

**CITY OF BONNER SPRINGS, KANSAS**

**FINANCIAL STATEMENTS**

**Year ending December 31, 2015**

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CITY OF BONNER SPRINGS, KANSAS

Financial Statements  
Year ending December 31, 2015

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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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Bonner Springs, Kansas, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

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

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, 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, 2015, and the respective changes in financial position, and where applicable, cash flows thereof and the respective budgetary comparison for the general fund and the library fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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## Emphasis of Matter

### *Change in Accounting Principle*

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

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 8, the schedule of funding progress on page 47, the schedule of the City's proportionate share of the net pension liability on page 48, and the schedule of the City's contributions on page 48 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 Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 June 22, 2016, 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  
June 22, 2016

CITY OF BONNER SPRINGS, KANSAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended December 31, 2015  
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, 2015.

**Financial Highlights**

- The Government-wide net position totaled \$31.6 million at the end of the current fiscal year.
- The Government-wide unrestricted current assets exceed the current liabilities by \$10.2 million, representing the City's ability to meet its current obligations when due.
- Total capital assets, net of accumulated depreciation at December 31, 2015 totaled \$43.8 million.
- During the year ended December 31, 2015, the City's total revenues exceeded total expenses (which include charges for services, local taxes, and state and federal aid) by \$1.2 million.
- The City's total indebtedness decreased by \$.9 million.
- The City's net capital assets decreased by \$.7 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, 2015  
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, 2015  
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, 2015:

City of Bonner Springs  
Condensed Statement of Net Position  
December 31, 2015 and 2014

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Current assets	\$ 9,495,112	\$ 8,485,926	\$ 3,141,479	\$ 3,193,781	\$ 12,636,591	\$ 11,679,707
Net capital assets	<u>22,954,395</u>	<u>24,035,327</u>	<u>20,838,402</u>	<u>20,518,190</u>	<u>43,792,797</u>	<u>44,553,517</u>
Total assets	<u>32,449,507</u>	<u>32,521,253</u>	<u>23,979,881</u>	<u>23,711,971</u>	<u>56,429,388</u>	<u>56,233,224</u>
Deferred outflows	<u>482,593</u>	<u>-</u>	<u>63,136</u>	<u>-</u>	<u>545,729</u>	<u>-</u>
Total deferred outflows	<u>482,593</u>	<u>-</u>	<u>63,136</u>	<u>-</u>	<u>545,729</u>	<u>-</u>
Total assets and deferred outflows	<u>\$ 32,932,100</u>	<u>\$ 32,521,253</u>	<u>\$ 24,043,017</u>	<u>\$ 23,711,971</u>	<u>\$ 56,975,117</u>	<u>\$ 56,233,224</u>
Current liabilities	\$ 1,443,825	\$ 1,306,234	\$ 987,026	\$ 946,741	\$ 2,430,851	\$ 2,252,975
Noncurrent liabilities	<u>10,920,334</u>	<u>8,045,618</u>	<u>9,312,596</u>	<u>8,653,031</u>	<u>20,232,930</u>	<u>16,698,649</u>
Total liabilities	<u>12,364,159</u>	<u>9,351,852</u>	<u>10,299,622</u>	<u>9,599,772</u>	<u>22,663,781</u>	<u>18,951,624</u>
Deferred inflows	<u>2,624,838</u>	<u>2,320,982</u>	<u>72,082</u>	<u>-</u>	<u>2,696,920</u>	<u>2,320,982</u>
Total deferred inflows	<u>2,624,838</u>	<u>2,320,982</u>	<u>72,082</u>	<u>-</u>	<u>2,696,920</u>	<u>2,320,982</u>
Total liabilities and deferred inflows	<u>\$ 14,988,997</u>	<u>\$ 11,672,834</u>	<u>\$ 10,371,704</u>	<u>\$ 9,599,772</u>	<u>\$ 25,360,701</u>	<u>\$ 21,272,606</u>
Net position:						
Invested in capital assets net of debt	\$ 15,943,982	\$ 16,078,634	\$ 12,404,434	\$ 11,453,119	\$ 28,348,416	\$ 27,531,753
Restricted for:						
Debt Service	243,882	266,219	-	-	243,882	266,219
Unrestricted	<u>1,755,239</u>	<u>4,503,566</u>	<u>1,266,879</u>	<u>2,659,080</u>	<u>3,022,118</u>	<u>7,162,646</u>
Total net position	<u>\$ 17,943,103</u>	<u>\$ 20,848,419</u>	<u>\$ 13,671,313</u>	<u>\$ 14,112,199</u>	<u>\$ 31,614,416</u>	<u>\$ 34,960,618</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 and deferred outflows exceed current liabilities and deferred inflows by \$8.1 million, representing the City's ability to meet current obligations when due.

CITY OF BONNER SPRINGS, KANSAS

MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended December 31, 2015  
Unaudited

The City has \$16.3 million in long-term debt, consisting of general obligation bonds and loans payable, of which \$1.7 million is due within the next fiscal year.

The City had total assets at December 31, 2015, totaling \$56.4 million. The total assets of the City exceeded the total liabilities by \$31.6 million. Net position invested in capital assets, net of related debt, totaled \$28.4 million, restricted net position totaled \$.2 million and unrestricted net position totaled \$3 million.

Government-Wide Activities

The following is a condensed statement of the City's change in net position for the year ended December 31, 2015. Major items of program revenues, grants and general revenues are detailed below. Government-wide activities increased the net position of the City by \$1.2 million for the year ended December 31, 2015. 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 in the current fiscal year of \$1.0 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 \$.3 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, 2015 and 2014

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Revenues:						
Program revenues:						
Charges for services	\$ 1,324,590	\$ 1,490,319	\$ 3,939,823	\$ 3,648,123	\$ 5,264,413	\$ 5,138,442
Operating grants	584,473	1,125,729	-	-	584,473	1,125,729
Capital contributions	130,822	132,285	793,366	845,185	924,188	977,470
General revenues:						
Taxes	8,606,724	8,212,415	-	-	8,606,724	8,212,415
Transfers [net]	884,513	465,360	[884,513]	[465,360]	-	-
Other	1,011,692	1,209,473	18,632	25,950	1,030,324	1,235,423
Total revenues	<u>12,542,814</u>	<u>12,635,581</u>	<u>3,867,308</u>	<u>4,053,898</u>	<u>16,410,122</u>	<u>16,689,479</u>
Expenses:						
Program expenses:						
General government	2,171,507	2,112,948	-	-	2,171,507	2,112,948
Public safety	4,710,484	4,652,048	-	-	4,710,484	4,652,048
Public works	3,130,402	3,795,223	-	-	3,130,402	3,795,223
Culture and recreation	1,200,909	977,511	-	-	1,200,909	977,511
Solid waste	-	-	395,497	366,353	395,497	366,353
Wastewater collection/treatment	-	-	1,649,933	1,411,514	1,649,933	1,411,514
Water treatment/distribution	-	-	1,512,640	1,495,451	1,512,640	1,495,451
Interest on long-term debt	455,697	303,408	-	-	455,697	303,408
Total expenses	<u>11,668,999</u>	<u>11,841,138</u>	<u>3,558,070</u>	<u>3,273,318</u>	<u>15,227,069</u>	<u>15,114,456</u>
Increase [decrease] in net position	\$ <u>873,815</u>	\$ <u>794,443</u>	\$ <u>309,238</u>	\$ <u>780,580</u>	\$ <u>1,183,053</u>	\$ <u>1,575,023</u>

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

Governmental Activities net position increased by \$.9 million. Business-type activities increased the net position by \$.3 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, 2015 for the governmental funds totaled \$6.9 million. Total unassigned fund balances at December 31, 2015 totaled \$3.5 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 \$3.5 million, which represents all but \$23,700 of the General Fund's total fund balance. The increase in the General Fund's fund balance was \$436,754.

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 \$134,180, the unrestricted net position of the Wastewater Collection/Treatment Fund at the end of the year amounted to \$479,194, and the unrestricted Water Treatment/Distribution Fund at the end of the year amounted to \$653,505. The total change in all three funds was \$3,051, [\$27,898], and \$.3 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 \$8,309,104. The revenues were more than budgetary estimates by \$679,136 and the expenditures were less than budgetary estimates by \$1,278,905.

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

**Fixed Assets and Debt Administration**

The City's investment in fixed assets for its governmental and business-type activities totaled \$43.8 million (net of accumulated depreciation) as of December 31, 2015.

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

1. Two new vehicles for the police department were purchased for \$59,463; two new vehicles for the water department were purchased for \$72,743; and a new vehicle for the public works department was purchased for \$42,648.
2. A new HVAC system at the Community Center was purchased and installed for \$48,080.
3. Riverview Waterline project was completed for a total cost of \$163,878.
4. The Filter Backwash Tank project was completed for a total cost of \$587,099.
5. Well #6 was completed for a total cost of \$295,277.
6. The Lake Forest Lift Station Rehabilitation was completed for \$200,438.

Other assets which were partially completed and in progress at the end of 2015 included the Cornell Waterline project in the amount of \$13,007 and Sheidley Waterline project in the amount of \$11,305. The Records Management System Software project for the public safety departments is also in process at December 31, 2015, with a cost of \$86,900.

At December 31, 2015, the City had total debt outstanding of \$16.3 million, backed by the full faith and credit of the City. Total long-term debt decreased for the fiscal year ended December 31, 2015, in the amount of \$.9 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, 2015

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total Primary Government	Housing Authority	Library
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:</b>					
Current assets:					
Cash and investments	\$ 7,076,962	\$ 2,780,540	\$ 9,857,502	\$ 283,176	\$ 83,869
Cash with fiscal agent	6,200	-	6,200	-	-
Taxes receivable	2,338,579	-	2,338,579	-	-
Accounts receivable	59,566	199,329	258,895	4,452	-
Prepaid expenses	1,854	-	1,854	15,824	-
Due from other funds	-	19,829	19,829	8,129	-
Inventory	11,951	141,781	153,732	-	-
Total current assets	<u>9,495,112</u>	<u>3,141,479</u>	<u>12,636,591</u>	<u>311,581</u>	<u>83,869</u>
Capital assets:					
Construction in progress	86,900	38,013	124,913	-	-
Land	1,033,248	465,577	1,498,825	-	-
Capital assets	34,245,670	33,167,891	67,413,561	2,609,466	1,215,603
Accumulated depreciation	<u>[12,411,423]</u>	<u>[12,833,079]</u>	<u>[25,244,502]</u>	<u>[2,004,968]</u>	<u>[828,664]</u>
Total net capital assets	<u>22,954,395</u>	<u>20,838,402</u>	<u>43,792,797</u>	<u>604,498</u>	<u>386,939</u>
Total assets	<u>32,449,507</u>	<u>23,979,881</u>	<u>56,429,388</u>	<u>916,079</u>	<u>470,808</u>
Deferred outflows of resources:					
Pension - contributions subsequent to measurement date	262,719	48,560	311,279	-	13,350
Pension - changes in proportion	197,831	14,576	212,407	-	5,594
Pension - differences between expected and actual experience	22,043	-	22,043	-	-
Total deferred outflows of resources	<u>482,593</u>	<u>63,136</u>	<u>545,729</u>	<u>-</u>	<u>18,944</u>
TOTAL ASSETS AND DEFERRED INFLOWS OF RESOURCES	<u>\$ 32,932,100</u>	<u>\$ 24,043,017</u>	<u>\$ 56,975,117</u>	<u>\$ 916,079</u>	<u>\$ 489,752</u>
<b>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>					
Liabilities:					
Current liabilities:					
Accounts payable	\$ 92,345	\$ 36,831	\$ 129,176	\$ 9,573	\$ -
Accrued liabilities	339,244	99,310	438,554	4,353	11,070
Customer deposits	-	122,542	122,542	11,454	-
Due to other funds	19,829	-	19,829	-	-
Matured bond principal and interest	6,200	-	6,200	-	-
Current portion of notes payable	-	36,083	36,083	-	-
Current portion of general obligation bonds payable	<u>986,207</u>	<u>692,259</u>	<u>1,678,466</u>	<u>-</u>	<u>-</u>
Total current liabilities (payable from current assets)	<u>1,443,825</u>	<u>987,025</u>	<u>2,430,850</u>	<u>25,380</u>	<u>11,070</u>
Noncurrent liabilities:					
Compensated absences	818,185	87,264	905,449	2,160	-
Net other post employment benefit obligation	256,552	-	256,552	-	-
Notes payable	-	820,671	820,671	-	-
Net pension liability	3,821,391	699,036	4,520,427	-	215,287
General obligation bonds payable	<u>6,024,206</u>	<u>7,705,626</u>	<u>13,729,832</u>	<u>-</u>	<u>-</u>
Total noncurrent liabilities	<u>10,920,334</u>	<u>9,312,597</u>	<u>20,232,931</u>	<u>2,160</u>	<u>215,287</u>
Total liabilities	<u>12,364,159</u>	<u>10,299,622</u>	<u>22,663,781</u>	<u>27,540</u>	<u>226,357</u>
Deferred inflows of resources					
Unavailable revenue - property taxes	2,338,579	-	2,338,579	-	-
Pension - differences between expected and actual experience	80,229	19,788	100,017	-	6,094
Pension - net differences between projected and actual earnings	131,435	27,211	158,646	-	8,381
Pension - changes in proportion	30,793	15,313	46,106	-	295
Pension - changes of assumptions	<u>43,802</u>	<u>9,770</u>	<u>53,572</u>	<u>-</u>	<u>3,009</u>
Total deferred inflows of resources	<u>2,624,838</u>	<u>72,082</u>	<u>2,696,920</u>	<u>-</u>	<u>17,779</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	<u>\$ 14,988,997</u>	<u>\$ 10,371,704</u>	<u>\$ 25,360,701</u>	<u>\$ 27,540</u>	<u>\$ 244,136</u>
Net Position					
Invested in capital assets, net of related debt	\$ 15,943,982	\$ 12,404,434	\$ 28,348,416	\$ 604,498	\$ 386,939
Restricted for:					
Debt service	243,882	-	243,882	-	-
Unrestricted	<u>1,755,239</u>	<u>1,266,879</u>	<u>3,022,118</u>	<u>284,041</u>	<u>[141,323]</u>
Total net position	<u>\$ 17,943,103</u>	<u>\$ 13,671,313</u>	<u>\$ 31,614,416</u>	<u>\$ 888,539</u>	<u>\$ 245,616</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, 2015

	Net [Expenses] Revenue and Changes in Net Position								
	Program Revenues				Primary Government			Component Units	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business Type Activities	Total	Housing Authority	Bonner Springs City Library
<b>Governmental activities:</b>									
General government	\$ 2,171,507	\$ 585,288	\$ 167,309	\$ -	\$ [1,418,910]	\$ -	\$ [1,418,910]	\$ -	\$ -
Public safety	4,710,484	316,627	-	-	[4,393,857]	-	[4,393,857]	-	-
Public works	3,130,403	92,447	360,032	130,822	[2,547,102]	-	[2,547,102]	-	-
Culture and recreation	1,200,909	330,228	57,132	-	[813,549]	-	[813,549]	-	-
Interest on long-term debt	455,697	-	-	-	[455,697]	-	[455,697]	-	-
Total governmental activities	11,669,000	1,324,590	584,473	130,822	[9,629,115]	-	[9,629,115]	-	-
<b>Business-type activities:</b>									
Solid Waste	395,497	409,342	-	-	-	13,845	13,845	-	-
Wastewater Collection/Treatment	1,657,093	1,658,931	-	7,160	-	8,998	8,998	-	-
Water Treatment/Distribution	1,546,096	1,871,550	-	826,822	-	1,152,276	1,152,276	-	-
Total business-type activities	3,598,686	3,939,823	-	833,982	-	1,175,119	1,175,119	-	-
Total primary government	\$ 15,267,686	\$ 5,264,413	\$ 584,473	\$ 964,804	[9,629,115]	1,175,119	[8,453,996]	-	-
<b>Component units:</b>									
Housing Authority	\$ 287,401	\$ 109,253	\$ 161,475	\$ -	\$ -	\$ -	\$ -	[16,673]	\$ -
Bonner Springs City Library	595,350	42,572	566,799	-	-	-	-	-	14,021
Total component units	\$ 882,751	\$ 151,825	\$ 728,274	\$ -	-	-	-	[16,673]	14,021
<b>General revenues:</b>									
Property taxes levied for									
General purposes					2,065,493	-	2,065,493	-	-
Debt service					358,489	-	358,489	-	-
Sales and use tax					4,777,703	-	4,777,703	-	-
Franchise tax					773,146	-	773,146	-	-
Liquor tax					193,798	-	193,798	-	-
Guest tax					101,101	-	101,101	-	-
Motor recreational vehicle tax					336,994	-	336,994	-	-
Investments earnings					14,003	4,993	18,996	365	327
Miscellaneous					997,690	13,639	1,011,329	-	-
Transfers, net					884,513	[884,513]	-	-	-
Total general revenues					10,502,930	[865,881]	9,637,049	365	327
Change in net position					873,815	309,238	1,183,053	[16,308]	14,348
Net position - beginning					20,848,419	14,112,199	34,960,618	904,847	455,945
Prior period adjustment					[3,779,131]	[750,124]	[4,529,255]	-	[224,677]
Net position - beginning, restated					17,069,288	13,362,075	30,431,363	904,847	231,268
Net position - ending					\$ 17,943,103	\$ 13,671,313	\$ 31,614,416	\$ 888,539	\$ 245,616

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

CITY OF BONNER SPRINGS, KANSAS

BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2015

	<u>General</u>	<u>Library</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 3,591,435	\$ 8,560	\$ 243,882	\$ 3,226,831	\$ 7,070,708
Cash with fiscal agent	-	-	6,200	-	6,200
Inventory	11,951	-	-	-	11,951
Receivables					
Accounts	2,925	-	-	56,641	59,566
Taxes	1,666,625	360,590	311,364	-	2,338,579
<b>Total assets</b>	<u>\$ 5,272,936</u>	<u>\$ 369,150</u>	<u>\$ 561,446</u>	<u>\$ 3,283,472</u>	<u>\$ 9,487,004</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ 40,893	\$ 335	\$ -	\$ 43,010	\$ 84,238
Accrued liabilities	53,830	-	-	7,981	61,811
Matured bonds and interest payable	-	-	6,200	-	6,200
Due to other funds	-	-	-	19,829	19,829
<b>Total liabilities</b>	<u>94,723</u>	<u>335</u>	<u>6,200</u>	<u>70,820</u>	<u>172,078</u>
Deferred inflows of resources					
Unavailable revenue - property taxes	1,666,625	360,590	311,364	-	2,338,579
<b>Total deferred inflows of resources</b>	<u>1,666,625</u>	<u>360,590</u>	<u>311,364</u>	<u>-</u>	<u>2,338,579</u>
<b>FUND BALANCES</b>					
Nonspendable	11,951	-	-	-	11,951
Restricted	-	8,225	243,882	2,241,214	2,493,321
Committed	-	-	-	744,458	744,458
Assigned	11,749	-	-	226,980	238,729
Unassigned	3,487,888	-	-	-	3,487,888
<b>Total fund balances</b>	<u>3,511,588</u>	<u>8,225</u>	<u>243,882</u>	<u>3,212,652</u>	<u>6,976,347</u>
<b>Total liabilities, deferred inflows of Resources and fund balances</b>	<u>\$ 5,272,936</u>	<u>\$ 369,150</u>	<u>\$ 561,446</u>	<u>\$ 3,283,472</u>	<u>\$ 9,487,004</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, 2015

Total Governmental Fund Balances		\$ 6,976,347
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	35,365,818	
Accumulated depreciation is	<u>[12,411,423]</u>	22,954,395
Pension contributions are reported as an expense in the funds and as a deferred outflow of resources in the governmental activities in the statement of net position.		
		482,593
Pension fundings are reported as a revenue in the funds and as a deferred inflow of resources in the governmental activities in the statement of net position.		
		[4,107,650]
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	7,010,412	
Interest payable	277,433	
Net other post employment benefit obligation	256,552	
Compensated absences payable	<u>818,185</u>	<u>[8,362,582]</u>
Net Position of Governmental Activities		<u>\$ 17,943,103</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, 2015

	<u>General</u>	<u>Library</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total</u>
<b>Revenues</b>					
Taxes	\$ 5,872,952	\$ 392,598	\$ 358,489	\$ 1,982,685	\$ 8,606,724
Special assessments	-	-	130,822	-	130,822
Intergovernmental	4,364	-	-	580,109	584,473
Licenses and permits	148,019	-	-	-	148,019
Charges for services	156,172	-	-	741,301	897,473
Fines and fees	279,098	-	-	-	279,098
Use of money and property	7,731	-	912	5,360	14,003
Reimbursements	122,215	37,841	-	26,392	186,448
Miscellaneous	657,121	-	-	22,024	679,145
Total revenues	<u>7,247,672</u>	<u>430,439</u>	<u>490,223</u>	<u>3,357,871</u>	<u>11,526,205</u>
<b>Expenditures</b>					
<b>Current</b>					
General government	1,142,939	-	-	862,304	2,005,243
Public safety	2,978,745	-	-	1,374,519	4,353,264
Public works	1,262,939	-	-	129,318	1,392,257
Culture and recreation	553,278	-	-	-	553,278
Capital outlay	186,855	-	-	1,194,076	1,380,931
<b>Debt service</b>					
Principal	-	-	942,625	-	942,625
Interest and other charges	-	-	277,433	-	277,433
Total expenditures	<u>6,124,756</u>	<u>-</u>	<u>1,220,058</u>	<u>3,560,217</u>	<u>10,905,031</u>
Excess [deficiency] of revenues over [under] expenditures	<u>1,122,916</u>	<u>430,439</u>	<u>[729,835]</u>	<u>[202,346]</u>	<u>621,174</u>
<b>Other financing sources [uses]</b>					
Transfers in	259,784	-	707,498	1,941,697	2,908,979
Transfers out	[945,946]	-	-	[1,082,520]	[2,028,466]
Component unit transfers out	-	[425,844]	-	-	[425,844]
Total other financing sources [uses]	<u>[686,162]</u>	<u>[425,844]</u>	<u>707,498</u>	<u>859,177</u>	<u>454,669</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	436,754	4,595	[22,337]	656,831	1,075,843
Fund balance, January 1	<u>3,074,834</u>	<u>3,630</u>	<u>266,219</u>	<u>2,555,821</u>	<u>5,900,504</u>
Fund balance, December 31	<u>\$ 3,511,588</u>	<u>\$ 8,225</u>	<u>\$ 243,882</u>	<u>\$ 3,212,652</u>	<u>\$ 6,976,347</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, 2015

Total Net Change In Fund Balances - Governmental Funds		\$ 1,075,843
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	333,872	
Depreciation expense	<u>[1,414,803]</u>	[1,080,931]
Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. This is the amount by which interest increased.		
		[181,922]
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.		
Compensated absences		[19,063]
Other post employment benefits		[20,469]
Pension payments are reported as expenditures in the governmental funds and do not affect the statement of net activities.		
		154,077
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.		
		<u>946,280</u>
Changes In Net Position of Governmental Activities		<u>\$ 873,815</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, 2015

	GAAP Basis <u>Actual</u>	<u>Adjustment</u>	Budgetary Basis <u>Actual</u>	Original <u>Budget</u>	Amended <u>Budget</u>	Variance Positive [Negative]
<b>Revenues</b>						
Taxes	\$ 5,872,952	\$ -	\$ 5,872,952	\$ 5,279,421	\$ 5,279,421	\$ 593,531
Intergovernmental	4,364	-	4,364	1,000	1,000	3,364
Licenses and permits	148,019	-	148,019	127,000	127,000	21,019
Charges for services	156,172	-	156,172	154,500	154,500	1,672
Fines and fees	279,098	-	279,098	288,300	288,300	[9,202]
Use of money and property	7,731	-	7,731	5,700	5,700	2,031
Reimbursements	122,215	-	122,215	120,000	120,000	2,215
Miscellaneous	657,121	-	657,121	595,000	595,000	62,121
<b>Total revenues</b>	<b>7,247,672</b>	<b>-</b>	<b>7,247,672</b>	<b>6,570,921</b>	<b>6,570,921</b>	<b>676,751</b>
<b>Expenditures</b>						
<b>City council</b>						
Personal services	10,075	-	10,075	642,547	642,547	632,472
Contractual services	9,089	-	9,089	8,750	8,750	[339]
Commodities	4,076	-	4,076	4,045	4,045	[31]
<b>Total city council</b>	<b>23,240</b>	<b>-</b>	<b>23,240</b>	<b>655,342</b>	<b>655,342</b>	<b>632,102</b>
<b>City manager</b>						
Personal services	376,756	-	376,756	446,155	446,155	69,399
Contractual services	88,528	-	88,528	134,295	134,295	45,767
Commodities	6,253	-	6,253	9,955	9,955	3,702
Capital outlay	-	-	-	1,700	1,700	1,700
<b>Total city manager</b>	<b>471,537</b>	<b>-</b>	<b>471,537</b>	<b>592,105</b>	<b>592,105</b>	<b>120,568</b>
<b>City clerk</b>						
Personal services	136,313	-	136,313	165,434	165,434	29,121
Contractual services	87,016	[281]	86,735	100,260	100,260	13,525
Commodities	19,257	-	19,257	8,625	8,625	[10,632]
Capital outlay	224	-	224	4,500	4,500	4,276
<b>Total city clerk</b>	<b>242,810</b>	<b>[281]</b>	<b>242,529</b>	<b>278,819</b>	<b>278,819</b>	<b>36,290</b>
<b>Budget &amp; finance</b>						
Personal services	279,457	-	279,457	278,514	278,514	[943]
Contractual services	44,471	[969]	43,502	45,945	45,945	2,443
Commodities	4,862	-	4,862	4,600	4,600	[262]
<b>Total budget &amp; finance</b>	<b>328,790</b>	<b>[969]</b>	<b>327,821</b>	<b>329,059</b>	<b>329,059</b>	<b>1,238</b>
<b>Municipal court</b>						
Personal services	103,503	-	103,503	105,559	105,559	2,056
Contractual services	86,657	-	86,657	86,800	86,800	143
Commodities	1,537	-	1,537	200	200	[1,337]
Capital outlay	170	-	170	1,000	1,000	830
<b>Total municipal court</b>	<b>191,867</b>	<b>-</b>	<b>191,867</b>	<b>193,559</b>	<b>193,559</b>	<b>1,692</b>

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, 2015

	GAAP Basis <u>Actual</u>	<u>Adjustment</u>	Budgetary Basis <u>Actual</u>	Original <u>Budget</u>	Amended <u>Budget</u>	Variance Positive [Negative]
Expenditures - continued						
Custodial						
Personal services	\$ 63,429	\$ -	\$ 63,429	\$ 77,560	\$ 77,560	\$ 14,131
Contractual services	530	-	530	500	500	[30]
Commodities	8,857	-	8,857	9,775	9,775	918
Capital outlay	283	-	283	200	200	[83]
Total custodial	<u>73,099</u>	<u>-</u>	<u>73,099</u>	<u>88,035</u>	<u>88,035</u>	<u>14,936</u>
Police						
Personal services	2,277,077	-	2,277,077	2,338,760	2,338,760	61,683
Contractual services	219,618	712	220,330	259,131	259,131	38,801
Commodities	93,633	-	93,633	109,500	109,500	15,867
Capital outlay	64	-	64	-	-	[64]
Total police	<u>2,590,392</u>	<u>712</u>	<u>2,591,104</u>	<u>2,707,391</u>	<u>2,707,391</u>	<u>116,287</u>
Fire						
Personal services	97,115	-	97,115	111,294	111,294	14,179
Contractual services	75,740	-	75,740	77,202	77,202	1,462
Commodities	23,695	1,184	24,879	30,800	30,800	5,921
Capital outlay	1,074	-	1,074	1,000	1,000	[74]
Total fire	<u>197,624</u>	<u>1,184</u>	<u>198,808</u>	<u>220,296</u>	<u>220,296</u>	<u>21,488</u>
Parks & recreation						
Personal services	387,573	-	387,573	425,060	425,060	37,487
Contractual services	105,666	[2,412]	103,254	120,326	120,326	17,072
Commodities	48,767	-	48,767	32,400	32,400	[16,367]
Capital outlay	118,277	8,073	126,350	165,650	165,650	39,300
Total parks & recreation	<u>660,283</u>	<u>5,661</u>	<u>665,944</u>	<u>743,436</u>	<u>743,436</u>	<u>77,492</u>
Cemetery						
Personal services	66,827	-	66,827	65,170	65,170	[1,657]
Contractual services	3,492	-	3,492	4,815	4,815	1,323
Commodities	3,874	-	3,874	5,915	5,915	2,041
Capital outlay	2,369	-	2,369	2,250	2,250	[119]
Total cemetery	<u>76,562</u>	<u>-</u>	<u>76,562</u>	<u>78,150</u>	<u>78,150</u>	<u>1,588</u>
Planning						
Personal services	99,229	-	99,229	103,207	103,207	3,978
Contractual services	5,948	-	5,948	9,353	9,353	3,405
Commodities	1,172	-	1,172	1,900	1,900	728
Total planning	<u>106,349</u>	<u>-</u>	<u>106,349</u>	<u>114,460</u>	<u>114,460</u>	<u>8,111</u>
Codes administration						
Personal services	109,321	-	109,321	115,060	115,060	5,739
Contractual services	5,748	-	5,748	4,408	4,408	[1,340]
Commodities	1,520	-	1,520	2,725	2,725	1,205
Total codes administration	<u>116,589</u>	<u>-</u>	<u>116,589</u>	<u>122,193</u>	<u>122,193</u>	<u>5,604</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, 2015

	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	\$ 62,006	\$ -	\$ 62,006	\$ 63,702	\$ 63,702	\$ 1,696
Contractual services	5,063	-	5,063	7,293	7,293	2,230
Commodities	1,352	-	1,352	2,360	2,360	1,008
Total property maintenance codes administration	<u>68,421</u>	<u>-</u>	<u>68,421</u>	<u>73,355</u>	<u>73,355</u>	<u>4,934</u>
Bonner beautiful						
Contractual services	652	-	652	2,520	2,520	1,868
Commodities	2,355	-	2,355	3,645	3,645	1,290
Total bonner beautiful	<u>3,007</u>	<u>-</u>	<u>3,007</u>	<u>6,165</u>	<u>6,165</u>	<u>3,158</u>
Public works						
Personal services	556,023	-	556,023	582,639	582,639	26,616
Contractual services	123,647	[120]	123,527	86,662	86,662	[36,865]
Commodities	124,668	[4,697]	119,971	158,000	158,000	38,029
Capital outlay	67,440	[39,548]	27,892	65,250	65,250	37,358
Total public works	<u>871,778</u>	<u>[44,365]</u>	<u>827,413</u>	<u>892,551</u>	<u>892,551</u>	<u>65,138</u>
Project manager						
Personal services	86,661	-	86,661	97,337	97,337	10,676
Contractual services	6,529	-	6,529	9,408	9,408	2,879
Commodities	953	-	953	1,980	1,980	1,027
Total project manager	<u>94,143</u>	<u>-</u>	<u>94,143</u>	<u>108,725</u>	<u>108,725</u>	<u>14,582</u>
City band						
Personal services	483	-	483	545	545	62
Contractual services	7,046	-	7,046	7,365	7,365	319
Commodities	736	-	736	1,245	1,245	509
Total city band	<u>8,265</u>	<u>-</u>	<u>8,265</u>	<u>9,155</u>	<u>9,155</u>	<u>890</u>
Total expenditures	<u>6,124,756</u>	<u>[38,058]</u>	<u>6,086,698</u>	<u>7,212,796</u>	<u>7,212,796</u>	<u>1,126,098</u>
Excess [deficiency] of revenues over [under] expenditures	<u>1,122,916</u>	<u>38,058</u>	<u>1,160,974</u>	<u>[641,875]</u>	<u>[641,875]</u>	<u>1,802,849</u>
Other financing sources [uses]						
Transfer in	259,784	-	259,784	257,400	257,400	2,384
Transfer [out]	[945,946]	-	[945,946]	[1,098,753]	[1,098,753]	152,807
Total other financing sources [uses]	<u>[686,162]</u>	<u>-</u>	<u>[686,162]</u>	<u>[841,353]</u>	<u>[841,353]</u>	<u>155,191</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other sources [uses]	<u>436,754</u>	<u>\$ 38,058</u>	<u>474,812</u>	<u>\$ [1,483,228]</u>	<u>\$ [1,483,228]</u>	<u>\$ 1,958,040</u>
Fund balance, January 1	<u>3,074,834</u>		<u>3,013,076</u>			
Fund balance, December 31	<u>\$ 3,511,588</u>		<u>\$ 3,487,888</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, 2015

	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	\$ 392,598	\$ -	\$ 392,598	\$ 368,200	\$ 368,200	\$ 24,398
Reimbursements	37,841	-	37,841	20,000	20,000	17,841
Total revenues	<u>430,439</u>	<u>-</u>	<u>430,439</u>	<u>388,200</u>	<u>388,200</u>	<u>42,239</u>
Expenditures						
Personal services	25,331	-	25,331	-	-	[25,331]
Contractual	10,970	-	10,970	-	-	[10,970]
Commodities	1,631	-	1,631	-	-	[1,631]
Component unit transfer out	387,912	-	387,912	368,200	368,200	[19,712]
Miscellaneous	-	-	-	20,000	20,000	20,000
Qualifying budget credits	-	-	-	37,841	37,841	37,841
Total expenditures	<u>425,844</u>	<u>-</u>	<u>425,844</u>	<u>426,041</u>	<u>426,041</u>	<u>197</u>
Excess [deficiency] of revenues over [under] expenditures	4,595	\$ -	4,595	\$ [37,841]	\$ [37,841]	\$ 42,436
Fund balance, January 1	<u>3,630</u>		<u>3,630</u>			
Fund balance, December 31	<u>\$ 8,225</u>		<u>\$ 8,225</u>			

See independent auditor's report on the financial statements.

CITY OF BONNER SPRINGS, KANSAS

STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS  
 December 31, 2015

	Business-Type Activities: Enterprise Funds				Internal Service Fund
	Solid Waste	Wastewater Collection/ Treatment	Water Treatment/ Distribution	Total Enterprise Funds	
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:</b>					
Current assets:					
Cash and cash equivalents	\$ 109,076	\$ 783,901	\$ 1,887,563	\$ 2,780,540	\$ 6,253
Receivables					
Accounts	25,104	91,863	82,362	199,329	-
Prepaid expenses	-	-	-	-	1,854
Due from other funds	-	-	19,829	19,829	-
Inventories	-	30,259	111,522	141,781	-
Total current assets	<u>134,180</u>	<u>906,023</u>	<u>2,101,276</u>	<u>3,141,479</u>	<u>8,107</u>
Capital assets:					
Buildings and equipment	-	18,183,521	14,984,370	33,167,891	-
Land	-	185,441	280,136	465,577	-
Construction in progress	-	-	38,013	38,013	-
Accumulated depreciation	-	[7,590,778]	[5,242,301]	[12,833,079]	-
Total capital assets	<u>-</u>	<u>10,778,184</u>	<u>10,060,218</u>	<u>20,838,402</u>	<u>-</u>
Total assets	<u>134,180</u>	<u>11,684,207</u>	<u>12,161,494</u>	<u>23,979,881</u>	<u>8,107</u>
Deferred outflows of resources:					
Pension - contributions subsequent to measurement date	-	21,028	27,532	48,560	-
Pension - changes in proportion	-	6,312	8,264	14,576	-
Total deferred outflows of resources	<u>-</u>	<u>27,340</u>	<u>35,796</u>	<u>63,136</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 134,180</u>	<u>\$ 11,711,547</u>	<u>\$ 12,197,290</u>	<u>\$ 24,043,017</u>	<u>\$ 8,107</u>
<b>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES:</b>					
Current liabilities (payable from current assets):					
Accounts payable	\$ -	\$ 26,479	\$ 10,352	\$ 36,831	\$ 8,107
Customer deposits	-	-	122,542	122,542	-
Accrued liabilities	-	58,865	40,445	99,310	-
Current portion of notes payable	-	-	36,083	36,083	-
Current portion of general obligation bonds payable	-	433,765	258,494	692,259	-
Total current liabilities (payable from current assets)	<u>-</u>	<u>519,109</u>	<u>467,916</u>	<u>987,025</u>	<u>8,107</u>
Noncurrent liabilities:					
Accrued compensated absences	-	34,906	52,358	87,264	-
Notes payable	-	-	820,671	820,671	-
Net pension liability	-	302,705	396,331	699,036	-
General obligation bonds payable	-	4,720,844	2,984,782	7,705,626	-
Total noncurrent liabilities	<u>-</u>	<u>5,058,455</u>	<u>4,254,142</u>	<u>9,312,597</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>5,577,564</u>	<u>4,722,058</u>	<u>10,299,622</u>	<u>8,107</u>
Deferred inflows of resources:					
Pension - changes of assumptions	-	4,231	5,539	9,770	-
Pension - changes in proportion	-	6,631	8,682	15,313	-
Pension - net differences between projected and actual earnings	-	11,783	15,428	27,211	-
Pension - differences between expected and actual experience	-	8,569	11,219	19,788	-
Total deferred inflows of resources	<u>-</u>	<u>31,214</u>	<u>40,868</u>	<u>72,082</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>\$ -</u>	<u>\$ 5,608,778</u>	<u>\$ 4,762,926</u>	<u>\$ 10,371,704</u>	<u>\$ 8,107</u>
<b>Net Position</b>					
Invested in capital assets, net of related debt	\$ -	\$ 5,623,575	\$ 6,780,859	\$ 12,404,434	\$ -
Unrestricted	134,180	479,194	653,505	1,266,879	-
Total net position	<u>\$ 134,180</u>	<u>\$ 6,102,769</u>	<u>\$ 7,434,364</u>	<u>\$ 13,671,313</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, 2015

	Business-Type Activities: Enterprise Funds				Internal Service Fund
	Solid Waste	Wastewater Collection/ Treatment	Water Treatment/ Distribution	Total Enterprise Funds	
Operating revenues					
Charges for services	\$ 409,342	\$ 1,658,931	\$ 1,871,550	\$ 3,939,823	\$ -
Miscellaneous	-	3,424	10,215	13,639	132,092
Total operating revenues	<u>409,342</u>	<u>1,662,355</u>	<u>1,881,765</u>	<u>3,953,462</u>	<u>132,092</u>
Operating expenses					
Personal services	-	340,944	462,888	803,832	-
Contractual	395,497	537,115	380,525	1,313,137	132,092
Commodities	-	49,916	244,679	294,595	-
Capital outlay	-	63,991	62,227	126,218	-
Depreciation and amortization	-	492,657	276,366	769,023	-
Total operating expenses	<u>395,497</u>	<u>1,484,623</u>	<u>1,426,685</u>	<u>3,306,805</u>	<u>132,092</u>
Operating income [loss]	<u>13,845</u>	<u>177,732</u>	<u>455,080</u>	<u>646,657</u>	<u>-</u>
Nonoperating revenues [expenses]					
Capital contribution	-	7,160	826,822	833,982	-
Interest expense	-	[172,470]	[119,411]	[291,881]	-
Interest income	206	1,453	3,334	4,993	-
Total nonoperating revenues [expenses]	<u>206</u>	<u>[163,857]</u>	<u>710,745</u>	<u>547,094</u>	<u>-</u>
Income [loss] before operating transfers	<u>14,051</u>	<u>13,875</u>	<u>1,165,825</u>	<u>1,193,751</u>	<u>-</u>
Transfers from [to] other funds					
Transfers in	-	6,750	2,117	8,867	-
Transfers [out]	[11,000]	[48,523]	[833,857]	[893,380]	-
Total transfers	<u>[11,000]</u>	<u>[41,773]</u>	<u>[831,740]</u>	<u>[884,513]</u>	<u>-</u>
Changes in net position	<u>3,051</u>	<u>[27,898]</u>	<u>334,085</u>	<u>309,238</u>	<u>-</u>
Net position, January 1	131,129	6,455,495	7,525,575	14,112,199	-
Prior period adjustment	-	[324,828]	[425,296]	[750,124]	-
Net position, January 1, restated	<u>131,129</u>	<u>6,130,667</u>	<u>7,100,279</u>	<u>13,362,075</u>	<u>-</u>
Net position, December 31	<u>\$ 134,180</u>	<u>\$ 6,102,769</u>	<u>\$ 7,434,364</u>	<u>\$ 13,671,313</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, 2015

	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	\$ 408,002	\$ 1,647,423	\$ 1,907,791	\$ 3,963,216	\$ 132,092
Cash payments to employees for services	-	[366,608]	[497,033]	[863,641]	-
Cash payments to other suppliers of goods or services	[395,497]	[639,339]	[709,953]	[1,744,789]	[136,177]
Net cash provided by [used in] operating activities	12,505	641,476	700,805	1,354,786	[4,085]
Cash flows from noncapital financing activities					
Transfers from other funds	-	6,750	2,117	8,867	-
Transfers [to] other funds	[11,000]	[48,523]	[833,857]	[893,380]	-
Change in due to/from other funds	-	-	[19,829]	[19,829]	-
Net cash provided by [used in] noncapital financing activities	[11,000]	[41,773]	[851,569]	[904,342]	-
Cash flows from capital and related financing activities					
Purchase and construction of fixed assets, net	-	[64,095]	[1,023,765]	[1,087,860]	-
Proceeds from the sale of bonds	-	-	-	-	-
Proceeds from loans	-	-	694,009	694,009	-
Amounts due to other funds	-	-	-	-	-
Contributed capital	-	7,160	826,822	833,982	-
Interest payments - bonds and notes	-	[172,470]	[119,411]	[291,881]	-
Principal payments - bonds and notes	-	[417,977]	[271,656]	[689,633]	-
Net cash provided by [used in] capital and related financing activities	-	[647,382]	105,999	[541,383]	-
Cash flows from investing activities					
Interest received	206	1,453	3,334	4,993	-
Net cash provided by [used in] investing activities	206	1,453	3,334	4,993	-
Net increase [decrease] in cash and cash equivalents	1,711	[46,226]	[41,431]	[85,946]	[4,085]
Cash and cash equivalents, January 1	107,365	830,127	1,928,994	2,866,486	10,338
Cash and cash equivalents, December 31	\$ 109,076	\$ 783,901	\$ 1,887,563	\$ 2,780,540	\$ 6,253

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, 2015

	Business-Type Activities:				
	Enterprise Funds				
	<u>Solid Waste</u>	<u>Wastewater Collection/ Treatment</u>	<u>Water Treatment/ Distribution</u>	<u>Total Enterprise Funds</u>	<u>Internal Service Fund</u>
Reconciliation of operating income [loss] to net cash provided by [used in] operating activities					
Operating income [loss]	\$ 13,845	\$ 177,732	\$ 455,080	\$ 646,657	\$ -
Adjustments to reconcile operating income [loss] to net cash provided by [used in] operating activities					
Depreciation expense	-	492,657	276,366	769,023	-
[Increase] decrease in accounts receivable	[1,340]	[14,932]	12,526	[3,746]	-
[Increase] decrease in inventory	-	[2,009]	[8,060]	[10,069]	-
[Increase] decrease in prepaid expenses	-	-	-	-	[1,854]
[Increase] decrease in deferred outflows	-	[1,239]	[1,622]	[2,861]	-
Increase [decrease] in accounts payable	-	13,692	[14,462]	[770]	[2,231]
Increase [decrease] in accrued liabilities	-	[13,790]	[19,813]	[33,603]	-
Increase [decrease] in customer deposits	-	-	13,500	13,500	-
Increase [decrease] in accrued compensated absences	-	6,375	9,561	15,936	-
Increase [decrease] in deferred inflows	-	[29,315]	[38,382]	[67,697]	-
Increase [decrease] in net pension liability	-	12,305	16,111	28,416	-
Net cash provided by [used in] operating activities	<u>\$ 12,505</u>	<u>\$ 641,476</u>	<u>\$ 700,805</u>	<u>\$ 1,354,786</u>	<u>\$ [4,085]</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, 2015

	<u>Private Purpose Trust</u>	<u>Agency Funds</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 61,035	\$ 59,515
Total Assets	<u>\$ 61,035</u>	<u>\$ 59,515</u>
<b>Liabilities</b>		
Accounts payable	\$ 76	\$ 59,515
Total Liabilities	<u>76</u>	<u>59,515</u>
<b>Net position</b>		
Unreserved Undesignated	<u>60,959</u>	<u>-</u>
Total liabilities and net position	<u>\$ 61,035</u>	<u>\$ 59,515</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, 2015

	Private Purpose <u>Trust</u>
Additions:	
Charges for services	\$ 2,422
Donations	16,674
Interest income	<u>95</u>
Total additions	<u>19,191</u>
Deductions	
Contractual	<u>14,664</u>
Total deductions	<u>14,664</u>
Change in net position	4,527
Net position, January 1	<u>56,432</u>
Net position, December 31	<u>\$ 60,959</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, 2015

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, 2015

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, 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 2016.

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



CITY OF BONNER SPRINGS, KANSAS  
 NOTES TO THE FINANCIAL STATEMENTS  
 Year ended December 31, 2015

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, 2015

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, 2015

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		
Fund Balances:					
Nonspendable for:					
Inventory	\$ 11,951	\$ -	\$ -	\$ -	\$ 11,951
Restricted for:					
Public housing	-	-	-	186,481	186,481
Public safety	-	-	-	168,743	168,743
Public works	-	-	-	179,043	179,043
Culture and recreation	-	8,225	-	639,291	647,516
Debt retirement	-	-	243,882	-	243,882
Capital improvements	-	-	-	1,067,656	1,067,656
Committed for:					
Culture and recreation	-	-	-	263,726	263,726
Public works	-	-	-	379,869	379,869
Economic development	-	-	-	4,284	4,284
Risk management	-	-	-	96,579	96,579
Assigned for:					
General government	650	-	-	-	650
Public safety	2,836	-	-	-	2,836
Culture and recreation	8,193	-	-	2,405	10,598
Public works	69	-	-	224,575	224,644
Unassigned:	<u>3,487,888</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,487,888</u>
Total Fund Balances	<u>\$ 3,511,588</u>	<u>\$ 8,225</u>	<u>\$ 243,882</u>	<u>\$ 3,212,652</u>	<u>\$ 6,976,347</u>

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. The City reports pension contributions subsequent to the measurement date, pension changes in proportion and pension differences between expected and actual experience as deferred outflows of resources.

CITY OF BONNER SPRINGS, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

Year ended December 31, 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. *Assets, Liabilities and Equity (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 funds report unavailable revenues from one source: property taxes. Pension differences between expected and actual experience, pension differences between projected and actual investment earnings, and pension changes in assumptions are reported as deferred inflows for governmental activities.

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>
Tourism	\$ 111,965	\$ 126,965
Wastewater Collection/Treatment	1,619,454	1,656,304
Water Treatment/Distribution	1,996,893	2,402,409

CITY OF BONNER SPRINGS, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

Year ended December 31, 2015

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.

	<u>Major Governmental Funds</u>				
	<u>General</u>	<u>Library</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
GAAP FUND BALANCE					
December 31, 2015	\$ 3,511,588	\$ 8,225	\$ 243,882	\$ 3,212,652	\$ 6,976,347
Adjustments:					
Unreserved fund balances not subject to the Kansas Budget Law:					
Centennial Park	-	-	-	[430]	[430]
FEMA Mitigation Grant	-	-	-	259	259
Senior Center Activities	-	-	-	[1,324]	[1,324]
PHA Investment	-	-	-	[186,481]	[186,481]
LLEBG Grant #98-07	-	-	-	[132]	[132]
Stormwater	-	-	-	[282,777]	[282,777]
Capital Improvement Sales Tax	-	-	-	[175,157]	[175,157]
Fire Equipment Grant	-	-	-	[9,476]	[9,476]
Nonmajor Capital Projects	-	-	-	[892,499]	[892,499]
Accounts receivable	-	-	-	[51,097]	[51,097]
Inventory	[11,951]	-	-	-	[11,951]
Reserve for encumbrances	[11,749]	-	-	[123,505]	[135,254]
Total deductions	<u>[23,700]</u>	<u>-</u>	<u>-</u>	<u>[1,722,619]</u>	<u>[1,746,319]</u>
BUDGETARY FUND BALANCE					
December 31, 2015	\$ 3,487,888	\$ 8,225	\$ 243,882	\$ 1,490,033	\$ 5,230,028

CITY OF BONNER SPRINGS, KANSAS  
NOTES TO THE FINANCIAL STATEMENTS  
Year ended December 31, 2015

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, 2015, 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, 2015.

At December 31, 2015, the City's carrying amount of deposits was \$9,978,052 and the bank balance was \$10,353,109. 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 \$10,103,109 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, 2015

III. DETAILED NOTES ON ALL FUNDS (Continued)

*B. Receivables*

Receivables as of year-end are as follows:

	<u>General</u>	<u>Library</u>	<u>Debt Service</u>	<u>Solid Waste</u>	<u>Wastewater Collection Treatment</u>	<u>Water Treatment Distribution</u>	<u>Other Govt. Funds</u>	<u>Totals</u>
Receivables:								
Taxes	\$ 1,666,625	\$ 360,590	\$ 311,364	\$ -	\$ -	\$ -	\$ -	\$ 2,338,579
Accounts	<u>2,925</u>	<u>-</u>	<u>-</u>	<u>25,104</u>	<u>91,863</u>	<u>82,362</u>	<u>56,641</u>	<u>258,895</u>
Total receivables	<u>\$ 1,669,550</u>	<u>\$ 360,590</u>	<u>\$ 311,364</u>	<u>\$ 25,104</u>	<u>\$ 91,863</u>	<u>\$ 82,362</u>	<u>\$ 56,641</u>	<u>\$ 2,597,474</u>

*C. Capital Assets*

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

	<u>Balance 12/31/2014</u>	<u>Restatement</u>	<u>Balance Restated 12/31/2014</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance 12/31/2015</u>
City governmental activities:						
Capital assets, not being depreciated						
Construction in progress	\$ -	\$ -	\$ -	\$ 86,900	\$ -	\$ 86,900
Land	1,033,248	-	1,033,248	-	-	1,033,248
Capital assets, being depreciated						
Buildings	12,974,290	-	12,974,290	93,765	-	13,068,055
Improvements other than buildings	457,845	-	457,845	-	-	457,845
Machinery and equipment	5,727,392	-	5,727,392	145,817	102,851	5,770,359
Infrastructure	<u>14,942,022</u>	<u>-</u>	<u>14,942,022</u>	<u>7,390</u>	<u>-</u>	<u>14,949,412</u>
Total capital assets	<u>35,134,797</u>	<u>-</u>	<u>35,134,797</u>	<u>333,872</u>	<u>102,851</u>	<u>35,365,818</u>
Less accumulated depreciation for:						
Buildings	2,281,163	-	2,281,163	279,111	-	2,560,274
Improvements other than buildings	222,937	-	222,937	24,232	-	247,168
Machinery and equipment	4,160,163	-	4,160,163	414,425	102,851	4,471,738
Infrastructure	<u>4,435,207</u>	<u>-</u>	<u>4,435,207</u>	<u>697,035</u>	<u>-</u>	<u>5,132,242</u>
Total accumulated depreciation	<u>11,099,470</u>	<u>-</u>	<u>11,099,470</u>	<u>1,414,803</u>	<u>102,851</u>	<u>12,411,423</u>
Governmental activities capital assets, net	<u>\$ 24,035,327</u>	<u>\$ -</u>	<u>\$ 24,035,327</u>	<u>\$ [1,080,932]</u>	<u>\$ -</u>	<u>\$ 22,954,395</u>
Business-type activities:						
Capital assets, not being depreciated						
Construction in progress	\$ 533,554	\$ -	\$ 533,554	\$ 862,498	\$ 1,358,039	\$ 38,013
Land	465,577	-	465,577	-	-	465,577
Capital assets, being depreciated						
Plant	30,991,699	-	30,991,699	1,512,031	-	32,503,730
Machinery and equipment	<u>591,417</u>	<u>-</u>	<u>591,417</u>	<u>72,743</u>	<u>-</u>	<u>664,160</u>
Total capital assets	<u>32,582,247</u>	<u>-</u>	<u>32,582,247</u>	<u>2,447,272</u>	<u>1,358,039</u>	<u>33,671,480</u>
Less accumulated depreciation for:						
Plant	11,636,186	-	11,636,186	735,501	-	12,371,687
Machinery and equipment	<u>427,870</u>	<u>-</u>	<u>427,870</u>	<u>33,522</u>	<u>-</u>	<u>461,392</u>
Total accumulated depreciation	<u>12,064,056</u>	<u>-</u>	<u>12,064,056</u>	<u>769,023</u>	<u>-</u>	<u>12,833,079</u>
Business-type activities capital assets, net	<u>\$ 20,518,191</u>	<u>\$ -</u>	<u>\$ 20,518,191</u>	<u>\$ 1,678,249</u>	<u>\$ 1,358,039</u>	<u>\$ 20,838,402</u>

CITY OF BONNER SPRINGS, KANSAS  
NOTES TO THE FINANCIAL STATEMENTS  
Year ended December 31, 2015

III. DETAILED NOTES ON ALL FUNDS (Continued)

C. *Capital Assets (Continued)*

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

Governmental Activities:

General government	\$ 96,769
Public safety	394,493
Highways and streets	700,075
Culture and recreation	<u>223,466</u>
Total depreciation	<u>\$ 1,414,803</u>

Business-type Activities:

Wastewater Collection/Treatment	\$ 492,657
Water Treatment/Distribution	<u>276,366</u>
Total depreciation	<u>\$ 769,023</u>



CITY OF BONNER SPRINGS, KANSAS  
NOTES TO THE FINANCIAL STATEMENTS  
Year ended December 31, 2015

III. DETAILED NOTES ON ALL FUNDS (Continued)

D. Long-term Debt

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

Governmental Activities

	Balance January 1, 2015	Additions/ Adjustments	Reductions	Balance December 31, 2015	Amounts Due Within One Year
General obligation bonds	\$ 7,956,693	\$ -	\$ 946,280	\$ 7,010,413	\$ 986,207
Compensated absences	799,122	417,559	398,496	818,185	-
	<u>\$ 8,755,815</u>	<u>\$ 417,559</u>	<u>\$ 1,344,776</u>	<u>\$ 7,828,598</u>	<u>\$ 986,207</u>

Business Type Activities

	Balance January 1, 2015	Additions/ Adjustments	Reductions	Balance December 31, 2015	Amounts Due Within One Year
General obligation bonds	\$ 9,065,071	\$ -	\$ 667,186	\$ 8,397,885	\$ 692,259
Notes payable	185,192	694,009	22,447	856,754	36,083
Compensated absences	71,328	59,826	43,890	87,264	-
	<u>\$ 9,321,591</u>	<u>\$ 753,835</u>	<u>\$ 733,523</u>	<u>\$ 9,341,903</u>	<u>\$ 728,342</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, 2015

III. DETAILED NOTES ON ALL FUNDS (Continued)

D. 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 2006	3.6% to 4.25%	\$ 455,000	\$ 3,500,000
Series 2007	3.9% to 5.0%	615,000	1,120,000
Series 2008	3.6% to 4.3%	1,270,000	1,680,000
Series 2009	2.0% to 4.4%	4,339,999	7,605,000
Series 2011	2.0% to 4.2%	6,881,694	8,765,000
Series 2014	2.0% to 3.0%	<u>1,846,605</u>	1,978,784
		<u>\$ 15,408,298</u>	

<u>Allocation</u>	
Governmental Activities	\$ 7,010,413
Business Type Activities	<u>8,397,885</u>
	<u>\$ 15,408,298</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>
2016	\$ 1,239,437	\$ 961,841	\$ 2,201,278
2017	846,787	970,077	1,816,864
2018	781,337	965,524	1,746,861
2019	782,611	969,366	1,751,977
2020	777,836	966,738	1,744,574
2021 - 2025	3,065,513	3,505,569	6,571,082
2026 - 2030	<u>1,136,635</u>	<u>2,017,908</u>	<u>3,154,543</u>
Total Principal and Interest	8,630,155	10,357,024	18,987,179
Total Interest	<u>1,619,742</u>	<u>1,959,139</u>	<u>3,578,881</u>
Total Principal	<u>\$ 7,010,413</u>	<u>\$ 8,397,885</u>	<u>\$ 15,408,298</u>

CITY OF BONNER SPRINGS, KANSAS  
 NOTES TO THE FINANCIAL STATEMENTS  
 Year ended December 31, 2015

III. DETAILED NOTES ON ALL FUNDS (Continued)

D. Long-term Debt (Continued)

On September 30, 2015, the City entered into an agreement for a loan through the Kansas Water Pollution Control Revolving Loan Fund for improving the wastewater system in Bonner Springs. The City is obligated to make semi-annual payments of \$27,266 until February 2023. The payments carry a 1.90% interest rate plus a .35% service fee. At December 31, 2015, the outstanding principal balance was \$856,754

Notes payable currently outstanding are as follows:

Year Ending <u>December 31,</u>	Business Type <u>Activities</u>
2016	\$ 54,532
2017	54,532
2018	54,532
2019	54,532
2020	54,532
2021 - 2025	272,661
2026 - 2030	272,661
2031 - 2035	<u>244,570</u>
Total Principal and Interest	1,062,551
Total Interest	<u>205,797</u>
Total Principal	<u>\$ 856,754</u>

*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.

E. *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, 2015, there were seven series of Industrial Revenue Bonds outstanding, with an aggregate principal amount payable of \$8,216,502.

CITY OF BONNER SPRINGS, KANSAS  
NOTES TO THE FINANCIAL STATEMENTS  
Year ended December 31, 2015

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*

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

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

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

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

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

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

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

CITY OF BONNER SPRINGS, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

Year ended December 31, 2015

IV. OTHER INFORMATION (Continued)

B. Defined Benefit Pension Plan (Continued)

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

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

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

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

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

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

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

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

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

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

CITY OF BONNER SPRINGS, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

Year ended December 31, 2015

IV. OTHER INFORMATION (Continued)

B. Defined Benefit Pension Plan (Continued)

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

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

The contributions used exclude contributions made for prior service, excess benefits and irregular payments. At June 30, 2015, the City's proportion for the Local employees group was 0.160%, which was a decrease of .004% from its proportion measured at June 30, 2014. At June 30, 2015, the City's proportion for the Police and Firemen group was 0.333%, which was an increase of .012% from its proportion measured at June 30, 2014.

*Net Pension Liability.* At December 31, 2015 and 2014, the City reported a liability of \$4,520,427 and \$4,119,427, respectively, for its total proportionate share of the net pension liability for the Local and Police and Firemen groups.

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

	<u>Assumptions</u>	<u>Rate</u>
Price inflation		3.00%
Wage inflation		4.00%
Salary increases, including wage increases		4% to 16.00%, including inflation
Long-term rate of return, net of investment expense, and including price inflation		8.00%

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

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

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

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

CITY OF BONNER SPRINGS, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

Year ended December 31, 2015

IV. OTHER INFORMATION (Continued)

B. Defined Benefit Pension Plan (Continued)

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

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

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

	<u>1% Decrease (7.00%)</u>	<u>Discount Rate (8.00%)</u>	<u>1% Increase (9.00%)</u>
Local	\$ 2,987,815	\$ 2,104,757	\$ 1,356,098
Police and firemen	<u>3,507,975</u>	<u>2,415,670</u>	<u>1,493,045</u>
Total	<u>\$ 6,495,790</u>	<u>\$ 4,520,427</u>	<u>\$ 2,849,143</u>

*Pension Expense.* For the year ended December 31, 2015, the City recognized Local pension expense of \$140,603 and Police and Firemen pension expense of \$259,243, which includes the changes in the collective net pension liability, projected earnings on pension plan investments, and the amortization of deferred outflows of resources and deferred inflows of resources for the current period.

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

CITY OF BONNER SPRINGS, KANSAS  
NOTES TO THE FINANCIAL STATEMENTS  
Year ended December 31, 2015

IV. OTHER INFORMATION (Continued)

B. Defined Benefit Pension Plan (Continued)

	<u>Deferred outflows of resources</u>	<u>Deferred inflows of resources</u>
Differences between actual and expected experience	\$ 22,043	\$ 100,017
Net differences between projected and actual earnings on investments	-	158,646
Changes in assumptions	-	53,572
Changes in proportion	212,407	46,106
Total	<u>\$ 234,450</u>	<u>\$ 358,341</u>

\$311,279 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2016. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended <u>December 31,</u>	<u>Local</u>		<u>Police and firemen</u>		<u>Total</u>
	Deferred [Inflows] Outflows Amount	Deferred [Inflows] Outflows Amount	Deferred [Inflows] Outflows Amount	Deferred [Inflows] Outflows Amount	
2016	\$ [61,887]	\$ [16,687]	\$ [16,687]	\$ [78,574]	
2017	[61,887]	[16,687]	[16,687]	[78,574]	
2018	[61,887]	[16,687]	[16,687]	[78,574]	
2019	26,542	96,756	96,756	123,298	
2020	[14,029]	2,562	2,562	[11,467]	
Total	<u>\$ [173,148]</u>	<u>\$ 49,257</u>	<u>\$ 49,257</u>	<u>\$ [123,891]</u>	



CITY OF BONNER SPRINGS, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

Year ended December 31, 2015

IV. OTHER INFORMATION (Continued)

C. *Interfund Transfers*

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

<u>From</u>	<u>To</u>	<u>Amount</u>	<u>Regulatory Authority</u>
Senior Center Activities	Tiblow Transit	\$ 142	Ordinance 2178
Water Treatment/Distribution	Filter Backwash Tank	537,599	K.S.A. 12-825d
Water Treatment/Distribution	Well #6 Rehab	156,760	K.S.A. 12-825d
Wastewater Collection/Treatment	Lake Forest Lift Station Rehab	2,022	K.S.A. 12-825d
118th St. Waterline Relocate	Water Treatment/Distribution	2,117	Ordinance 2178
Walking Trail Phase IV	General Fund	2,385	Ordinance 2178
Drug & Alcohol	Dare Concert	4,000	Ordinance 2178
Special Parks & Recreation	Swimming Pool	5,978	Ordinance 2178
General Fund	Wastewater Collection/Treatment	6,750	Ordinance 2178
General Fund	Tiblow Transit	8,918	Ordinance 2178
Solid Waste	General Fund	11,000	K.S.A. 12-825d
Stormwater	Debt Service	19,851	K.S.A. 12-825d
General Fund	BS Center CID City Contribution	25,244	Ordinance 2178
General Fund	Senior Center	40,755	Ordinance 2178
Wastewater Collection/Treatment	General Fund	46,501	Ordinance 2178
Drug & Alcohol	General Fund	60,400	Ordinance 2178
General Fund	Swimming Pool	84,436	Ordinance 2178
Water Treatment/Distribution	General Fund	139,498	K.S.A. 12-825d
Emergency Services Capital	Debt Service	263,822	Ordinance 2178
Capital Improvement Sales Tax	Street Projects	300,000	Ordinance 2178
General Fund	Street Projects	347,627	Ordinance 2178
Library Sales Tax	Debt Service	423,825	Ordinance 2178
General Fund	Emergency Medical	<u>432,216</u>	Ordinance 2178
	Total	<u>\$ 2,921,846</u>	

D. *Risk Management*

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

E. *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

CITY OF BONNER SPRINGS, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

Year ended December 31, 2015

IV. OTHER INFORMATION (Continued)

E. Postemployment Healthcare Plan (Continued)

requirements. Plan participants contributed approximately 100% of the total premiums to the Plan, through their required contribution of \$6,111 to \$9,106 (depending on the retiree selected coverage level) per year for retiree-only coverage and \$14,176 to \$21,318 per year for retiree plus spouse or children coverage, and \$16,795 to \$24,603 per year for retiree and family coverage.

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)	\$ 40,549
Interest on Net OPEB Obligation	13,575
Adjustment to the ARC	<u>[21,654]</u>
Annual OPEB cost (expense)	32,469
Benefit payments	<u>12,000</u>
Change in net OPEB obligation	20,469
Net OPEB obligation - beginning of year	<u>236,083</u>
Net OPEB obligation - end of year	<u>\$ 256,552</u>

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

Fiscal Year Ended	Annual OPEB Cost	Annual OPEB Cost Contributed	Net OPEB Obligation
December 31, 2013	\$ 36,455	\$ 6,000	\$ 215,965
December 31, 2014	30,118	10,000	236,083
December 31, 2015	32,469	12,000	256,552

Funding Status and Funding Progress. As of July 1, 2013, the most recent actuarial valuation date, the Plan was not funded. The actuarial accrued liability for benefits was \$312,289 and the actuarial value of asset was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$312,289. The covered payroll (annual payroll of active employees covered by the plan) was \$4,211,840, and the ratio of the UAAL to the covered payroll was 7.41%.

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

CITY OF BONNER SPRINGS, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

Year ended December 31, 2015

IV. OTHER INFORMATION (Continued)

E. Postemployment Healthcare Plan (Continued)

statement, presents multiyear trend information about whether the actuarial value of plan assets (if any) are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

As of July 1, 2013, the most recent actuarial valuation date, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.50% 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 7.00% 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.

F. Restatement of Equity

The beginning net position of governmental activities, Wastewater Collection/Treatment fund, and Water Treatment/Distribution fund were restated as follows:

	Governmental <u>Activities</u>	Wastewater Collection/ <u>Treatment</u>	Water Treatment/ <u>Distribution</u>
Net position, January 1, 2015	\$ 20,848,419	\$ 6,455,495	\$ 7,525,575
Prior period adjustment - net pension liability	<u>[3,779,131]</u>	<u>[324,828]</u>	<u>[425,296]</u>
Net position, January 1, 2015, restated	<u>\$ 17,069,288</u>	<u>\$ 6,130,667</u>	<u>\$ 7,100,279</u>

G. Subsequent Event

On January 14, 2016, the City made a payment on the Series 2006 Improvement and Refunding General Obligation Bonds. This payment retired the debt in full.

On May 19, 2016, the City issued Series 2016-A General Obligation Refunding and Improvement Bonds in the amount of \$4,995,000. The bond proceeds will be used to refund a portion of each of the Series 2007 General Obligation Bonds, Series 2008 General Obligation Bonds, and Series 2009 General Obligation Refunding and Improvement Bonds. Proceeds will also be used to fund the acquisition and installation of new equipment and certain other repairs and improvements at the City's municipal wastewater treatment plant. The City will make the first payment on the bonds on September 1, 2018, and the final payment on September 1, 2029. The interest rate on the bonds ranges from 1.50% to 2.55%.

CITY OF BONNER SPRINGS, KANSAS  
 OTHER POST-EMPLOYMENT BENEFITS  
 REQUIRED SUPPLEMENTARY INFORMATION  
 Year ended December 31, 2015

Schedule of Funding Progress:

Actuarial Valuation <u>Date</u>	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfund AAL <u>(b) - (a)</u>	Funded Ratio <u>(a/b)</u>	Covered Payroll <u>(c)</u>	UAAL as Percent of Payroll <u>(b-a)/(c)</u>
7/1/2009	\$ -	\$ 322,236	\$ 322,236	0.00%	\$ 3,491,893	9.23%
7/1/2011	-	233,461	233,461	0.00%	3,614,148	6.46%
7/1/2013	-	312,289	312,289	0.00%	4,211,840	7.41%

CITY OF BONNER SPRINGS, KANSAS  
 OTHER POST-EMPLOYMENT BENEFITS  
 REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)  
 Year ended December 31, 2015

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

	Local <u>12/31/2015</u>	Police and Firemen <u>12/31/2015</u>
City's proportion of the net pension liability	0.160%	0.333%
City's proportionate share of the net pension liability	\$ 2,104,757	\$ 2,415,670
City's covered-employee payroll	\$ 2,614,078	\$ 1,466,782
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	80.52%	164.69%
Plan fiduciary net position as a percentage of the total net pension liability	71.98%	74.60%

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

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

	Local <u>12/31/2015</u>	Police and Firemen <u>12/31/2015</u>
Contractually required contribution	\$ 276,725	\$ 328,414
Contributions in relation to the contractually required contribution	<u>276,725</u>	<u>328,414</u>
Contribution excess [deficiency]	<u>\$ -</u>	<u>\$ -</u>
City's covered-employee payroll	\$ 2,919,046	\$ 1,537,517
Contributions as a percentage of covered-employee payroll	9.48%	21.36%

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

CITY OF BONNER SPRINGS, KANSAS

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS

December 31, 2015

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 2,313,895	\$ 912,936	\$ 3,226,831
Receivables (net of allowance for uncollectibles)			
Accounts	<u>56,641</u>	<u>-</u>	<u>56,641</u>
Total assets	<u>\$ 2,370,536</u>	<u>\$ 912,936</u>	<u>\$ 3,283,472</u>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 42,402	\$ 608	\$ 43,010
Accrued liabilities	7,981	-	7,981
Due to other funds	<u>-</u>	<u>19,829</u>	<u>19,829</u>
Total liabilities	<u>50,383</u>	<u>20,437</u>	<u>70,820</u>
<b>EQUITY</b>			
Fund balances			
Restricted	1,348,715	892,499	2,241,214
Committed	744,458	-	744,458
Assigned	<u>226,980</u>	<u>-</u>	<u>226,980</u>
Total equity	<u>2,320,153</u>	<u>892,499</u>	<u>3,212,652</u>
Total liabilities and equity	<u>\$ 2,370,536</u>	<u>\$ 912,936</u>	<u>\$ 3,283,472</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, 2015

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total</u>
Revenues			
Taxes	\$ 1,267,234	\$ 715,451	\$ 1,982,685
Intergovernmental	481,093	99,016	580,109
Charges for services	741,301	-	741,301
Use of money and property	3,835	1,525	5,360
Reimbursements	26,392	-	26,392
Miscellaneous	19,946	2,078	22,024
Total revenues	<u>2,539,801</u>	<u>818,070</u>	<u>3,357,871</u>
Expenditures			
Current			
General government	862,304	-	862,304
Public safety	1,374,519	-	1,374,519
Public works	129,318	-	129,318
Capital outlay	118,822	1,075,254	1,194,076
Total expenditures	<u>2,484,963</u>	<u>1,075,254</u>	<u>3,560,217</u>
Excess [deficiency] of revenues over [under] expenditures	<u>54,838</u>	<u>[257,184]</u>	<u>[202,346]</u>
Other financing sources [uses]			
Transfers in	1,245,316	696,381	1,941,697
Transfers out	[814,196]	[268,324]	[1,082,520]
Total other financing sources [uses]	<u>431,120</u>	<u>428,057</u>	<u>859,177</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	485,958	170,873	656,831
Fund balances, January 1	<u>1,834,195</u>	<u>721,626</u>	<u>2,555,821</u>
Fund balance, December 31	<u>\$ 2,320,153</u>	<u>\$ 892,499</u>	<u>\$ 3,212,652</u>

See independent auditor's report on the financial statements.

CITY OF BONNER SPRINGS, KANSAS

COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
December 31, 2015

	Emergency <u>Medical</u>	Centennial <u>Park</u>	Convention & Tourism <u>Promotion</u>	Drug & <u>Alcohol</u>	<u>Soccer</u>	Economic <u>Development</u>	Park <u>Dedication</u>
<b>ASSETS</b>							
Cash and cash equivalents	\$ 8,136	\$ 430	\$ 155,754	\$ 108,038	\$ 9,435	\$ 4,379	\$ 61,885
Receivables							
Accounts	<u>51,097</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 59,233</u>	<u>\$ 430</u>	<u>\$ 155,754</u>	<u>\$ 108,038</u>	<u>\$ 9,435</u>	<u>\$ 4,379</u>	<u>\$ 61,885</u>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>Liabilities</b>							
Accounts payable	\$ 2,147	\$ -	\$ -	\$ -	\$ -	\$ 95	\$ -
Due to other funds	-	-	-	-	-	-	-
Accrued liabilities	<u>5,989</u>	<u>-</u>	<u>581</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>8,136</u>	<u>-</u>	<u>581</u>	<u>-</u>	<u>-</u>	<u>95</u>	<u>-</u>
<b>Fund balances</b>							
Restricted	51,097	-	155,173	108,038	9,435	-	-
Committed	-	430	-	-	-	4,284	61,885
Assigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances [deficit]	<u>51,097</u>	<u>430</u>	<u>155,173</u>	<u>108,038</u>	<u>9,435</u>	<u>4,284</u>	<u>61,885</u>
Total liabilities and fund balances	<u>\$ 59,233</u>	<u>\$ 430</u>	<u>\$ 155,754</u>	<u>\$ 108,038</u>	<u>\$ 9,435</u>	<u>\$ 4,379</u>	<u>\$ 61,885</u>



<u>Risk Management</u>	<u>Senior Center</u>	<u>Special Parks &amp; Recreation</u>	<u>Street Projects</u>	<u>Summer Ball</u>	<u>Recreation Program</u>	<u>Swimming Pool</u>	<u>Tiblow Transit</u>
\$ 112,851	\$ 762	\$ 109,894	\$ 501,178	\$ 29,441	\$ 76,706	\$ 100	\$ 503
-	-	-	-	-	-	-	-
<u>\$ 112,851</u>	<u>\$ 762</u>	<u>\$ 109,894</u>	<u>\$ 501,178</u>	<u>\$ 29,441</u>	<u>\$ 76,706</u>	<u>\$ 100</u>	<u>\$ 503</u>
\$ 16,272	\$ 312	\$ 13,065	\$ 209	\$ -	\$ -	\$ 100	\$ 26
-	-	-	-	-	-	-	-
-	450	-	-	-	484	-	477
<u>16,272</u>	<u>762</u>	<u>13,065</u>	<u>209</u>	<u>-</u>	<u>484</u>	<u>100</u>	<u>503</u>
-	-	-	-	-	-	-	-
96,579	-	94,424	379,869	29,441	76,222	-	-
-	-	2,405	121,100	-	-	-	-
<u>96,579</u>	<u>-</u>	<u>96,829</u>	<u>500,969</u>	<u>29,441</u>	<u>76,222</u>	<u>-</u>	<u>-</u>
<u>\$ 112,851</u>	<u>\$ 762</u>	<u>\$ 109,894</u>	<u>\$ 501,178</u>	<u>\$ 29,441</u>	<u>\$ 76,706</u>	<u>\$ 100</u>	<u>\$ 503</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, 2015

	FEMA Mitigation <u>Grant</u>	Senior Center <u>Activities</u>	PHA <u>Investment</u>	LLEBG Grant <u>#98-07</u>	Library Sales <u>Tax</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ [259]	\$ 1,725	\$ 186,481	\$ 132	\$ 474,683
Receivables					
Accounts	<u>-</u>	<u>25</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ [259]</u>	<u>\$ 1,750</u>	<u>\$ 186,481</u>	<u>\$ 132</u>	<u>\$ 474,683</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts payable	\$ -	\$ 426	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-
Accrued liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>426</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances</b>					
Restricted	[259]	-	186,481	132	474,683
Committed	-	1,324	-	-	-
Assigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances [deficit]	<u>[259]</u>	<u>1,324</u>	<u>186,481</u>	<u>132</u>	<u>474,683</u>
Total liabilities and fund balances	<u>\$ [259]</u>	<u>\$ 1,750</u>	<u>\$ 186,481</u>	<u>\$ 132</u>	<u>\$ 474,683</u>

<u>Stormwater</u>	<u>Bonner Springs Center CID City Contribution</u>	<u>Bonner Springs Center CID Sales Tax</u>	<u>Bonner Springs Fire Equipment Grant</u>	<u>Capital Improvement Sales Tax</u>	<u>Inspect Engineering Reimbursement</u>	<u>CDBG Funding Agreement</u>	<u>Totals</u>
\$ 287,008	\$ -	\$ -	\$ 9,476	\$ 175,157	\$ -	\$ -	\$ 2,313,895
<u>5,519</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>56,641</u>
<u>\$ 292,527</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,476</u>	<u>\$ 175,157</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,370,536</u>
\$ 9,750	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 42,402
-	-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,981</u>
<u>9,750</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,383</u>
179,302	-	-	9,476	175,157	-	-	1,348,715
-	-	-	-	-	-	-	744,458
<u>103,475</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>226,980</u>
<u>282,777</u>	<u>-</u>	<u>-</u>	<u>9,476</u>	<u>175,157</u>	<u>-</u>	<u>-</u>	<u>2,320,153</u>
<u>\$ 292,527</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,476</u>	<u>\$ 175,157</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,370,536</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, 2015

	Emergency Medical	Centennial Park	Convention & Tourism	Drug & Alcohol	Soccer	Economic Development
Revenues						
Taxes	\$ -	\$ -	\$ 101,101	\$ 64,599	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-
Use of money and property	-	-	323	201	5	9
Charges for services	316,626	-	-	-	13,649	-
Reimbursements	167	-	82	-	60	-
Miscellaneous	-	50	-	-	-	13,300
<b>Total revenues</b>	<b>316,793</b>	<b>50</b>	<b>101,506</b>	<b>64,800</b>	<b>13,714</b>	<b>13,309</b>
Expenditures						
Current						
Personal services	492,372	-	47,935	-	2,202	-
Contractual	216,634	15	53,701	12,691	2,218	11,489
Commodities	49,082	-	9,603	-	6,065	444
Capital outlay	-	-	-	-	-	-
<b>Total expenditures</b>	<b>758,088</b>	<b>15</b>	<b>111,239</b>	<b>12,691</b>	<b>10,485</b>	<b>11,933</b>
Excess [deficiency] of revenues over [under] expenditures	<u>[441,295]</u>	<u>35</u>	<u>[9,733]</u>	<u>52,109</u>	<u>3,229</u>	<u>1,376</u>
Other financing sources [uses]						
Transfers in	432,216	-	-	-	-	-
Transfers [out]	-	-	-	[64,400]	-	-
<b>Total other financing sources [uses]</b>	<b>432,216</b>	<b>-</b>	<b>-</b>	<b>[64,400]</b>	<b>-</b>	<b>-</b>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	<u>[9,079]</u>	<u>35</u>	<u>[9,733]</u>	<u>[12,291]</u>	<u>3,229</u>	<u>1,376</u>
Fund balances [deficit], January 1	<u>60,176</u>	<u>395</u>	<u>164,906</u>	<u>120,329</u>	<u>6,206</u>	<u>2,908</u>
Fund balances [deficit], December 31	<u>\$ 51,097</u>	<u>\$ 430</u>	<u>\$ 155,173</u>	<u>\$ 108,038</u>	<u>\$ 9,435</u>	<u>\$ 4,284</u>

Park Dedication	Risk Management	Senior Center	Special Parks & Recreation	Street Projects	Summer Ball	Recreation Program	Swimming Pool	Tiblow Transit
\$ -	\$ -	\$ -	\$ 64,599	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	6,450	-	360,032	-	-	-	50,682
106	260	-	176	606	66	152	-	-
11,500	-	-	-	-	34,240	125,444	140,276	2,205
-	8,956	-	-	-	3,196	35	420	-
-	-	-	90	-	-	100	536	5,120
<u>11,606</u>	<u>9,216</u>	<u>6,450</u>	<u>64,865</u>	<u>360,638</u>	<u>37,502</u>	<u>125,731</u>	<u>141,232</u>	<u>58,007</u>
-	-	41,241	-	-	5,058	93,113	139,436	40,947
-	43,882	4,942	64,525	723,049	11,570	9,169	55,149	14,760
-	-	1,022	-	-	11,390	9,113	31,083	11,010
-	4,925	-	-	-	-	-	5,978	350
<u>-</u>	<u>48,807</u>	<u>47,205</u>	<u>64,525</u>	<u>723,049</u>	<u>28,018</u>	<u>111,395</u>	<u>231,646</u>	<u>67,067</u>
<u>11,606</u>	<u>[39,591]</u>	<u>[40,755]</u>	<u>340</u>	<u>[362,411]</u>	<u>9,484</u>	<u>14,336</u>	<u>[90,414]</u>	<u>[9,060]</u>
-	-	40,755	-	647,627	-	-	90,414	9,060
-	-	-	[5,978]	-	-	-	-	-
-	-	40,755	[5,978]	647,627	-	-	90,414	9,060
11,606	[39,591]	-	[5,638]	285,216	9,484	14,336	-	-
<u>50,279</u>	<u>136,170</u>	<u>-</u>	<u>102,467</u>	<u>215,753</u>	<u>19,957</u>	<u>61,886</u>	<u>-</u>	<u>-</u>
<u>\$ 61,885</u>	<u>\$ 96,579</u>	<u>\$ -</u>	<u>\$ 96,829</u>	<u>\$ 500,969</u>	<u>\$ 29,441</u>	<u>\$ 76,222</u>	<u>\$ -</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, 2015

	FEMA Mitigation Grant	Senior Center Activities	PHA Investment	LLEBG Grant #98-07	Library Sales Tax
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 518,467
Intergovernmental	-	-	-	-	-
Use of money and property	-	-	365	-	522
Charges for services	-	4,914	-	-	-
Reimbursements	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total revenues	-	4,914	365	-	518,989
Expenditures					
Current					
Personal services	-	-	-	-	-
Contractual	-	4,617	-	-	250
Commodities	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	-	4,617	-	-	250
Excess [deficiency] of revenues over [under] expenditures	-	297	365	-	518,739
Other financing sources [uses]					
Transfers in	-	-	-	-	-
Transfers [out]	-	[142]	-	-	[423,825]
Total other financing sources [uses]	-	[142]	-	-	[423,825]
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	-	155	365	-	94,914
Fund balances [deficit], January 1	[259]	1,169	186,116	132	379,769
Fund balances [deficit], December 31	\$ [259]	\$ 1,324	\$ 186,481	\$ 132	\$ 474,683

<u>Stormwater</u>	<u>Bonner Springs Center CID City Contribution</u>	<u>Bonner Springs Center CID Sales Tax</u>	<u>Bonner Springs Fire Equipment Grant</u>	<u>Capital Improvement Sales Tax</u>	<u>Inspect Engineering Reimbursement</u>	<u>CDBG Funding Agreement</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ 518,468	\$ -	\$ -	\$ 1,267,234
-	-	63,929	-	-	-	-	481,093
513	-	-	-	531	-	-	3,835
92,447	-	-	-	-	-	-	741,301
-	-	-	-	-	8,476	5,000	26,392
750	-	-	-	-	-	-	19,946
<u>93,710</u>	<u>-</u>	<u>63,929</u>	<u>-</u>	<u>518,999</u>	<u>8,476</u>	<u>5,000</u>	<u>2,539,801</u>
-	-	-	-	-	-	-	862,304
43,209	25,244	63,929	-	-	8,476	5,000	1,374,519
506	-	-	-	-	-	-	129,318
-	-	-	-	107,569	-	-	118,822
<u>43,715</u>	<u>25,244</u>	<u>63,929</u>	<u>-</u>	<u>107,569</u>	<u>8,476</u>	<u>5,000</u>	<u>2,484,963</u>
<u>49,995</u>	<u>[25,244]</u>	<u>-</u>	<u>-</u>	<u>411,430</u>	<u>-</u>	<u>-</u>	<u>54,838</u>
-	25,244	-	-	-	-	-	1,245,316
[19,851]	-	-	-	[300,000]	-	-	[814,196]
[19,851]	25,244	-	-	[300,000]	-	-	431,120
30,144	-	-	-	111,430	-	-	485,958
252,633	-	-	9,476	63,727	-	-	1,834,195
<u>\$ 282,777</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,476</u>	<u>\$ 175,157</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,320,153</u>

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CITY OF BONNER SPRINGS, KANSAS

COMBINING BALANCE SHEET  
 NONMAJOR CAPITAL PROJECT FUNDS  
 December 31, 2015

	<u>Riverview Waterline Relocate</u>	<u>Powell Drive/43rd Street</u>	<u>Bonner Pointe TIF Fund</u>	<u>Emergency Services Capital</u>	<u>Sidewalk Escrow</u>
<b>ASSETS</b>					
Cash and investments	\$ -	\$ 524,689	\$ 2,343	\$ 351,417	\$ 34,487
Total assets	<u>\$ -</u>	<u>\$ 524,689</u>	<u>\$ 2,343</u>	<u>\$ 351,417</u>	<u>\$ 34,487</u>
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ 608	\$ -
Due to other funds	<u>12,391</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>12,391</u>	<u>-</u>	<u>-</u>	<u>608</u>	<u>-</u>
<b>FUND BALANCES</b>					
Restricted	<u>[12,391]</u>	<u>524,689</u>	<u>2,343</u>	<u>350,809</u>	<u>34,487</u>
Total fund balances [deficit]	<u>[12,391]</u>	<u>524,689</u>	<u>2,343</u>	<u>350,809</u>	<u>34,487</u>
Total liabilities and equity	<u>\$ -</u>	<u>\$ 524,689</u>	<u>\$ 2,343</u>	<u>\$ 351,417</u>	<u>\$ 34,487</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, 2015

	118th Street Waterline <u>Relocate</u>	Walking Trail <u>Phase IV</u>	Bonner Pointe TIF <u>Increment</u>	Well #6 <u>Rehab</u>
ASSETS				
Cash and investments	\$ -	\$ -	\$ -	\$ -
Total assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Restricted	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances [deficit]	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and equity	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

<u>Filter Backwash Tank</u>	<u>Lake Forest Lift Station Rehab</u>	<u>Morse Ave Waterline</u>	<u>Water Plant Upgrades</u>	<u>Totals</u>
\$ -	\$ -	\$ -	\$ -	\$ 912,936
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 912,936</u>
\$ -	\$ -	\$ -	\$ -	\$ 608
-	-	4,463	2,975	19,829
-	-	4,463	2,975	20,437
-	-	[4,463]	[2,975]	892,499
-	-	[4,463]	[2,975]	892,499
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 912,936</u>

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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, 2015

	Riverview Waterline <u>Relocate</u>	Powell Drive/43rd <u>Street</u>	Bonner Pointe <u>TIF Fund</u>	Emergency Services <u>Capital</u>	Sidewalk <u>Escrow</u>
Revenues					
Use of money and property	\$ -	\$ 1,024	\$ -	\$ 434	\$ 67
Taxes	-	-	-	518,469	-
Intergovernmental	94,538	-	-	-	-
Miscellaneous	-	-	-	1,024	-
Total revenues	<u>94,538</u>	<u>1,024</u>	<u>-</u>	<u>519,927</u>	<u>67</u>
Expenditures					
Contractual	<u>100,657</u>	<u>-</u>	<u>-</u>	<u>87,222</u>	<u>-</u>
Total expenditures	<u>100,657</u>	<u>-</u>	<u>-</u>	<u>87,222</u>	<u>-</u>
Excess [deficiency] of revenues over [under] expenditures	<u>[6,119]</u>	<u>1,024</u>	<u>-</u>	<u>432,705</u>	<u>67</u>
Other financing sources [uses]					
Transfers in	-	-	-	-	-
Transfers [out]	<u>-</u>	<u>-</u>	<u>-</u>	<u>[263,822]</u>	<u>-</u>
Total other financing sources [uses]	<u>-</u>	<u>-</u>	<u>-</u>	<u>[263,822]</u>	<u>-</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	<u>[6,119]</u>	<u>1,024</u>	<u>-</u>	<u>168,883</u>	<u>67</u>
Fund balances [deficit], January 1	<u>[6,272]</u>	<u>523,665</u>	<u>2,343</u>	<u>181,926</u>	<u>34,420</u>
Fund balances [deficit], December 31	<u>\$ [12,391]</u>	<u>\$ 524,689</u>	<u>\$ 2,343</u>	<u>\$ 350,809</u>	<u>\$ 34,487</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 (CONTINUED)  
 For the Year Ended December 31, 2015

	118th Street Waterline <u>Relocate</u>	Walking Trail <u>Phase IV</u>	Bonner Pointe TIF <u>Increment</u>	Well #6 <u>Rehab</u>
Revenues				
Use of money and property	\$ -	\$ -	\$ -	\$ -
Taxes	-	-	196,982	-
Intergovernmental	2,093	2,385	-	-
Miscellaneous	-	-	-	354
Total revenues	<u>2,093</u>	<u>2,385</u>	<u>196,982</u>	<u>354</u>
Expenditures				
Contractual	-	-	196,982	157,114
Total expenditures	<u>-</u>	<u>-</u>	<u>196,982</u>	<u>157,114</u>
Excess [deficiency] of revenues over [under] expenditures	<u>2,093</u>	<u>2,385</u>	<u>-</u>	<u>[156,760]</u>
Other financing sources [uses]				
Transfers in	-	-	-	156,760
Transfers [out]	<u>[2,117]</u>	<u>[2,385]</u>	<u>-</u>	<u>-</u>
Total other financing sources [uses]	<u>[2,117]</u>	<u>[2,385]</u>	<u>-</u>	<u>156,760</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	<u>[24]</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances [deficit], January 1	<u>24</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances [deficit], December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

<u>Filter Backwash Tank</u>	<u>Lake Forest Lift Station Rehab</u>	<u>Morse Ave Waterline</u>	<u>Water Plant Upgrades</u>	<u>Totals</u>
\$ -	\$ -	\$ -	\$ -	\$ 1,525
-	-	-	-	715,451
-	-	-	-	99,016
<u>700</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,078</u>
<u>700</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>818,070</u>
<u>513,249</u>	<u>12,592</u>	<u>4,463</u>	<u>2,975</u>	<u>1,075,254</u>
<u>513,249</u>	<u>12,592</u>	<u>4,463</u>	<u>2,975</u>	<u>1,075,254</u>
<u>[512,549]</u>	<u>[12,592]</u>	<u>[4,463]</u>	<u>[2,975]</u>	<u>[257,184]</u>
537,599	2,022	-	-	696,381
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>[268,324]</u>
<u>537,599</u>	<u>2,022</u>	<u>-</u>	<u>-</u>	<u>428,057</u>
25,050	[10,570]	[4,463]	[2,975]	170,873
<u>[25,050]</u>	<u>10,570</u>	<u>-</u>	<u>-</u>	<u>721,626</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ [4,463]</u>	<u>\$ [2,975]</u>	<u>\$ 892,499</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, 2015

	GAAP Basis Actual	Adjustments	Budgetary Basis Actual	Original Budget	Amended Budget	Variance Positive [Negative]
Revenues						
Charges for services	\$ 316,793	\$ [122,907]	\$ 193,886	\$ 175,000	\$ 175,000	\$ 18,886
Total revenues	<u>316,793</u>	<u>[122,907]</u>	<u>193,886</u>	<u>175,000</u>	<u>175,000</u>	<u>18,886</u>
Expenditures						
Personal services	492,372	-	492,372	551,544	551,544	59,172
Contractual	216,634	[131,986]	84,648	84,496	84,496	[152]
Commodities	49,082	-	49,082	51,090	51,090	2,008
Total expenditures	<u>758,088</u>	<u>[131,986]</u>	<u>626,102</u>	<u>687,130</u>	<u>687,130</u>	<u>61,028</u>
Excess [deficiency] of revenues over [under] expenditures	<u>[441,295]</u>	<u>9,079</u>	<u>[432,216]</u>	<u>[512,130]</u>	<u>[512,130]</u>	<u>79,914</u>
Other financing sources [uses]						
Transfers in	<u>432,216</u>	<u>-</u>	<u>432,216</u>	<u>512,130</u>	<u>512,130</u>	<u>[79,914]</u>
Total other financing sources [uses]	<u>432,216</u>	<u>-</u>	<u>432,216</u>	<u>512,130</u>	<u>512,130</u>	<u>[79,914]</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	<u>[9,079]</u>	<u>\$ 9,079</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance, January 1	<u>60,176</u>		<u>-</u>			
Fund balance, December 31	<u>\$ 51,097</u>		<u>\$ -</u>			

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



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, 2015

	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	\$ 101,101	\$ -	\$ 101,101	\$ 85,000	\$ 90,000	\$ 11,101
Reimbursements	82	-	82	-	-	82
Use of money and property	323	-	323	350	330	[7]
Total revenues	<u>101,506</u>	<u>-</u>	<u>101,506</u>	<u>85,350</u>	<u>90,330</u>	<u>11,176</u>
Expenditures						
Personal services	47,935	-	47,935	48,455	48,455	520
Contractual	53,701	-	53,701	61,510	76,510	22,809
Commodities	9,603	-	9,603	2,000	2,000	[7,603]
Total expenditures	<u>111,239</u>	<u>-</u>	<u>111,239</u>	<u>111,965</u>	<u>126,965</u>	<u>15,726</u>
Excess [deficiency] of revenues over [under] expenditures	[9,733]	\$ <u>-</u>	[9,733]	\$ <u>[26,615]</u>	\$ <u>[36,635]</u>	\$ <u>26,902</u>
Fund balance, January 1	<u>164,906</u>		<u>164,906</u>			
Fund balance, December 31	<u>\$ 155,173</u>		<u>\$ 155,173</u>			

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

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, 2015

	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	\$ 64,599	\$ -	\$ 64,599	\$ 50,000	\$ 50,000	\$ 14,599
Use of money and property	201	-	201	250	250	[49]
Total revenues	<u>64,800</u>	<u>-</u>	<u>64,800</u>	<u>50,250</u>	<u>50,250</u>	<u>14,550</u>
Expenditures						
Contractual services	<u>12,691</u>	<u>-</u>	<u>12,691</u>	<u>25,000</u>	<u>25,000</u>	<u>12,309</u>
Total expenditures	<u>12,691</u>	<u>-</u>	<u>12,691</u>	<u>25,000</u>	<u>25,000</u>	<u>12,309</u>
Excess [deficiency] of revenues over [under] expenditures	<u>52,109</u>	<u>-</u>	<u>52,109</u>	<u>25,250</u>	<u>25,250</u>	<u>26,859</u>
Other financing sources [uses]						
Transfer [out]	<u>[64,400]</u>	<u>-</u>	<u>[64,400]</u>	<u>[60,400]</u>	<u>[60,400]</u>	<u>[4,000]</u>
Total other financing sources [uses]	<u>[64,400]</u>	<u>-</u>	<u>[64,400]</u>	<u>[60,400]</u>	<u>[60,400]</u>	<u>[4,000]</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	[12,291]	\$ <u>-</u>	[12,291]	\$ <u>[35,150]</u>	\$ <u>[35,150]</u>	\$ <u>22,859</u>
Fund balance, January 1	<u>120,329</u>		<u>120,329</u>			
Fund balance, December 31	<u>\$ 108,038</u>		<u>\$ 108,038</u>			

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

CITY OF BONNER SPRINGS, KANSAS

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

For the Year Ended December 31, 2015

	GAAP Basis <u>Actual</u>	<u>Adjustments</u>	Budgetary Basis <u>Actual</u>	<u>Original Budget</u>	<u>Final Budget</u>	Variance Positive [Negative]
<b>Revenues</b>						
Use of money and property	\$ 5	\$ -	\$ 5	\$ -	\$ -	\$ 5
Charges for services	13,649	-	13,649	17,000	17,000	[3,351]
Reimbursements	60	-	60	-	-	60
Total revenues	<u>13,714</u>	<u>-</u>	<u>13,714</u>	<u>17,000</u>	<u>17,000</u>	<u>[3,286]</u>
<b>Expenditures</b>						
Personnel services	2,202	-	2,202	1,005	1,005	[1,197]
Contractual services	2,218	-	2,218	9,500	9,500	7,282
Commodities	6,065	-	6,065	7,000	7,000	935
Total expenditures	<u>10,485</u>	<u>-</u>	<u>10,485</u>	<u>17,505</u>	<u>17,505</u>	<u>7,020</u>
Excess [deficiency] of revenues over [under] expenditures	3,229	<u>\$ -</u>	3,229	<u>\$ [505]</u>	<u>\$ [505]</u>	<u>\$ 3,734</u>
Fund balance, January 1	<u>6,206</u>		<u>6,206</u>			
Fund balance, December 31	<u>\$ 9,435</u>		<u>\$ 9,435</u>			

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

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, 2015

	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						
Use of money and property	\$ 9	\$ -	\$ 9	\$ -	\$ -	\$ 9
Miscellaneous	13,300	-	13,300	-	-	13,300
Total revenues	<u>13,309</u>	<u>-</u>	<u>13,309</u>	<u>-</u>	<u>-</u>	<u>13,309</u>
Expenditures						
Contractual services	11,489	-	11,489	11,452	11,452	[37]
Commodities	444	-	444	800	800	356
Total expenditures	<u>11,933</u>	<u>-</u>	<u>11,933</u>	<u>12,252</u>	<u>12,252</u>	<u>319</u>
Excess [deficiency] of revenues over [under] expenditures	<u>1,376</u>	<u>-</u>	<u>1,376</u>	<u>[12,252]</u>	<u>[12,252]</u>	<u>13,628</u>
Other financing sources [uses]						
Transfers in	-	-	-	9,688	9,688	[9,688]
Total other financing sources [uses]	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,688</u>	<u>9,688</u>	<u>[9,688]</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	1,376	<u>\$ -</u>	1,376	<u>\$ [2,564]</u>	<u>\$ [2,564]</u>	<u>\$ 3,940</u>
Fund balance, January 1	<u>2,908</u>		<u>2,908</u>			
Fund balance, December 31	<u>\$ 4,284</u>		<u>\$ 4,284</u>			

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

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, 2015

	GAAP Basis <u>Actual</u>	<u>Adjustments</u>	Budgetary Basis <u>Actual</u>	Original <u>Budget</u>	Final <u>Budget</u>	Variance Positive [Negative]
Revenues						
Charges for services	\$ 11,500	\$ -	\$ 11,500	\$ 4,000	\$ 4,000	\$ 7,500
Use of money and property	<u>106</u>	<u>-</u>	<u>106</u>	<u>40</u>	<u>40</u>	<u>66</u>
Total revenues	<u>11,606</u>	<u>-</u>	<u>11,606</u>	<u>4,040</u>	<u>4,040</u>	<u>7,566</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	11,606	<u>\$ -</u>	11,606	<u>\$ 4,040</u>	<u>\$ 4,040</u>	<u>\$ 7,566</u>
Fund balance, January 1	<u>50,279</u>		<u>50,279</u>			
Fund balance, December 31	<u>\$ 61,885</u>		<u>\$ 61,885</u>			

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

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, 2015

	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						
Reimbursements	\$ 8,956	\$ -	\$ 8,956	\$ -	\$ -	\$ 8,956
Use of money and property	<u>260</u>	<u>-</u>	<u>260</u>	<u>200</u>	<u>200</u>	<u>60</u>
Total revenues	<u>9,216</u>	<u>-</u>	<u>9,216</u>	<u>200</u>	<u>200</u>	<u>9,016</u>
Expenditures						
Contractual services	43,882	-	43,882	141,164	141,164	97,282
Capital outlay	<u>4,925</u>	<u>-</u>	<u>4,925</u>	<u>-</u>	<u>-</u>	<u>[4,925]</u>
Total expenditures	<u>48,807</u>	<u>-</u>	<u>48,807</u>	<u>141,164</u>	<u>141,164</u>	<u>92,357</u>
Excess [deficiency] of revenues over [under] expenditures	[39,591]	<u>\$ -</u>	[39,591]	<u>\$ [140,964]</u>	<u>\$ [140,964]</u>	<u>\$ 101,373</u>
Fund balance, January 1	<u>136,170</u>		<u>136,170</u>			
Fund balance, December 31	<u>\$ 96,579</u>		<u>\$ 96,579</u>			

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

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, 2015

	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	\$ 6,450	\$ -	\$ 6,450	\$ 6,450	\$ 6,450	\$ -
Total revenues	<u>6,450</u>	<u>-</u>	<u>6,450</u>	<u>6,450</u>	<u>6,450</u>	<u>-</u>
Expenditures						
Personal services	41,241	-	41,241	41,343	41,343	102
Contractual services	4,942	-	4,942	5,180	5,180	238
Commodities	<u>1,022</u>	<u>-</u>	<u>1,022</u>	<u>2,300</u>	<u>2,300</u>	<u>1,278</u>
Total expenditures	<u>47,205</u>	<u>-</u>	<u>47,205</u>	<u>48,823</u>	<u>48,823</u>	<u>1,618</u>
Excess [deficiency] of revenues over [under] expenditures	<u>[40,755]</u>	<u>-</u>	<u>[40,755]</u>	<u>[42,373]</u>	<u>[42,373]</u>	<u>1,618</u>
Other financing sources [uses]						
Transfer in	<u>40,755</u>	<u>-</u>	<u>40,755</u>	<u>42,373</u>	<u>42,373</u>	<u>[1,618]</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	<u>-</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance, January 1	<u>-</u>		<u>-</u>			
Fund balance, December 31	<u>\$ -</u>		<u>\$ -</u>			

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

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, 2015

	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	\$ 64,599	\$ -	\$ 64,599	\$ 50,000	\$ 50,000	\$ 14,599
Miscellaneous	90	-	90	-	-	90
Use of money and property	176	-	176	175	175	1
Total revenues	<u>64,865</u>	<u>-</u>	<u>64,865</u>	<u>50,175</u>	<u>50,175</u>	<u>14,690</u>
Expenditures						
Contractual	<u>64,525</u>	<u>[113]</u>	<u>64,412</u>	<u>79,500</u>	<u>79,500</u>	<u>15,088</u>
Total expenditures	<u>64,525</u>	<u>[113]</u>	<u>64,412</u>	<u>79,500</u>	<u>79,500</u>	<u>15,088</u>
Excess [deficiency] of revenues over [under] expenditures	<u>340</u>	<u>113</u>	<u>453</u>	<u>[29,325]</u>	<u>[29,325]</u>	<u>29,778</u>
Other financing sources [uses]						
Transfer [out]	<u>[5,978]</u>	<u>-</u>	<u>[5,978]</u>	<u>[9,000]</u>	<u>[9,000]</u>	<u>3,022</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	<u>[5,638]</u>	<u>\$ 113</u>	<u>[5,525]</u>	<u>\$ [38,325]</u>	<u>\$ [38,325]</u>	<u>\$ 32,800</u>
Fund balance, January 1	<u>102,467</u>		<u>99,949</u>			
Fund balance, December 31	<u>\$ 96,829</u>		<u>\$ 94,424</u>			

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



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, 2015

	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	\$ 360,032	\$ -	\$ 360,032	\$ 323,862	\$ 323,862	\$ 36,170
Use of money and property	606	-	606	500	500	106
Total revenues	<u>360,638</u>	<u>-</u>	<u>360,638</u>	<u>324,362</u>	<u>324,362</u>	<u>36,276</u>
Expenditures						
Contractual services	<u>723,049</u>	<u>105,796</u>	<u>828,845</u>	<u>914,100</u>	<u>914,100</u>	<u>85,255</u>
Total expenditures	<u>723,049</u>	<u>105,796</u>	<u>828,845</u>	<u>914,100</u>	<u>914,100</u>	<u>85,255</u>
Excess [deficiency] of revenues over [under] expenditures	<u>[362,411]</u>	<u>[105,796]</u>	<u>[468,207]</u>	<u>[589,738]</u>	<u>[589,738]</u>	<u>121,531</u>
Other financing sources [uses]						
Transfer in	<u>647,627</u>	<u>-</u>	<u>647,627</u>	<u>666,978</u>	<u>666,978</u>	<u>[19,351]</u>
Total other financing sources [uses]	<u>647,627</u>	<u>-</u>	<u>647,627</u>	<u>666,978</u>	<u>666,978</u>	<u>[19,351]</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	285,216	<u>\$ [105,796]</u>	179,420	<u>\$ 77,240</u>	<u>\$ 77,240</u>	<u>\$ 102,180</u>
Fund balance, January 1	<u>215,753</u>		<u>200,449</u>			
Fund balance, December 31	<u>\$ 500,969</u>		<u>\$ 379,869</u>			

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

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, 2015

	GAAP Basis <u>Actual</u>	<u>Adjustments</u>	Budgetary Basis <u>Actual</u>	<u>Original Budget</u>	<u>Final Budget</u>	Variance Positive [Negative]
<b>Revenues</b>						
Charges for services	\$ 34,240	\$ -	\$ 34,240	\$ 33,900	\$ 33,900	\$ 340
Reimbursements	3,196	-	3,196	-	-	3,196
Use of money and property	66	-	66	-	-	66
Total revenues	<u>37,502</u>	<u>-</u>	<u>37,502</u>	<u>33,900</u>	<u>33,900</u>	<u>3,602</u>
<b>Expenditures</b>						
Personal services	5,058	-	5,058	6,940	6,940	1,882
Contractual services	11,570	-	11,570	13,325	13,325	1,755
Commodities	11,390	-	11,390	9,250	9,250	[2,140]
Total expenditures	<u>28,018</u>	<u>-</u>	<u>28,018</u>	<u>29,515</u>	<u>29,515</u>	<u>1,497</u>
Excess [deficiency] of revenues over [under] expenditures	9,484	<u>\$ -</u>	9,484	<u>\$ 4,385</u>	<u>\$ 4,385</u>	<u>\$ 5,099</u>
Fund balance, January 1	<u>19,957</u>		<u>19,957</u>			
Fund balance, December 31	<u>\$ 29,441</u>		<u>\$ 29,441</u>			

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

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, 2015

	GAAP Basis		Budgetary Basis		Original Budget	Final Budget	Variance Positive [Negative]
	<u>Actual</u>	<u>Adjustments</u>	<u>Actual</u>				
<b>Revenues</b>							
Charges for services	\$ 125,444	\$ -	\$ 125,444	\$ 139,650	\$ 139,650	\$ [14,206]	
Miscellaneous	100	-	100	-	-	100	
Reimbursements	35	-	35	-	-	35	
Use of money and property	152	-	152	-	-	152	
Total revenues	<u>125,731</u>	<u>-</u>	<u>125,731</u>	<u>139,650</u>	<u>139,650</u>	<u>[13,919]</u>	
<b>Expenditures</b>							
Personal services	93,113	-	93,113	90,615	90,615	[2,498]	
Contractual services	9,169	-	9,169	32,000	32,000	22,831	
Commodities	9,113	-	9,113	12,000	12,000	2,887	
Total expenditures	<u>111,395</u>	<u>-</u>	<u>111,395</u>	<u>134,615</u>	<u>134,615</u>	<u>23,220</u>	
Excess [deficiency] of revenues over [under] expenditures	14,336	<u>\$ -</u>	14,336	<u>\$ 5,035</u>	<u>\$ 5,035</u>	<u>\$ 9,301</u>	
Fund balance, January 1	<u>61,886</u>		<u>61,886</u>				
Fund balance, December 31	<u>\$ 76,222</u>		<u>\$ 76,222</u>				

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

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, 2015

	GAAP Basis		Budgetary Basis		Original Budget	Final Budget	Variance Positive [Negative]
	Actual	Adjustments	Actual				
<b>Revenues</b>							
Charges of services	\$ 140,276	\$ -	\$ 140,276	\$ 128,500	\$ 128,500	\$ 11,776	
Miscellaneous	536	-	536	-	-	536	
Reimbursements	420	-	420	1,400	1,400	[980]	
Total revenues	<u>141,232</u>	<u>-</u>	<u>141,232</u>	<u>129,900</u>	<u>129,900</u>	<u>11,332</u>	
<b>Expenditures</b>							
Personal services	139,436	-	139,436	151,110	151,110	11,674	
Contractual services	55,149	-	55,149	59,491	59,491	4,342	
Commodities	31,083	-	31,083	29,280	29,280	[1,803]	
Capital outlay	5,978	-	5,978	9,000	9,000	3,022	
Total expenditures	<u>231,646</u>	<u>-</u>	<u>231,646</u>	<u>248,881</u>	<u>248,881</u>	<u>17,235</u>	
Excess [deficiency] of revenues over [under] expenditures	[90,414]	-	[90,414]	[118,981]	[118,981]	28,567	
<b>Other financing sources [uses]</b>							
Transfer in	<u>90,414</u>	<u>-</u>	<u>90,414</u>	<u>118,981</u>	<u>118,981</u>	<u>[28,567]</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	-		-				
Fund balance, December 31	<u>\$ -</u>		<u>\$ -</u>				

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

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, 2015

	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	\$ 50,682	\$ -	\$ 50,682	\$ 64,000	\$ 64,000	\$ [13,318]
Charges of services	2,205	-	2,205	2,500	2,500	[295]
Miscellaneous	<u>5,120</u>	<u>-</u>	<u>5,120</u>	<u>3,900</u>	<u>3,900</u>	<u>1,220</u>
Total revenues	<u>58,007</u>	<u>-</u>	<u>58,007</u>	<u>70,400</u>	<u>70,400</u>	<u>[12,393]</u>
Expenditures						
Personal services	40,947	-	40,947	53,173	53,173	12,226
Contractual services	14,760	-	14,760	14,455	14,455	[305]
Commodities	11,010	-	11,010	18,600	18,600	7,590
Capital outlay	<u>350</u>	<u>-</u>	<u>350</u>	<u>-</u>	<u>-</u>	<u>[350]</u>
Total expenditures	<u>67,067</u>	<u>-</u>	<u>67,067</u>	<u>86,228</u>	<u>86,228</u>	<u>19,161</u>
Excess [deficiency] of revenues over [under] expenditures	[9,060]	-	[9,060]	[15,828]	[15,828]	6,768
Other financing sources [uses]						
Transfer in	<u>9,060</u>	<u>-</u>	<u>9,060</u>	<u>15,828</u>	<u>15,828</u>	<u>[6,768]</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	-		-			
Fund balance, December 31	<u>\$ -</u>		<u>\$ -</u>			

The notes to the financial statement 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 SALES TAX FUND

For the Year Ended December 31, 2015

	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	\$ 518,467	\$ -	\$ 518,467	\$ 450,000	\$ 450,000	\$ 68,467
Use of money and property	<u>522</u>	<u>-</u>	<u>522</u>	<u>600</u>	<u>600</u>	<u>[78]</u>
Total revenues	<u>518,989</u>	<u>-</u>	<u>518,989</u>	<u>450,600</u>	<u>450,600</u>	<u>68,389</u>
Expenditures						
Contractual services	<u>250</u>	<u>-</u>	<u>250</u>	<u>-</u>	<u>-</u>	<u>[250]</u>
Total expenditures	<u>250</u>	<u>-</u>	<u>250</u>	<u>-</u>	<u>-</u>	<u>[250]</u>
Excess [deficiency] of revenues over [under] expenditures	518,739	-	518,739	450,600	450,600	68,139
Other financing sources [uses]						
Transfer [out]	<u>[423,825]</u>	<u>-</u>	<u>[423,825]</u>	<u>[423,825]</u>	<u>[423,825]</u>	<u>-</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	94,914	<u>\$ -</u>	94,914	<u>\$ 26,775</u>	<u>\$ 26,775</u>	<u>\$ 68,139</u>
Fund balance, January 1	<u>379,769</u>		<u>379,769</u>			
Fund balance, December 31	<u>\$ 474,683</u>		<u>\$ 474,683</u>			

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

CITY OF BONNER SPRINGS, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE - ACTUAL AND BUDGET  
 BONNER SPRINGS CENTER CID CITY CONTRIBUTION FUND  
 For the Year Ended December 31, 2015

	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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures						
Contractual services	<u>25,244</u>	<u>-</u>	<u>25,244</u>	<u>33,000</u>	<u>33,000</u>	<u>7,756</u>
Total expenditures	<u>25,244</u>	<u>-</u>	<u>25,244</u>	<u>33,000</u>	<u>33,000</u>	<u>7,756</u>
Excess [deficiency] of revenues over [under] expenditures	[25,244]	-	[25,244]	[33,000]	[33,000]	7,756
Other financing sources [uses]						
Transfer in	<u>25,244</u>	<u>-</u>	<u>25,244</u>	<u>33,000</u>	<u>33,000</u>	<u>[7,756]</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>		<u><u>\$ -</u></u>			

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

CITY OF BONNER SPRINGS, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE - ACTUAL AND BUDGET  
 BONNER SPRINGS CENTER CID SALES TAX FUND  
 For the Year Ended December 31, 2015

	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	\$ 63,929	\$ -	\$ 63,929	\$ 100,000	\$ 100,000	\$ [36,071]
Total revenues	<u>63,929</u>	<u>-</u>	<u>63,929</u>	<u>100,000</u>	<u>100,000</u>	<u>[36,071]</u>
Expenditures						
Contractual services	<u>63,929</u>	<u>-</u>	<u>63,929</u>	<u>100,000</u>	<u>100,000</u>	<u>36,071</u>
Total expenditures	<u>63,929</u>	<u>-</u>	<u>63,929</u>	<u>100,000</u>	<u>100,000</u>	<u>36,071</u>
Excess [deficiency] of revenues over [under] expenditures	-	<u>\$ -</u>	-	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance, January 1	<u>-</u>		<u>-</u>			
Fund balance, December 31	<u>\$ -</u>		<u>\$ -</u>			



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, 2015

	GAAP Basis Actual	Adjustment	Budgetary Basis Actual	Original Budget	Final Budget	Variance Positive [Negative]
<b>Revenues</b>						
Taxes	\$ 358,489	\$ -	\$ 358,489	\$ 329,920	\$ 329,920	\$ 28,569
Special assessments	130,822	-	130,822	125,000	125,000	5,822
Use of money and property	912	-	912	1,300	1,300	[388]
<b>Total revenues</b>	<b>490,223</b>	<b>-</b>	<b>490,223</b>	<b>456,220</b>	<b>456,220</b>	<b>34,003</b>
<b>Expenditures</b>						
<b>Debt service</b>						
Principal	942,625	-	942,625	1,618,150	1,618,150	675,525
Interest	277,433	-	277,433	579,168	579,168	301,735
Cash basis reserve	-	-	-	50,000	50,000	50,000
<b>Total expenditures</b>	<b>1,220,058</b>	<b>-</b>	<b>1,220,058</b>	<b>2,247,318</b>	<b>2,247,318</b>	<b>1,027,260</b>
Excess [deficiency] of revenues over [under] expenditures	[729,835]	-	[729,835]	[1,791,098]	[1,791,098]	1,061,263
<b>Other financing sources [uses]</b>						
Transfer in	707,498	-	707,498	1,684,758	1,684,758	[977,260]
<b>Total other financing sources [uses]</b>	<b>707,498</b>	<b>-</b>	<b>707,498</b>	<b>1,684,758</b>	<b>1,684,758</b>	<b>[977,260]</b>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	[22,337]	\$ -	[22,337]	\$ [106,340]	\$ [106,340]	\$ 84,003
Fund balance, January 1	266,219		266,219			
Fund balance, December 31	\$ 243,882		\$ 243,882			

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

CITY OF BONNER SPRINGS, KANSAS

COMBINING STATEMENT OF FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 December 31, 2015

	Private Purpose Trust			
	Senior Center	Bonner Beautiful	Cemetery	Senior Trust Scholarship
ASSETS				
Cash and cash equivalents	\$ 15,451	\$ 6,175	\$ 4,447	\$ 8,936
Total assets	<u>\$ 15,451</u>	<u>\$ 6,175</u>	<u>\$ 4,447</u>	<u>\$ 8,936</u>
LIABILITIES AND NET POSITION				
Liabilities				
Accounts payable	\$ -	\$ -	\$ 76	\$ -
Total liabilities	<u>-</u>	<u>-</u>	<u>76</u>	<u>-</u>
Net position				
Unreserved				
Undesignated	<u>15,451</u>	<u>6,175</u>	<u>4,371</u>	<u>8,936</u>
Total liabilities and net position	<u>\$ 15,451</u>	<u>\$ 6,175</u>	<u>\$ 4,447</u>	<u>\$ 8,936</u>

Private Purpose Trust (Continued)

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<u>Dare Concert</u>	<u>Daly</u>	<u>Recreation Scholarship</u>	<u>Ambulance Trust</u>	<u>Total</u>
\$ 5,374	\$ 17	\$ 19,817	\$ 818	\$ 61,035
<u>\$ 5,374</u>	<u>\$ 17</u>	<u>\$ 19,817</u>	<u>\$ 818</u>	<u>\$ 61,035</u>
\$ -	\$ -	\$ -	\$ -	\$ 76
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 76</u>
\$ 5,374	\$ 17	\$ 19,817	\$ 818	\$ 60,959
<u>\$ 5,374</u>	<u>\$ 17</u>	<u>\$ 19,817</u>	<u>\$ 818</u>	<u>\$ 61,035</u>

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

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CITY OF BONNER SPRINGS, KANSAS

COMBINING STATEMENT OF FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 December 31, 2015

	Agency Funds				
	Service & Court Bonds	Alcohol & Drug Safety	Payroll Clearing	Public Housing	Total
<b>ASSETS</b>					
Cash and cash equivalents	\$ 30,835	\$ 26,573	\$ 2,215	\$ [108]	\$ 59,515
Total assets	<u>\$ 30,835</u>	<u>\$ 26,573</u>	<u>\$ 2,215</u>	<u>\$ [108]</u>	<u>\$ 59,515</u>
<b>LIABILITIES AND NET POSITION</b>					
Liabilities					
Accounts payable	\$ 30,835	\$ 26,573	\$ 2,215	\$ [108]	\$ 59,515
Total liabilities	<u>30,835</u>	<u>26,573</u>	<u>2,215</u>	<u>[108]</u>	<u>59,515</u>
Net position					
Unreserved					
Undesignated	-	-	-	-	-
Total liabilities and net position	<u>\$ 30,835</u>	<u>\$ 26,573</u>	<u>\$ 2,215</u>	<u>\$ [108]</u>	<u>\$ 59,515</u>

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

CITY OF BONNER SPRINGS, KANSAS

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS

For the Year Ended December 31, 2015

	Private Purpose Trust			
	<u>Senior Center</u>	<u>Bonner Beautiful</u>	<u>Cemetery</u>	<u>Senior Trust Scholarship</u>
Additions				
Charges for services	\$ 161	\$ -	\$ -	\$ 1,826
Interest income	30	12	9	17
Donations	-	-	959	-
Total additions	<u>191</u>	<u>12</u>	<u>968</u>	<u>1,843</u>
Deductions				
Contractual	<u>20</u>	<u>50</u>	<u>917</u>	<u>2,282</u>
Total deductions	<u>20</u>	<u>50</u>	<u>917</u>	<u>2,282</u>
Change in Net Position	171	[38]	51	[439]
Net position, January 1	<u>15,280</u>	<u>6,213</u>	<u>4,320</u>	<u>9,375</u>
Net position, December 31	<u>\$ 15,451</u>	<u>\$ 6,175</u>	<u>\$ 4,371</u>	<u>\$ 8,936</u>

Private Purpose Trust (Continued)

<u>Dare Concert</u>	<u>Daly</u>	<u>Recreation Scholarship</u>	<u>Ambulance Trust</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ 435	\$ 2,422
-	-	25	2	95
<u>4,000</u>	<u>-</u>	<u>11,715</u>	<u>-</u>	<u>16,674</u>
<u>4,000</u>	<u>-</u>	<u>11,740</u>	<u>437</u>	<u>19,191</u>
<u>4,146</u>	<u>-</u>	<u>7,249</u>	<u>-</u>	<u>14,664</u>
<u>4,146</u>	<u>-</u>	<u>7,249</u>	<u>-</u>	<u>14,664</u>
[146]	-	4,491	437	4,527
<u>5,520</u>	<u>17</u>	<u>15,326</u>	<u>381</u>	<u>56,432</u>
<u>\$ 5,374</u>	<u>\$ 17</u>	<u>\$ 19,817</u>	<u>\$ 818</u>	<u>\$ 60,959</u>

See independent auditor's report on the financial statements.

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**GOVERNMENTAL AUDIT SECTION**

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CITY OF BONNER SPRINGS, KANSAS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended December 31, 2015

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Expenditures
<u>U.S. Department of Transportation</u>		
Passed Through Kansas Department of Transportation Highway Planning and Construction	20.205	\$ 94,539
5311 Transport	20.509	50,681
State and Community Highway Safety	20.600	<u>3,334</u>
Total U.S. Department of Transportation		<u>148,554</u>
<u>U.S. Department of Housing and Urban Development</u>		
PHA - Operating Subsidy	14.850	121,990
PHA - Capital Fund Program	14.872	<u>67,547</u>
Total U.S. Department of Housing and Urban Development		<u>189,537</u>
<u>U.S. Environmental Protection Agency</u>		
Passed Through Kansas Department of Health and Environment Capitalization Grants for Drinking Water State Revolving Funds	66.468	<u>670,364</u>
Total U.S. Environmental Protection Agency		<u>670,364</u>
Total Expenditures of Federal Awards		<u>\$ 1,008,455</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, 2015

1. Organization

The City of Bonner Springs, Kansas (the City), is the recipient of several federal awards. All federal awards received directly from federal agencies, as well as those awards that are passed through other government agencies, are included on the Schedule of Expenditures of Federal Awards.

2. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City, and is presented on the modified accrual basis of accounting. The information presented in this schedule is in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in preparation of, the basic financial statements.

3. Local Government Contributions

Local cost sharing is required by certain federal grants. The amount of cost sharing varies with each program. Only the federal share of expenditures is presented in the Schedule of Expenditures of Federal Awards.

4. Additional Audits

Grantor agencies reserve the right to conduct additional audits of the City's grant programs for economy and efficiency and program results that may result in disallowed costs to the City. However, management does not believe such audits would result in any disallowed costs that would be material to the City's financial position at December 31, 2015.

5. Outstanding Loans

The City has outstanding loans under the EPA Capitalization Grant for Clean Water from the State Revolving Loan Fund CFDA No. 66.468 totaling \$857,579 at December 31, 2015.

CITY OF BONNER SPRINGS, KANSAS  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 For the Year Ended December 31, 2015

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 the Uniform Guidance?	_____ Yes <u>  X  </u> No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
66.468	Capitalization Grants for Drinking Water

Dollar threshold used to distinguish between type A and type B programs:	\$750,000
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Auditee qualified as low-risk auditee?	_____ <u>  X  </u> Yes    _____ No
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CITY OF BONNER SPRINGS, KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)  
For the Year Ended December 31, 2015

Section II - Financial Statement Findings

None Noted

Section III - Federal Award Findings and Questioned Costs

None Noted



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, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 22, 2016.

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 charged 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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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.

*Mike Houser: Company PA*

Certified Public Accountants  
Lawrence, Kansas

June 22, 2016



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON  
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE

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 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, 2015. 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 federal statutes, regulations, and the terms and conditions of its federal awards 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; Title 2 U.S. Code of *Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award* (Uniform Guidance).. Those standards and the Uniform Guidance 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, 2015.

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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 the Uniform Guidance, 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 charged 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Mike Houser: Company PA*

Certified Public Accountants  
Lawrence, Kansas

June 22, 2016