Water Treatment/Distribution funds were restated, the effects of which are as follows:

	Wastewater Collection/ Treatment	Water Treatment/ Distribution
Net position, January 1, 2013	\$ 4,502,683	\$ 6,676,956
Construction in progress adjustment	<u>52,964</u>	<u>72,332</u>
Net position, December 31, 2013, restated	<u>\$ 4,555,647</u>	<u>\$ 6,749,288</u>

F. Subsequent Events

In April 2014, the City issued Series 2014-A general obligation refunding and improvement bonds in the amount of \$1,950,000. The bond proceeds will be used to refund the remaining Series 2004 general obligation bonds, refund the remaining 2012-1 Temporary Notes and to fund various capital projects. The City will make the first payment on the bonds on March 1, 2015, and the final payment on September 1, 2028. The interest rate on the bonds ranges from 2.00% to 3.00%.

G. Postemployment Healthcare Plan

Plan Description. The City provides for a continuation of medical, prescription drug, hearing and vision insurance benefits to eligible early retirees and their spouses. The City provides retiree healthcare benefits through the Midwest Public Risk (MPR), which is a risk pool comprised of approximately 115 entity members. It has been determined that MPR functions as an agent multiple-employer plan. 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. 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 participants contributed approximately 100% of the total premiums to the Plan, through their required contribution of \$5,933 to \$8,193 (depending on the retiree selected coverage level) per year for retiree-only coverage, \$13,763 to \$19,373 per year for retiree plus spouse or children coverage, and \$16,306 to \$21,641 per year for retiree and family coverage.

CITY OF BONNER SPRINGS, KANSAS
 NOTES TO THE FINANCIAL STATEMENTS
 Year ended December 31, 2013

IV. OTHER INFORMATION (Continued)

G. Postemployment Healthcare Plan (Continued)

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 (ARC)	\$ 37,281
Interest on Net OPEB Obligation	10,667
Adjustment to the ARC	<u>[11,493]</u>
Annual OPEB cost (expense)	36,455
Benefit payments	<u>6,000</u>
Change in net OPEB obligation	30,455
Net OPEB obligation - beginning of year	<u>185,510</u>
Net OPEB obligation - end of year	<u><u>\$ 215,965</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, 2013 was as follows:

Fiscal Year <u>Ended</u>	Annual OPEB Cost <u>Cost</u>	Annual OPEB Cost <u>Contributed</u>	Net OPEB <u>Obligation</u>
December 31, 2011	\$ 39,949	\$ 6,000	\$ 163,865
December 31, 2012	33,226	11,581	185,510
December 31, 2013	36,455	6,000	215,965

Funding Status and Funding Progress. As of July 1, 2011, the most recent actuarial valuation date, the Plan was not funded. The actuarial accrued liability for benefits was \$233,461 and the actuarial value of asset was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$233,461. The covered payroll (annual payroll of active employees covered by the plan) was \$3,614,148, and the ratio of the UAAL to the covered payroll was 6.46%.

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.

CITY OF BONNER SPRINGS, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
Year ended December 31, 2013

IV. OTHER INFORMATION (Continued)

G. Postemployment Healthcare Plan (Continued)

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 July 1, 2011, the most recent actuarial valuation date, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 5.00% 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 8.50% initially, reduced by decrements to an ultimate rate of 5.00% after eight years. The UAAL is being amortized as a level dollar over an open thirty-year period.

CITY OF BONNER SPRINGS, KANSAS

OTHER POST-EMPLOYMENT BENEFITS
 REQUIRED SUPPLEMENTARY INFORMATION
 Year ended December 31, 2013

Schedule of Funding Progress

Actuarial Valuation <u>Date</u>	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfund AAL (b) - (a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as Percent of Payroll (b-a)/(c)
7/1/2007	\$ -	\$ 396,546	\$ 396,546	0.00%	\$ 3,081,998	12.87%
7/1/2009	-	322,236	322,236	0.00%	3,491,983	9.23%
7/1/2011	-	233,461	233,461	0.00%	3,614,148	6.46%

CITY OF BONNER SPRINGS, KANSAS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

December 31, 2013

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 2,373,478	\$ 1,533,032	\$ 3,906,510
Receivables (net of allowance for uncollectibles)			
Accounts	40,387	-	40,387
Due from other funds	<u>-</u>	<u>20,986</u>	<u>20,986</u>
Total assets	<u>\$ 2,413,865</u>	<u>\$ 1,554,018</u>	<u>\$ 3,967,883</u>
LIABILITIES AND EQUITY			
LIABILITIES			
Accounts payable	\$ 66,227	\$ 57,833	\$ 124,060
Accrued liabilities	15,551	-	15,551
Due to other funds	<u>-</u>	<u>873,820</u>	<u>873,820</u>
Total liabilities	<u>81,778</u>	<u>931,653</u>	<u>1,013,431</u>
EQUITY			
Fund balances			
Restricted	1,695,345	622,365	2,317,710
Committed	<u>636,742</u>	<u>-</u>	<u>636,742</u>
Total equity	<u>2,332,087</u>	<u>622,365</u>	<u>2,954,452</u>
Total liabilities and equity	<u>\$ 2,413,865</u>	<u>\$ 1,554,018</u>	<u>\$ 3,967,883</u>

See independent auditor's report on the financial statements.

CITY OF BONNER SPRINGS, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2013

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total</u>
Revenues			
Taxes	\$ 1,144,839	\$ 588,666	\$ 1,733,505
Intergovernmental	467,004	2,099,611	2,566,615
Charges for services	579,483	90,000	669,483
Fines and fees	14,250	-	14,250
Use of money and property	6,806	3,918	10,724
Reimbursements	26,364	-	26,364
Miscellaneous	10,541	14,200	24,741
Total revenues	<u>2,249,287</u>	<u>2,796,395</u>	<u>5,045,682</u>
Expenditures			
Current			
General government	709,561	-	709,561
Public safety	805,549	-	805,549
Public works	134,509	-	134,509
Capital outlay	39,050	2,473,358	2,512,408
Total expenditures	<u>1,688,669</u>	<u>2,473,358</u>	<u>4,162,027</u>
Excess [deficiency] of revenues over [under] expenditures	<u>560,618</u>	<u>323,037</u>	<u>883,655</u>
Other financing sources [uses]			
Transfers in	823,184	59,145	882,329
Transfers out	<u>[1,821,221]</u>	<u>[302,341]</u>	<u>[2,123,562]</u>
Total other financing sources [uses]	<u>[998,037]</u>	<u>[243,196]</u>	<u>[1,241,233]</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	[437,419]	79,841	[357,578]
Fund balances, January 1	<u>2,769,506</u>	<u>542,524</u>	<u>3,312,030</u>
Fund balance, December 31	<u>\$ 2,332,087</u>	<u>\$ 622,365</u>	<u>\$ 2,954,452</u>

See independent auditor's report on the financial statements.

CITY OF BONNER SPRINGS, KANSAS

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
December 31, 2013

ASSETS	Emergency <u>Medical</u>	Centennial <u>Park</u>	Convention & Tourism <u>Promotion</u>	Drug & <u>Alcohol</u>	<u>Soccer</u>	Economic <u>Development</u>
Cash and cash equivalents	\$ 19,703	\$ 375	\$ 173,830	\$ 129,507	\$ -	\$ 15,235
Receivables						
Accounts	<u>35,080</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 54,783</u>	<u>\$ 375</u>	<u>\$ 173,830</u>	<u>\$ 129,507</u>	<u>\$ -</u>	<u>\$ 15,235</u>
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	\$ 2,962	\$ -	\$ 13	\$ -	\$ -	\$ 95
Accrued liabilities	<u>11,897</u>	<u>-</u>	<u>910</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>14,859</u>	<u>-</u>	<u>923</u>	<u>-</u>	<u>-</u>	<u>95</u>
Fund balances						
Restricted	35,079	-	167,121	129,507	-	-
Committed	<u>4,845</u>	<u>375</u>	<u>5,786</u>	<u>-</u>	<u>-</u>	<u>15,140</u>
Total fund balances [deficit]	<u>39,924</u>	<u>375</u>	<u>172,907</u>	<u>129,507</u>	<u>-</u>	<u>15,140</u>
Total liabilities and fund balances	<u>\$ 54,783</u>	<u>\$ 375</u>	<u>\$ 173,830</u>	<u>\$ 129,507</u>	<u>\$ -</u>	<u>\$ 15,235</u>

<u>Park Dedication</u>	<u>Risk Management</u>	<u>Senior Center</u>	<u>Special Parks & Recreation</u>	<u>Street Projects</u>	<u>Summer Ball</u>	<u>Recreation Program</u>	<u>Swimming Pool</u>
\$ 45,184	\$ 142,541	\$ 1,544	\$ 86,688	\$ 486,419	\$ 18,944	\$ 32,329	\$ -
-	-	-	-	-	-	-	-
<u>\$ 45,184</u>	<u>\$ 142,541</u>	<u>\$ 1,544</u>	<u>\$ 86,688</u>	<u>\$ 486,419</u>	<u>\$ 18,944</u>	<u>\$ 32,329</u>	<u>\$ -</u>
\$ -	\$ -	\$ 283	\$ 322	\$ 42,144	\$ -	\$ 196	\$ -
-	-	1,261	-	-	-	-	-
-	-	1,544	322	42,144	-	196	-
-	-	-	-	160,261	-	-	-
<u>45,184</u>	<u>142,541</u>	<u>-</u>	<u>86,366</u>	<u>284,014</u>	<u>18,944</u>	<u>32,133</u>	<u>-</u>
<u>45,184</u>	<u>142,541</u>	<u>-</u>	<u>86,366</u>	<u>444,275</u>	<u>18,944</u>	<u>32,133</u>	<u>-</u>
<u>\$ 45,184</u>	<u>\$ 142,541</u>	<u>\$ 1,544</u>	<u>\$ 86,688</u>	<u>\$ 486,419</u>	<u>\$ 18,944</u>	<u>\$ 32,329</u>	<u>\$ -</u>

See independent auditor's report on the financial statements.

CITY OF BONNER SPRINGS, KANSAS

COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS (Continued)
 December 31, 2013

	<u>Tiblow Transit</u>	<u>FEMA Mitigation Grant</u>	<u>Senior Center Activities</u>	<u>PHA Investment</u>	<u>Federal Sharing [Police]</u>	<u>LLEBG Grant #98-07</u>
ASSETS						
Cash and cash equivalents	\$ 1,600	\$ [259]	\$ 1,871	\$ 185,750	\$ 861	\$ 132
Receivables						
Accounts	<u>-</u>	<u>-</u>	<u>25</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 1,600</u>	<u>\$ [259]</u>	<u>\$ 1,896</u>	<u>\$ 185,750</u>	<u>\$ 861</u>	<u>\$ 132</u>
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	\$ 117	\$ -	\$ 482	\$ -	\$ -	\$ -
Accrued liabilities	<u>1,483</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>1,600</u>	<u>-</u>	<u>482</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances						
Restricted	-	[259]	-	185,750	861	132
Committed	<u>-</u>	<u>-</u>	<u>1,414</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances [deficit]	<u>-</u>	<u>[259]</u>	<u>1,414</u>	<u>185,750</u>	<u>861</u>	<u>132</u>
Total liabilities and fund balances	<u>\$ 1,600</u>	<u>\$ [259]</u>	<u>\$ 1,896</u>	<u>\$ 185,750</u>	<u>\$ 861</u>	<u>\$ 132</u>

<u>Aquatic Facility Sales Tax</u>	<u>Library Sales Tax</u>	<u>Stormwater</u>	<u>Bonner Springs Center CID Funding Agreement</u>	<u>Bonner Springs Center CID City Contribution</u>	<u>Bonner Springs Center CID Sales Tax</u>	<u>Fire Equipment Grant</u>	<u>Totals</u>
\$ 17,115	\$ 718,644	\$ 255,186	\$ 11,190	\$ 4,729	\$ 14,884	\$ 9,476	\$ 2,373,478
-	-	5,282	-	-	-	-	40,387
<u>\$ 17,115</u>	<u>\$ 718,644</u>	<u>\$ 260,468</u>	<u>\$ 11,190</u>	<u>\$ 4,729</u>	<u>\$ 14,884</u>	<u>\$ 9,476</u>	<u>\$ 2,413,865</u>
\$ -	\$ -	\$ -	\$ -	\$ 4,729	\$ 14,884	\$ -	\$ 66,227
-	-	-	-	-	-	-	15,551
-	-	-	-	4,729	14,884	-	81,778
17,115	718,644	260,468	11,190	-	-	9,476	1,695,345
-	-	-	-	-	-	-	636,742
<u>17,115</u>	<u>718,644</u>	<u>260,468</u>	<u>11,190</u>	<u>-</u>	<u>-</u>	<u>9,476</u>	<u>2,332,087</u>
<u>\$ 17,115</u>	<u>\$ 718,644</u>	<u>\$ 260,468</u>	<u>\$ 11,190</u>	<u>\$ 4,729</u>	<u>\$ 14,884</u>	<u>\$ 9,476</u>	<u>\$ 2,413,865</u>

See independent auditor's report on the financial statements.

CITY OF BONNER SPRINGS, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended December 31, 2013

	Emergency Medical	Centennial Park	Convention & Tourism	Drug & Alcohol	Soccer	Economic Development
Revenues						
Taxes	\$ -	\$ -	\$ 88,300	\$ 56,525	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-
Use of money and property	-	-	2,228	252	-	34
Fines and fees	-	-	-	-	-	14,250
Charges for services	225,965	-	-	-	12,705	-
Reimbursements	70	-	-	-	-	-
Miscellaneous	-	130	-	-	-	-
Total revenues	<u>226,035</u>	<u>130</u>	<u>90,528</u>	<u>56,777</u>	<u>12,705</u>	<u>14,284</u>
Expenditures						
Current						
Personal services	402,079	-	23,339	-	2,895	-
Contractual	155,379	45	43,132	18,137	8,477	10,718
Commodities	45,133	-	14,009	-	4,846	374
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>602,591</u>	<u>45</u>	<u>80,480</u>	<u>18,137</u>	<u>16,218</u>	<u>11,092</u>
Excess [deficiency] of revenues over [under] expenditures	<u>[376,556]</u>	<u>85</u>	<u>10,048</u>	<u>38,640</u>	<u>[3,513]</u>	<u>3,192</u>
Other financing sources [uses]						
Transfers in	368,936	-	-	-	3,513	-
Transfers out	-	-	-	[54,325]	-	-
Total other financing sources [uses]	<u>368,936</u>	<u>-</u>	<u>-</u>	<u>[54,325]</u>	<u>3,513</u>	<u>-</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	<u>[7,620]</u>	<u>85</u>	<u>10,048</u>	<u>[15,685]</u>	<u>-</u>	<u>3,192</u>
Fund balances [deficit], January 1	<u>47,544</u>	<u>290</u>	<u>162,859</u>	<u>145,192</u>	<u>-</u>	<u>11,948</u>
Fund balances [deficit], December 31	<u>\$ 39,924</u>	<u>\$ 375</u>	<u>\$ 172,907</u>	<u>\$ 129,507</u>	<u>\$ -</u>	<u>\$ 15,140</u>

<u>Park Dedication</u>	<u>Risk Management</u>	<u>Senior Center</u>	<u>Special Parks & Recreation</u>	<u>Street Projects</u>	<u>Summer Ball</u>	<u>Recreation Program</u>	<u>Swimming Pool</u>
\$ -	\$ -	\$ -	\$ 56,525	\$ -	\$ -	\$ -	\$ -
-	-	6,450	-	336,690	-	-	-
58	281	-	185	512	-	-	-
-	-	-	-	-	-	-	-
19,000	-	-	-	-	27,725	98,354	94,412
-	23,023	25	-	-	1,460	15	1,771
-	-	50	4,700	-	-	-	337
<u>19,058</u>	<u>23,304</u>	<u>6,525</u>	<u>61,410</u>	<u>337,202</u>	<u>29,185</u>	<u>98,369</u>	<u>96,520</u>
-	-	38,684	-	-	6,387	59,921	127,725
-	27,537	4,529	67,794	297,487	6,333	10,254	46,196
-	-	1,052	-	-	9,890	9,591	30,519
-	-	-	-	-	13,400	8,333	6,095
-	<u>27,537</u>	<u>44,265</u>	<u>67,794</u>	<u>297,487</u>	<u>36,010</u>	<u>88,099</u>	<u>210,535</u>
<u>19,058</u>	<u>[4,233]</u>	<u>[37,740]</u>	<u>[6,384]</u>	<u>39,715</u>	<u>[6,825]</u>	<u>10,270</u>	<u>[114,015]</u>
-	-	37,770	-	250,428	-	-	114,015
-	-	-	[22,413]	[33,055]	-	-	-
-	-	<u>37,770</u>	<u>[22,413]</u>	<u>217,373</u>	-	-	<u>114,015</u>
19,058	[4,233]	30	[28,797]	257,088	[6,825]	10,270	-
<u>26,126</u>	<u>146,774</u>	<u>[30]</u>	<u>115,163</u>	<u>187,187</u>	<u>25,769</u>	<u>21,863</u>	<u>-</u>
<u>\$ 45,184</u>	<u>\$ 142,541</u>	<u>\$ -</u>	<u>\$ 86,366</u>	<u>\$ 444,275</u>	<u>\$ 18,944</u>	<u>\$ 32,133</u>	<u>\$ -</u>

See independent auditor's report on the financial statements.

CITY OF BONNER SPRINGS, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS (Continued)
 For the Year Ended December 31, 2013

	Tiblow Transit	FEMA Mitigation Grant	Senior Center Activities	PHA Investment	Federal Sharing [Police]	LLEBG Grant #98-07
Revenues						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	62,424	-	-	-	-	-
Use of money and property	-	-	-	361	2	-
Fines and fees	-	-	-	-	-	-
Charges for services	2,359	-	7,709	-	-	-
Reimbursements	-	-	-	-	-	-
Miscellaneous	5,324	-	-	-	-	-
Total revenues	<u>70,107</u>	<u>-</u>	<u>7,709</u>	<u>361</u>	<u>2</u>	<u>-</u>
Expenditures						
Current						
Personal services	48,531	-	-	-	-	-
Contractual	19,506	-	6,754	-	-	-
Commodities	18,350	-	-	-	-	-
Capital outlay	11,222	-	-	-	-	-
Total expenditures	<u>97,609</u>	<u>-</u>	<u>6,754</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess [deficiency] of revenues over [under] expenditures	<u>[27,502]</u>	<u>-</u>	<u>955</u>	<u>361</u>	<u>2</u>	<u>-</u>
Other financing sources [uses]						
Transfers in	27,545	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources [uses]	<u>27,545</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	<u>43</u>	<u>-</u>	<u>955</u>	<u>361</u>	<u>2</u>	<u>-</u>
Fund balances [deficit], January 1	<u>[43]</u>	<u>[259]</u>	<u>459</u>	<u>185,389</u>	<u>859</u>	<u>132</u>
Fund balances [deficit], December 31	<u>\$ -</u>	<u>\$ [259]</u>	<u>\$ 1,414</u>	<u>\$ 185,750</u>	<u>\$ 861</u>	<u>\$ 132</u>

<u>Aquatic Facility Sales Tax</u>	<u>Library Sales Tax</u>	<u>Stormwater</u>	<u>Bonner Springs Center CID Funding Agreement</u>	<u>Bonner Springs Center CID City Contribution</u>	<u>Bonner Springs Center CID Sales Tax</u>	<u>Fire Equipment Grant</u>	<u>Total</u>
\$ 471,743	\$ 471,746	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,144,839
-	-	-	-	-	61,440	-	467,004
1,446	1,015	432	-	-	-	-	6,806
-	-	-	-	-	-	-	14,250
-	-	91,254	-	-	-	-	579,483
-	-	-	-	-	-	-	26,364
-	-	-	-	-	-	-	10,541
<u>473,189</u>	<u>472,761</u>	<u>91,686</u>	<u>-</u>	<u>-</u>	<u>61,440</u>	<u>-</u>	<u>2,249,287</u>
-	-	-	-	-	-	-	709,561
-	-	854	-	20,977	61,440	-	805,549
-	-	745	-	-	-	-	134,509
-	-	-	-	-	-	-	39,050
-	-	1,599	-	20,977	61,440	-	1,688,669
<u>473,189</u>	<u>472,761</u>	<u>90,087</u>	<u>-</u>	<u>[20,977]</u>	<u>-</u>	<u>-</u>	<u>560,618</u>
-	-	-	-	20,977	-	-	823,184
<u>[1,294,760]</u>	<u>[387,470]</u>	<u>[29,198]</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>[1,821,221]</u>
<u>[1,294,760]</u>	<u>[387,470]</u>	<u>[29,198]</u>	<u>-</u>	<u>20,977</u>	<u>-</u>	<u>-</u>	<u>[998,037]</u>
[821,571]	85,291	60,889	-	-	-	-	[437,419]
<u>838,686</u>	<u>633,353</u>	<u>199,579</u>	<u>11,190</u>	<u>-</u>	<u>-</u>	<u>9,476</u>	<u>2,769,506</u>
<u>\$ 17,115</u>	<u>\$ 718,644</u>	<u>\$ 260,468</u>	<u>\$ 11,190</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,476</u>	<u>\$ 2,332,087</u>

See independent auditor's report on the financial statements.

CITY OF BONNER SPRINGS, KANSAS

COMBINING BALANCE SHEET
 NONMAJOR CAPITAL PROJECT FUNDS
 December 31, 2013

	K7/134th Waterline Relocate	Riverview Waterline Relocate	Powell Drive/43rd Street	Bonner Pointe TIF Fund
ASSETS				
Cash and investments	\$ 81,473	\$ -	\$ 432,709	\$ 2,343
Due from other funds	<u>-</u>	<u>17,181</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 81,473</u>	<u>\$ 17,181</u>	<u>\$ 432,709</u>	<u>\$ 2,343</u>
LIABILITIES				
Accounts payable	\$ 14,130	\$ -	\$ -	\$ -
Due to other funds	<u>-</u>	<u>2,549</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>14,130</u>	<u>2,549</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Restricted	<u>67,343</u>	<u>14,632</u>	<u>432,709</u>	<u>2,343</u>
Total fund balances [deficit]	<u>67,343</u>	<u>14,632</u>	<u>432,709</u>	<u>2,343</u>
Total liabilities and equity	<u>\$ 81,473</u>	<u>\$ 17,181</u>	<u>\$ 432,709</u>	<u>\$ 2,343</u>

Capital Improvement	Emergency Services Capital	Sidewalk Escrow	K7/134th Sewer Relocate	County Infrastructure	Temporary Note 2007 - 2
\$ 120	\$ 249,948	\$ 34,352	\$ -	\$ 1,315	\$ -
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 120</u>	<u>\$ 249,948</u>	<u>\$ 34,352</u>	<u>\$ -</u>	<u>\$ 1,315</u>	<u>\$ -</u>
\$ -	\$ 208	\$ -	\$ 4,563	\$ -	\$ -
<u>-</u>	<u>-</u>	<u>-</u>	<u>132,348</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>208</u>	<u>-</u>	<u>136,911</u>	<u>-</u>	<u>-</u>
<u>120</u>	<u>249,740</u>	<u>34,352</u>	<u>[136,911]</u>	<u>1,315</u>	<u>-</u>
<u>120</u>	<u>249,740</u>	<u>34,352</u>	<u>[136,911]</u>	<u>1,315</u>	<u>-</u>
<u>\$ 120</u>	<u>\$ 249,948</u>	<u>\$ 34,352</u>	<u>\$ -</u>	<u>\$ 1,315</u>	<u>\$ -</u>

See independent auditor's report on the financial statements.

CITY OF BONNER SPRINGS, KANSAS

COMBINING BALANCE SHEET
 NONMAJOR CAPITAL PROJECT FUNDS (Continued)
 December 31, 2013

	134th Street Relocate	118th Street Waterline Relocate	KLINK Resurfacing	Walking Trail Phase IV	Temporary Note 2012 - 1
ASSETS					
Cash and investments	\$ 4,957	\$ -	\$ -	\$ -	\$ 701,900
Due from other funds	<u>-</u>	<u>3,805</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 4,957</u>	<u>\$ 3,805</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 701,900</u>
LIABILITIES					
Accounts payable	\$ 82	30,000	\$ -	\$ -	\$ -
Due to other funds	<u>-</u>	<u>4,080</u>	<u>-</u>	<u>-</u>	<u>698,643</u>
Total liabilities	<u>82</u>	<u>34,080</u>	<u>-</u>	<u>-</u>	<u>698,643</u>
FUND BALANCES					
Restricted	<u>4,875</u>	<u>[30,275]</u>	<u>-</u>	<u>-</u>	<u>3,257</u>
Total fund balances [deficit]	<u>4,875</u>	<u>[30,275]</u>	<u>-</u>	<u>-</u>	<u>3,257</u>
Total liabilities and equity	<u>\$ 4,957</u>	<u>\$ 3,805</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 701,900</u>

Bonner Pointe TIF Increment	Well #5 Rehab	Cedar Ridge Lift Station	K32 Street Construction	Filter Backwash Tank	Totals
\$ -	\$ -	\$ -	\$ 23,915	\$ -	\$ 1,533,032
-	-	-	-	-	20,986
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,915</u>	<u>\$ -</u>	<u>\$ 1,554,018</u>
\$ -	\$ 7,500	\$ 1,350	\$ -	\$ -	\$ 57,833
-	-	-	-	36,200	873,820
-	7,500	1,350	-	36,200	931,653
-	[7,500]	[1,350]	23,915	[36,200]	622,365
-	[7,500]	[1,350]	23,915	[36,200]	622,365
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,915</u>	<u>\$ -</u>	<u>\$ 1,554,018</u>

See independent auditor's report on the financial statements.

CITY OF BONNER SPRINGS, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECT FUNDS

For the Year Ended December 31, 2013

	K7/134th Waterline Relocate	Riverview Waterline Relocate	Powell Drive/43rd Street	Bonner Pointe TIF Fund
Revenues				
Use of money and property	\$ -	\$ -	\$ 741	\$ -
Taxes	-	-	-	-
Intergovernmental	247,347	56,948	-	-
Charges for services	-	-	90,000	-
Miscellaneous	-	-	-	-
Total revenues	<u>247,347</u>	<u>56,948</u>	<u>90,741</u>	<u>-</u>
Expenditures				
Contractual	<u>161,470</u>	<u>4,443</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>161,470</u>	<u>4,443</u>	<u>-</u>	<u>-</u>
Excess [deficiency] of revenues over [under] expenditures	<u>85,877</u>	<u>52,505</u>	<u>90,741</u>	<u>-</u>
Other financing sources [uses]				
Transfers in	-	-	-	-
Transfers [out]	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources [uses]	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	85,877	52,505	90,741	-
Fund balances [deficit], January 1	<u>[18,534]</u>	<u>[37,873]</u>	<u>341,968</u>	<u>2,343</u>
Fund balances [deficit], December 31	<u>\$ 67,343</u>	<u>\$ 14,632</u>	<u>\$ 432,709</u>	<u>\$ 2,343</u>

Capital Improvement	Emergency Services Capital	Sidewalk Escrow	K7/134th Sewer Relocate	County Infrastructure	Temporary Note 2007 - 2
\$ -	\$ 477	\$ 67	\$ -	\$ -	\$ 9
-	471,746	-	-	-	-
-	-	-	1,460,492	-	-
-	-	-	-	-	-
-	14,200	-	-	-	-
-	486,423	67	1,460,492	-	9
-	361,657	-	1,560,364	-	-
-	361,657	-	1,560,364	-	-
-	124,766	67	[99,872]	-	9
-	-	-	-	-	-
-	[268,044]	-	-	-	[14,408]
-	[268,044]	-	-	-	[14,408]
-	[143,278]	67	[99,872]	-	[14,399]
120	393,018	34,285	[37,039]	1,315	14,399
\$ 120	\$ 249,740	\$ 34,352	\$ [136,911]	\$ 1,315	\$ -

See independent auditor's report on the financial statements.

CITY OF BONNER SPRINGS, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECT FUNDS (CONTINUED)
For the Year Ended December 31, 2013

	134th Street Street Relocate	118th Street Waterline Relocate	KLINK Resurfacing	Walking Trail Phase IV	Temporary Note 2012 - 1
Revenues					
Use of money and property	\$ -	\$ -	\$ -	\$ -	\$ 2,624
Taxes	-	-	-	-	-
Intergovernmental	212,356	-	122,468	-	-
Charges for services	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total revenues	<u>212,356</u>	<u>-</u>	<u>122,468</u>	<u>-</u>	<u>2,624</u>
Expenditures					
Contractual	<u>156,466</u>	<u>30,275</u>	<u>1,483</u>	<u>2,228</u>	<u>-</u>
Total expenditures	<u>156,466</u>	<u>30,275</u>	<u>1,483</u>	<u>2,228</u>	<u>-</u>
Excess [deficiency] of revenues over [under] expenditures	<u>55,890</u>	<u>[30,275]</u>	<u>120,985</u>	<u>[2,228]</u>	<u>2,624</u>
Other financing sources [uses]					
Transfers in	-	-	-	2,228	-
Transfers [out]	<u>[19,164]</u>	<u>-</u>	<u>[725]</u>	<u>-</u>	<u>-</u>
Total other financing sources [uses]	<u>[19,164]</u>	<u>-</u>	<u>[725]</u>	<u>2,228</u>	<u>-</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	36,726	[30,275]	120,260	-	2,624
Fund balances [deficit], January 1	<u>[31,851]</u>	<u>-</u>	<u>[120,260]</u>	<u>-</u>	<u>633</u>
Fund balances [deficit], December 31	<u>\$ 4,875</u>	<u>\$ [30,275]</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,257</u>

Bonner Pointe TIF Increment	Well #5 Rehab	Cedar Ridge Lift Station	K32 Street Construction	Filter Backwash Tank	Totals
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,918
116,920	-	-	-	-	588,666
-	-	-	-	-	2,099,611
-	-	-	-	-	90,000
-	-	-	-	-	14,200
<u>116,920</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,796,395</u>
<u>116,920</u>	<u>7,500</u>	<u>1,350</u>	<u>33,002</u>	<u>36,200</u>	<u>2,473,358</u>
<u>116,920</u>	<u>7,500</u>	<u>1,350</u>	<u>33,002</u>	<u>36,200</u>	<u>2,473,358</u>
<u>-</u>	<u>[7,500]</u>	<u>[1,350]</u>	<u>[33,002]</u>	<u>[36,200]</u>	<u>323,037</u>
-	-	-	56,917	-	59,145
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>[302,341]</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>56,917</u>	<u>-</u>	<u>[243,196]</u>
-	[7,500]	[1,350]	23,915	[36,200]	79,841
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>542,524</u>
<u>\$ -</u>	<u>\$ [7,500]</u>	<u>\$ [1,350]</u>	<u>\$ 23,915</u>	<u>\$ [36,200]</u>	<u>\$ 622,365</u>

See independent auditor's report on the financial statements.

CITY OF BONNER SPRINGS, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
EMERGENCY MEDICAL SERVICE FUND
For the Year Ended December 31, 2013

	GAAP Basis <u>Actual</u>	Adjustments	Budgetary Basis <u>Actual</u>	Original <u>Budget</u>	Amended <u>Budget</u>	Variance Positive [Negative]
Revenues						
Charges for services	\$ 226,035	\$ [69,852]	\$ 156,183	\$ 160,000	\$ 160,000	\$ [3,817]
Total revenues	<u>226,035</u>	<u>[69,852]</u>	<u>156,183</u>	<u>160,000</u>	<u>160,000</u>	<u>[3,817]</u>
Expenditures						
Personal services	402,079	-	402,079	419,688	419,688	17,609
Contractual	155,379	[82,514]	72,865	83,209	83,209	10,344
Commodities	45,133	3,278	48,411	50,550	50,550	2,139
Capital outlay	-	1,476	1,476	1,500	1,500	24
Total expenditures	<u>602,591</u>	<u>[77,760]</u>	<u>524,831</u>	<u>554,947</u>	<u>554,947</u>	<u>30,116</u>
Excess [deficiency] of revenues over [under] expenditures	<u>[376,556]</u>	<u>7,908</u>	<u>[368,648]</u>	<u>[394,947]</u>	<u>[394,947]</u>	<u>26,299</u>
Other financing sources [uses]						
Transfers in	<u>368,936</u>	<u>-</u>	<u>368,936</u>	<u>394,947</u>	<u>394,947</u>	<u>[26,011]</u>
Total other financing sources [uses]	<u>368,936</u>	<u>-</u>	<u>368,936</u>	<u>394,947</u>	<u>394,947</u>	<u>[26,011]</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	<u>[7,620]</u>	<u>\$ 7,908</u>	<u>288</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 288</u>
Fund balance, January 1	<u>47,544</u>		<u>[288]</u>			
Fund balance, December 31	<u>\$ 39,924</u>		<u>\$ -</u>			

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CITY OF BONNER SPRINGS, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - ACTUAL AND BUDGET
 CONVENTION AND TOURISM PROMOTION FUND
 For the Year Ended December 31, 2013

	GAAP Basis <u>Actual</u>	<u>Adjustments</u>	Budgetary Basis <u>Actual</u>	<u>Original Budget</u>	<u>Final Budget</u>	Variance Positive [Negative]
Revenues						
Taxes	\$ 88,300	\$ -	\$ 88,300	\$ 75,000	\$ 75,000	\$ 13,300
Use of money and property	<u>2,228</u>	<u>-</u>	<u>2,228</u>	<u>450</u>	<u>450</u>	<u>1,778</u>
Total revenues	<u>90,528</u>	<u>-</u>	<u>90,528</u>	<u>75,450</u>	<u>75,450</u>	<u>15,078</u>
Expenditures						
Personal services	23,339	-	23,339	23,276	23,276	[63]
Contractual	43,132	[725]	42,407	55,420	55,420	13,013
Commodities	<u>14,009</u>	<u>-</u>	<u>14,009</u>	<u>1,500</u>	<u>1,500</u>	<u>[12,509]</u>
Total expenditures	<u>80,480</u>	<u>[725]</u>	<u>79,755</u>	<u>80,196</u>	<u>80,196</u>	<u>441</u>
Excess [deficiency] of revenues over [under] expenditures	10,048	<u>\$ 725</u>	10,773	<u>\$ [4,746]</u>	<u>\$ [4,746]</u>	<u>\$ 15,519</u>
Fund balance, January 1	<u>162,859</u>		<u>156,348</u>			
Fund balance, December 31	<u>\$ 172,907</u>		<u>\$ 167,121</u>			

See independent auditor's report on the financial statements.

CITY OF BONNER SPRINGS, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
DRUG AND ALCOHOL FUND

For the Year Ended December 31, 2013

	GAAP Basis <u>Actual</u>	<u>Adjustments</u>	Budgetary Basis <u>Actual</u>	<u>Original Budget</u>	<u>Final Budget</u>	Variance Positive [Negative]
Revenues						
Taxes	\$ 56,525	\$ -	\$ 56,525	\$ 45,000	\$ 45,000	\$ 11,525
Use of money and property	<u>252</u>	<u>-</u>	<u>252</u>	<u>400</u>	<u>400</u>	<u>[148]</u>
Total revenues	<u>56,777</u>	<u>-</u>	<u>56,777</u>	<u>45,400</u>	<u>45,400</u>	<u>11,377</u>
Expenditures						
Contractual services	<u>18,137</u>	<u>-</u>	<u>18,137</u>	<u>25,000</u>	<u>25,000</u>	<u>6,863</u>
Total expenditures	<u>18,137</u>	<u>-</u>	<u>18,137</u>	<u>25,000</u>	<u>25,000</u>	<u>6,863</u>
Excess [deficiency] of revenues over [under] expenditures	<u>38,640</u>	<u>-</u>	<u>38,640</u>	<u>20,400</u>	<u>20,400</u>	<u>18,240</u>
Other financing sources [uses]						
Transfer [out]	<u>[54,325]</u>	<u>-</u>	<u>[54,325]</u>	<u>[54,325]</u>	<u>[54,325]</u>	<u>-</u>
Total other financing sources [uses]	<u>[54,325]</u>	<u>-</u>	<u>[54,325]</u>	<u>[54,325]</u>	<u>[54,325]</u>	<u>-</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	<u>[15,685]</u>	<u>\$ -</u>	<u>[15,685]</u>	<u>\$ [33,925]</u>	<u>\$ [33,925]</u>	<u>\$ 18,240</u>
Fund balance, January 1	<u>145,192</u>		<u>145,192</u>			
Fund balance, December 31	<u>\$ 129,507</u>		<u>\$ 129,507</u>			

See independent auditor's report on the financial statements.

CITY OF BONNER SPRINGS, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - ACTUAL AND BUDGET
 ECONOMIC DEVELOPMENT FUND
 For the Year Ended December 31, 2013

	GAAP Basis <u>Actual</u>	<u>Adjustments</u>	Budgetary Basis <u>Actual</u>	<u>Original Budget</u>	<u>Final Budget</u>	Variance Positive [Negative]
Revenues						
Fines and fees	\$ 14,250	\$ -	\$ 14,250	\$ -	\$ -	\$ 14,250
Use of money and property	34	-	34	-	-	34
Total revenues	<u>14,284</u>	<u>-</u>	<u>14,284</u>	<u>-</u>	<u>-</u>	<u>14,284</u>
Expenditures						
Contractual services	10,718	-	10,718	10,517	10,517	[201]
Commodities	<u>374</u>	<u>-</u>	<u>374</u>	<u>900</u>	<u>900</u>	<u>526</u>
Total expenditures	<u>11,092</u>	<u>-</u>	<u>11,092</u>	<u>11,417</u>	<u>11,417</u>	<u>325</u>
Excess [deficiency] of revenues over [under] expenditures	3,192	<u>\$ -</u>	3,192	<u>\$ [11,417]</u>	<u>\$ [11,417]</u>	<u>\$ 14,609</u>
Fund balance, January 1	<u>11,948</u>		<u>11,948</u>			
Fund balance, December 31	<u>\$ 15,140</u>		<u>\$ 15,140</u>			

See independent auditor's report on the financial statements.

CITY OF BONNER SPRINGS, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - ACTUAL AND BUDGET
 PARK DEDICATION FUND
 For the Year Ended December 31, 2013

	GAAP Basis <u>Actual</u>	<u>Adjustments</u>	Budgetary Basis <u>Actual</u>	<u>Original Budget</u>	<u>Final Budget</u>	Variance Positive [Negative]
Revenues						
Charges for services	\$ 19,000	\$ -	\$ 19,000	\$ 5,000	\$ 5,000	\$ 14,000
Use of money and property	<u>58</u>	<u>-</u>	<u>58</u>	<u>40</u>	<u>40</u>	<u>18</u>
Total revenues	<u>19,058</u>	<u>-</u>	<u>19,058</u>	<u>5,040</u>	<u>5,040</u>	<u>14,018</u>
Expenditures						
Contractual services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess [deficiency] of revenues over [under] expenditures	19,058	<u>\$ -</u>	19,058	<u>\$ 5,040</u>	<u>\$ 5,040</u>	<u>\$ 14,018</u>
Fund balance, January 1	<u>26,126</u>		<u>26,126</u>			
Fund balance, December 31	<u>\$ 45,184</u>		<u>\$ 45,184</u>			

See independent auditor's report on the financial statements.

CITY OF BONNER SPRINGS, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - ACTUAL AND BUDGET
 RISK MANAGEMENT FUND
 For the Year Ended December 31, 2013

	GAAP Basis Actual	Adjustments	Budgetary Basis Actual	Original Budget	Final Budget	Variance Positive [Negative]
Revenues						
Reimbursements	\$ 23,023	\$ -	\$ 23,023	\$ -	\$ -	\$ 23,023
Use of money and property	<u>281</u>	<u>-</u>	<u>281</u>	<u>200</u>	<u>200</u>	<u>81</u>
Total revenues	<u>23,304</u>	<u>-</u>	<u>23,304</u>	<u>200</u>	<u>200</u>	<u>23,104</u>
Expenditures						
Contractual services	<u>27,537</u>	<u>-</u>	<u>27,537</u>	<u>134,289</u>	<u>134,289</u>	<u>106,752</u>
Total expenditures	<u>27,537</u>	<u>-</u>	<u>27,537</u>	<u>134,289</u>	<u>134,289</u>	<u>106,752</u>
Excess [deficiency] of revenues over [under] expenditures	[4,233]	<u>\$ -</u>	[4,233]	<u>\$ [134,089]</u>	<u>\$ [134,089]</u>	<u>\$ 129,856</u>
Fund balance, January 1	<u>146,774</u>		<u>146,774</u>			
Fund balance, December 31	<u>\$ 142,541</u>		<u>\$ 142,541</u>			

See independent auditor's report on the financial statements.

CITY OF BONNER SPRINGS, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
SENIOR CENTER FUND

For the Year Ended December 31, 2013

	GAAP Basis Actual	Adjustments	Budgetary Basis Actual	Original Budget	Final Budget	Variance Positive [Negative]
Revenues						
Intergovernmental	\$ 6,450	\$ -	\$ 6,450	\$ 6,450	\$ 6,450	\$ -
Reimbursed expenses	<u>75</u>	<u>-</u>	<u>75</u>	<u>-</u>	<u>-</u>	<u>75</u>
Total revenues	<u>6,525</u>	<u>-</u>	<u>6,525</u>	<u>6,450</u>	<u>6,450</u>	<u>75</u>
Expenditures						
Personal services	38,684	-	38,684	38,370	38,370	[314]
Contractual services	4,529	-	4,529	5,830	5,830	1,301
Commodities	<u>1,052</u>	<u>-</u>	<u>1,052</u>	<u>3,250</u>	<u>3,250</u>	<u>2,198</u>
Total expenditures	<u>44,265</u>	<u>-</u>	<u>44,265</u>	<u>47,450</u>	<u>47,450</u>	<u>3,185</u>
Excess [deficiency] of revenues over [under] expenditures	<u>[37,740]</u>	<u>-</u>	<u>[37,740]</u>	<u>[41,000]</u>	<u>[41,000]</u>	<u>3,260</u>
Other financing sources [uses]						
Transfer in	<u>37,770</u>	<u>-</u>	<u>37,770</u>	<u>41,000</u>	<u>41,000</u>	<u>[3,230]</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	30	<u>\$ -</u>	30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30</u>
Fund balance, January 1	<u>[30]</u>		<u>[30]</u>			
Fund balance, December 31	<u>\$ -</u>		<u>\$ -</u>			

See independent auditor's report on the financial statements.

CITY OF BONNER SPRINGS, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
SPECIAL PARKS AND RECREATION FUND
For the Year Ended December 31, 2013

	GAAP Basis Actual	Adjustments	Budgetary Basis Actual	Original Budget	Final Budget	Variance Positive [Negative]
Revenues						
Intergovernmental	\$ 56,525	\$ -	\$ 56,525	\$ 45,000	\$ 45,000	\$ 11,525
Miscellaneous	4,700	-	4,700	-	-	4,700
Use of money and property	185	-	185	300	300	[115]
Total revenues	<u>61,410</u>	<u>-</u>	<u>61,410</u>	<u>45,300</u>	<u>45,300</u>	<u>16,110</u>
Expenditures						
Contractual	67,794	5,988	73,782	84,000	86,500	12,718
Total expenditures	<u>67,794</u>	<u>5,988</u>	<u>73,782</u>	<u>84,000</u>	<u>86,500</u>	<u>12,718</u>
Excess [deficiency] of revenues over [under] expenditures	<u>[6,384]</u>	<u>[5,988]</u>	<u>[12,372]</u>	<u>[38,700]</u>	<u>[41,200]</u>	<u>28,828</u>
Other financing sources [uses]						
Transfer [out]	<u>[22,413]</u>	<u>-</u>	<u>[22,413]</u>	<u>[18,900]</u>	<u>[18,900]</u>	<u>[3,513]</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	<u>[28,797]</u>	<u>\$ [5,988]</u>	<u>[34,785]</u>	<u>\$ [57,600]</u>	<u>\$ [60,100]</u>	<u>\$ 25,315</u>
Fund balance, January 1	<u>115,163</u>		<u>112,844</u>			
Fund balance, December 31	<u>\$ 86,366</u>		<u>\$ 78,059</u>			

See independent auditor's report on the financial statements.

CITY OF BONNER SPRINGS, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
STREET PROJECTS FUND

For the Year Ended December 31, 2013

	GAAP Basis <u>Actual</u>	<u>Adjustments</u>	Budgetary Basis <u>Actual</u>	<u>Original Budget</u>	<u>Final Budget</u>	Variance Positive [Negative]
Revenues						
Intergovernmental	\$ 336,690	\$ -	\$ 336,690	\$ 323,862	\$ 323,862	\$ 12,828
Use of money and property	<u>512</u>	<u>-</u>	<u>512</u>	<u>400</u>	<u>400</u>	<u>112</u>
Total revenues	<u>337,202</u>	<u>-</u>	<u>337,202</u>	<u>324,262</u>	<u>324,262</u>	<u>12,940</u>
Expenditures						
Contractual services	<u>297,487</u>	<u>160,261</u>	<u>457,748</u>	<u>537,412</u>	<u>537,412</u>	<u>79,664</u>
Total expenditures	<u>297,487</u>	<u>160,261</u>	<u>457,748</u>	<u>537,412</u>	<u>537,412</u>	<u>79,664</u>
Excess [deficiency] of revenues over [under] expenditures	<u>39,715</u>	<u>[160,261]</u>	<u>[120,546]</u>	<u>[213,150]</u>	<u>[213,150]</u>	<u>92,604</u>
Other financing sources [uses]						
Transfer in	250,428	-	250,428	208,928	208,928	41,500
Transfer out	<u>[33,055]</u>	<u>-</u>	<u>[33,055]</u>	<u>-</u>	<u>[41,500]</u>	<u>8,445</u>
Total other financing sources [uses]	<u>217,373</u>	<u>-</u>	<u>217,373</u>	<u>208,928</u>	<u>167,428</u>	<u>49,945</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	257,088	<u>\$ [160,261]</u>	96,827	<u>\$ [4,222]</u>	<u>\$ [45,722]</u>	<u>\$ 142,549</u>
Fund balance, January 1	<u>187,187</u>		<u>187,187</u>			
Fund balance, December 31	<u>\$ 444,275</u>		<u>\$ 284,014</u>			

See independent auditor's report on the financial statements.

CITY OF BONNER SPRINGS, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
SUMMER BALL FUND

For the Year Ended December 31, 2013

	GAAP Basis <u>Actual</u>	<u>Adjustments</u>	Budgetary Basis <u>Actual</u>	<u>Original Budget</u>	<u>Final Budget</u>	Variance Positive [Negative]
Revenues						
Charges for services	\$ 27,725	\$ -	\$ 27,725	\$ 27,800	\$ 27,800	\$ [75]
Reimbursed expenses	<u>1,460</u>	<u>-</u>	<u>1,460</u>	<u>-</u>	<u>-</u>	<u>1,460</u>
Total revenues	<u>29,185</u>	<u>-</u>	<u>29,185</u>	<u>27,800</u>	<u>27,800</u>	<u>1,385</u>
Expenditures						
Personal services	6,387	-	6,387	6,370	6,370	[17]
Contractual services	6,333	-	6,333	8,750	8,750	2,417
Commodities	9,890	-	9,890	12,350	12,350	2,460
Capital outlay	<u>13,400</u>	<u>-</u>	<u>13,400</u>	<u>14,800</u>	<u>14,800</u>	<u>1,400</u>
Total expenditures	<u>36,010</u>	<u>-</u>	<u>36,010</u>	<u>42,270</u>	<u>42,270</u>	<u>6,260</u>
Excess [deficiency] of revenues over [under] expenditures	[6,825]	\$ <u>-</u>	[6,825]	\$ <u>[14,470]</u>	\$ <u>[14,470]</u>	\$ <u>7,645</u>
Fund balance, January 1	<u>25,769</u>		<u>25,769</u>			
Fund balance, December 31	\$ <u>18,944</u>		\$ <u>18,944</u>			

See independent auditor's report on the financial statements.

CITY OF BONNER SPRINGS, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - ACTUAL AND BUDGET
 RECREATION PROGRAM FUND
 For the Year Ended December 31, 2013

	GAAP Basis <u>Actual</u>	<u>Adjustments</u>	Budgetary Basis <u>Actual</u>	<u>Original Budget</u>	<u>Final Budget</u>	Variance Positive [Negative]
Revenues						
Charges for services	\$ 98,354	\$ -	\$ 98,354	\$ 67,775	\$ 67,775	\$ 30,579
Reimbursed expenses	15	-	15	-	-	15
Total revenues	<u>98,369</u>	<u>-</u>	<u>98,369</u>	<u>67,775</u>	<u>67,775</u>	<u>30,594</u>
Expenditures						
Personal services	59,921	-	59,921	46,910	117,145	57,224
Contractual services	10,254	-	10,254	8,650	8,650	[1,604]
Commodities	9,591	-	9,591	4,700	4,700	[4,891]
Capital outlay	8,333	-	8,333	8,500	8,500	167
Miscellaneous	-	-	-	4,700	4,700	4,700
Total expenditures	<u>88,099</u>	<u>-</u>	<u>88,099</u>	<u>73,460</u>	<u>143,695</u>	<u>55,596</u>
Excess [deficiency] of revenues over [under] expenditures	10,270	<u>\$ -</u>	10,270	<u>\$ [5,685]</u>	<u>\$ [75,920]</u>	<u>\$ 86,190</u>
Fund balance, January 1	<u>21,863</u>		<u>21,863</u>			
Fund balance, December 31	<u>\$ 32,133</u>		<u>\$ 32,133</u>			

See independent auditor's report on the financial statements.

CITY OF BONNER SPRINGS, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
SWIMMING POOL FUND

For the Year Ended December 31, 2013

	GAAP Basis <u>Actual</u>	<u>Adjustments</u>	Budgetary Basis <u>Actual</u>	<u>Original Budget</u>	<u>Final Budget</u>	Variance Positive [Negative]
Revenues						
Charges of services	\$ 94,749	\$ -	\$ 94,749	\$ 158,400	\$ 158,400	\$ [63,651]
Reimbursed expenses	<u>1,771</u>	<u>-</u>	<u>1,771</u>	<u>-</u>	<u>-</u>	<u>1,771</u>
Total revenues	<u>96,520</u>	<u>-</u>	<u>96,520</u>	<u>158,400</u>	<u>158,400</u>	<u>[61,880]</u>
Expenditures						
Personal services	127,725	-	127,725	148,550	148,550	20,825
Contractual services	46,196	-	46,196	42,420	42,420	[3,776]
Commodities	30,519	-	30,519	35,775	35,775	5,256
Capital outlay	<u>6,095</u>	<u>-</u>	<u>6,095</u>	<u>18,900</u>	<u>18,900</u>	<u>12,805</u>
Total expenditures	<u>210,535</u>	<u>-</u>	<u>210,535</u>	<u>245,645</u>	<u>245,645</u>	<u>35,110</u>
Excess [deficiency] of revenues over [under] expenditures	[114,015]	-	[114,015]	[87,245]	[87,245]	[26,770]
Other financing sources [uses]						
Transfer in	<u>114,015</u>	<u>-</u>	<u>114,015</u>	<u>87,245</u>	<u>87,245</u>	<u>26,770</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	-	<u>\$ -</u>	-	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance, January 1	<u>-</u>		<u>-</u>			
Fund balance, December 31	<u>\$ -</u>		<u>\$ -</u>			

See independent auditor's report on the financial statements.

CITY OF BONNER SPRINGS, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
TIBLOW TRANSIT FUND

For the Year Ended December 31, 2013

	GAAP Basis <u>Actual</u>	<u>Adjustments</u>	Budgetary Basis <u>Actual</u>	<u>Original Budget</u>	<u>Final Budget</u>	Variance Positive [Negative]
Revenues						
Intergovernmental	\$ 62,426	\$ -	\$ 62,426	\$ 55,260	\$ 57,180	\$ 5,246
Charges of services	2,359	-	2,359	3,759	3,474	[1,115]
Reimbursed expenses	-	-	-	32,570	44	[44]
Miscellaneous	<u>5,324</u>	<u>-</u>	<u>5,324</u>	<u>3,800</u>	<u>2,525</u>	<u>2,799</u>
Total revenues	<u>70,109</u>	<u>-</u>	<u>70,109</u>	<u>95,389</u>	<u>63,223</u>	<u>6,886</u>
Expenditures						
Personal services	48,533	-	48,533	50,259	50,259	1,726
Contractual services	19,506	-	19,506	16,430	18,687	[819]
Commodities	18,350	-	18,350	16,100	18,400	50
Capital outlay	<u>11,222</u>	<u>-</u>	<u>11,222</u>	<u>12,600</u>	<u>11,500</u>	<u>278</u>
Total expenditures	<u>97,611</u>	<u>-</u>	<u>97,611</u>	<u>95,389</u>	<u>98,846</u>	<u>1,235</u>
Excess [deficiency] of revenues over [under] expenditures	[27,502]	-	[27,502]	-	[35,623]	8,121
Other financing sources [uses] Transfer in	<u>27,545</u>	<u>-</u>	<u>27,545</u>	<u>-</u>	<u>35,667</u>	<u>[8,122]</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	43	<u>\$ -</u>	43	<u>\$ -</u>	<u>\$ 44</u>	<u>\$ [1]</u>
Fund balance, January 1	<u>[43]</u>		<u>[43]</u>			
Fund balance, December 31	<u>\$ -</u>		<u>\$ -</u>			

See independent auditor's report on the financial statements.

CITY OF BONNER SPRINGS, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - ACTUAL AND BUDGET
 AQUATIC FACILITY SALES TAX FUND
 For the Year Ended December 31, 2013

	GAAP Basis <u>Actual</u>	<u>Adjustments</u>	Budgetary Basis <u>Actual</u>	<u>Original Budget</u>	<u>Final Budget</u>	Variance Positive [Negative]
Revenues						
Intergovernmental	\$ 471,743	\$ -	\$ 471,743	\$ 426,500	\$ 454,078	\$ 17,665
Use of money and property	<u>1,446</u>	<u>-</u>	<u>1,446</u>	<u>2,000</u>	<u>2,000</u>	<u>[554]</u>
Total revenues	<u>473,189</u>	<u>-</u>	<u>473,189</u>	<u>428,500</u>	<u>456,078</u>	<u>17,111</u>
Expenditures						
Contractual services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess [deficiency] of revenues over [under] expenditures	473,189	-	473,189	428,500	456,078	17,111
Other financing sources [uses]						
Transfer [out]	<u>[1,294,760]</u>	<u>-</u>	<u>[1,294,760]</u>	<u>[1,252,821]</u>	<u>[1,294,760]</u>	<u>-</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	[821,571]	<u>\$ -</u>	[821,571]	<u>\$ [824,321]</u>	<u>\$ [838,682]</u>	<u>\$ 17,111</u>
Fund balance, January 1	<u>838,686</u>		<u>838,686</u>			
Fund balance, December 31	<u>\$ 17,115</u>		<u>\$ 17,115</u>			

See independent auditor's report on the financial statements.

CITY OF BONNER SPRINGS, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
LIBRARY SALES TAX FUND
For the Year Ended December 31, 2013

	GAAP Basis <u>Actual</u>	<u>Adjustments</u>	Budgetary Basis <u>Actual</u>	<u>Original Budget</u>	<u>Final Budget</u>	Variance Positive [Negative]
Revenues						
Taxes	\$ 471,746	\$ -	\$ 471,746	\$ 426,500	\$ 426,500	\$ 45,246
Use of money and property	1,015	-	1,015	1,000	1,000	15
Total revenues	<u>472,761</u>	<u>-</u>	<u>472,761</u>	<u>427,500</u>	<u>427,500</u>	<u>45,261</u>
Expenditures						
Contractual services	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess [deficiency] of revenues over [under] expenditures	472,761	-	472,761	427,500	427,500	45,261
Other financing sources [uses]						
Transfer [out]	<u>[387,470]</u>	<u>-</u>	<u>[387,470]</u>	<u>[436,530]</u>	<u>[436,530]</u>	<u>49,060</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	85,291	<u>\$ -</u>	85,291	<u>\$ [9,030]</u>	<u>\$ [9,030]</u>	<u>\$ 94,321</u>
Fund balance, January 1	<u>633,353</u>		<u>633,353</u>			
Fund balance, December 31	<u>\$ 718,644</u>		<u>\$ 718,644</u>			

See independent auditor's report on the financial statements.

CITY OF BONNER SPRINGS, KANSAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
DEBT SERVICE FUND
For the Year Ended December 31, 2013

	GAAP Basis <u>Actual</u>	<u>Adjustment</u>	Budgetary Basis <u>Actual</u>	Original <u>Budget</u>	Final <u>Budget</u>	Variance Positive <u>[Negative]</u>
Revenues						
Taxes	\$ 518,069	\$ -	\$ 518,069	\$ 512,300	\$ 512,300	\$ 5,769
Special assessments	189,824	-	189,824	129,403	129,403	60,421
Use of money and property	1,631	-	1,631	2,000	2,000	[369]
Total revenues	<u>709,524</u>	<u>-</u>	<u>709,524</u>	<u>643,703</u>	<u>643,703</u>	<u>65,821</u>
Expenditures						
Debt service						
Principal	2,276,113	548,887	2,825,000	2,819,852	2,819,852	[5,148]
Interest	413,138	301,434	714,572	706,780	706,780	[7,792]
Cash basis reserve	-	-	-	50,000	50,000	50,000
Total expenditures	<u>2,689,251</u>	<u>850,321</u>	<u>3,539,572</u>	<u>3,576,632</u>	<u>3,576,632</u>	<u>37,060</u>
Excess [deficiency] of revenues over [under] expenditures	<u>[1,979,727]</u>	<u>[850,321]</u>	<u>[2,830,048]</u>	<u>[2,932,929]</u>	<u>[2,932,929]</u>	<u>102,881</u>
Other financing sources [uses]						
Transfer in	<u>2,019,076</u>	<u>850,321</u>	<u>2,869,397</u>	<u>2,856,458</u>	<u>2,856,458</u>	<u>12,939</u>
Total other financing sources [uses]	<u>2,019,076</u>	<u>850,321</u>	<u>2,869,397</u>	<u>2,856,458</u>	<u>2,856,458</u>	<u>12,939</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	39,349	\$ <u>-</u>	39,349	\$ <u>[76,471]</u>	\$ <u>[76,471]</u>	\$ <u>115,820</u>
Fund balance, January 1	<u>326,167</u>		<u>326,167</u>			
Fund balance, December 31	\$ <u>365,516</u>		\$ <u>365,516</u>			

See independent auditor's report on the financial statements.

CITY OF BONNER SPRINGS, KANSAS

COMBINING STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 December 31, 2013

	Private Purpose Trust			
	Senior Center	Bonner Beautiful	Cemetery	Senior Trust Scholarship
ASSETS				
Cash and cash equivalents	\$ 15,387	\$ 6,378	\$ 3,620	\$ 8,419
Total assets	\$ 15,387	\$ 6,378	\$ 3,620	\$ 8,419
LIABILITIES AND NET POSITION				
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Total liabilities	-	-	-	-
Net position				
Unreserved				
Undesignated	15,387	6,378	3,620	8,419
Total liabilities and net position	\$ 15,387	\$ 6,378	\$ 3,620	\$ 8,419

Private Purpose Trust (Continued)

<u>Dare Concert</u>	<u>Daly</u>	<u>Recreation Scholarship</u>	<u>Law Enforcement Trust</u>	<u>Total</u>
\$ 3,440	\$ 17	\$ 12,154	\$ 1,994	\$ 51,409
<u>\$ 3,440</u>	<u>\$ 17</u>	<u>\$ 12,154</u>	<u>\$ 1,994</u>	<u>\$ 51,409</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
<u>3,440</u>	<u>17</u>	<u>12,154</u>	<u>1,994</u>	<u>51,409</u>
<u>\$ 3,440</u>	<u>\$ 17</u>	<u>\$ 12,154</u>	<u>\$ 1,994</u>	<u>\$ 51,409</u>

See independent auditor's report on the financial statements.

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CITY OF BONNER SPRINGS, KANSAS

COMBINING STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 December 31, 2013

	Agency Funds				
	Service & Court Bonds	Alcohol & Drug Safety	Payroll Clearing	Public Housing	Total
ASSETS					
Cash and cash equivalents	\$ 29,934	\$ 31,626	\$ 2,031	\$ 40	\$ 63,631
Total assets	<u>\$ 29,934</u>	<u>\$ 31,626</u>	<u>\$ 2,031</u>	<u>\$ 40</u>	<u>\$ 63,631</u>
LIABILITIES AND NET POSITION					
Liabilities					
Accounts payable	\$ 29,934	\$ 31,626	\$ 2,031	\$ 40	\$ 63,631
Total liabilities	<u>29,934</u>	<u>31,626</u>	<u>2,031</u>	<u>40</u>	<u>63,631</u>
Net position					
Unreserved					
Undesignated	-	-	-	-	-
Total liabilities and net position	<u>\$ 29,934</u>	<u>\$ 31,626</u>	<u>\$ 2,031</u>	<u>\$ 40</u>	<u>\$ 63,631</u>

CITY OF BONNER SPRINGS, KANSAS

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS

For the Year Ended December 31, 2013

	Private Purpose Trust			
	Senior Center	Bonner Beautiful	Cemetery	Senior Trust Scholarship
Additions				
Charges for services	\$ 202	\$ -	\$ -	\$ 2,274
Interest income	30	12	10	15
Transfer in	-	-	-	-
Donations	-	300	300	-
Total additions	<u>232</u>	<u>312</u>	<u>310</u>	<u>2,289</u>
Deductions				
Contractual	-	200	2,040	1,800
Total deductions	<u>-</u>	<u>200</u>	<u>2,040</u>	<u>1,800</u>
Change in Net Position	232	112	[1,730]	489
Net position, January 1	<u>15,155</u>	<u>6,266</u>	<u>5,350</u>	<u>7,930</u>
Net position, December 31	<u>\$ 15,387</u>	<u>\$ 6,378</u>	<u>\$ 3,620</u>	<u>\$ 8,419</u>

Private Purpose Trust (Continued)

<u>Dare Concert</u>	<u>Daly</u>	<u>Recreation Scholarship</u>	<u>Law Enforcement Trust</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ 2,476
2	-	18	6,282	6,369
4,640	-	-	-	4,640
<u>500</u>	<u>-</u>	<u>5,500</u>	<u>-</u>	<u>6,600</u>
<u>5,142</u>	<u>-</u>	<u>5,518</u>	<u>6,282</u>	<u>20,085</u>
<u>4,630</u>	<u>-</u>	<u>3,662</u>	<u>4,995</u>	<u>17,327</u>
<u>4,630</u>	<u>-</u>	<u>3,662</u>	<u>4,995</u>	<u>17,327</u>
512	-	1,856	1,287	2,758
<u>2,928</u>	<u>17</u>	<u>10,298</u>	<u>707</u>	<u>48,651</u>
<u>\$ 3,440</u>	<u>\$ 17</u>	<u>\$ 12,154</u>	<u>\$ 1,994</u>	<u>\$ 51,409</u>

See independent auditor's report on the financial statements.

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GOVERNMENTAL AUDIT SECTION

CITY OF BONNER SPRINGS, KANSAS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2013

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	<u>Expenditures</u>
<u>U.S. Department of Transportation</u>		
Passed Through Kansas Department of Transportation		
Highway Planning and Construction	20.205	\$ 1,858,071
5311 Transport	20.509	106,615
State and Community Highway Safety	20.600	<u>3,284</u>
Total U.S. Department of Transportation		<u>1,967,970</u>
<u>U.S. Department of Housing and Urban Development</u>		
PHA - Operating Subsidy	14.850	120,536
PHA - Capital Fund Program	14.872	<u>85,333</u>
Total U.S. Department of Housing and Urban Development		<u>205,869</u>
<u>U.S. Department of Homeland Security</u>		
Passed Through Kansas Department of Health and Environment		
Capitalization Grants for Drinking Water State Revolving Funds	66.468	<u>36,200</u>
Total U.S. Department of Homeland Security		<u>36,200</u>
Total Expenditures of Federal Awards		<u>\$ 2,210,039</u>

See independent auditor's report on the financial statements.

CITY OF BONNER SPRINGS, KANSAS

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2013

1. General

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

2. Basis of Accounting

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

CITY OF BONNER SPRINGS, KANSAS
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 For the Year Ended December 31, 2013

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	_____ Yes <u> X </u> No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	_____ Yes <u> X </u> None reported
Noncompliance material to financial statements noted?	_____ Yes <u> X </u> No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	_____ Yes <u> X </u> No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	_____ Yes <u> X </u> None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	_____ Yes <u> X </u> No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
20.205	Highway Planning & Construction

Dollar threshold used to distinguish between type A and type B programs:	\$300,000
Auditee qualified as low-risk auditee?	_____ Yes <u> X </u> No

CITY OF BONNER SPRINGS, KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
For the Year Ended December 31, 2013

Section II - Financial Statement Findings

None Noted

Section III - Federal Award Findings and Questioned Costs

None Noted



MIZE & HOUSER
COMPANY P.A.

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

Mayor and City Council
City of Bonner Springs, Kansas

We have audited, in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* - issued by the Comptroller General of the United States, and the Kansas Municipal Audit and Accounting Guide, the financial statements of the governmental activities, the business-type activities, each major fund, the aggregate discretely presented component unit and the aggregate remaining fund information of the City of Bonner Springs, Kansas, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated August 13, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal controls exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charge with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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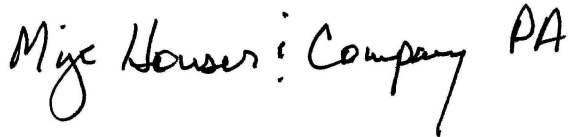
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211 E Eighth Suite A ■ Lawrence, KS 66044-2771 ■ 785.842.8844 p ■ 785.842.9049 f

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Mike Houser: Company PA". The signature is written in a cursive style.

Certified Public Accountants
Lawrence, Kansas

August 13, 2014



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

Mayor and City Council
City of Bonner Springs, Kansas

Report on Compliance for Each Major Federal Program

We have audited the compliance of the City of Bonner Springs, Kansas, with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2013. The City's major federal financial programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the Kansas Municipal Audit and Accounting Guide. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2013.

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Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program in order to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Mike Houser: Company PA

Certified Public Accountants
Lawrence, Kansas

August 13, 2014