



2015

COMPREHENSIVE  
ANNUAL  
FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

# **City of Blue Springs, Missouri**

Comprehensive Annual Financial Report  
Year Ended September 30, 2015

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Prepared by:  
Finance Department

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## City of Blue Springs, Missouri

### Principal Officials September 30, 2015

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#### Mayor and City Council

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Honorable Carson Ross	Mayor
Honorable Dale Carter	District I
Honorable Jeff Quibell	District I
Honorable Kent Edmondson	District II
Honorable Chris Lievsay	District II
Honorable Susan Culpepper	District III
Honorable Ronald Fowler	District III

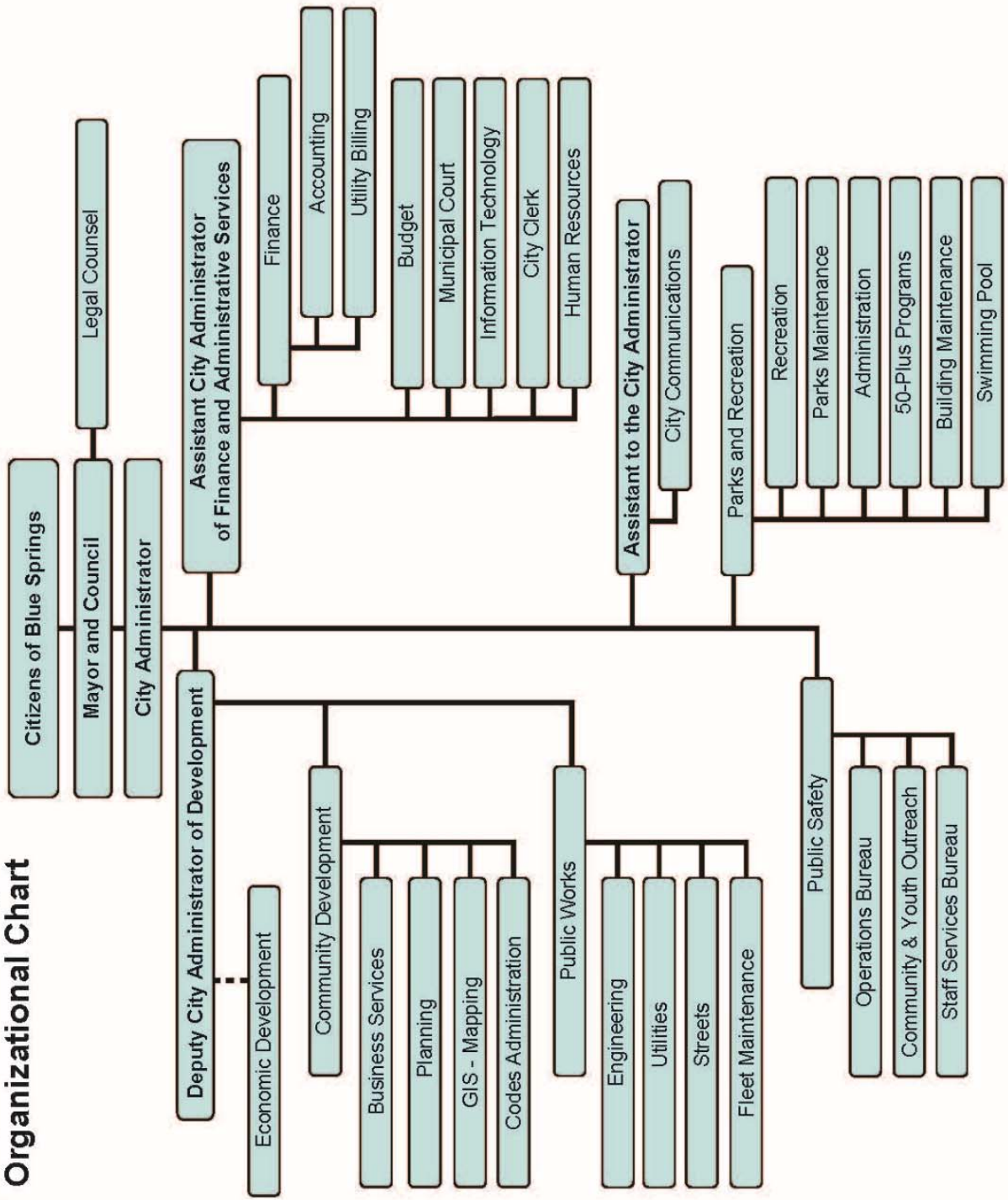
#### Administration

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Eric Johnson	City Administrator
Adam Norris	Deputy City Administrator
Christine Cates	Assistant City Administrator
Nancy Yendes	City Attorney
Karen Van Winkle	Director of Finance
Dan Hood	Director of Information Technology
Sue Heiman	Director of Human Resources
Wayne McCoy	Chief of Police
Chris Sandie	Director of Public Works
Dennis Dovel	Director of Parks and Recreation
Scott Allen	Director of Community Development



# City of Blue Springs Organizational Chart





February 4, 2016

***Honorable Mayor, Members of the City Council, and Citizens of the City of Blue Springs:***

The Comprehensive Annual Financial Report of the City of Blue Springs, Missouri for the fiscal year ended September 30, 2015, is hereby submitted for your review. This report is submitted for your review in compliance with the provisions of Article V, Section 5.4 (f) of the City Charter.

The responsibility for the accuracy of the data and the completeness and fairness of its presentation, including all disclosures, rests with the City of Blue Springs. To the best of our knowledge and belief, the financial statements are accurate in all material aspects and are presented in a manner that fairly depicts the financial position and results of operations of the various activities of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The report was prepared by the City's Finance Department staff in accordance with generally accepted accounting principles (GAAP), which are uniform minimum standards and guidelines for financial accounting and reporting in the United States. This report is intended to provide sufficient information to permit the assessment of stewardship and accountability and to demonstrate legal compliance.

The City of Blue Springs' financial statements, as required by the Charter, have been audited by RSM US LLP. The goal of the independent audit was to provide reasonable assurance that the financial statements are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit that there was reasonable basis for rendering an unqualified opinion that the City of Blue Springs' financial statements for the fiscal year ended September 30, 2015, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City of Blue Springs was part of a broader, federally mandated "Single Audit" designed to meet the special needs of Federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and compliance with legal requirements involving the administration of federal awards. These reports are available in the City of Blue Springs' separately issued Single Audit Report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

**Profile of the City**

The City of Blue Springs was incorporated in 1880 and became a fourth-class city in 1904. Under the provisions of the Missouri State Statutes governing fourth-class cities, a Mayor/Board of Alderman/ City Administrator form of government was adopted. On April 6, 1993, the citizens of Blue Springs voted to create a Charter Commission that was charged with the task of drafting a Home Rule Charter. The Commission submitted their proposed Charter to the citizens on April 5, 1994, which recommended the establishment of a Mayor/City Council/City Administrator form of government. Upon approval of the voters, the new City Charter became effective with the first meeting of the City Council on April 18, 1994. In accordance with the newly adopted Home Rule Charter, the registered voters within the City elect a Mayor

for a four-year term and six Council members, two from each of three geographic districts, to serve staggered three-year terms as representatives on the City Council.

All policy making and legislative authority are vested in the City Council. This body is responsible for passing ordinances, adopting the budget, appointing committees and hiring the City Administrator. The City Administrator, as chief administrative officer of the City, is responsible for carrying out the policies and ordinances adopted by the Governing Body, overseeing the day-to-day operations of the City and for appointing the directors of the various City departments. This position serves at the discretion of the City Council.

The City of Blue Springs provides a full range of municipal services including police protection; water and sanitary sewerage utilities; planning, construction and maintenance of highways, streets and infrastructure; community planning and development; planning, maintenance and construction of parks facilities; recreational activities; youth outreach programs; "50-Plus" social services; and general administrative oversight.

In fulfilling its responsibilities for reliable financial statements, management depends on the City's system of internal control. This system is designed to provide reasonable assurance that assets are effectively safeguarded and that transactions are executed in accordance with management's authorization and are properly recorded.

The City Council is required to adopt a final budget no later than the close of the fiscal year. The annual budget serves as the foundation for the City of Blue Springs' financial planning and control. The budget is prepared by fund, function (e.g., public safety), and department (e.g., police). Department directors may transfer resources within a department as they see fit. Transfers between departments, however, need approval from the City Administrator.

## **Factors affecting Financial Condition**

### **Local Economy.**

Blue Springs is strategically located near the center of Jackson County, Missouri at the eastern edge of the Kansas City metropolitan region and covers 22.26 square miles of territory. The community is served by two state highways (7 and 40) and one Interstate highway (I-70), providing convenient commuter access to the various cultural, educational, social, legal, financial and marketing institutions of the region. The community is also served by Kansas City Southern Railroad, which provides efficient rail service connections for several industrial sites within the City.

Blue Springs has proven to be one of the fastest growing cities in Missouri over the last 30 years. In the 1970's, its total population quadrupled over the previous decade. Following the 1990 census, it was reported that, during the previous decade, Blue Springs was one of the top ten fastest growing cities in the state of Missouri with the population increasing by 54.8% to a total of 40,153 residents. The results of the 2000 Census revealed that the City again increased in population during the last decade by another 20% to a total of 48,050. The final results of the 2010 Census revealed a slight decrease in population from 2009 to 52,575; however this is an increase of 9.42% over 2000. The estimated population for 2015 is 52,401.

### **Long-term financial planning.**

The City of Blue Springs prepares a six-year financial projection of financial condition, which includes capital outlay projections as well as a six-year Capital Improvement Program (CIP). The CIP includes proposed budgets for constructing, maintaining, upgrading, and replacing the City's physical infrastructure, including Water and Sewer capital improvements. The fiscal year 2015-16 budget includes projects totaling an estimated \$6.56 million on capital projects. In preparing the budget, needs are assessed, public improvements are prioritized and costs are projected. This budget is reviewed annually and projects are re-prioritized and the financial condition of the City is evaluated.

During fiscal year 2011, the City Council adopted a stabilization arrangement that sets aside 30% of budgeted General Fund expenditures of the prior fiscal year. The 30% of operating expenditures are divided into two reserve categories, the Emergency Reserve and the Budget Stabilization Reserve. The fund balance in the general fund falls within the policy guidelines set by the Council for budgetary and planning process.



## **Relevant financial policies**

The City's Stabilization Arrangement Policy indicates that the City will maintain thirty percent of general operating expenditures and obligated debt service transfers as emergency reserve and budget stabilization balance. At the end of the current fiscal year, unassigned fund balance for the general fund was \$850,231 or 3.4% of total general fund expenditures. In compliance with the City's Enterprise Fund Policy, a comprehensive rate study was performed in 2013 for both the Water and Sewer Utilities. The study was completed and adopted in July 2013 with increases in rates in October 2013, 2014 and 2015. During 2016, the City will perform another rate study to be implemented over the following three fiscal years.

## **Major initiatives**

The City continues to work with the Blue Springs Economic Development Corporation and the Blue Springs Growth Initiative on the development of a knowledge based science and technology Innovation Park. Progress continues to be made at the Adams Dairy Landing Shopping Center. The City completed several projects funded by American Recovery and Reinvestment Act funds. Included is the expansion of the Sniabar Wastewater Treatment Plant. In addition, the City completed the majority of Phase II of the Woods Chapel Road improvement project (Duncan Rd. to Walnut). Construction continues on the Public Safety Building project which is scheduled for completion in the March 2016. The building was put into use in January 2016. The Woods Chapel project is being funded by the 2008 voter approved bond issue and the Public Safety Building project is being funded by the 2012 voter approved half cent Public Safety Sales Tax. The City has also purchased and renovated the Sports City building during fiscal year 2015. The building was completed in August 2015 and the Fieldhouse was opened to the public September 28, 2015.

## **Awards and Acknowledgements**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Blue Springs, Missouri for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2014. The City has been the recipient of this award since 1982.

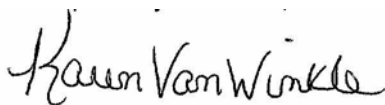
In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year. We believe that our 2015 report continues to conform to the Certificate of Achievement program requirements, and we will submit this report to the GFOA to determine its eligibility for another certificate.

In addition, the City also received the GFOA's Award for Distinguished Budget Presentation for its annual appropriation budget dated October 1, 2014. In order to qualify for this Award, the City's budget document must be judged to be proficient in several categories including policy documentation, financial planning and organization.

During this fiscal year, the City received the GFOA's Award of Outstanding Achievement for its Popular Annual Financial Reporting. This is the fourth consecutive year the City has received this award.

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the finance department. I wish to express my appreciation to all members of the department who assisted and contributed to the preparation of this report. Due credit should also be given to the Mayor and the members of the City Council for their continued interest and support in planning and conducting the affairs of the City in a responsible and progressive manner.

Respectfully submitted,



Karen Van Winkle  
Director of Finance



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Blue Springs  
Missouri**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2014**

Executive Director/CEO



## Independent Auditor's Report

RSM US LLP

To the Honorable Mayor and  
Members of the City Council  
City of Blue Springs, Missouri  
Blue Springs, Missouri

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of the City of Blue Springs, Missouri (the City), as of and for the year ended September 30, 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit 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 opinions.

### ***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, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Blue Springs, Missouri, as of September 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Emphasis of Matter***

As explained in Note 9 to the basic financial statements, the City adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, which restated beginning net position, net pension liability and asset, and deferred outflows of resources of the governmental activities, business-type activities, Water Utility Fund and Sewer Utility Fund. 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 14, the Schedule of Changes in Net Pension Liability and Related Ratios and Schedule of City Contributions for the Local Government Employees Retirement System on pages 71 – 73, the schedule of funding progress for the other postemployment benefits on page 74, and the budgetary comparison information on pages 75 through 77 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 basic financial statements. The combining and individual nonmajor fund financial statements and other schedules, listed in the table of contents as supplementary information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic 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 basic financial statements as a whole.

The accompanying introductory and statistical sections, as listed in the table of contents, have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide assurance on them.

*RSM US LLP*

Kansas City, Missouri  
February 4, 2016

## City of Blue Springs, Missouri

### Management's Discussion and Analysis

#### Fiscal Year Ended September 30, 2015

This discussion and analysis of the City of Blue Springs (City) financial performance provides an overview of the City's financial activities for the fiscal year ended September 30, 2015. We encourage readers to consider the information presented here in conjunction with the accompanying transmittal letter, the basic financial statements and the accompanying notes to those financial statements.

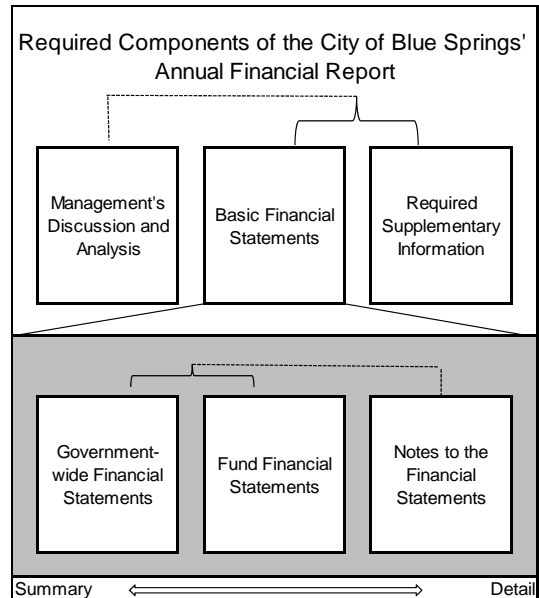
#### Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$137,963,846 (net position). Of this amount, \$29,155,198 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net position decreased by \$4.0 million. Business-type activities account for an increase of \$1.5 million in net position while governmental activities net position decreased by \$5.5 million.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$30,802,595, a decrease of \$22.8 million in comparison with the prior year.
- Approximately 49 percent or \$15,134,037 of the combined governmental fund balances of \$30,802,595 is available for discretionary spending by the City. The remaining fund balance is either restricted by outside parties or not in spendable form. The general fund decreased by \$2,768,141, public safety sales tax fund decreased by \$11,157,741, the capital projects fund decreased by \$4,216,796 and the TIF fund decreased by \$4,775,327.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$850,231 or 3 percent of total general fund expenditures.
- The City's total long-term liabilities decreased by \$7,380,236 or 4.8 percent during the current fiscal year. The key factors in this decrease were primarily due to the retirement of long term debt in the amount of \$6.9 million in excess of the issuance of 2015 Special Obligation bonds which retired the 2009 & 2010 SO bonds.

#### Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements.

1. The first two statements are government-wide financial statements that provide both long-term and short-term information about the City's overall financial status.
2. The remaining statements are fund financial statements that focus on individual parts of the City government, reporting the City's operation in more detail than the government-wide statements.
3. Notes to the statements are included which provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.



**City of Blue Springs, Missouri**

**Management’s Discussion and Analysis**

**Fiscal Year Ended September 30, 2015**

The Basic Financial Statements are followed by a section of required supplementary information which explains and supports the information in the financial statements. In addition to this required information, the City has included a section that provides other supplementary information.

Major Features of the City of Blue Springs' Government-wide and Fund Financial Statements				
	Fund Statements			
	Government-Wide Statements	Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire City government (except fiduciary funds)	The activities of the City that are not proprietary or fiduciary, such as police, public works, and parks	Activities the City operates similar to private business; water, sewer, and golf course	Instances in which the City is the trustee or agent for someone else's resources
Required Financial Statements	*Statement of Net Position *Statement of Activities	*Balance Sheet *Statement of Revenues, Expenditures and *Changes in Fund Balances	*Statement of Net Position *Statement of Revenues, Expenses, and Changes in Fund Net Position *Statement of Cash Flows	*Statement of Fiduciary Net Position *Statement of Changes in Fiduciary Net Position
Accounting Basis and Measurement Focus	Accrual accounting and economic resource focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resource focus	Accrual accounting and economic resource focus
Type of Asset/Liability Information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter, no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term
Type of Inflow/Outflow Information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when good or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid	All revenues and expenses during year, regardless of when cash is received or paid

**Government-Wide Financial Statements**

The Government-Wide Financial Statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to private-sector business.

The statement of net position presents information on all of the City's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference between the assets/deferred outflows of resources and the liabilities/deferred inflows of resources reported as net position.

- Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Blue Springs is improving or deteriorating.
- Other nonfinancial factors to consider are changes in the City's property tax base and the condition of the City's capital assets (roads, buildings and water and sewer lines) to assess the overall health of the City.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements of the City can be divided into two categories:

- **Governmental activities**—Most of the City's basic services are reported in this category, including General Government, Public Works, Highways and Streets, Public Safety, Parks & Recreation and Economic Development. Property taxes, sales taxes, gross receipts taxes, user fees, interest income, and state and federal grants finance these activities.
- **Business-type activities**—The City charges a fee to customers to cover all or most of the cost of certain services it provides. The Water Fund, Sewer Fund, Golf Course Fund, and Fieldhouse Fund are included here.

## City of Blue Springs, Missouri

### Management's Discussion and Analysis

#### Fiscal Year Ended September 30, 2015

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The government-wide financial statements can be found on pages 15 – 17 of this report.

#### Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Blue Springs, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The City uses three types of funds to manage resources: governmental funds, proprietary funds, and fiduciary funds.

- Governmental funds - Most of the City's basic services are reported in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explains the relationship (or differences) between them.

The basic governmental fund financial statements can be found on pages 18 – 25 of this report.

- Proprietary funds - Business operations for which the City charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long-term and short-term financial information.
  - The City's enterprise funds are the same as its business-type activities, but provide more detail and additional information, such as cash flows.
  - The City uses one internal service fund, Central Garage, to report activities that provide supplies and services for the City's other programs and activities.

The basic proprietary fund financial statements can be found on pages 26 – 33 of this report.

- Fiduciary funds – Used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City of Blue Springs own programs. The City is the fiduciary for the Jackson County Tax, Employees Flex Benefits, Eastern Jackson County Betterment Council, Adams Dairy Landing Community Improvement District (CID), Woods Chapel CID, Coronado Drive Transportation Development District (Wal-Mart TDD) and Adams Farm Transportation Development District agency funds. The City also discloses the activity of the Blue Springs Land Bank Agency Trust Fund.

The basic fiduciary fund financial statements can be found on pages 34 – 35 of this report.

#### Notes to basic financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements are on pages 36 – 70 of this report.

**City of Blue Springs, Missouri**

**Management’s Discussion and Analysis  
Fiscal Year Ended September 30, 2015**

**Other information**

In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning budgetary comparison schedules for the general fund. Required and other supplementary information, including combining statements, pension schedules, individual fund schedules and individual fund budgetary comparison schedules for non-major governmental funds can be found on pages 71 – 99 of this report. Statistical Information can be found beginning on page 100.

**Government-Wide Financial Analysis**

The following table reflects the condensed statement of net position:

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The City implemented GASB Statement Nos. 68 and 71 in the current year, which changed the accounting and financial reporting for pension plans. The 2014 amounts presented in the management's discussion and analysis have not been restated to reflect the change in the implementation of the statements. In the case of the City of Blue Springs, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$137,963,846 at September 30, 2015.

	City of Blue Springs Net Position					
	Governmental Activities		Business-Type Activities		Total	
	2015 (as restated)	2014 (not restated)	2015 (as restated)	2014 (not restated)	2015 (as restated)	2014 (not restated)
Current and other assets	\$ 52,016,050	\$ 66,035,288	\$ 44,084,384	\$ 46,682,598	\$ 96,100,434	\$ 112,717,886
Capital assets	108,720,067	97,236,428	91,555,891	88,421,380	200,275,958	185,657,808
<b>Total assets</b>	<b>160,736,117</b>	<b>163,271,716</b>	<b>135,640,275</b>	<b>135,103,978</b>	<b>296,376,392</b>	<b>298,375,694</b>
Deferred outflows of resources	3,260,067	176,057	405,970	188,287	3,666,037	364,344
Long-term liabilities outstanding	107,073,383	112,230,273	39,271,706	41,495,052	146,345,089	153,725,325
Other liabilities	5,997,698	5,267,931	2,177,042	1,750,763	8,174,740	7,018,694
<b>Total liabilities</b>	<b>113,071,081</b>	<b>117,498,204</b>	<b>41,448,748</b>	<b>43,245,815</b>	<b>154,519,829</b>	<b>160,744,019</b>
Deferred inflows of resources	7,537,705	7,167,642	21,049	-	7,558,754	7,167,642
Net position:						
Net investment in capital assets	52,660,972	56,974,743	52,642,617	47,321,113	105,303,589	104,295,856
Restricted	777,874	11,962,522	2,727,185	2,171,458	3,505,059	14,133,980
Unrestricted (deficit)	(10,051,448)	(30,155,338)	39,206,646	42,553,879	29,155,198	12,398,541
<b>Total net position</b>	<b>\$ 43,387,398</b>	<b>\$ 38,781,927</b>	<b>\$ 94,576,448</b>	<b>\$ 92,046,450</b>	<b>\$ 137,963,846</b>	<b>\$ 130,828,377</b>

The largest portion of the City's net position \$105,303,589 (76 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any outstanding related debt used to acquire those assets. The City of Blue Springs uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position \$3,505,059 (3 percent) represents resources that are subject to external restrictions on how they may be used. Unrestricted net position totals \$29,155,198 (21 percent) may be used to meet the government's ongoing obligations to citizens and creditors.



**City of Blue Springs, Missouri**

**Management's Discussion and Analysis  
Fiscal Year Ended September 30, 2015**

The following table reflects the revenues and expenses from the City's activities:

	City of Blue Springs' Changes in Net Position					
	Governmental Activities 2015 (as restated)	Governmental Activities 2014 (not restated)	Business-Type Activities 2015 (as restated)	Business-Type Activities 2014 (not restated)	2015 Total (as restated)	2014 Total (not restated)
Revenues:						
Program revenues:						
Charges for services	\$ 5,398,925	\$ 5,667,549	\$ 16,914,543	\$ 16,353,824	\$ 22,313,468	\$ 22,021,373
Operating grants and contributions	581,258	575,817	-	-	581,258	575,817
Capital grants and contributions	2,449,429	5,837,853	280,865	763,153	2,730,294	6,601,006
General revenues:						
Property taxes	5,610,797	5,543,977	-	-	5,610,797	5,543,977
General sales and use tax	15,971,904	15,136,972	-	-	15,971,904	15,136,972
Franchise tax	5,187,482	5,250,496	-	-	5,187,482	5,250,496
Intergovernmental activity taxes	4,360,020	3,851,865	-	-	4,360,020	3,851,865
Motor vehicle tax	1,833,354	1,764,838	-	-	1,833,354	1,764,838
Hotel tax	591,718	575,237	-	-	591,718	575,237
Other taxes	334,958	394,499	-	-	334,958	394,499
Unrestricted investment earnings	385,668	371,085	996,622	928,488	1,382,290	1,299,573
Other	526,698	778,639	-	-	526,698	778,639
<b>Total revenues</b>	<b>43,232,211</b>	<b>45,748,827</b>	<b>18,192,030</b>	<b>18,045,465</b>	<b>61,424,241</b>	<b>63,794,292</b>
Expenses:						
General government	6,732,979	6,494,979	-	-	6,732,979	6,494,979
Public works	758,851	729,879	-	-	758,851	729,879
Highways and streets	6,262,685	14,428,795	-	-	6,262,685	14,428,795
Public safety	18,032,520	12,815,066	-	-	18,032,520	12,815,066
Parks and recreation	4,141,149	4,166,939	-	-	4,141,149	4,166,939
Economic development	2,416,435	13,549,379	-	-	2,416,435	13,549,379
Water	-	-	8,608,200	8,819,587	8,608,200	8,819,587
Sewer	-	-	11,455,986	9,585,897	11,455,986	9,585,897
Golf Course	-	-	1,654,733	1,717,978	1,654,733	1,717,978
Non-major: Fieldhouse	-	-	149,777	-	149,777	-
Interest on long-term debt	5,251,068	3,380,506	-	-	5,251,068	3,380,506
<b>Total expenses</b>	<b>43,595,687</b>	<b>55,565,543</b>	<b>21,868,696</b>	<b>20,123,462</b>	<b>65,464,383</b>	<b>75,689,005</b>
Excess (deficiency) before transfers	(363,476)	(9,816,716)	(3,676,666)	(2,077,997)	(4,040,142)	(11,894,713)
Transfers	(5,152,426)	(400,549)	5,152,426	400,549	-	-
Change in net position	(5,515,902)	(10,217,265)	1,475,760	(1,677,448)	(4,040,142)	(11,894,713)
Net position, beginning	48,903,300	48,999,192	93,100,688	93,723,898	142,003,988	142,723,090
Net position, ending	\$ 43,387,398	\$ 38,781,927	\$ 94,576,448	\$ 92,046,450	\$ 137,963,846	\$ 130,828,377

**Governmental activities.** Several factors caused net position for governmental activities to decrease by \$5,515,902. Key elements of these changes in net position is due to a reduction in cash paid for the Public Safety Building Expansion project.

Overall revenues decreased from fiscal year 2014 by \$2,516,616 due to increases in some revenue categories and decreases in other revenue categories.

- Sales taxes increased in total by \$834,932 or 5.5 percent from 2014 primarily due to Senate bill 182 which allows the City to reinstate the Motor Vehicle sales tax on the condition that the City put a "repeal" vote on the ballot sometime between November 2014 and November 2016, in which voters would be asked whether they want to keep the local tax. Additional stores opening in the Adams Dairy Landing TIF area have contributed to this increase as well.

**City of Blue Springs, Missouri**

**Management’s Discussion and Analysis**

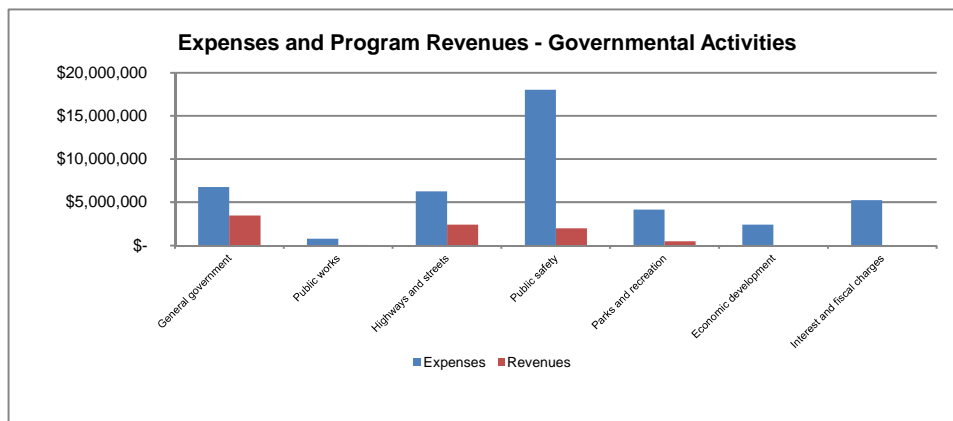
**Fiscal Year Ended September 30, 2015**

- Property taxes increased by \$66,820 or 1.2 percent during the year due to a slight increase in both assessed valuation and collections.
- Franchise taxes decreased by \$63,014 or 1.2 percent. This decrease is primarily due to the decrease in wireless telecommunications services. There has been a slight offset of this loss with an increase in video franchise fees and KCP&L Electric service.
- Charges for Services decreased by \$268,624 or 4.74 percent in 2015 due to the closing of the License Bureau in February 2015.
- Capital Grants and Contributions decreased by \$3,388,424 or 58 percent due primarily to the Woods Chapel Grant that was received in fiscal year 2014.
- Investment earnings increased in 2015 by \$14,583 or 4 percent. Interest rates continue to remain low with the average yield for the City's portfolio ending the year at 0.63 percent for 2015 up from 0.61 percent in 2014. The slight increase in revenue is due to a combination in the slight increase in average yield and the funds available for investment.
- Transfers out increased by \$1.9 million primarily due to the transfers from the general and capital projects funds for renovation of the Fieldhouse.

Overall expenses decreased from fiscal year 2014 by \$11,969,856 due to increases in functions and decreases in other functions.

- Economic Development decreased by \$11.1 million from 2014 due to the issuance of the 2015 SO bonds.
- Public Safety increased by \$5.2 million from 2014 due to additional costs associated with the Public Safety Building expansion.
- Highways and Streets decreased by \$8.2 million from 2014 due to Woods Chapel Rd. Phase 2 project.
- Interest and Fiscal Charges increased by \$1.8 million primarily due to issuance costs related to the 2015 Special Obligation Bonds.

The following table reflects the expenses and revenues from the City's governmental activities:

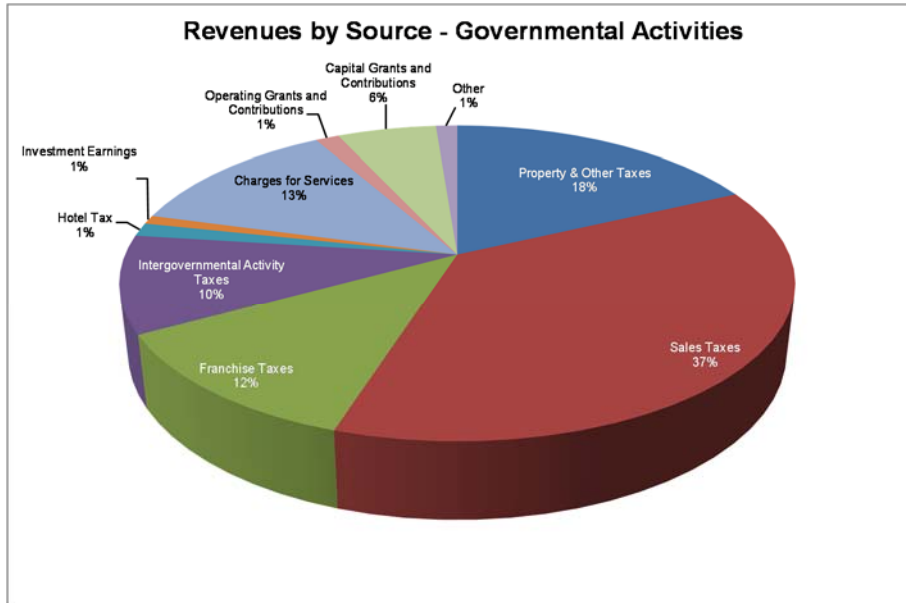


**City of Blue Springs, Missouri**

**Management’s Discussion and Analysis**

**Fiscal Year Ended September 30, 2015**

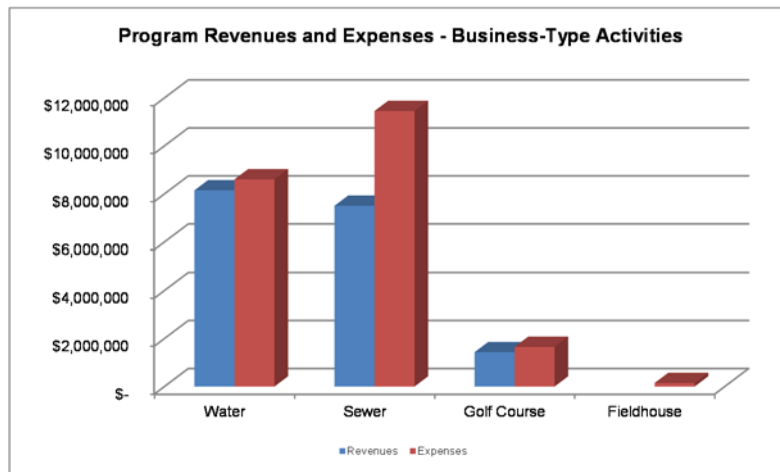
The following table reflects the revenues by source form the City’s governmental activities:



**Business-type activities.** Business-type activities net position increased by \$1,475,760 or 1.6 percent. Key elements of this increase are as follows:

- Net position for the Sewer Utility Fund decreased by \$3,285,265 due to an increase in contracted services related to sewer sludge removal, the Sewer and Stream Maintenance project and the Sanitary Sewer Evaluation Study
- Net position for the Water Utility Fund decreased by \$327,971 due to operating expenses exceeding operating revenues and an increase in Material and Supplies for water meters.
- Net position for the Golf Course increased by \$42,994 primarily due to an increase in cart rental fees and pro shop revenues.
- Net position of the Fieldhouse Fund increased by \$5,046,002 due to the transfers of \$4,045,074 and \$1 million from the general and capital project funds (respectively) for the renovation of the Fieldhouse.

The following table reflects the expenses and revenues from the City's business-type activities:



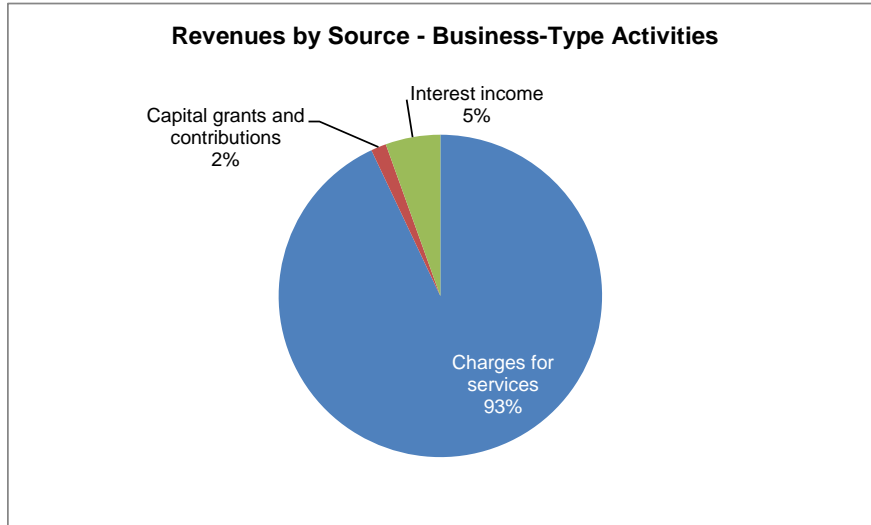
**City of Blue Springs, Missouri**

**Management’s Discussion and Analysis**

**Fiscal Year Ended September 30, 2015**

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The following table reflects the revenues by source from the City’s business-type activities:



**Financial Analysis of the City’s Funds**

As noted earlier, the City of Blue Springs uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of the City's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. Specifically, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$30,802,595 a decrease of \$22,819,679 in comparison with the prior year. Approximately 49 percent or \$15,134,037 of the combined governmental fund balance is available for discretionary spending and is made up of the committed, assigned and unassigned categories. The general fund decreased by \$2,768,141, public safety sales tax fund decreased by \$11,157,741, the capital projects fund decreased by \$4,216,796 and the TIF fund decreased by \$4,775,327.

During fiscal year 2011, the City Council adopted a stabilization arrangement that sets aside 30 percent of budgeted General Fund expenditures of the prior fiscal year. The 30 percent of operating expenditures are divided into two reserve categories, the Emergency Reserve and the Budget Stabilization Reserve.

The Emergency Reserve is set at 20 percent of budgeted General Fund expenditures of the prior fiscal year and shall only be used if one of the following three things occurs: (1) the City directly experiences a natural disaster or urgent event that jeopardizes public safety; (2) the Federal Government and/or State of Missouri formally declare a disaster or emergency; or (3) no reasonable budget adjustments are available to continue providing essential services to the public.

The Budget Stabilization Reserve is set at 10 percent of budgeted General Fund expenditures of the prior fiscal year. The Budget Stabilization Reserve shall only be used if one of the following four things occurs: (1) the City experiences a sudden and unexpected decline in ongoing revenues greater than 10 percent of General Fund operating revenues; (2) short term stabilization is needed to minimize significant changes in insurance rates or premiums; (3) funds are needed as part of a matching grant for a major project or (4) sudden or unexpected capital outlay replacement is needed (this includes equipment or facility failures).

## City of Blue Springs, Missouri

### Management's Discussion and Analysis

#### Fiscal Year Ended September 30, 2015

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The fund balance of the City's general fund decreased by \$2,768,141 during the current fiscal year. The key factor is a transfer of \$4,045,074 to the Fieldhouse Fund for costs associated with the renovation of the Fieldhouse.

The public safety sales tax fund is used to account for the collection of the City's public safety sales tax and related expenditures including equipment, additional personnel and facility renovations. At the end of the current fiscal year the fund balance is \$6,956,399 which is a decrease of \$11,157,741 from last year. The fund balance decrease is related to expenses of \$12.2 million associated with the expansion of the Public Safety building.

The capital projects fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds.) These projects are reported separately from ongoing operating activities to enhance the understanding of the City's capital activities and to avoid distortions in financial resources trend information. At the end of the current fiscal year the fund balance of the capital projects fund is \$5,024,611, which is a decrease of \$4,216,796 from last year. The fund balance decrease is related to expenses for the Street Overlay Program and the Woods Chapel Road Phase II project.

The TIF fund is used to account for resources of the City's tax increment financing activities. At the end of the current fiscal year the fund balance of the TIF fund is \$4,398,683, which is a decrease of \$4,775,327 from last year. The fund balance decrease is related primarily to the 2015 bond issue in which there was cash on hand with the trustee that was used to refund the 2009 and 2010 Special Obligation Bonds.

The encumbrances for the General Fund decreased to \$1,020,980 from \$1,305,488 for a difference of \$284,508. This includes \$330,702 for the Missouri Innovation Park, \$213,512 for police vehicles and other projects that have been started but not completed at year end. Public Safety Sales Tax Fund encumbrances decreased to \$5,077,547 from \$15,143,170 for a difference of \$10,065,623, as a result of substantial completion of the Public Safety building project. Capital Projects Fund encumbrances decreased to \$1,408,137 from \$6,321,278 for a difference of \$4,913,141, primarily related to the Woods Chapel Phase II project.

**Proprietary Funds.** The City's proprietary fund statements provide the same type of information found in the government-wide statements but in more detail.

Unrestricted net position of the water and sewer funds at the end of the year amounted to \$7,551,178 and \$34,836,917, respectively. The golf course fund has an unrestricted net deficit of \$1,798,065 for a decrease in the unrestricted deficit of \$42,794 from last year. Other factors concerning the finances of these funds have been addressed in the discussion of the City's business-type activities.

#### General Fund Budgetary Highlights

The general fund revenues for the year ended September 30, 2015 were \$26,076,297 or \$2,023,165 over budget. Expenditures ended the year at \$24,451,990 or \$2,381,796 below the final budget amount of \$26,833,786.

During the fiscal year, the City Council revised the budget as expenditures were increased \$1,353,492 in the General Fund. Two times during the year funds appropriation from fund balance were requested resulting in the following budget amendments:

- Increase in appropriations for Information Technology software licensing.
- Increase in appropriations to hire outside legal counsel.
- Approval of the purchase of public art.
- Carry-over encumbrances from fiscal year 2014 account for \$1.3 million of the increase.

**City of Blue Springs, Missouri**

**Management’s Discussion and Analysis  
Fiscal Year Ended September 30, 2015**

Outstanding General Fund encumbrances as of September 30, 2015 totaled \$1,020,980.

**Capital Asset and Debt Administration**

**Capital assets.** The City's investment in capital assets for its governmental and business-type activities as of September 30, 2015, amounts to \$200,275,958, net of accumulated depreciation. This investment in capital assets includes land and other non-depreciable assets, buildings, improvements, machinery and equipment, park facilities, and infrastructure. The total increase in the City's investment in capital assets for the current fiscal year was \$14,618,150 or 7.9 percent (a 3.5 percent increase for business-type activities and an 11.8 percent increase for governmental activities). The increase is a result of capital asset additions exceeding current year depreciation expense. Significant capital asset additions include \$5.7 million for the completion of the renovation of the Fieldhouse. Additional construction in progress of \$17 million was recognized in fiscal year 2015 for work performed on Woods Chapel Phase II (\$4.8 million) and the Public Safety Building expansion project (\$12.2 million).

City of Blue Springs' Capital Assets (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land and land rights	\$ 16,207,745	\$ 16,035,291	\$ 4,001,233	\$ 3,750,440	\$ 20,208,978	\$ 19,785,731
Construction-in-progress	26,316,700	9,073,153	68,628	109,731	26,385,328	9,182,884
Buildings and improvements	3,620,432	4,131,037	12,985,962	7,549,584	16,606,394	11,680,621
Equipment and vehicles	6,496,332	6,882,038	1,289,192	741,387	7,785,524	7,623,425
Infrastructure	56,078,858	61,114,909	73,210,876	76,270,238	129,289,734	137,385,147
	<b>\$ 108,720,067</b>	<b>\$ 97,236,428</b>	<b>\$ 91,555,891</b>	<b>\$ 88,421,380</b>	<b>\$ 200,275,958</b>	<b>\$ 185,657,808</b>

Additional information on the City's capital assets can be found in Note 6 on pages 50 – 52 of this report.

**Long-term debt.** At the end of the current fiscal year, the City of Blue Springs had total outstanding debt obligations of \$146,345,089. Of this amount, \$22,860,000 comprises debt backed by the full faith and credit of the government and \$15,775,000 is Neighborhood Improvement District debt for which the government is liable in the event of default by the property owners subject to the assessment. The Certificates of Participation debt outstanding total of \$23,170,000 is subject to annual appropriation by the City and was used to finance the City's golf course and conference center. The total Special Obligation Bond debt related to the Adams Farm TIF is \$47,616,530. Subject to annual appropriation, the City collects TIF revenues on behalf of the district and transfers those revenues for repayment of this debt. The development agreement outstanding debt listed below represents the outstanding bonds for the Fall Creek Tax Increment Financing District and the certified developer costs associated with the 'pay as you go', Hwy 7 & 40 Hwy and Copperleaf Village TIFs. In 2010, the City obtained a direct loan through the Department of Natural Resources to fund the Sni-a-bar Sewer Plant expansion. As of the end of the fiscal year, the total loan amount of just over \$ 24.2 million less principal payments of \$4.3 million resulting in a loan balance of \$19.9 million.

**City of Blue Springs, Missouri**

**Management's Discussion and Analysis**

**Fiscal Year Ended September 30, 2015**

The City's total debt decreased by \$7,380,236 or 4.8 percent during the current fiscal year. The key factors were scheduled payments. There was also a net decrease in the 2015 bond issue due to the cash on hand with the trustee which went toward the refunding of the 2009 and 2010 Special Obligation Bonds. The balance of this issue was less than what was removed in developer agreements.

City of Blue Springs' Outstanding Debt						
Capital Leases, General Obligation Bonds, Revenue Bonds and Long-Term Debt						
	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	
	(as restated)	(not restated)	(as restated)	(not restated)	(as restated)	
					2014	
Capitalized leases	\$ 4,188,968	\$ 4,471,199	\$ 69,293	\$ 133,402	\$ 4,258,261	\$ 4,604,601
General obligation bonds	22,860,000	23,645,000	-	-	22,860,000	23,645,000
Compensated absences	1,384,821	1,262,925	149,520	142,126	1,534,341	1,405,051
Development agreements	9,818,417	32,594,749	-	-	9,818,417	32,594,749
Certificates of participation	20,425,000	20,675,000	2,745,000	2,985,000	23,170,000	23,660,000
Neighborhood improvement	-	-	15,775,000	16,575,000	15,775,000	16,575,000
Net OPEB obligation	454,750	392,842	37,741	30,866	492,491	423,708
Special obligation bonds	47,616,530	28,585,000	-	-	47,616,530	28,585,000
Discount/premium on issuance	324,897	293,899	612,752	663,924	937,649	957,823
LAGERS obligation	-	309,659	-	33,506	-	343,165
State revolving fund	-	-	19,882,400	20,931,228	19,882,400	20,931,228
	<b>\$ 107,073,383</b>	<b>\$112,230,273</b>	<b>\$ 39,271,706</b>	<b>\$ 41,495,052</b>	<b>\$ 146,345,089</b>	<b>\$ 153,725,325</b>

Missouri statutes limit the amount of general obligation debt that a unit of government can issue to twenty percent of the total assessed value of taxable property located within the City's boundaries. The legal debt limit for the City is \$146,525,568.

Additional information regarding the City's long-term debt can be found in Note 7 on pages 53 – 59 of this report.

**Economic Factors and Next Year's Budgets and Rates**

General Fund revenues for fiscal year 2016 are projected to total \$23,961,598. This represents an overall decrease of 0.4% percent. General Fund budgeted expenditures are projected to total \$25,377,374 compared to \$25,480,292 in fiscal year 2014; a decrease of 0.4%. The decreases in both revenues and expenditures are primarily a result the closing of the License Bureau during fiscal year 2015 and the loss of the revenue and elimination of eight positions

During the current fiscal year, unassigned fund balance in the general fund increased to \$850,231. The City has not appropriated this amount in the 2015 fiscal year.

In April 2011, the citizens of Blue Springs voted to enact a new 1/2 cent sales tax dedicated to public safety. This sales tax went into effect October 1, 2011 and is projected to raise approximately \$3.0 million annually. The total budgeted public safety sales tax expenditures for fiscal year 2016 are \$2,953,690. Included in this amount is funding for supplies, contractual services and capital outlay, personal service costs, building improvements and debt service including a capital lease. The public safety building improvements were substantially completed in fiscal year 2015 and the building was put into use in January 2016 with some additional minor work yet to be completed.

## **City of Blue Springs, Missouri**

### **Management's Discussion and Analysis**

#### **Fiscal Year Ended September 30, 2015**

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The City performed another water and sewer rate study in 2013 which resulted in incremental rate increases over the next three years. The rate increases provide funding for ongoing operating costs and capital improvements as well as plans to repay debt. The City will perform another rate study in 2016. During August 2008, the voters approved bond issuances in the amount of \$35 million for sewer improvements and a no tax increase issue of \$28 million for street projects. The City has completed the Moreland School Road extension, the Hwy 7 & Colbern Road intersection project and Phase 1 of the Woods Chapel Road project. Woods Chapel Phase 2 began in 2014 and was substantially completed in fiscal year 2015; however due to unexpected delays, the project will not be fully completed until March 2016.

The City's budget includes a 2.5 percent salary increase for employees and continues the longevity plan which rewards employees for their years of service. Employees will receive a 2.5 percent pay increase upon completion of each five-year increment of employment.

The City's 2016 budget includes \$2.3 million for street rehabilitation and \$300,000 to address sidewalk maintenance citywide. As part of this program, the City has established an in-house sidewalk/flatwork crew of four full-time employees that will address sidewalk defects.

The Parks and Recreation Department will implement an Open Space Master Plan to provide guidance and strategic direction for managing the 816 acres of park land located throughout the Blue Springs community as well as addressing programs for both youth and adults. The 2016 budget includes \$120,000 for this Plan.

In fiscal year 2015, City entered into negotiations with the Fraternal Order of Police and contracts were signed in December 2015. Terms of these agreements will be implemented during fiscal year 2016.

In October 2014, the City with authorization from Council through resolution 61-2014 purchased the Sports City building with the intent to use the facility for Parks recreation programs. Demolition work began in December 2014 and construction began in March 2015. The project was completed in September 2015. This project was with \$3 million from existing fund balances in the General and Capital Projects Funds and \$1.5 million through an inter-fund loan from the Sewer Fund. The loan from the Sewer Fund will be repaid by the Hotel/Motel Tax Fund over a maximum of 15 years at a rate of 3% interest. The borrowing rate of 3% allows the Sewer Fund to receive a rate of return higher than current investment and allows the Fieldhouse project funds to be borrowed below market rates of at least 4%. Staff will evaluate additional revenue sources that might become available to expedite early loan payoff. Such sources could include unreserved fund balances from the General Fund or Capital Projects Fund identified during year-end audits, grants, private donations dedicated for parks/parks facilities and proceeds from the sale of property and/or facilities.

Senate bill 23 was approved in 2014 which allows the City to reinstate the Motor Vehicle sales tax. The City has seen an increase in tax revenue due to this bill. However, a condition of this bill requires that the City put a "repeal" vote on the ballot sometime between November 2014 and November 2016, in which voters would be asked whether they want to keep the local tax. The City will place this on the ballot in August 2016.

Missouri Senate Bill 5 which modifies distribution of traffic fines and court costs collected by municipal courts was passed and became effective August 28, 2015. As a result of these changes, the City estimates a reduction in revenue of \$137,000 which was not in the 2016 adopted budget.

The City will hold a municipal election during 2016 to elect a mayor and three council members.

#### **Requests for Information**

This report is designed to provide an overview of the City of Blue Springs' finances for all those with an interest in the government's finances. Questions concerning any of the information found in this report or requests for additional information should be directed to the Director of Finance, City of Blue Springs, 903 W. Main St., Blue Springs, Missouri 64015 or by visiting the City's website at [www.bluespringsgov.com](http://www.bluespringsgov.com).



# City of Blue Springs, Missouri

## Statement of Net Position September 30, 2015

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
<b>Assets</b>				
Cash and investments	\$ 24,728,678	\$ 13,615,428	\$ 38,344,106	\$ 14,129
Receivables (net of allowances for uncollectibles):				
Property taxes	7,621,145	-	7,621,145	-
Other taxes	2,929,153	-	2,929,153	-
Accounts	830,322	1,909,976	2,740,298	-
Accrued interest	15,795	19,594	35,389	-
Internal balances	2,000,055	(2,000,055)	-	-
Inventories	143,059	310,021	453,080	-
Prepaid items	648,722	400,928	1,049,650	3,176
Special assessments:				
Due in one year	-	1,857,903	1,857,903	-
Due in more than one year	-	14,950,000	14,950,000	-
Due from other governments:				
Due in one year	935,744	543,755	1,479,499	-
Due in more than one year	-	8,936,270	8,936,270	-
Restricted cash and investments	4,417,790	2,727,185	7,144,975	-
Net pension asset	7,745,587	813,379	8,558,966	-
Capital assets:				
Land and construction-in-progress, nondepreciable	42,524,445	4,069,861	46,594,306	-
Other capital assets, net of depreciation	66,195,622	87,486,030	153,681,652	4,547
<b>Total assets</b>	<b>160,736,117</b>	<b>135,640,275</b>	<b>296,376,392</b>	<b>21,852</b>
<b>Deferred Outflows of Resources</b>				
Deferred charge on refunding	794,750	171,170	965,920	-
Pension-related amounts	2,465,317	234,800	2,700,117	-
<b>Total deferred outflows</b>	<b>3,260,067</b>	<b>405,970</b>	<b>3,666,037</b>	<b>-</b>
<b>Liabilities</b>				
Accounts payable	3,887,599	1,491,583	5,379,182	25
Accrued liabilities	1,060,048	30,342	1,090,390	19,148
Court bonds	89,659	-	89,659	-
Accrued interest	266,474	129,208	395,682	-
Customer deposits	638,059	501,694	1,139,753	-
Unearned revenue	55,859	24,215	80,074	-
Noncurrent liabilities:				
Due in one year	2,832,841	2,363,933	5,196,774	93,050
Due in more than one year	104,240,542	36,907,773	141,148,315	-
<b>Total liabilities</b>	<b>113,071,081</b>	<b>41,448,748</b>	<b>154,519,829</b>	<b>112,223</b>
<b>Deferred Inflows of Resources</b>				
Property taxes	7,423,576	-	7,423,576	-
Pension-related amounts	114,129	21,049	135,178	-
<b>Total deferred inflows</b>	<b>7,537,705</b>	<b>21,049</b>	<b>7,558,754</b>	<b>-</b>
<b>Net Position (Deficit)</b>				
Net investment in capital assets	52,660,972	52,642,617	105,303,589	4,547
Restricted for:				
Debt service	-	2,727,185	2,727,185	-
Tourism	566,070	-	566,070	-
Other	211,804	-	211,804	-
Unrestricted	(10,051,448)	39,206,646	29,155,198	(94,918)
<b>Total net position</b>	<b>\$ 43,387,398</b>	<b>\$ 94,576,448</b>	<b>\$ 137,963,846</b>	<b>\$ (90,371)</b>

See Notes to Basic Financial Statements.

City of Blue Springs, Missouri

Statement of Activities  
Year Ended September 30, 2015

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government</b>				
Governmental activities:				
General government	\$ 6,732,979	\$ 3,456,917	\$ 3,000	\$ -
Public works	758,851	69,054	-	-
Highways and streets	6,262,685	-	-	2,420,410
Public safety	18,032,520	1,428,023	552,508	7,325
Parks and recreation	4,141,149	444,931	25,750	21,694
Economic development	2,416,435	-	-	-
Interest and fiscal charges	5,251,068	-	-	-
<b>Total governmental activities</b>	<b>43,595,687</b>	<b>5,398,925</b>	<b>581,258</b>	<b>2,449,429</b>
Business-type activities:				
Water	8,608,200	8,102,186	-	47,928
Sewer	11,455,986	7,273,979	-	232,937
Golf course	1,654,733	1,432,673	-	-
Fieldhouse	149,777	105,705	-	-
<b>Total business-type activities</b>	<b>21,868,696</b>	<b>16,914,543</b>	<b>-</b>	<b>280,865</b>
Total primary government	\$ 65,464,383	\$ 22,313,468	\$ 581,258	\$ 2,730,294
Component unit - economic development	\$ 520,438	\$ -	\$ 490,022	\$ -

**General Revenues**

Taxes:  
Sales  
Property  
Franchise  
Intergovernmental activity taxes  
Motor vehicle  
Hotel  
Other taxes  
Interest  
Miscellaneous

**Transfers**

**Total general revenues and transfers**

Changes in net position  
Net position, beginning, as restated  
Net position, ending

See Notes to Basic Financial Statements.

Net (Expense) Revenue and Changes in Net Position				
Primary Government				
Governmental	Business-Type			Component Unit
Activities	Activities	Total		
\$ (3,273,062)	\$ -	\$ (3,273,062)	\$	-
(689,797)	-	(689,797)		-
(3,842,275)	-	(3,842,275)		-
(16,044,664)	-	(16,044,664)		-
(3,648,774)	-	(3,648,774)		-
(2,416,435)	-	(2,416,435)		-
(5,251,068)	-	(5,251,068)		-
(35,166,075)	-	(35,166,075)		-
-	(458,086)	(458,086)		-
-	(3,949,070)	(3,949,070)		-
-	(222,060)	(222,060)		-
-	(44,072)	(44,072)		-
-	(4,673,288)	(4,673,288)		-
(35,166,075)	(4,673,288)	(39,839,363)		-
-	-	-		(30,416)
15,971,904	-	15,971,904		-
5,610,797	-	5,610,797		-
5,187,482	-	5,187,482		-
4,360,020	-	4,360,020		-
1,833,354	-	1,833,354		-
591,718	-	591,718		-
334,958	-	334,958		-
385,668	996,622	1,382,290		107
526,698	-	526,698		-
(5,152,426)	5,152,426	-		-
29,650,173	6,149,048	35,799,221		107
(5,515,902)	1,475,760	(4,040,142)		(30,309)
48,903,300	93,100,688	142,003,988		(60,062)
\$ 43,387,398	\$ 94,576,448	\$ 137,963,846	\$	(90,371)

**City of Blue Springs, Missouri**

**Balance Sheet  
Governmental Funds  
September 30, 2015**

	General	Public Safety Sales Tax	Capital Projects	TIF Fund
<b>Assets</b>				
Cash and investments	\$ 10,514,168	\$ 8,703,572	\$ 4,115,826	\$ 749,950
Receivables, (net of allowances for uncollectibles):				
Property taxes	4,445,409	-	-	1,927,076
Other taxes	1,689,259	558,066	559,949	633
Accounts	242,677	-	577,260	-
Accrued interest	8,490	-	7,305	-
Due from other funds	-	-	-	204,936
Due from other governments	432,729	-	-	503,015
Advances to other funds	1,831,904	-	326,911	-
Prepaid items	612,917	29,857	-	-
Restricted cash and investments	48,086	283,764	-	3,195,426
<b>Total assets</b>	<b>\$ 19,825,639</b>	<b>\$ 9,575,259</b>	<b>\$ 5,587,251</b>	<b>\$ 6,581,036</b>

(Continued)

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Other Governmental Funds	Total Governmental Funds
\$ 1,422,743	\$ 25,506,259
1,248,660	7,621,145
121,246	2,929,153
-	819,937
-	15,795
-	204,936
-	935,744
-	2,158,815
-	642,774
112,933	3,640,209
<u>\$ 2,905,582</u>	<u>\$ 44,474,767</u>

City of Blue Springs, Missouri

**Balance Sheet (Continued)**  
**Governmental Funds**  
**September 30, 2015**

	General	Public Safety Sales Tax	Capital Projects	TIF Fund
<b>Liabilities, Deferred Inflows of Resources and Fund Balance</b>				
Liabilities:				
Accounts payable	\$ 567,379	\$ 2,553,334	\$ 511,634	\$ 198,861
Accrued liabilities	1,022,879	13,609	-	-
Due to other funds	102,013	51,917	51,006	-
Court bonds	89,659	-	-	-
Customer deposits	638,059	-	-	-
Unearned revenue	55,859	-	-	-
Advances from other funds	-	-	-	1,914
<b>Total liabilities</b>	<b>2,475,848</b>	<b>2,618,860</b>	<b>562,640</b>	<b>200,775</b>
Deferred inflows of resources:				
Unavailable revenue - property taxes	4,437,193	-	-	1,927,076
Unavailable revenue - other	5,131	-	-	54,502
Unavailable revenue - intergovernmental	141,416	-	-	-
<b>Total deferred inflows of resources</b>	<b>4,583,740</b>	<b>-</b>	<b>-</b>	<b>1,981,578</b>
Fund balance:				
Nonspendable:				
Prepaid items	612,917	29,857	-	-
Interfund advances	1,831,904	-	-	-
Restricted:				
Debt service	-	-	-	4,398,683
Tourism	-	-	-	-
Public safety building improvements	-	6,926,542	-	-
Other purposes	61,804	-	150,000	-
Committed:				
Budget stabilization reserve	2,470,344	-	-	-
Emergency reserve	4,940,688	-	-	-
Other purposes	465,507	-	-	-
Woods Chapel construction encumbrances	-	-	1,186,383	-
Assigned:				
Capital projects	-	-	3,688,228	-
Information technology	930,490	-	-	-
Other purposes	602,166	-	-	-
Unassigned	850,231	-	-	-
<b>Total fund balance</b>	<b>12,766,051</b>	<b>6,956,399</b>	<b>5,024,611</b>	<b>4,398,683</b>
<b>Total liabilities, deferred inflows of resources and fund balance</b>	<b>\$ 19,825,639</b>	<b>\$ 9,575,259</b>	<b>\$ 5,587,251</b>	<b>\$ 6,581,036</b>

See Notes to Basic Financial Statements.

Other Governmental Funds		Total Governmental Funds	
\$	2,309	\$	3,833,517
	-		1,036,488
	-		204,936
	-		89,659
	-		638,059
	-		55,859
	-		1,914
	2,309		5,860,432
	1,246,422		7,610,691
	-		59,633
	-		141,416
	1,246,422		7,811,740
	-		642,774
	-		1,831,904
	1,090,781		5,489,464
	566,070		566,070
	-		6,926,542
	-		211,804
	-		2,470,344
	-		4,940,688
	-		465,507
	-		1,186,383
	-		3,688,228
	-		930,490
	-		602,166
	-		850,231
	1,656,851		30,802,595
\$	2,905,582	\$	44,474,767

**City of Blue Springs, Missouri**

**Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities  
September 30, 2015**

---

Total governmental fund balances \$ 30,802,595

Governmental funds report capital outlays as expenditures. However, in the statement of net position the cost of those assets is capitalized and shown at cost, net of accumulated depreciation. This is the amount of net capital assets reported in the statement of net position. 108,707,310

Net pension asset not reported in the funds 7,745,587

Long-term assets are not available to pay for current period expenditures and are therefore deferred inflows of resources in the fund statements. 388,164

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. Other long-term liabilities, including accrued compensated absences and OPEB obligations, are not due and payable in the current period and therefore, are not reported as liabilities in the governmental funds. This amount is the net effect of these differences in the treatment of long-term debt liabilities:

Accrued interest payable	\$	(266,474)	
Accrued compensated absences		(1,384,821)	
OPEB obligation		(449,572)	
Deferred charge on refunding		794,750	
Net discount/premium on bond issues		(324,897)	
Development agreements		(9,818,417)	
Capital lease obligations		(4,188,968)	
Bonds and certificates of participation		(90,901,530)	(106,539,929)

Pension-related deferred outflows and inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds as follows:

Deferred outflows of resources - pension-related amounts	2,465,317
Deferred inflows of resources - pension-related amounts	(114,129)

Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service fund are reported with governmental activities in the statement of net position. (67,517)

**Net position of governmental activities** \$ 43,387,398

See Notes to Basic Financial Statements.



City of Blue Springs, Missouri

Statement of Revenues, Expenditures and Changes in Fund Balances -  
 Governmental Funds  
 Year Ended September 30, 2015

	Public Safety			
	General	Sales Tax	Capital Projects	TIF Fund
<b>Revenues:</b>				
Taxes	\$ 17,399,799	\$ 3,470,626	\$ 3,558,248	\$ 1,363,048
Intergovernmental activity taxes	-	-	-	4,360,020
Licenses and permits	777,265	-	-	-
Intergovernmental revenues	2,948,820	-	2,418,004	-
Charges for services	1,305,934	-	-	-
Administrative charges	1,840,000	-	-	-
Fines and forfeits	1,127,246	-	-	-
Interest	104,266	18,609	23,027	24,891
Donations	32,019	-	2,408	-
Other	540,948	6,700	678	49,330
<b>Total revenues</b>	<b>26,076,297</b>	<b>3,495,935</b>	<b>6,002,365</b>	<b>5,797,289</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	6,165,097	-	-	-
Public works	758,851	-	-	-
Highways and streets	2,999,767	-	-	-
Public safety	10,955,608	13,533,398	-	-
Parks	3,649,129	-	-	-
Economic development	-	-	-	325,695
Capital outlay	249,950	-	8,636,828	-
<b>Debt service:</b>				
Principal retirement	-	532,181	-	17,092,373
Interest and fiscal charges	-	950,990	-	1,649,265
Bond issuance costs	-	-	-	1,615,270
<b>Total expenditures</b>	<b>24,778,402</b>	<b>15,016,569</b>	<b>8,636,828</b>	<b>20,682,603</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>1,297,895</b>	<b>(11,520,634)</b>	<b>(2,634,463)</b>	<b>(14,885,314)</b>
<b>Other financing sources (uses):</b>				
Transfers in	557,507	362,893	766,067	-
Transfers out	(4,873,493)	-	(2,348,400)	(27,138)
Capital lease issuance	249,950	-	-	-
Bond discount	-	-	-	(287,875)
Bond issuance	-	-	-	38,050,000
Payments to refunded bond escrow agent	-	-	-	(27,625,000)
<b>Total other financing sources (uses)</b>	<b>(4,066,036)</b>	<b>362,893</b>	<b>(1,582,333)</b>	<b>10,109,987</b>
<b>Net change in fund balance</b>	<b>(2,768,141)</b>	<b>(11,157,741)</b>	<b>(4,216,796)</b>	<b>(4,775,327)</b>
Fund balances, beginning	15,534,192	18,114,140	9,241,407	9,174,010
Fund balances, ending	\$ 12,766,051	\$ 6,956,399	\$ 5,024,611	\$ 4,398,683

See Notes to Basic Financial Statements.

	Other Governmental Funds		Total Governmental Funds
\$	1,714,416	\$	27,506,137
	-		4,360,020
	-		777,265
	-		5,366,824
	-		1,305,934
	-		1,840,000
	-		1,127,246
	233,483		404,276
	-		34,427
	-		597,656
	<u>1,947,899</u>		<u>43,319,785</u>
	162,896		6,327,993
	-		758,851
	-		2,999,767
	-		24,489,006
	-		3,649,129
	-		325,695
	-		8,886,778
	1,035,000		18,659,554
	1,094,293		3,694,548
	-		1,615,270
	<u>2,292,189</u>		<u>71,406,591</u>
	<u>(344,290)</u>		<u>(28,086,806)</u>
	889,490		2,575,957
	(446,874)		(7,695,905)
			249,950
	-		(287,875)
	-		38,050,000
	-		(27,625,000)
	<u>442,616</u>		<u>5,267,127</u>
	98,326		(22,819,679)
	1,558,525		53,622,274
\$	<u>1,656,851</u>	\$	<u>30,802,595</u>

## City of Blue Springs, Missouri

### Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities Year Ended September 30, 2015

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Total net change in fund balances - governmental funds \$ (22,819,679)

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the effect of capital outlay, depreciation expense and other capital asset transactions in the current period:

Capital outlays	18,316,689
Depreciation expense	(7,512,176)
Loss on disposal of capital assets	(2,643)
Capital assets contributed	689,949

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

Deferred inflows of resources	(212,966)
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items:

Bond issuance	(38,050,000)
Capital lease issuance	(249,950)
Payment to escrow agent	27,625,000
Principal payments	18,659,554
Special obligation bonds - certified developer obligations financing	(9,566,530)
Reduction of amount owed for certified developer obligations	7,475,790
Amortization of premium, discount and deferred charges on refunding	(256,415)
Change in accrued interest payable	315,165

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

Compensated absences	(121,896)
Pension-related amount, pension expense	284,770
Change in other postemployment benefit obligations	(60,959)

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue of the internal service fund is reported with governmental activities.

	(29,605)
<b>Change in net position of governmental activities</b>	<b>\$ (5,515,902)</b>

See Notes to Basic Financial Statements.

City of Blue Springs, Missouri

Statement of Net Position  
 Proprietary Funds  
 September 30, 2015

	Business-Type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Golf Course
<b>Assets</b>			
Current assets:			
Cash and investments	\$ 6,849,836	\$ 6,334,005	\$ 117,200
Receivables, (net of allowances for uncollectibles):			
Accounts	987,213	877,253	1,353
Accrued interest	8,588	11,006	-
Special assessments	-	1,857,903	-
Due from other governments	-	543,755	-
Inventory	149,861	30,318	129,842
Prepaid items	198,568	202,360	-
<b>Total current assets</b>	<b>8,194,066</b>	<b>9,856,600</b>	<b>248,395</b>
Noncurrent assets:			
Restricted cash and investments	-	2,494,365	232,820
Due from other governments	-	8,936,270	-
Noncurrent special assessments	-	14,950,000	-
Advance from other funds	-	1,500,000	-
Net pension asset	410,608	402,771	-
Capital assets:			
Land and construction in progress, nondepreciable	343,205	1,225,418	2,250,443
Other capital assets, net of depreciation	19,978,905	55,735,906	5,592,628
<b>Total noncurrent assets</b>	<b>20,732,718</b>	<b>85,244,730</b>	<b>8,075,891</b>
<b>Total assets</b>	<b>28,926,784</b>	<b>95,101,330</b>	<b>8,324,286</b>
<b>Deferred Outflows of Resources</b>			
Deferred charge on refunding	-	-	171,170
Pension related amounts	118,531	116,269	-
<b>Total deferred outflows of resources</b>	<b>118,531</b>	<b>116,269</b>	<b>171,170</b>
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	534,615	715,020	79
Accrued liabilities	18,350	11,933	-
Accrued interest	-	102,595	26,613
Customer deposits	501,694	-	-
Unearned revenue	4,502	-	19,713
Long-term debt due in one year	72,264	1,980,955	310,714
<b>Total current liabilities</b>	<b>1,131,425</b>	<b>2,810,503</b>	<b>357,119</b>
Noncurrent liabilities:			
Advances from other funds	-	-	2,000,055
Long-term debt	29,976	34,158,162	2,719,635
<b>Total noncurrent liabilities</b>	<b>29,976</b>	<b>34,158,162</b>	<b>4,719,690</b>
<b>Total liabilities</b>	<b>1,161,401</b>	<b>36,968,665</b>	<b>5,076,809</b>
<b>Deferred Inflows of Resources</b> , pension related amounts	10,626	10,423	-
<b>Net Position</b>			
Net investment in capital assets	20,322,110	20,907,229	4,983,892
Restricted for debt service	-	2,494,365	232,820
Unrestricted (deficit)	7,551,178	34,836,917	(1,798,065)
<b>Total net position (deficit)</b>	<b>\$ 27,873,288</b>	<b>\$ 58,238,511</b>	<b>\$ 3,418,647</b>

See Notes to Basic Financial Statements.

Business-Type Activities - Enterprise Fund		Total	Governmental
Nonmajor, Fieldhouse	Activities - Internal Service Fund		
\$ 314,387	\$ 13,615,428	\$ -	
44,157	1,909,976	10,385	
-	19,594	-	
-	1,857,903	-	
-	543,755	-	
-	310,021	143,059	
-	400,928	5,948	
<u>358,544</u>	<u>18,657,605</u>	<u>159,392</u>	
-	2,727,185	-	
-	8,936,270	-	
-	14,950,000	-	
-	1,500,000	-	
-	813,379	-	
250,795	4,069,861	-	
<u>6,178,591</u>	<u>87,486,030</u>	<u>12,757</u>	
<u>6,429,386</u>	<u>120,482,725</u>	<u>12,757</u>	
<u>6,787,930</u>	<u>139,140,330</u>	<u>172,149</u>	
-	171,170	-	
-	234,800	-	
-	405,970	-	
241,869	1,491,583	54,082	
59	30,342	23,560	
-	129,208	-	
-	501,694	-	
-	24,215	-	
-	2,363,933	-	
<u>241,928</u>	<u>4,540,975</u>	<u>77,642</u>	
1,500,000	3,500,055	156,846	
-	36,907,773	5,178	
<u>1,500,000</u>	<u>40,407,828</u>	<u>162,024</u>	
<u>1,741,928</u>	<u>44,948,803</u>	<u>239,666</u>	
-	21,049	-	
6,429,386	52,642,617	12,757	
-	2,727,185	-	
<u>(1,383,384)</u>	<u>39,206,646</u>	<u>(80,274)</u>	
<u>\$ 5,046,002</u>	<u>\$ 94,576,448</u>	<u>\$ (67,517)</u>	

City of Blue Springs, Missouri

Statement of Revenues, Expenses and Changes in Fund Net Position

Proprietary Funds

Year Ended September 30, 2015

	Business-Type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Golf Course
Revenues:			
Charges for services	\$ 8,085,608	\$ 7,217,371	\$ 1,427,455
Other	16,578	56,608	5,218
<b>Total operating revenues</b>	<b>8,102,186</b>	<b>7,273,979</b>	<b>1,432,673</b>
Operating expenses:			
Personnel services	923,053	943,203	533,690
Administrative and support services	998,167	841,833	-
Materials and supplies	653,230	1,218,385	423,244
Purchased water and sewer services	4,341,506	1,641,752	-
Contractual services	668,802	2,579,661	283,465
Utilities	59,168	584,131	-
Depreciation	963,127	2,438,322	293,070
<b>Total operating expenses</b>	<b>8,607,053</b>	<b>10,247,287</b>	<b>1,533,469</b>
<b>Operating income (loss)</b>	<b>(504,867)</b>	<b>(2,973,308)</b>	<b>(100,796)</b>
Nonoperating revenues (expenses):			
Interest income	58,473	200,447	2,702
Interest income - special assessments	-	735,000	-
Interest expense and fiscal charges	-	(1,140,504)	(121,264)
Gain (loss) on sale of capital assets	(1,147)	(68,195)	-
<b>Total nonoperating revenues (expenses)</b>	<b>57,326</b>	<b>(273,252)</b>	<b>(118,562)</b>
<b>Income (loss) before contributions and transfers</b>	<b>(447,541)</b>	<b>(3,246,560)</b>	<b>(219,358)</b>
Capital contributions	47,928	232,937	-
Transfers in	271,642	-	262,352
Transfers out	(200,000)	(271,642)	-
<b>Change in net position</b>	<b>(327,971)</b>	<b>(3,285,265)</b>	<b>42,994</b>
Net position (deficit), beginning of year, as restated	28,201,259	61,523,776	3,375,653
Net position (deficit), end of year	<b>\$ 27,873,288</b>	<b>\$ 58,238,511</b>	<b>\$ 3,418,647</b>

See Notes to Basic Financial Statements.

Business-Type Activities - Enterprise Fund		Total	Governmental
Nonmajor, Fieldhouse	Activities - Internal Service Fund		
\$ 61,548	\$ 16,791,982	\$ 1,081,358	
44,157	122,561	-	
105,705	16,914,543	1,081,358	
4,407	2,404,353	214,894	
-	1,840,000	-	
2,991	2,297,850	650,109	
-	5,983,258	-	
121,258	3,653,186	205,302	
-	643,299	-	
956	3,695,475	8,180	
129,612	20,517,421	1,078,485	
(23,907)	(3,602,878)	2,873	
-	261,622	-	
-	735,000	-	
(45,000)	(1,306,768)	-	
24,835	(44,507)	-	
(20,165)	(354,653)	-	
(44,072)	(3,957,531)	2,873	
-	280,865	-	
5,090,074	5,624,068	-	
-	(471,642)	(32,478)	
5,046,002	1,475,760	(29,605)	
-	93,100,688	(37,912)	
\$ 5,046,002	\$ 94,576,448	\$ (67,517)	

City of Blue Springs, Missouri

Statement of Cash Flows  
 Proprietary Funds  
 Year Ended September 30, 2015

	Business-Type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Golf Course
Cash flows from operating activities:			
Receipts from customers and users	\$ 8,053,555	\$ 7,266,103	\$ 1,418,945
Payments to suppliers and service providers	(6,673,526)	(6,648,886)	(753,384)
Payments to employees	(917,068)	(941,030)	(533,690)
<b>Net cash provided by (used in) operating activities</b>	<b>462,961</b>	<b>(323,813)</b>	<b>131,871</b>
Cash flows from noncapital financing activities:			
Increase (decrease) in interfund advances	-	(1,500,000)	-
Transfers in	271,642	-	262,352
Transfers out	(200,000)	(271,642)	-
<b>Net cash provided by (used in) noncapital financing activities</b>	<b>71,642</b>	<b>(1,771,642)</b>	<b>262,352</b>
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	(97,852)	(289,776)	-
Proceeds from the sale of capital assets	-	-	-
Intergovernmental grants	-	726,865	-
Special assessments received	-	433,594	-
Principal payments on debt	-	(1,848,827)	(304,109)
Interest payments on debt and interfund loans	-	(1,174,549)	(108,143)
<b>Net cash (used in) capital and related financing activities</b>	<b>(97,852)</b>	<b>(2,152,693)</b>	<b>(412,252)</b>
Cash flows from investing activities:			
Purchases of investments	(1,506,335)	(3,145,296)	(221,424)
Sale of investments	-	2,822,648	-
Interest on special assessments	-	735,000	-
Interest on investments	57,112	201,295	2,702
<b>Net cash provided by (used in) investing activities</b>	<b>(1,449,223)</b>	<b>613,647</b>	<b>(218,722)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(1,012,472)</b>	<b>(3,634,501)</b>	<b>(236,751)</b>
Cash and cash equivalents, beginning of year	1,384,849	2,557,262	365,347
Cash and cash equivalents, end of year	<u>\$ 372,377</u>	<u>\$ (1,077,239)</u>	<u>\$ 128,596</u>

(Continued)



Business-Type Activities - Enterprise Fund		Governmental Activities - Internal	
Nonmajor, Fieldhouse	Total	Service Fund	
\$ 61,548	\$ 16,800,151	\$ 1,079,823	
117,620	(13,958,176)	(818,410)	
(4,348)	(2,396,136)	(212,214)	
174,820	445,839	49,199	
1,500,000	-	(4,151)	
5,090,074	5,624,068	-	
-	(471,642)	(32,478)	
6,590,074	5,152,426	(36,629)	
(6,430,342)	(6,817,970)	(12,570)	
24,835	24,835		
-	726,865	-	
-	433,594	-	
-	(2,152,936)	-	
(45,000)	(1,327,692)	-	
(6,450,507)	(9,113,304)	(12,570)	
-	(4,873,055)	-	
-	2,822,648	-	
-	735,000	-	
-	261,109	-	
-	(1,054,298)	-	
314,387	(4,569,337)	-	
-	4,307,458	-	
\$ 314,387	\$ (261,879)	\$ -	

City of Blue Springs, Missouri

Statement of Cash Flows (Continued)

Proprietary Funds

Year Ended September 30, 2015

	Business-Type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Golf Course
Reconciliation of amounts reported on the statement of net position:			
Cash and cash equivalents	\$ 372,377	\$ (1,077,239)	\$ 128,596
Investments	6,477,459	9,905,609	221,424
<b>Total cash and investments</b>	<b>\$ 6,849,836</b>	<b>\$ 8,828,370</b>	<b>\$ 350,020</b>
Reconciliation of operating (loss) to net cash provided by operating activities:			
Operating income (loss)	\$ (504,867)	\$ (2,973,308)	\$ (100,796)
Adjustments to reconcile operating (loss) to net cash provided by operating activities:			
Depreciation	963,127	2,438,322	293,070
(Increase) decrease in accounts receivable	(60,092)	(7,876)	(1,353)
(Increase) decrease in inventories	85,283	8,428	(43,687)
(Increase) Decrease in prepaid items	(237)	(4,083)	-
Increase (decrease) in accounts payable	(37,697)	212,531	(2,988)
Increase (decrease) in accrued expenses	4,979	2,702	-
Increase (decrease) in customer deposits	6,957	-	(1,736)
Increase (decrease) in unearned revenue	4,502	-	(10,639)
Increase (decrease) in other postemployment benefits	4,236	2,639	-
(Increase) decrease in deferred outflows of resources	(107,797)	(105,739)	-
Increase (decrease) in deferred inflows of resources	10,626	10,423	-
Increase (decrease) in LAGERS net pension asset	93,941	92,148	-
<b>Net cash provided by operating activities</b>	<b>\$ 462,961</b>	<b>\$ (323,813)</b>	<b>\$ 131,871</b>
Supplemental Information, noncash capital and related financing activities:			
Capital contributions	\$ 47,928	\$ 33,430	\$ -
Special assessment receivable write-off for uncollectibles	-	935,025	-

See Notes to Basic Financial Statements.

Business-Type Activities - Enterprise Fund		Governmental Activities - Internal	
Nonmajor, Fieldhouse	Total	Service Fund	
\$ 314,387	\$ (261,879)	\$	-
-	16,604,492		-
<u>\$ 314,387</u>	<u>\$ 16,342,613</u>	<u>\$</u>	<u>-</u>

\$ (23,907)    \$ (3,602,878)    \$ 2,873

956	3,695,475	8,180
(44,157)	(113,478)	(1,535)
-	50,024	34,489
-	(4,320)	(764)
241,869	413,715	3,276
59	7,740	1,731
-	5,221	-
-	(6,137)	-
-	6,875	949
-	(213,536)	-
-	21,049	-
-	186,089	-
<u>\$ 174,820</u>	<u>\$ 445,839</u>	<u>\$ 49,199</u>

\$ -    \$ 81,358    \$ -  
-    935,025    -

**City of Blue Springs, Missouri**

**Statement of Net Position - Fiduciary Funds  
September 30, 2015**

	Blue Springs	
	Land Bank Agency Trust Fund	Agency Funds
<b>Assets</b>		
Cash and investments	\$ 43,090	\$ 566,939
Taxes receivable	-	689,084
Capital assets, land, nondepreciable	258,030	-
<b>Total assets</b>	<b>\$ 301,120</b>	<b>\$ 1,256,023</b>
<b>Liabilities</b>		
Accounts payable	\$ 35,082	\$ -
Due to other governments	-	1,216,541
Membership and employee flexible benefits deposits	-	39,482
<b>Total liabilities</b>	<b>\$ 35,082</b>	<b>\$ 1,256,023</b>
<b>Net Position</b>		
Investment in capital assets	\$ 258,030	
Restricted for land	8,008	
	<b>\$ 266,038</b>	

See Notes to Basic Financial Statements.

**City of Blue Springs, Missouri**

**Statement of Changes in Net Position - Fiduciary Funds  
Year Ended September 30, 2015**

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	Blue Springs Land Bank Agency Trust Fund
<b>Additions</b>	
Capital contributions	\$ 56,658
Other	1,087
Total additions	<u>57,745</u>
Net position held in trust for Land Bank, beginning	<u>208,293</u>
Net position held in trust for Land Bank, ending	<u><u>\$ 266,038</u></u>

See Notes to Basic Financial Statements.

## City of Blue Springs, Missouri

### Notes to the Basic Financial Statements

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#### **Note 1. Nature of Operations, Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Summary of Significant Policies**

##### **Nature of operations:**

The City of Blue Springs, Missouri (City) was incorporated in 1904 and covers an area of approximately 22.0 square miles in Jackson County, Missouri. The City is a home rule chartered city and operates under the mayor/council/administrator form of government. The City Administrator is the chief administrative officer of the City. The City provides services to approximately 53,000 residents in many areas, including law enforcement, water and sewer services, community enrichment and development, and various social services. Elementary, secondary, and junior college education services are provided by various school districts, fire protection services are provided by a separate fire protection district, all of which are separate governmental entities.

The accounting and reporting policies of the City conform to accounting principles generally accepted in the United States of America (GAAP), as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following represent the more significant accounting and reporting policies and practices of the City.

##### **Reporting entity:**

Blue Springs, Missouri is a home rule chartered city in which citizens elect the Mayor and six council members from three districts. In evaluating the City's financial reporting entity, management has considered all potential component units. The accompanying basic financial statements present the City and the component units over which the City is financially accountable. Financial accountability is based primarily on operational or financial relationships with the City (as distinct from legal relationships).

The following component units are blended in the City's basic financial statements:

The Tax Increment Financing (TIF) Commission: is governed by an eleven-member board of which six members are appointed by the City Council. The remaining five members are appointed by the respective taxing districts' boards. Although it is legally separate from the City, the TIF is reported as if it were part of the primary government because its sole function is to use TIF as a method to finance infrastructure improvements through payments in lieu of taxes and economic activity taxes. The TIF Commission does not issue separate financial statements.

Blue Springs Land Bank Agency: Legislation which became effective August 28, 2012, authorized the City to create a Land Bank Agency (the Agency). That legislation provided that any property owned by the County's Land Trust to be transferred to the Land Bank Agency and provided that any properties located in the City limits of Blue Springs which were sold for back taxes where the bid was not sufficient to pay the judgment would be transferred to the Blue Springs Land Bank Agency rather than the Jackson County Land Trust. This is specifically important for the properties that are located in the City's Neighborhood Improvement District.

The purpose of the Agency is to return nonrevenue generating and nontax producing land to usefulness. The Land Bank Agency is composed of a Board of Commissioners consisting of five members, all of whom are residents of the City. Three Commissioners are appointed by the Mayor of the City, one Commissioner is appointed by Jackson County and the other Commissioner by the School District. The Agency has been reported as a Trust Fund within the City's financial statements. The Agency does not issue separate financial statements.

## City of Blue Springs, Missouri

### Notes to the Basic Financial Statements

---

#### **Note 1. Nature of Operations, Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Summary of Significant Policies (Continued)**

The following component unit is discretely presented in the City's basic financial statements:

The Blue Springs Economic Development Corporation (EDC): is a not-for-profit business development organization funded by both public and private sector monies. Although it is legally separate from the City, the EDC is reported as a component unit because the City is financially accountable for the EDC as it provides a major source of revenue. The EDC is governed by a twelve-member board of which five members are appointed by the City Council. The EDC does not issue separate financial statements. Included within EDC is the Blue Springs Growth Initiatives, Inc. (BSGI) which is a not-for-profit business development organization funded by both public and private sector monies. The board of the BSGI is comprised entirely of board members of the EDC. Although it is legally separate from the EDC, the BSGI has been consolidated in the accompanying financial statements as it is financially interrelated to the EDC. The EDC does not issue separate financial statements.

#### **Basis of presentation:**

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds).

Government-wide financial statements: The statement of net position and the statement of activities display information about the City, the primary government, as a whole, with the exclusion of fiduciary funds. These statements distinguish between the governmental and business-type activities of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties. Internal activity is eliminated to avoid "doubling up" revenues and expenses.

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund financial statements, but differs from the manner in which governmental fund financial statements are prepared. Therefore, each of the governmental fund financial statements includes a reconciliation with brief explanations to better identify the relationship between the governmental fund statements and the government-wide statements.

The government-wide statement of activities presents a comparison between expenses and program revenues for each program of the governmental activities. Expenses are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program is self-financing or draws from the general revenues of the City.

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

## City of Blue Springs, Missouri

### Notes to the Basic Financial Statements

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#### **Note 1. Nature of Operations, Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Summary of Significant Policies (Continued)**

**Governmental Fund Types:** Governmental funds are those through which most governmental functions of the City are financed. The acquisition, use and balances of the City's expendable financial resources and the related liabilities (other than those in proprietary funds) are accounted for through governmental funds. The following are the City's major governmental funds:

**General Fund** is the principal operating fund of the City and accounts for all financial transactions not accounted for in other funds. The general operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are financed through revenues received by the General Fund.

**Public Safety Sales Tax Fund**, a special revenue fund, accounts for the collection of the City's public safety sales tax and related expenditures including equipment, additional personnel and facility renovations.

**Capital Projects Fund** accounts for resources used for the acquisition and/or construction of capital facilities, except those accounted for in proprietary funds. This fund is presented as a major fund for public interest purposes.

**TIF Fund**, a capital projects fund, accounts for resources of the City's tax increment financing activities.

**Proprietary Fund Types:** Proprietary funds are used to account for the City's ongoing activities that are similar to those often found in the private sector. The following are the City's major proprietary funds:

**Water Utility Fund** accounts for the provision of water services to residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

**Sewer Utility Fund** accounts for the provision of sewer services to residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

**Golf Course Fund** accounts for all golf activity services related to the City golf course plus professional shop sales. All activities to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service.

The City reports one nonmajor proprietary fund:

**Fieldhouse Fund:** Accounts for indoor recreational space related to all recreation activity services. All activities to provide these services are accounted for in this fund, including, but not limited to, administration, operations, maintenance and financing.

In addition, the City reports an Internal Service Fund which accounts for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governmental units, on a cost reimbursement basis. The City's internal service fund is the Central Garage Fund.



## City of Blue Springs, Missouri

### Notes to the Basic Financial Statements

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#### Note 1. Nature of Operations, Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Summary of Significant Policies (Continued)

**Fiduciary Fund Types:** Fiduciary fund types are used to account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. The City has the following fiduciary fund types:

**Private-Purpose Trust Fund:** The Blue Springs Land Bank Agency Trust Fund accounts for foreclosed properties taken by the County.

**Agency Funds:** The City maintains seven agency funds, the Jackson County Tax Agency Fund, which accounts for property taxes collected and remitted to Jackson County, Missouri; Employee Flex Benefit Agency Fund, which accounts for funds contributed by City employees to a tax-exempt flexible benefits plan; Eastern Jackson County Betterment Council Agency Fund, which accounts for membership deposits of the Council; Adams Dairy Landing CID and Woods Chapel CID which account for funds received by the community improvement districts; Coronado Drive TDD Fund and Adams Farm TDD Fund account for funds received by these transportation development districts. Fiduciary funds are used to report assets held in a trustee or agency capacity for others. Since by definition these assets are being held for the benefit of a third party and cannot be used to support activities or obligations of the City, these funds are not incorporated into the government-wide statements.

#### Measurement focus and basis of accounting:

All governmental funds utilize the current financial resources measurement focus and the modified accrual basis of accounting. Under the current financial resources measurement focus, only current assets and current liabilities are included on the balance sheet of the fund financial statements. Under the modified accrual basis of accounting, revenues are recorded as collected unless susceptible to accrual, i.e., amounts measurable and available to finance the City's operations or of a material amount and not received at the normal time of receipt. Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within sixty days of the end of the current period.

Significant revenues that are considered susceptible to accrual include sales taxes, interest, and certain state and federal grants and entitlements. Expenditures, other than interest on long-term debt, are recorded when the fund liability is incurred. However, debt service expenditures, as well as those related to compensated absences, are recorded in the governmental funds only when payment is due.

In applying the susceptible-to-accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended for the specific purpose or on the specific project before any amounts will be paid to the City; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and nearly irrevocable, i.e. revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if they meet the available and measurable criteria.

Property tax revenue is recognized independent of receivable recognition in the fiscal year for which the taxes have been levied (budgeted). Delinquent taxes expected to be received later than 60 days after the close of the fiscal year are classified as deferred inflows of resources within the governmental fund financial statements. Licenses and permits, fines and forfeitures, charges for services and miscellaneous revenues are recorded as revenues when received in cash because they are generally not measurable until actually received.

## City of Blue Springs, Missouri

### Notes to the Basic Financial Statements

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#### **Note 1. Nature of Operations, Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Summary of Significant Policies (Continued)**

The economic resources measurement focus and the accrual basis of accounting are utilized by the proprietary funds. Under this basis of accounting, revenues are recognized when earned and expenses are recorded when liabilities are incurred. All assets, liabilities and deferred inflows/outflows of resources (whether current or noncurrent) associated with a proprietary fund's activities are included on its statement of net position. Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. All other revenues and expenses are considered nonoperating.

#### **Summary of significant accounting policies:**

The significant accounting policies followed by the City include the following:

**Cash, cash equivalents and investments:** The City maintains and controls a cash pool in which a majority of the City's funds share. Each fund's portion of the pool is displayed on their respective balance sheet/statement of net position as "cash and investments." The City's cash and cash equivalents are primarily considered to be cash on hand, amounts in demand deposits and certificates of deposits. For purposes of the statement of cash flows, short-term investments held in proprietary funds with a maturity date within three months of the date acquired by the City, if any, and pooled cash and investments are considered cash equivalents.

Investments are recorded on the financial statements at amortized cost, which approximates fair value.

**Inventories and prepaid items:** Inventories are valued at cost using the first-in, first-out method. Inventory quantities are determined by physical count at each year-end. Inventory in the Water Utility Fund consists primarily of water meters and water line maintenance materials. Inventory in the Sewer Utility Fund consists primarily of sewer line maintenance materials. Inventory in the Central Garage Fund consists of vehicle maintenance materials. Inventory in the Golf Course Fund consists of pro-shop merchandise and food supplies. Certain payments reflect costs applicable to future accounting periods and are recorded as prepaid items. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

**Accounts receivable:** Accounts receivable result primarily from sales of water and sewer services accounted for in the Water Utility and Sewer Utility Funds, respectively. An estimated amount has been recorded for services rendered, but not yet billed, as of the close of the fiscal year. Accounts receivable are expressed net of allowances for doubtful accounts of \$95,017 for the business-type activities. Allowances for doubtful accounts are based on historical collection trends for the related receivables. Accounts receivable for property taxes are expressed net of allowances for doubtful accounts of \$5.7 million for governmental activities also based on historical collection trends.

**Special assessments receivable:** Special assessments receivable reflects the property taxes collectable by the City for the purpose of repaying the Special Assessment debt held by the City. The amount collectable by the City is reduced each year as the taxes are levied against the property and, subsequently, collected by the City. Special assessments receivable is expressed net of allowances for doubtful accounts, based on foreclosed properties. At September 30, 2015, the City had \$16,807,903 in special assessments receivable in the Sewer Utility Fund.

**Interfund activity:** Transactions among City funds that would be treated as revenues and expenditures or expenses if they involved organizations external to City government are accounted for as revenues and expenditures or expenses in the funds involved.

## City of Blue Springs, Missouri

### Notes to the Basic Financial Statements

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#### **Note 1. Nature of Operations, Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Summary of Significant Policies (Continued)**

Transactions which constitute reimbursements to a fund for expenditures initially made from it which are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the reimbursed fund.

Transactions, which constitute the transfer of resources from a fund receiving revenues to a fund through which the revenues are to be expended, are separately reported in the respective fund's operating statements.

Activity between funds that are representative of lending/borrowing arrangements at the end of the fiscal year are referred to as "due to/from other funds" in the fund financial statements. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

The City has the following types of interfund activity:

Advances to/from other funds – amounts provided with a requirement for repayment. Advances to other funds are reported as receivables in lender funds and payables in borrower funds, and are considered long-term in nature.

Transfers – flows of assets (such as cash or goods) without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers.

**Capital assets:** Capital assets acquired for general governmental purposes are recorded as expenditures in the governmental fund financial statements and are capitalized at cost or estimated historical cost in the governmental activities column in the government-wide financial statements. Capital assets owned by the proprietary funds are stated at cost or estimated historical cost in the proprietary fund financial statements and in the business-type activities column in the government-wide financial statements. All contributed capital assets received from federal, state or local sources are recorded at fair value at the time received. 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 one year.

Additions, improvements and costs that significantly extend the useful life of an asset are capitalized. The cost of assets sold or retired and the related amounts of accumulated depreciation are eliminated from the accounts in the year of sale or retirement and any resulting gain or loss is reflected in the basic financial statements. Fully depreciated assets are included in the capital asset accounts until their disposal.

Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. There was no interest capitalized in 2015.

Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Infrastructure - water and sewer lines, storm sewers, reservoirs, wells, roads and bridges	20 to 60 years
Buildings and improvements	20 to 60 years
Equipment and vehicles	5 to 15 years
Computer equipment and software	3 years

## City of Blue Springs, Missouri

### Notes to the Basic Financial Statements

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#### **Note 1. Nature of Operations, Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Summary of Significant Policies (Continued)**

**Unearned revenue:** Unearned revenue arises when resources are received by the City before it has a legal claim to them. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, revenue is recognized.

**Deferred outflows of resources:** In addition to assets, the statement of net 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) until then. The City has two items that qualify for reporting in this category. The first is the deferred charge on refunding reported in the government-wide and proprietary funds statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second deferred outflow item consists of unrecognized items not yet charged to pension expense related to the net pension asset and contributions paid by the City after the measurement date but before the end of the City's reporting period.

**Deferred inflows of resources:** In addition to liabilities, the statement of net position and balance sheet 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 governmental funds report unavailable revenues from several sources: property taxes, other and intergovernmental revenue. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

In the City's government-wide statements, the property tax revenues remain as a deferred inflow of resources and will become an inflow in the year for which the taxes are levied. The City's government-wide and proprietary fund statements also include the unamortized portion of the difference between expected and actual experience, changes in assumptions and the change in proportion and differences between the City's contributions and proportionate share of contributions all related to the net pension asset.

**Pensions:** For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Missouri Local Government Employees Retirement System (LAGERS) and additions to/deductions from LAGERS fiduciary net position have been determined on the same basis as they are reported by LAGERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Bond premiums, discounts and issuance costs:** In the government-wide and proprietary fund financial statements, bond premiums and discounts are deferred and amortized over the life of the bonds using a method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Debt issuance costs are recognized as an expense in the year in which the costs were incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued and any related premiums or discounts are reported as other financing sources/uses. Issuance costs are reported as a debt service expenditure in the year in which the costs were incurred.

## City of Blue Springs, Missouri

### Notes to the Basic Financial Statements

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#### **Note 1. Nature of Operations, Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Summary of Significant Policies (Continued)**

**Compensated absences:** Under terms of the City's personnel policy, City employees are granted Paid Time Off (PTO) and Extended Illness Bank (EIB) in varying amounts. In the event of termination, an employee is paid for accumulated unused PTO days. Employees with five years of service and a minimum of 100 hours of accumulated, unused EIB time are paid 15 percent of the hours up to 500 hours and 20 percent of the hours between 501 and 1,000.

Vested or accumulated PTO and EIB is accounted for as follows:

**Governmental funds:** The accumulated liabilities for employee PTO and EIB are recorded in the governmental activities column of the government-wide financial statements. Certain amounts may be recorded in the governmental fund financial statements as part of accrued liabilities, when such amounts come due (mature) during the current fiscal year.

**Proprietary funds:** The costs of PTO and EIB are accrued in the respective funds as earned by City employees and recorded in the proprietary fund financial statements and the business-type activities column of the government-wide financial statements.

**Net position classifications:** In the government-wide and proprietary fund financial statements, net position represents the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources and is classified into three components:

**Net investment in capital assets**—consisting of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgage notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Net investment in capital assets for the governmental activities excludes unspent bond proceeds of \$457,520 for the community center in the Public Safety Sales Tax Fund. \$28,537,500 of the Special Obligation bonds have been excluded as they were for purposes other than capital asset additions by the City.

**Restricted net position**—consisting of net position with constraints placed on its use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. The City first utilizes restricted resources to finance qualifying activities for which restricted and unrestricted net position is available. Net position restricted through enabling legislation consists of \$566,070 for tourism.

**Unrestricted net position**—all other net position that does not meet the definition of "restricted" or "net investment in capital assets."

The City first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

## City of Blue Springs, Missouri

### Notes to the Basic Financial Statements

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#### **Note 1. Nature of Operations, Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Summary of Significant Policies (Continued)**

**Fund balances:** In the fund financial statements, governmental funds report the following fund balance classifications:

Nonspendable—This consists of amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact.

Restricted—This consists of amounts where constraints are placed on the use of those resources which are either externally imposed by creditors, grantors, contributors, laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Committed—This consists of amounts which can only be used for specific purposes pursuant to constraints imposed by formal action of the City Council through ordinance approved prior to year-end. Those committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified amounts by use of the same formal action that it employed to previously commit the funds.

Assigned—This consists of amounts which are constrained by City management's intent to be used for a specific purpose but are neither formally restricted by external sources nor committed by City Council action. It is the City's Governmental Fund Balance Policy (as approved by Resolution 60-2011) that the Authority to assign fund balance has been delegated by the City Council to the City Administrator. Likewise, the City Administrator has the authority to take necessary actions to un-assign amounts in this category.

Unassigned—This consists of the residual fund balance that does not meet the requirements for the nonspendable, restricted, committed or assigned classifications. The General Fund is the only fund that would report a positive amount in unassigned fund balance. Residual deficit amounts of other governmental funds would also be reported as unassigned.

The City has a fund balance policy that provides guidance for programs with multiple revenue sources. The policy is to use restricted resources first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. For purposes of fund balance classification expenditures are to be spent from restricted fund balance first, followed in order by committed fund balance, assigned fund balance and lastly unassigned fund balance.

The City has stabilization arrangements that set aside 30 percent of the prior year's budgeted General Fund expenditures. The 30 percent is divided into two reserve categories, the emergency reserve at 20 percent and the budget stabilization reserve at 10 percent. These reserves were established as committed fund balance by the City Council with Resolution 60-2011. The emergency reserve shall only be used if the City directly experiences a natural disaster that jeopardizes public safety, the Federal Government or State of Missouri formally declare a disaster or emergency or if no reasonable budget adjustments are available to continue providing essential services to the public. The budget stabilization reserve shall only be used if there is a sudden or unexpected decline in ongoing revenues greater than 10 percent of General Fund operating revenues, short term stabilization is needed to minimize significant changes in insurance rates or premiums, funds are needed as part of a matching grant for a major project for which budgeted funds are not available or for sudden or unexpected capital outlay replacement needs such as a facility failure. If the reserves are spent below the minimum required level, the City will develop and implement a plan to replenish the reserves. This plan will restore the reserves within 2 years for the emergency reserve and 5 years for the budget stabilization reserve. During an economic downturn, the timeline for restoring the reserves will not begin until revenues have stabilized.

**City of Blue Springs, Missouri**

**Notes to the Basic Financial Statements**

**Note 1. Nature of Operations, Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Summary of Significant Policies (Continued)**

**Budgetary data:** The City Council follows these procedures in establishing the budget:

1. Prior to September 1, the City Administrator submits to the City council a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to October 1, the budget is legally enacted through passage of an ordinance.
4. The legal level of control is at the fund level. City management cannot amend the budget without receiving the approval of the City Council. The City Administrator is authorized to approve overspending of budgeted line items within any fund as long as the total expenditures within the fund do not exceed the total approved budgeted expenditures for that fund. However, overspending of total expenditures of any fund requires approval by the City Council.

**Use of estimates:** The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Accordingly, actual results could differ from those estimates.

**Note 2. Deposits and Investments**

As of September 30, 2015, the carrying values of deposits and investments are summarized as follows:

Investments:	
Short-term investments held in trust (mutual fund)	\$ 4,795,932
U.S. agency securities	24,810,224
Corporate bonds	854,156
Repurchase agreement	<u>10,596,000</u>
<b>Total investments</b>	<b>41,056,312</b>
Deposits	(426,758)
Certificates of deposit	5,476,000
Petty cash	<u>7,685</u>
<b>Total</b>	<b><u><u>\$ 46,113,239</u></u></b>

Deposits and investments are reflected in the financial statements as follows:

	Government- Wide Statement of Net Position	Fiduciary Funds Statement of Net Position	Total Primary Government	Component Unit	Total
Cash and investments	<u>\$ 45,489,081</u>	<u>\$ 610,029</u>	<u>\$ 46,099,110</u>	<u>\$ 14,129</u>	<u>\$ 46,113,239</u>

## City of Blue Springs, Missouri

### Notes to the Basic Financial Statements

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#### Note 2. Deposits and Investments (Continued)

Investment policy: Missouri State Statutes authorize the City to deposit funds in open accounts and certificates of deposit. Statutes also require that collateral pledged must have a fair value equal to 100 percent of the funds on deposit, less insured amounts. Collateral securities must be held by the City or a disinterested third party and must be of the kind prescribed by State Statutes and approved by the State.

The City maintains a cash and investment pool, which is available for use by most funds. Each fund type's portion of this pool is displayed as "Cash and investments." Interest earned is allocated to the funds on the basis of average monthly cash and investment balances. Funds with overdrawn balances are charged for interest. All investments are carried at amortized cost, which approximates fair value. Cash and investments are held separately by some of the City's funds. Additionally, certain restricted assets, related to bond ordinances and indentures and capital lease certificates, are held in escrow by financial institutions' trust departments.

The City's repurchase agreement invests in U.S. government agency securities, which as of September 30, 2015 consisted of Federal Home Loan Bank, Federal Home Loan Mortgage Corporation, and Federal National Mortgage Association investments.

Credit risk: The credit risk for deposits and investments is the possibility that the issuer/counterparty to an investment will be unable to fulfill its obligations. It is the City's policy to limit its investments to certificates of deposit and bonds or other obligations of the United States. Presented below is the actual rating by Moody's Investor Service as of year-end for the City's debt securities:

Investment Type	Fair Value	Rating as of September 30, 2015
Federal Home Loan Banks	\$ 3,050,589	Aaa
Federal National Mortgage Association	6,556,505	Aaa
Federal Home Loan Mortgage Corporation	15,203,130	Aaa
Short-term investments held in trust (mutual fund)	4,795,932	Aaa
Corporate bonds	854,156	Aaa
Repurchase agreement	10,596,000	Aaa
	<u>\$ 41,056,312</u>	

Custodial credit risk: The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the City will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The City's policy is to collateralize the demand deposits and repurchase agreements with securities held by the financial institution's agent and in the City's name.

At September 30, 2015, the City's deposits and repurchase obligations were insured by Federal depository insurance and uninsured deposits and repurchase obligations were fully collateralized by securities held in the City's name by their financial institution's agent. Accordingly, management has determined that none of the City's deposits or investments was exposed to custodial credit risk as of September 30, 2015. Investments in government agency securities are registered in the name of the City, or held in money market mutual funds, and therefore, are not exposed to custodial credit risk.



**City of Blue Springs, Missouri**

**Notes to the Basic Financial Statements**

**Note 2. Deposits and Investments (Continued)**

Interest rate risk: The City's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The City has elected to use the segmented time distribution method of disclosure for its interest rate risk. As of September 30, 2015, the City's investments had the following maturities:

	Fair Value	Investment Maturities (in years)	
		Less Than 1	1 - 5
Investment type:			
Debt securities, U.S. agencies	\$ 24,810,224	\$ 4,702,940	\$ 20,107,284
Corporate bonds	854,156	-	854,156
Short-term investments held in trust (mutual fund)	4,795,932	4,795,932	-
Repurchase agreement	10,596,000	10,596,000	-
<b>Total</b>	<b>\$ 41,056,312</b>	<b>\$ 20,094,872</b>	<b>\$ 20,961,440</b>

The short-term investments held in trust (mutual fund) are presented as an investment with a maturity of less than one-year because they are redeemable in full immediately.

Concentration of credit risk: As of September 30, 2015, more than 60 percent of the City's investments were issued by Federal Home Loan Banks, Federal National Mortgage Association and Federal Home Loan Mortgage Corporation. These securities represent 7 percent, 37 percent and 16 percent of the City's total investments, respectively.

**Note 3. Tax Revenues and Taxes Receivable**

The City's property tax is levied each September 1 on the assessed value as of the prior January 1 for all real and personal property located in the City. Property taxes are billed in total by November 1 following the levy date and considered delinquent after December 31. On January 1, a lien attaches to all property for which taxes are unpaid. Taxes remaining unpaid for two years after that date are submitted to Jackson County for collection through foreclosure proceedings.

Assessed values are established by the Jackson County Assessor subject to review by the County's Board of Equalization. The assessed value for property, including railroad and utility properties located in the City as of January 1, 2014 on which the fiscal year ended September 30, 2015, levy was based, was \$732,627,840. During the year ended September 30, 2015, the City collected approximately 97.11 percent of property taxes which were levied in the period.

The City is permitted by Missouri State Statutes to levy taxes up to \$1.00 per \$100 of assessed valuation for general governmental services (General Fund), other than the payment of principal and interest on long-term debt, and in unlimited amounts for the payment of principal and interest on long-term debt. Property tax levies per \$100 assessed valuation for the year ended September 30, 2015 were as follows:

	Levy (Dollars)
General Fund	\$ 0.5989
Debt Service Fund	0.1500
<b>Total</b>	<b>\$ 0.7489</b>

## City of Blue Springs, Missouri

### Notes to the Basic Financial Statements

#### Note 3. Tax Revenues and Taxes Receivable (Continued)

The City has established TIF Districts that allow the City to provide public improvements by encouraging developers to construct and make new investments within blighted, conservation, or economic areas. Through the use of TIF Districts, the City can utilize the taxes generated by the incremental increase in property values and economic activities from the date the TIF District was established and the combined levies of all taxing jurisdictions for infrastructure improvements. Tax revenue collected in the current year for the Districts is recorded in the TIF Fund.

#### Note 4. Tax Collection Services

Jackson County, Missouri prepares and mails the City's property tax bills. The County and City collect property and other taxes on behalf of each other. The County and City receive a fee equal to 1.00 percent of the gross amount of current taxes collected. The City also has the County bill the motor vehicle licenses fee on the City's behalf. The County receives a fee of 1.00 percent of the gross amount collected.

The County collected approximately \$8,691,278 of the City's taxes, PILOTS, City sticker fees and Special Assessments, resulting in a collection charge of \$86,913 paid by the City to the County for the year ended September 30, 2015.

The City accounts for its collection of County taxes in the Jackson County Tax Fund (an Agency Fund). The City collected and remitted approximately \$16.8 million of County taxes resulting in collection fees of \$168,083 for the year ended September 30, 2015.

#### Note 5. Interfund Activity

Interfund transfers for the year were as follows:

Transfers To	Transfers From							Total
	General	TIF	Capital Projects	Other Governmental	Water Fund	Sewer Fund	Internal Service	
General Fund	\$ -	\$ 27,138	\$ 485,507	\$ 12,384	\$ -	\$ -	\$ 32,478	\$ 557,507
Public Safety Sales Tax Fund	-	-	362,893	-	-	-	-	362,893
Capital Projects Fund	566,067	-	-	-	200,000	-	-	766,067
Nonmajor Governmental Funds	-	-	500,000	389,490	-	-	-	889,490
Water Fund	-	-	-	-	-	271,642	-	271,642
Golf Course Fund	262,352	-	-	-	-	-	-	262,352
Fieldhouse Fund	4,045,074	-	1,000,000	45,000	-	-	-	5,090,074
<b>Total</b>	<b>\$ 4,873,493</b>	<b>\$ 27,138</b>	<b>\$ 2,348,400</b>	<b>\$ 446,874</b>	<b>\$ 200,000</b>	<b>\$ 271,642</b>	<b>\$ 32,478</b>	<b>\$ 8,200,025</b>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Any transfers within the governmental funds or within the proprietary funds have been eliminated in the government-wide statement of activities.

**City of Blue Springs, Missouri**

**Notes to the Basic Financial Statements**

**Note 5. Interfund Activity (Continued)**

Charges for services: The General Fund provides administrative and other support services for Water and Sewer enterprise funds. Amounts charged to these funds for such services were \$998,167 and \$841,833, respectively.

Interfund receivable and payable balances at year-end were as follows:

Interfund Receivables	Interfund Payables				Total
	General	Public Safety Sales Tax	Capital Projects	Fieldhouse Fund	
TIF	\$ 102,013	\$ 51,917	\$ 51,006	\$ -	\$ 204,936

Advances to and from other funds at year-end were as follows:

Advance to Other Funds	Advance From Other Funds				Total
	TIF Fund	Golf Course	Central Garage	Fieldhouse Fund	
General Fund	\$ 1,914	\$ 1,673,144	\$ 156,846	\$ -	\$ 1,831,904
Capital Projects Fund	-	326,911	-	-	326,911
Sewer Fund	-	-	-	1,500,000	1,500,000
<b>Total</b>	<b>\$ 1,914</b>	<b>\$ 2,000,055</b>	<b>\$ 156,846</b>	<b>\$ 1,500,000</b>	<b>\$ 3,658,815</b>

The advances payable of the Golf Course Fund represent advances to the Golf Course Fund for operating expenses and debt service payments and is not expected to be repaid within the next fiscal year. The City has reported a nonspendable fund balance in the General Fund in the amount of \$1,831,904. The City Council has passed a resolution requiring the advanced funds to be paid when the corresponding debt has been paid off. The advances payable of the Fieldhouse represent a loan payable from the Sewer Fund. In May 2014, the City Council approved the purchase of the Sports City building to be renovated into a recreation center for the residents of Blue Springs. On June 16, 2014 Council made an offer to purchase the facility for \$1.9 million. On July 7, 2014 Council approved the funding of the \$4.5 million project budget as follows: \$3 million from existing fund balances in the General and Capital Projects Funds and \$1.5 million through an inter-fund loan from the Sewer Fund. The loan from the Sewer Fund will be repaid by the Hotel/Motel Tax Fund over a maximum of 15 years at a rate of 3 percent interest. The borrowing rate of 3 percent allows the Sewer Fund to receive a rate of return higher than current investment and allows the Fieldhouse project funds to be borrowed below market rates of at least 4 percent. Staff will evaluate additional revenue sources that might become available to expedite early loan payoff. Such sources could include unreserved fund balances from the General Fund or Capital Projects Fund identified during year-end audits, grants, private donations dedicated for parks/parks facilities and proceeds from the sale of property and/or facilities.

**City of Blue Springs, Missouri**

**Notes to the Basic Financial Statements**

**Note 6. Capital Assets**

Capital assets activity for the year ended September 30, 2015, was as follows:

<b>Governmental activities</b>	Beginning Balance	Increases	Transfers/ Decreases	Ending Balance
Capital assets, not being depreciated:				
Land and easements	\$ 16,035,291	\$ 172,454	\$ -	\$ 16,207,745
Construction in progress	9,073,153	17,432,807	189,260	26,316,700
<b>Total capital assets, not         being depreciated</b>	<b>25,108,444</b>	<b>17,605,261</b>	<b>189,260</b>	<b>42,524,445</b>
Capital assets, being depreciated:				
Buildings and building improvements	18,286,312	-	61,833	18,224,479
Equipment and vehicles	15,634,816	960,918	464,587	16,131,147
Infrastructure	187,573,202	629,719	-	188,202,921
<b>Total capital assets being         depreciated</b>	<b>221,494,330</b>	<b>1,590,637</b>	<b>526,420</b>	<b>222,558,547</b>
Less accumulated depreciation for:				
Buildings and building improvements	14,155,275	510,605	61,833	14,604,047
Equipment and vehicles	8,752,778	1,343,981	461,944	9,634,815
Infrastructure	126,458,293	5,665,770	-	132,124,063
<b>Total accumulated         depreciation</b>	<b>149,366,346</b>	<b>\$ 7,520,356</b>	<b>\$ 523,777</b>	<b>156,362,925</b>
<b>Total capital assets being         depreciated, net</b>	<b>72,127,984</b>			<b>66,195,622</b>
Governmental activities capital assets, net	<b>\$ 97,236,428</b>			<b>\$ 108,720,067</b>

City of Blue Springs, Missouri

Notes to the Basic Financial Statements

Note 6. Capital Assets (Continued)

	Beginning Balance	Increases	Transfers/ Decreases	Ending Balance
<b>Business-type activities</b>				
Capital assets, not being depreciated:				
Land	\$ 3,750,440	\$ 250,793	\$ -	\$ 4,001,233
Construction in progress	109,731	31,876	72,979	68,628
<b>Total capital assets, not being depreciated</b>	<b>3,860,171</b>	<b>282,669</b>	<b>72,979</b>	<b>4,069,861</b>
Capital assets, being depreciated:				
Buildings and building improvements	12,880,618	5,721,580	9,393	18,592,805
Equipment and vehicles	3,877,510	886,700	843,178	3,921,032
Infrastructure	112,934,694	81,358	-	113,016,052
<b>Total capital assets being depreciated</b>	<b>129,692,822</b>	<b>6,689,638</b>	<b>852,571</b>	<b>135,529,889</b>
Less accumulated depreciation for:				
Buildings and building improvements	5,331,034	285,202	9,393	5,606,843
Equipment and vehicles	3,136,123	269,553	773,836	2,631,840
Infrastructure	36,664,456	3,140,720	-	39,805,176
<b>Total accumulated depreciation</b>	<b>45,131,613</b>	<b>\$ 3,695,475</b>	<b>\$ 783,229</b>	<b>48,043,859</b>
<b>Total capital assets being depreciated, net</b>	<b>84,561,209</b>			<b>87,486,030</b>
Business-type activities capital assets, net	<u>\$ 88,421,380</u>			<u>\$ 91,555,891</u>
<b>Component unit</b>				
Capital assets, being depreciated:				
Leasehold improvements	\$ 6,035	\$ -	\$ -	\$ 6,035
Equipment	18,257	-	-	18,257
<b>Total capital assets being depreciated</b>	<b>24,292</b>	<b>-</b>	<b>-</b>	<b>24,292</b>
Less accumulated depreciation for:				
Leasehold improvements	1,269	219	-	1,488
Equipment	18,257	-	-	18,257
<b>Total accumulated depreciation</b>	<b>19,526</b>	<b>\$ 219</b>	<b>\$ -</b>	<b>19,745</b>
<b>Total capital assets being depreciated, net</b>	<b>\$ 4,766</b>			<b>\$ 4,547</b>

**City of Blue Springs, Missouri**

**Notes to the Basic Financial Statements**

**Note 6. Capital Assets (Continued)**

Depreciation expense was charged to functions/programs of the primary government and component unit as follows:

Governmental activities:	
General government	\$ 407,033
Highways and streets	5,773,073
Public safety	812,491
Parks and recreation	527,759
<b>Total depreciation expense for governmental activities</b>	<b>\$ 7,520,356</b>
Business-type activities:	
Water utility	\$ 963,127
Sewer utility	2,438,322
Golf course	293,070
Fieldhouse	956
<b>Total depreciation expense for business-type activities</b>	<b>\$ 3,695,475</b>
Component unit:	
Economic development	\$ 219

**Note 7. Long-Term Debt and Other Obligations**

The following is a summary of changes in long-term debt and other obligations of the City for the year ended September 30, 2015:

	Beginning Balance, as restated	Additions	Retirements	Ending Balance	Amounts Due Within One Year
Governmental activities:					
Compensated absences*	\$ 1,262,925	\$ 1,230,037	\$ 1,108,141	\$ 1,384,821	\$ 1,108,141
General obligation bonds	23,645,000	-	785,000	22,860,000	830,000
Certificates of participation	20,675,000	-	250,000	20,425,000	265,000
Special obligation bonds	28,585,000	47,616,530	28,585,000	47,616,530	-
Net discount/premium on issuances	293,899	(287,875)	(318,873)	324,897	29,065
Development agreements	32,594,749	494,497	23,270,829	9,818,417	-
Capital lease obligations	4,471,199	249,950	532,181	4,188,968	600,635
Net OPEB obligation*	392,842	61,908	-	454,750	-
	<u>111,920,614</u>	<u>49,365,047</u>	<u>54,212,278</u>	<u>107,073,383</u>	<u>2,832,841</u>
Business-type activities:					
Compensated absences	142,126	136,845	129,451	149,520	129,451
Certificates of participation	2,985,000	-	240,000	2,745,000	225,000
Special assessment-neighborhood improvement bonds	16,575,000	-	800,000	15,775,000	825,000
Net discount/premium on issuances	663,924	-	51,172	612,752	51,173
Capital lease obligations	133,402	-	64,109	69,293	64,109
Sewer revenue bonds	20,931,228	-	1,048,828	19,882,400	1,069,200
Net OPEB obligation	30,866	6,875	-	37,741	-
	<u>41,461,546</u>	<u>143,720</u>	<u>2,333,560</u>	<u>39,271,706</u>	<u>2,363,933</u>
<b>Total primary government</b>	<b>\$ 153,382,160</b>	<b>\$ 49,508,767</b>	<b>\$ 56,545,838</b>	<b>\$ 146,345,089</b>	<b>\$ 5,196,774</b>

\* Primarily liquidated by the General Fund.

## City of Blue Springs, Missouri

### Notes to the Basic Financial Statements

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#### Note 7. Long-Term Debt and Other Obligations (Continued)

Governmental activities, general obligation bonds, certificates of participation and special obligation bonds as of September 30, 2015 are comprised of the following:

General obligation bonds:

\$1,110,000 - 2004A General Obligation Bonds due in installments of \$20,000 to \$110,000 through March 1, 2019; interest at 2.4% to 4.4%	\$ 420,000
\$2,440,000 - 2009A General Obligation Bonds due in installments of \$520,000 to \$700,000 through March 1, 2019; interest at 3.0% to 3.5%	2,440,000
\$12,560,000 - 2009B General Obligation Build America Bonds due in installments of \$880,000 to \$1,695,000 through March 1, 2019; interest at 5.39% to 5.89%	12,560,000
\$7,690,000 - 2012 General Obligation Bonds due in installments of \$25,000 to \$1,995,000 through March 1, 2032; interest at 2.0% to 3.5%	<u>7,440,000</u>
<b>Total general obligation bonds</b>	<u><u>\$ 22,860,000</u></u>

Certificates of participation:

\$20,960,000 - 2014 refunding certificates of participation in installments of \$250,000 to \$1,315,000 through September 1, 2043; interest at 2.0% to 5.0%	<u>\$ 20,425,000</u>
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Special obligation bonds:

\$9,566,530 - 2015B - Adams Farm Project due in full June 1, 2039; interest at 5.25%	\$ 9,566,530
\$38,050,000 - 2015A special obligation bonds - Adams Farm Project in installments of \$5,500,000 to \$18,525,000 through June 1, 2039; interest at 4.00% to 5.25%	<u>38,050,000</u>
	<u><u>\$ 47,616,530</u></u>

Special obligation bonds and development agreements: The City's Special Obligation Bonds are recorded as a liability of the City to match revenue streams to the related debt for which they have been pledged.

On August 18, 2015, the City issued \$38,050,000 in Special Obligation Tax Increment and Special Districts Refunding and Improvements Bonds, Series 2015A, maturing June 1, 2026 through June 1, 2039 with interest rates ranging from 4.00 percent to 5.25 percent for the purpose of providing funds to finance the costs of certain redevelopment projects within the Adams Farm Tax Increment Financing (TIF) project and to refund the outstanding principal amount of the Series 2009 Bonds and the Series 2010 Bonds. The City completed the 2015 refunding to remove the City's backing, through annual appropriation of the City's general fund, of the outstanding debt tied to the Adams Farm Project. As part of the refunding, the City estimates that it will reduce its total debt service payments over the next 24 years by \$3,308,363, with an economic loss (difference between the present values of old and new debt service payments) of \$122,583. The Special Mandatory Redemption feature included in the Series 2015 Bonds, which requires the bond trustee to redeem bonds out of available project revenues, could result in a shorter final maturity and a larger reduction in total debt service payments than noted above. The refunding resulted in a deferred charge of \$681,154 which will be amortized over the remaining life of the new bonds.

## City of Blue Springs, Missouri

### Notes to the Basic Financial Statements

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#### Note 7. Long-Term Debt and Other Obligations (Continued)

On August 18, 2015, the City also issued \$9,566,530 in Subordinate Special Obligation Tax Increment and Special Districts Bonds, Series 2015B, maturing June 1, 2039 with an interest rate of 5.25 percent. The Series 2015B Bonds are subordinate to the Series 2015A Bonds and are only paid after certain conditions are met. These bonds are being held by Blue Springs Development Three, LLC and are paid according to the simplified version of the revenue waterfall below:

1. To the Interest Account of the debt service fund to pay interest on the next interest payment date for the 2015A Bonds.
2. To the Principal Account of the debt service fund to pay principal due on the next principal payment date for the 2015A Bonds.
3. To the Redemption Account to redeem bonds up to the amounts shown in Case 1 Scenario of the 2015A Bond repayment schedule.
4. To the Debt Service Reserve Fund, if the DSRF isn't full (*the DSRF Fund is currently full*).
5. 50 percent of remaining revenues to pay interest on the Series B developer bonds.
6. 50 percent of remaining revenues to redeem additional Series A Bonds over and above Case 1 Scenario of the 2015A Bond repayment schedule.
7. If the Series 2015A Bonds are fully paid off and there are no Additional Parity Bonds outstanding, all remaining revenues flow to the Series B developer bonds.

The City and other taxing districts and governmental entities have pledged a portion of future property tax and sales tax revenues to repay the \$38.05 million in Series 2015A and \$9.566 million in Series 2015B Special Obligation Bonds issued to finance redevelopment projects within the Adams Farm Tax Increment Financing (TIF) project. The bonds are payable solely from the incremental increase in property taxes and sales taxes generated within the TIF plan as well as revenues pledged by other taxing districts through cooperative agreements. TIF revenues and other pledged revenues were projected to produce sufficient funds to meet debt service requirements over the life of the bonds. Should these revenues not be sufficient to meet the required debt service obligations, the City, subject to annual appropriation, is obligated to make such debt service payments from any other sources of its revenues. However, the City intends to annually appropriate funds sufficient to make all payments required by the bonds for the next fiscal year. Management does not anticipate that any of the City's funds will be required to make up any deficiency in bond payments during the next fiscal year.

Additionally, the City has entered into certain developer agreements (seven as of September 30, 2015) whereby developer financed project costs that have been certified by the City as eligible are reimbursed from tax increment financing revenues attributable to each respective project. Under tax increment financing plans, the developer may be reimbursed up to the certified cost amount from incremental taxes during a period not to exceed 23 years. Accordingly, certified project costs in excess of amounts reimbursed to date are reflected as a long-term obligation of the City. TIF revenues were projected to produce sufficient funds to reimburse the developer for certified costs. The developer obligations are limited solely to the amount of incremental taxes received attributable to each respective project; any deficiencies are the sole responsibility of the developer and do not constitute an obligation of the Commission or of the City.

At September 30, 2015, total principal remaining on the Special Obligation Bonds was \$47.6 million and the outstanding developer obligations was \$9.8 million. The bonds are scheduled to mature at varying amounts through 2039 and the developer obligations are payable to the extent incremental taxes are available for a period not to exceed 23 years.



## City of Blue Springs, Missouri

### Notes to the Basic Financial Statements

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#### Note 7. Long-Term Debt and Other Obligations (Continued)

For the current year, principal and interest paid on the bonds and developer obligations totaled \$3,749,750. Incremental revenues from the City included \$1,384,506 in sales taxes. The remaining funds necessary to meet the current year debt service requirements were derived from incremental tax revenues from the Adams Farm TDD, the Coronado Drive TDD, as well as taxes from other districts and governmental entities, developer contributions, and debt trust funds.

Business-type activities, certificates of participation and special assessments as of September 30, 2015 are comprised of the following:

Certificates of participation:

Golf course fund, \$3,270,000 - 2014 refunding certificates of participation in installments of \$240,000 to \$325,000 through September 1, 2025; interest at 3.0% to 4.0%

\$ 2,745,000

Special assessments - neighborhood improvement bonds:

Sewer fund, \$18,725,000 - 2009 neighborhood improvement district bonds installments of \$400,000 to \$1,530,000 through February 15, 2029; interest at 3.0% to 5.0%

\$ 15,775,000

Sewer revenue bonds: In 2010, the City issued its not to exceed \$30,789,000 Sewage System Revenue Bonds (State of Missouri-Direct Loan Program), Series 2010. The City is participating in the State of Missouri's Direct Loan Program of the DNR and the Clean Water Commission of the State of Missouri. The 2010 revenue bonds mature through 2030 with interest at 1.52 percent. As eligible project costs are incurred, the City requests reimbursements from project funds held by the bond trustee. As the City receives reimbursements, the outstanding balance of the bonds increases. The City anticipates utilizing the full amount of the bonds to fund current and future projects. As of September 30, 2015, the outstanding balance of the bonds was \$19,882,400. The City has pledged future sewer revenues, net of operating expenses to repay the Sewage System Revenue Bonds. The bonds are to be paid solely from sewer net revenues and are payable through 2031. The total principal and interest remaining to be paid on the bonds is \$22,501,111. Principal and interest paid for the current year and sewer net revenues for the current year were \$1,362,350 and \$440,461, respectively. The revenue bonds contain certain covenants. The covenants require that net revenues of the sewer system, as defined by the debt agreement, are not less than 110 percent of the annual debt service requirement.

In November 2009, the City authorized the issuance of \$30,789,000 of revenue bonds from the State Revolving Fund of Missouri for the upgrade and expansion of the Sni-A-Bar Wastewater Treatment Plant. As of September 30, 2015, the City has drawn \$24,255,728 from these funds, and the outstanding balance as of September 30, 2015 is \$19,882,400 as recorded on the Sewer Utility Fund statement of net position. The project was completed during fiscal year 2015, and no additional funds are expected to be drawn. In November 2009, the City entered into an agreement with the City of Grain Valley, Missouri which provides that the City of Grain Valley will pay for 47.5 percent of the debt issued for the expansion. The amount due from the City of Grain Valley as of September 30, 2015 is \$9,480,025 and is recorded as due from other governments on the Sewer Utility Fund statement of net position.

**City of Blue Springs, Missouri**

**Notes to the Basic Financial Statements**

**Note 7. Long-Term Debt and Other Obligations (Continued)**

Debt service requirements on long-term debt with scheduled maturities as of September 30, 2015 are as follows:

**Governmental Activities**

Year Ending September 30:	General Obligation Bonds		Certificates of Participation	
	Principal	Interest	Principal	Interest
2016	\$ 830,000	\$ 1,032,880	\$ 265,000	\$ 830,413
2017	875,000	1,007,922	255,000	822,463
2018	945,000	979,763	260,000	814,813
2019	985,000	948,270	270,000	807,013
2020	1,040,000	906,562	-	798,913
2021-2025	6,160,000	3,660,681	2,045,000	3,896,363
2026-2030	8,145,000	1,690,882	3,640,000	3,207,813
2031-2035	3,880,000	126,503	4,480,000	2,370,813
2036-2040	-	-	5,415,000	1,425,800
2041-2043	-	-	3,795,000	307,600
	<u>\$ 22,860,000</u>	<u>\$ 10,353,463</u>	<u>\$ 20,425,000</u>	<u>\$ 15,282,004</u>

Year Ending September 30:	Special Obligation Bonds **		Total Governmental Activities	
	Principal	Interest *	Principal	Interest
2016	\$ -	\$ 1,365,603	\$ 1,095,000	\$ 3,228,896
2017	-	1,672,962	1,130,000	3,503,347
2018	-	1,601,062	1,205,000	3,395,638
2019	-	1,526,362	1,255,000	3,281,645
2020	-	1,448,362	1,040,000	3,153,837
2021-2025	-	6,265,210	8,205,000	13,822,254
2026-2030	24,025,000	4,305,506	35,810,000	9,204,201
2031-2035	-	1,932,785	8,360,000	4,430,101
2036-2040	14,025,000	850,638	19,440,000	2,276,438
2041-2043	-	-	3,795,000	307,600
	<u>\$ 38,050,000</u>	<u>\$ 20,968,490</u>	<u>\$ 81,335,000</u>	<u>\$ 46,603,957</u>

\* The interest payment schedule represents estimated future payments. Interest will be calculated every six months with no significant differences expected from the above schedule.

\*\* The 2015B Special Obligation bonds do not have a specified principal and interest maturity schedule. Debt service payments will be made in accordance with these terms, previously described in the footnote.

**City of Blue Springs, Missouri**

**Notes to the Basic Financial Statements**

**Note 7. Long-Term Debt and Other Obligations (Continued)**

Business-Type Activities Year Ending September 30:	Certificates of Participation		Neighborhood Improvement Bonds	
	Principal	Interest	Principal	Interest
	2016	\$ 225,000	\$ 103,250	\$ 825,000
2017	240,000	96,500	850,000	686,530
2018	255,000	89,300	900,000	651,530
2019	260,000	81,650	925,000	615,030
2020	265,000	73,850	975,000	577,030
2021-2025	1,500,000	200,850	5,655,000	2,113,075
2026-2029	-	-	5,645,000	581,820
	<u>\$ 2,745,000</u>	<u>\$ 645,400</u>	<u>\$ 15,775,000</u>	<u>\$ 5,945,045</u>

Year Ending September 30:	Sewer Revenue Bonds		Total Business-Type Activities	
	Principal	Interest	Principal	Interest
2016	\$ 1,069,200	\$ 298,169	\$ 2,119,200	\$ 1,121,449
2017	1,090,300	281,838	2,180,300	1,064,868
2018	1,111,700	265,185	2,266,700	1,006,015
2019	1,133,600	248,204	2,318,600	944,884
2020	1,156,000	230,888	2,396,000	881,768
2021-2025	6,130,300	882,535	13,285,300	3,196,460
2026-2030	6,758,400	395,531	12,403,400	977,351
2031	1,432,900	16,361	1,432,900	16,361
	<u>\$ 19,882,400</u>	<u>\$ 2,618,711</u>	<u>\$ 38,402,400</u>	<u>\$ 9,209,156</u>

**City of Blue Springs, Missouri**

**Notes to the Basic Financial Statements**

**Note 7. Long-Term Debt and Other Obligations (Continued)**

**Business-Type Activities (Continued)**

Year Ending September 30:	Total Primary Government	
	Principal	Interest
2016	\$ 3,214,200	\$ 4,350,345
2017	3,310,300	4,568,215
2018	3,471,700	4,401,653
2019	3,573,600	4,226,529
2020	3,436,000	4,035,605
2021-2025	21,490,300	17,018,714
2026-2030	48,213,400	10,181,552
2031-2035	9,792,900	4,446,462
2036-2040	19,440,000	2,276,438
2041-2044	3,795,000	307,600
	<u>\$ 119,737,400</u>	<u>\$ 55,813,113</u>

**Capital lease obligations:** The City has entered into several capital leasing agreements as of September 30, 2015. Governmental activities capital lease agreements are for a narrow banded public safety radio system and voice over IP phone lines. The scheduled minimum lease payment under the radio system agreement includes interest of 3.47 percent. The cumulative amount of assets acquired under the capital lease described above amounted to \$5,876,843 with \$1,101,858 of accumulated depreciation as of September 30, 2015.

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2015 were as follows:

Year ending September 30:	
2016	\$ 731,442
2017	731,442
2018	731,442
2019	731,442
2020	731,442
2021 - 2022	1,022,178
Less imputed interest	(490,420)
<b>Present value of minimum lease payments</b>	<u><u>\$ 4,188,968</u></u>

Business-type activities have entered into capital lease agreements for golf carts and GPS. The cumulative amount of assets acquired under the capital lease agreements described above amount to \$256,435 with accumulated depreciation of \$162,508 as of September 30, 2015.

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2015 were as follows:

Year ending September 30:	
2016	\$ 74,477
2017	10,368
Less imputed interest	(15,552)
<b>Present value of minimum lease payments</b>	<u><u>\$ 69,293</u></u>

**City of Blue Springs, Missouri**

**Notes to the Basic Financial Statements**

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**Note 7. Long-Term Debt and Other Obligations (Continued)**

Line of credit: The EDC has a \$100,000 line of credit agreement with a bank, interest is due monthly at a variable rate equal to Prime rate plus 1.00 percent, with all principal due on April 22, 2016. At September 30, 2015, \$93,050 was outstanding on this line of credit.

Restricted assets: The 2009 Neighborhood Improvement Bonds and the 2014 Certificates of Participation trust indentures require the City to establish certain special trust funds in the name of the City restricted for future debt service payments. Assets of these special funds consist of cash and investments stated at fair value, and are reported in the accompanying balance sheet as restricted cash and investments as follows:

Account	TIF Fund	Sewer Fund	Golf Course Fund	C.O.P. Debt Service Fund	Total
Debt service and other reserve funds	\$ 3,195,426	\$ 2,494,365	\$ 232,820	\$ 112,933	\$ 6,035,544

Legal debt margin: The State Constitution permits a City, by vote of four-sevenths of the voting electorate in a general election or by vote of two-thirds of the voting electorate in a special election, to incur general obligation indebtedness for "City purposes" not to exceed 10 percent of the assessed value of taxable tangible property and to incur additional general obligation indebtedness not to exceed, in the aggregate, an additional 10 percent of the assessed value of taxable tangible property, for the purpose of acquiring rights-of-way, constructing, extending, and improving streets and avenues and/or sanitary or storm sewer systems, and purchasing or constructing waterworks, electric, or other light plants, provided that the total general obligation indebtedness of the City does not exceed 20 percent of the assessed valuation of taxable property.

At September 30, 2015, based on the assessed valuation as of January 1, 2015, of \$732,627,840, the constitutional total general obligation debt limit for "City purposes" was \$146,525,568, which, after reduction for outstanding general obligation bonds of \$23,040,812, net of amounts available in the General Obligation Bond Debt Service fund of \$719,129, provides a general obligation debt margin of \$124,203,885.

**Note 8. Sewerage Service Agreement**

In 1971, the City entered into an agreement to provide sewer service to the City of Grain Valley. In return, the City of Grain Valley is billed for operating costs incurred by the City of Blue Springs based on percentages of users. Service charges for the City of Grain Valley were \$408,940 for the year ended September 30, 2015 and were recorded as charges for services in the Sewer Utility Fund.

## City of Blue Springs, Missouri

### Notes to the Basic Financial Statements

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#### Note 9. Employees' Retirement System and Other Postemployment Benefits

As a result of the adoption of GASB Statement Nos. 68 and 71, the beginning net positions of the governmental activities and business-type activities were restated. The effect on beginning net position is as follows:

Governmental activities:

Net position at September 30, 2014, as previously reported	\$ 38,781,927
Net pension asset at September 30, 2014	9,572,477
Deferred outflows of resources related to contributions made after June 30, 2014 measurement date	239,237
Reversal of net pension obligation at September 30, 2014	309,659
<b>Net position, beginning of year, as restated</b>	<b>\$ 48,903,300</b>

Business-type activities:

Net position at September 30, 2014, as previously reported	\$ 92,046,450
Net pension asset at September 30, 2014	999,467
Deferred outflows of resources related to contributions made after June 30, 2014 measurement date	21,265
Reversal of net pension obligation at September 30, 2014	33,506
<b>Net position, beginning of year, as restated</b>	<b>\$ 93,100,688</b>

Water Utility Fund:

Net position at September 30, 2014, as previously reported	\$ 27,669,348
Net pension asset at September 30, 2014	504,548
Deferred outflows of resources related to contributions made after June 30, 2014 measurement date	10,735
Reversal of net pension obligation at September 30, 2014	16,628
<b>Net position, beginning of year, as restated</b>	<b>\$ 28,201,259</b>

Sewer Utility Fund:

Net position at September 30, 2014, as previously reported	\$ 61,001,449
Net pension asset at September 30, 2014	494,919
Deferred outflows of resources related to contributions made after June 30, 2014 measurement date	10,530
Reversal of net pension obligation at September 30, 2014	16,878
<b>Net position, beginning of year, as restated</b>	<b>\$ 61,523,776</b>

Plan description: The City's defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. The City participates in the Missouri Local Government Employees Retirement System (LAGERS). LAGERS is an agent multiple-employer, statewide public employee pension plan established in 1967 and administered in accordance with RSMo. 70.600-70.755. As such, it is LAGERS responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and is tax exempt. The responsibility for the operations and administration of LAGERS is vested in the LAGERS Board of Trustees consisting of seven persons. LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by accessing the LAGERS website at [www.molagers.org](http://www.molagers.org).

**City of Blue Springs, Missouri**

**Notes to the Basic Financial Statements**

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**Note 9. Employees' Retirement System and Other Postemployment Benefits (Continued)**

Benefits provided: LAGERS provides retirement, death and disability benefits. Benefit provisions are adopted by the governing body of the employer, within the options available in the state statutes governing LAGERS. All benefits vest after 5 years of credited service. Employees who retire on or after age 60 (55 for police and fire) with 5 or more years of service are entitled to an allowance for life based upon the benefit program information provided below. Employees may retire with an early retirement benefit with a minimum of 5 years of credited service and after attaining age 55 (50 for police and fire) and receive a reduced allowance.

	<u>2015 Valuation</u>
Benefit multiplier	1.5%
Final average salary	3 years
Member contributions	0%

Benefit terms provide for annual post retirement adjustments to each member's retirement allowance subsequent to the member's retirement date. The annual adjustment is based on the increase in the Consumer Price Index and is limited to 4 percent per year.

Employees covered by benefit terms: At June 30, 2015, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	137
Inactive employees entitled to but not yet receiving benefits	114
Active employees	255
	<u>506</u>

Contributions: The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Employees do not contribute to the pension plan. Employer contribution rates are 7.4 percent (General) and 9.4 percent (Police) of annual covered payroll.

Net Pension Liability: The employer's net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of February 28, 2015. Standard update procedures were used to roll forward the total pension liability to June 30, 2015.

## City of Blue Springs, Missouri

### Notes to the Basic Financial Statements

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#### Note 9. Employees' Retirement System and Other Postemployment Benefits (Continued)

Actuarial assumptions: The total pension liability in the February 28, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0%
Salary Increase	3.5% to 6.8% including wage inflation
Investment Rate of Return	7.25%

Mortality rates were based on the 1994 Group Annuity Mortality Table set back 3 years for both males and females.

The actuarial assumptions used in the February 28, 2015 valuation were based on the results of an actuarial experience study for the period March 1, 2005 through February 28, 2010.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity	48.50%	5.50%
Fixed Income	25.00%	2.25%
Real Assets	20.00%	4.50%
Strategic Assets	6.50%	7.50%

Discount rate: The discount rate used to measure the total pension liability is 7.25 percent. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability.



City of Blue Springs, Missouri

Notes to the Basic Financial Statements

**Note 9. Employees' Retirement System and Other Postemployment Benefits (Continued)**

Changes in the Net Pension Liability (Asset):

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2014	\$ 47,064,169	\$ 57,636,471	\$ (10,572,302)
Changes for the year:			
Service Cost	1,079,989	-	1,079,989
Interest	3,377,170	-	3,377,170
Difference between expected and actual experience	(135,197)	-	(135,197)
Contributions - employer	-	1,078,892	(1,078,892)
Contributions - employee	-	-	-
Net investment income	-	1,120,945	(1,120,945)
Benefit payments, including refunds	(2,062,203)	(2,062,203)	-
Administrative expense	-	(43,154)	43,154
Other changes	-	151,943	(151,943)
<b>Net changes</b>	<b>2,259,759</b>	<b>246,423</b>	<b>2,013,336</b>
<b>Balances at June 30, 2015</b>	<b>\$ 49,323,928</b>	<b>\$ 57,882,894</b>	<b>\$ (8,558,966)</b>

Sensitivity of the net pension liability (asset) to changes in the discount rate: The following presents the Net Pension Liability (Asset) of the employer, calculated using the discount rate of 7.25 percent, as well as what the employer's Net Pension Liability (Asset) would be using a discount rate that is 1 percentage point lower (6.25 percent) or one percentage point higher (8.25 percent) than the current rate.

	1% Decrease (6.25%)	Discount Rate (7.25%)	1% Increase (8.25%)
Total pension liability	\$ 56,358,387	\$ 49,323,928	\$ 43,489,032
Plan fiduciary net position	57,882,894	57,882,894	57,882,894
Net pension liability (asset)	<b>\$ (1,524,507)</b>	<b>\$ (8,558,966)</b>	<b>\$ (14,393,862)</b>

City of Blue Springs, Missouri

Notes to the Basic Financial Statements

**Note 9. Employees' Retirement System and Other Postemployment Benefits (Continued)**

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: For the year ended September 30, 2015 the employer recognized pension expense of \$780,275. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences in experience	\$ 25,896	\$ (135,178)
Excess (deficit) investment returns	2,421,242	-
Contributions subsequent to the measurement date*	252,979	-
<b>Total</b>	<b>\$ 2,700,117</b>	<b>\$ (135,178)</b>

\* The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as an increase in the net pension asset for the year ending September 30, 2016.

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended:	
2016	\$ 579,405
2017	579,405
2018	579,405
2019	579,402
2020	(8,143)
Thereafter	2,486
	<u>\$ 2,311,960</u>

Deferred inflows and outflows of resources related to the difference between expected and actual plan experience are being amortized over a closed period equal to the average of the expected service lives of all employees as of the beginning of each measurement period. The deferred outflows of resources related to the difference between expected and actual investment returns is being amortized over a closed five-year period.

## City of Blue Springs, Missouri

### Notes to the Basic Financial Statements

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#### Note 9. Employees' Retirement System and Other Postemployment Benefits (Continued)

##### Postemployment health benefits:

In addition to providing pension benefits the City provides the postemployment health care benefits described below:

Plan description: The City provides for a continuation of medical, prescription drug, hearing and vision insurance benefits to employees that retire from City employment and who participate in the Missouri Local Government Employees Retirement System (LAGERS). The City provides retiree health care 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. The plan does not issue separate financial statements.

The City requires the retirees to pay 125 percent of the premiums charged to active employees. The rates being paid by retirees for benefits are typically lower than those for individual health insurance policies. (The retiree insurance is guaranteed; no medical questionnaire is required.) The difference between these amounts is the implicit rate subsidy, which is considered other postemployment benefits (OPEB) under GASB Statement No. 45.

Retirees and spouses have the same benefits as active employees. However, all retiree coverage terminates upon Medicare entitlement or if payment is not received on a timely basis. When the retiree attains Medicare eligibility age, it may be a COBRA qualifying event for the spouse.

Funding policy: GASB Statement No. 45 does not require funding of the OPEB liability, and the City has chosen not to fund it. City policy dictates the payment of retiree claims as they become due.

Annual OPEB cost and net OPEB obligation: The City's annual OPEB cost (expense) is calculated based on the annual required contribution (ARC) of the employer, which represents an amount that is actuarially determined in accordance with the requirements of GASB Statement No. 45. The ARC represents the level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year plus the amortization of the unfunded actuarial liability over a period of time that the City has selected as being thirty years.

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

Annual required contribution	\$ 81,608
Interest on net OPEB obligation	19,067
Adjustment to annual required contribution	(24,892)
Annual OPEB cost (expense)	<u>75,783</u>
Less net employer contributions	<u>7,000</u>
Increase in net OPEB obligation	68,783
Net OPEB obligation, October 1, 2014	<u>423,708</u>
Net OPEB obligation, September 30, 2015	<u><u>\$ 492,491</u></u>

## City of Blue Springs, Missouri

### Notes to the Basic Financial Statements

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#### Note 9. Employees' Retirement System and Other Postemployment Benefits (Continued)

The City's annual OPEB cost, the percentage of annual OPEB costs estimated to be contributed to the plan and the net OPEB obligation for the fiscal year ending September 30, 2015 and the two preceding years are as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
September 30, 2013	\$ 72,333	8.3%	\$ 354,925
September 30, 2014	75,783	9.2	423,708
September 30, 2015	75,783	9.2	492,491

Funded status and funding progress: As of July 1, 2013, which represents the most recent actuarial valuation date, the actuarial accrued liability for benefits within the plan for the City was \$546,907. There are no assets set aside for funding the plan as of that date, thus the entire amount is unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$12,129,017, which results in a ratio of the unfunded actuarial accrued liability (UAAL) to the covered payroll of 4.5 percent.

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 health care 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 statements, presents multi-year trend information about whether the actuarial value of plan assets is 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 members) 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 members 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.

The projected unit credit actuarial cost method is used in the July 1, 2013 actuarial valuation. At this valuation date, actuarial present value of benefits is determined for each participant. The sum of these actuarial present values of benefits allocated to the current valuation year is the normal cost for the plan year. The sum of actuarial present values of benefits allocated to all valuation years preceding the valuation date represents the actuarial accrued liability.

The actuarial assumptions include a 4.5 percent investment rate of return. The actuarial assumptions for healthcare cost trend is a growth factor of 7.0 percent for the first year and then declining by 0.25 percent per year until 5.0 percent is reached. The UAAL will be amortized over a period of 30 years using an open level-dollar basis.

## City of Blue Springs, Missouri

### Notes to the Basic Financial Statements

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#### **Note 9. Employees' Retirement System and Other Postemployment Benefits (Continued)**

##### **Deferred compensation plan:**

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. The plan was approved to comply with IRC Section 457(g) which allows for the plan to hold its assets in trust. Under these requirements, the assets of the plan are not subject to the general creditors of the City, the City does not own the amount deferred by employees and, therefore, the liability and corresponding investment are not reflected in the financial statements.

#### **Note 10. Risk Management**

##### **Insurance:**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The City is a member of the Midwest Public Risk (MPR), formerly Mid-America Regional Council Insurance Trust (MARCIT), a not-for-profit corporation consisting of local governments and political subdivisions. MPR was formed as a public entity risk retention pool to cover health and dental, workers' compensation and property and casualty claims for its members. MPR has been established as assessable pools and accounting records are maintained for each line of coverage on a policy-year basis. The City pays annual premiums to MPR for all coverages. The agreement with MPR provides that MPR will be self-sustaining through member premiums. MPR has the authority to assess members for any deficiencies of revenues under expenses for any single plan year. Likewise, MPR has the authority to declare refunds to members for the excess of revenues over expenses relating to any single plan year. MPR has not had deficiencies in any of the past three fiscal years.

#### **Note 11. Commitments and Contingencies**

##### **Contractual commitments:**

The City has commitments resulting from construction contracts totaling approximately \$35,400, \$1,027,000, \$1,134,000 and \$350,000 in the General, Capital Project, Public Safety Sales Tax and Enterprise Funds, respectively. The City expects to receive the contracted services during fiscal year 2016.

The City has entered into a contract to purchase a maximum of 2,000,000 gallons of water per day from the City of Kansas City, Missouri. The contract expires in November 2033. The total amount paid for purchased water under this agreement for the year ended September 30, 2015 totaled \$1,271,288.

The City had entered into a contract to purchase a maximum of 2,300,000 gallons of water per day from the City of Independence, Missouri. The contract expires in November 2032. The total amount paid for purchased water under this agreement for the year ended September 30, 2015 totaled \$1,235,788.

## City of Blue Springs, Missouri

### Notes to the Basic Financial Statements

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#### **Note 11. Commitments and Contingencies (Continued)**

The City entered into a contract to purchase a minimum of 1,000,000 gallons of water per day from the City of Grain Valley, Missouri. This contract runs through February 2025. The total amount paid for purchased water under this agreement for the year ended September 30, 2015 totaled \$779,821. In addition, under the agreement the City is to pay charges for capital projects associated with the water contract not to exceed the monthly amortization of the project costs of \$19,100,000. The total amount paid under this agreement for capital project charges for the year ended September 30, 2015, totaled \$1,054,609.

The City has entered into an agreement with RMT of Blue Springs for the operation of the Conference Center. Under the agreement, the City is to pay RMT \$140,000 each year through 2025 until such time that RMT achieves a profit on the operation of the Center. In any year that RMT achieves a profit, the City is to negotiate with RMT to pay an amount deemed to allow RMT to operate the Center on a "break even" basis. If no such amount can be agreed upon, the City is not obligated to pay RMT for the operation of the Center.

#### **Encumbrances:**

The City utilizes encumbrances for budgetary reporting purposes. Encumbrances relating to certain contractual agreements, supplies and equipment that have been ordered but not received are reported in the year the commitment arises for budgetary reporting purposes. However, for financial reporting purposes, the goods or services are reported when they are received. The City had encumbrances in the General fund, Public Safety Sales Tax fund, and Capital Projects fund of \$1,020,980, \$5,077,547 and \$1,408,137 respectively.

#### **Litigation:**

The City is involved in lawsuits arising in the ordinary course of activities, including claims regarding construction contract issues, personal injury and discriminatory personnel practices, property condemnation proceedings, and suits contesting the legality of certain taxes. While these cases may have future financial effect, management, based on advice of counsel, believes that their ultimate outcome will not be material to the basic financial statements.

#### **Federal assistance:**

The City has received financial assistance from various federal and state agencies in the form of grants and entitlements. These programs are subject to audit by agents of the granting authority. Management does not believe that liabilities for reimbursements, if any, will have a materially adverse effect upon the financial condition of the City.

## City of Blue Springs, Missouri

### Notes to the Basic Financial Statements

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#### Note 12. Pending Governmental Accounting Standards Board (GASB) Statements

The GASB has issued several statements that are not yet effective and have not yet been implemented by the City of Blue Springs, Missouri. The statements which might impact the City are as follows:

- GASB Statement No. 72, *Fair Value Measurement and Application*, issued February 2015, will be effective for the City with its year ending September 30, 2016. This Statement defines fair value and describes how fair value should be measured, what assets and liabilities should be measured at fair value, and what information about fair value should be disclosed in the notes to the financial statements. This Statement defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Investments, which generally are measured at fair value, are defined as a security or other asset that governments hold primarily for the purpose of income or profit and the present service capacity of which are based solely on their ability to generate cash or to be sold to generate cash. The related disclosures have been expanded to categorize fair values according to their relative reliability and to describe positions held in many alternative investments.
- GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, issued in June 2015, will be effective for the City beginning with its fiscal year ending September 30, 2018. The Statement replaces the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* and requires governments to report a liability on the face of the financial statements for the OPEB they provide and outlines the reporting requirements by governments for defined benefit OPEB plans administered through a trust, cost-sharing OPEB plans administered through a trust and OPEB not provided through a trust. The Statement also requires governments to present more extensive note disclosures and required supplementary information about their OPEB liabilities. Some governments are legally responsible to make contributions directly to an OPEB plan or make benefit payments directly as OPEB comes due for employees of other governments. In certain circumstances, called special funding situations, the Statement requires these governments to recognize in their financial statements a share of the other government's net OPEB liability.
- GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, issued July 2015, will be effective for the City beginning with its fiscal year ending September 30, 2016. This statement reduces the GAAP hierarchy to two categories of authoritative GAAP from the four categories under GASB Statement No. 55. The first category of authoritative GAAP consists of GASB Statements. The second category comprises GASB Technical Bulletins and Implementation Guides, as well as guidance from the AICPA that is cleared by the GASB. The Statement also addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP.

## City of Blue Springs, Missouri

### Notes to the Basic Financial Statements

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#### Note 12. Pending Governmental Accounting Standards Board (GASB) Statements (Continued)

- GASB Statement No. 77, *Tax Abatement Disclosures*, issued August 2015, will be effective for the City beginning with its fiscal year ending September 30, 2017. This statement requires governments to disclose information about their own tax abatements separately from information about tax abatements that are entered into by other governments and reduce the reporting government's tax revenues. The disclosures about the government's own tax abatement agreements includes the purpose of the tax abatement program, the tax being abated, the amount of tax being abated, the provisions of recapturing abated taxes, the types of commitments made by tax abatement recipients, and other commitments made by government in tax abatement agreements. The disclosures about tax abatements that are entered into by other governments and reduce the reporting government's tax revenues includes the name of the government entering into the abatement agreement, the tax being abated, and the amount of the reporting government's tax being abated.
- GASB Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*, issued December 2015, will be effective for the City beginning with its fiscal year ending September 30, 2017. Statement No. 78 provides guidance to governments that participate in certain private or federally sponsored multiple-employer defined benefit pension plans. This statement assists these governments by focusing employer accounting and financial reporting requirements for those pension plans on obtainable information. In lieu of the existing requirements under Statement 68, the new guidance establishes separate requirements for employers that participate in these pension plans. This statement establishes the criteria for identifying the applicable pension plans and addresses: (a) measurement and recognition of pension liabilities, expense, and expenditures; (b) note disclosures of descriptive information about the plan, benefit terms, and contribution terms; and (c) required supplementary information presenting required contribution amounts for the past 10 fiscal years.
- GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, issued December 2015, will be effective for the City with its year ending September 30, 2016. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. An external investment pool qualifies for that reporting if it meets all of the applicable criteria established in this Statement. In the period this Statement is first applied, changes made to comply with this Statement will be applied on a prospective basis.

The City's management has not yet determined the effect these statements will have on the City's financial statements.

#### Note 13. Subsequent Events

Subsequent to the actuarial valuation date used by the LAGERS plan, the Society of Actuaries issued updated mortality scales and mortality improvement scales MP2014 and MP-15. It is expected these scales may increase the total pension liability by 4 percent – 8 percent unless the plan experience indicates otherwise. The City has not been provided the impact of these scales but believes the updated scales, if determined for the plan, will have a material impact on the City's net pension liability (asset).



**City of Blue Springs, Missouri**

**Required Supplementary Information  
Schedule of Changes in Net Pension Liability and Related Ratios  
Local Government Employees Retirement System**

Fiscal year ending June 30,	2015
<b>Total Pension Liability</b>	
Service cost	\$ 1,079,631
Interest on the total pension liability	3,377,170
Benefit changes	-
Difference between expected and actual experience	(135,197)
Assumption changes	-
Benefit payments, including refunds	(2,062,203)
<b>Net change in total pension liability</b>	<b>2,259,401</b>
<b>Total pension liability, beginning</b>	<b>47,064,527</b>
<b>Total pension liability, ending</b>	<b>\$ 49,323,928</b>
<b>Plan Fiduciary Net Position</b>	
Contributions-employer	\$ 1,078,892
Contributions-employee	-
Pension plan net investment income	1,120,945
Benefit payments, including refunds	(2,062,203)
Pension plan administrative expense	(43,154)
Other	151,943
<b>Net change in plan fiduciary net position</b>	<b>246,423</b>
<b>Plan fiduciary net position, beginning</b>	<b>57,636,471</b>
<b>Plan fiduciary net position, ending</b>	<b>\$ 57,882,894</b>
<b>Employer net pension liability (asset)</b>	<b>\$ (8,558,966)</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	117%
<b>Covered employee payroll</b>	\$ 12,622,334
<b>Employer's net pension liability (asset) as a percentage of covered employee payroll</b>	-67.81%

Ultimately 10 fiscal years will be displayed. Information for prior years is not available. Amounts presented for the year-end were determined as of June 30, the measurement date.

**City of Blue Springs, Missouri**

**Required Supplementary Information  
Schedule of Contributions  
Last Ten Fiscal Years**

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	<b>2015</b>	2014	2013	2012
Actuarially determined contribution	<b>\$ 1,071,473</b>	\$ 1,113,110	\$ 1,177,037	\$ 1,086,646
Contributions in relation to the actuarially determined contribution	<b>1,071,473</b>	1,113,110	1,116,633	968,153
Contribution deficiency (excess)	<b>\$ -</b>	\$ -	\$ 60,404	\$ 118,493
Covered-employee payroll	<b>\$ 12,999,252</b>	\$ 12,529,095	\$ 11,891,443	\$ 11,600,167
Contributions as a percentage of covered-employee payroll	<b>8.24%</b>	8.88%	9.39%	8.35%

**Actuarial Assumptions:** See Note 9 to the basic financial statements for summary of actuarial assumptions.

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	2011	2010	2009	2008	2007	2006
\$	1,126,274	\$ 750,127	\$ 722,994	\$ 711,515	\$ 845,619	\$ 798,543
	850,885	750,127	722,994	711,515	845,619	775,645
\$	275,389	\$ -	\$ -	\$ -	\$ -	\$ 22,898
\$	11,577,175	\$ 11,817,024	\$ 11,144,986	\$ 11,131,182	\$ 10,964,149	\$ 10,602,066
	7.35%	6.35%	6.49%	6.39%	7.71%	7.32%

**City of Blue Springs, Missouri**

**Required Supplementary Information  
Other Postemployment Benefit Plan**

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**Schedule of Funding Progress**

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Fiscal Year Ended	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
09/30/2013	07/01/2011	-	527,810	527,810	-	10,260,190	5.1
09/30/2014	07/01/2013	-	546,907	546,907	-	12,129,017	4.5
<b>09/30/2015</b>	<b>07/01/2013</b>	-	<b>546,907</b>	<b>546,907</b>	-	<b>12,129,017</b>	<b>4.5</b>

The information presented above was determined as part of the actuarial valuation date as of July 1, 2013. Additional information is as follows:

- a. The actuarial method used to determine the ARC is the projected unit credit method.
- b. There are no plan assets.
- c. The actuarial assumptions included: a) 4.5 percent annual discount rate and b) a health care cost trend rate of 7.0 percent for the first year and then declining by 0.25 percent per year until 5.0 is reached.
- d. The amortization method is level-dollar on an open basis over 30 years.

**City of Blue Springs, Missouri**

**Required Supplementary Information  
Schedule of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual - General Fund  
Year Ended September 30, 2015**

	Original Budget	Final Budget	Actual (Budget Basis)	Variance With Final Budget
<b>Revenues:</b>				
Taxes	\$ 17,106,443	\$ 17,106,443	\$ 17,399,799	\$ 293,356
Licenses and permits	781,422	781,422	777,265	(4,157)
Intergovernmental revenues	2,975,373	2,975,373	2,948,820	(26,553)
Charges for services	1,562,036	1,562,036	1,305,934	(256,102)
Administrative charges	-	-	1,840,000	1,840,000
Fines and forfeits	1,062,474	1,062,474	1,127,246	64,772
Interest	104,636	104,636	104,266	(370)
Donations	-	-	32,019	32,019
Other	460,748	460,748	540,948	80,200
<b>Total revenue</b>	<b>24,053,132</b>	<b>24,053,132</b>	<b>26,076,297</b>	<b>2,023,165</b>
<b>Expenditures:</b>				
<b>General government:</b>				
City Council	424,100	448,681	303,090	(145,591)
Municipal court	464,624	464,624	441,564	(23,060)
Legal services	253,870	367,870	289,339	(78,531)
City administration	659,321	695,321	780,318	84,997
Public relations and communications	290,710	300,975	177,688	(123,287)
Human resources	474,565	484,315	321,045	(163,270)
Economic development	325,000	655,702	407,684	(248,018)
Community development	793,754	813,754	740,435	(73,319)
Codes administration	788,162	817,874	758,306	(59,568)
Geographic information systems	120,911	140,880	117,485	(23,395)
Finance - accounting and budget	498,331	498,331	476,863	(21,468)
License bureau	355,969	355,969	181,137	(174,832)
Revenue collections	241,165	241,165	242,196	1,031
Information systems	799,671	892,604	777,874	(114,730)
Public works, engineering and administration	796,405	796,405	758,851	(37,554)
Highways and streets, street maintenance	2,792,270	3,105,293	2,812,174	(293,119)
<b>Public safety:</b>				
Police administration	498,458	498,458	476,085	(22,373)
Staff services	2,183,150	2,183,150	2,105,891	(77,259)
Operations	6,165,292	6,420,027	6,154,537	(265,490)
Community youth outreach unit	2,309,500	2,317,138	2,014,946	(302,192)
Emergency medical services	250,000	250,000	225,000	(25,000)
<b>Parks:</b>				
Parks administration	429,291	430,191	430,565	374
Recreation	455,243	454,343	440,491	(13,852)
Swimming pools	45,000	45,000	503	(44,497)
Parks maintenance	1,838,846	1,909,814	1,808,971	(100,843)
Vesper hall (50+ programs)	431,385	437,590	347,532	(90,058)
Building maintenance	795,301	808,312	611,470	(196,842)
Capital outlay	-	-	249,950	249,950
<b>Total expenditures</b>	<b>25,480,294</b>	<b>26,833,786</b>	<b>24,451,990</b>	<b>(2,381,796)</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(1,427,162)</b>	<b>(2,780,654)</b>	<b>1,624,307</b>	<b>4,404,961</b>

City of Blue Springs, Missouri

Required Supplementary Information  
 Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)  
 Budget and Actual - General Fund  
 Year Ended September 30, 2015

	Original Budget	Final Budget	Actual (Budget Basis)	Variance With Final Budget
Other financing sources (uses):				
Transfers in	\$ 1,912,159	\$ 1,912,159	\$ 557,507	\$ (1,354,652)
Transfers out	(500,000)	(13,366,403)	(4,873,493)	8,492,910
Capital lease issuance	-	-	249,950	249,950
<b>Total other financing sources (uses)</b>	<b>1,412,159</b>	<b>(11,454,244)</b>	<b>(4,066,036)</b>	<b>7,388,208</b>
<b>Net change in fund balance</b>	<b>\$ (15,003)</b>	<b>\$ (14,234,898)</b>	<b>(2,441,729)</b>	<b>\$ 11,793,169</b>
Fund balance, beginning of year			14,228,704	
Fund balance, end of year - budget basis			11,786,975	
Adjustments, encumbrances			979,076	
Fund balance, end of year - GAAP basis			<u>\$ 12,766,051</u>	
Net change in fund balance - budget basis			\$ (2,441,729)	
Adjustments:				
Encumbrances - beginning of year			(1,305,488)	
Encumbrances - end of year			979,076	
Net change in fund balance - GAAP basis			<u>\$ (2,768,141)</u>	

See Note to Required Supplementary Information.

**City of Blue Springs, Missouri**

**Schedule of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual - Public Safety Sales Tax Fund  
Year Ended September 30, 2015**

	Original Budget	Final Budget	Actual (Budget Basis)	Variance With Final Budget
<b>Revenues:</b>				
Taxes	\$ 3,162,948	\$ 3,162,948	\$ 3,470,626	\$ 307,678
Interest	-	-	18,609	18,609
Other	-	-	6,700	6,700
<b>Total revenues</b>	<b>3,162,948</b>	<b>3,162,948</b>	<b>3,495,935</b>	<b>332,987</b>
<b>Expenditures:</b>				
Current, public safety	2,820,280	4,628,880	3,467,775	(1,161,105)
Debt service:				
Principal retirement	-	-	532,181	532,181
Interest and fiscal charges	-	-	950,990	950,990
Bond issuance cost	-	-	-	-
<b>Total expenditures</b>	<b>2,820,280</b>	<b>4,628,880</b>	<b>4,950,946</b>	<b>322,066</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>342,668</b>	<b>(1,465,932)</b>	<b>(1,455,011)</b>	<b>10,921</b>
Other financing sources (uses), transfers in	-	-	362,893	362,893
<b>Net change in fund balances</b>	<b>\$ 342,668</b>	<b>\$ (1,465,932)</b>	<b>(1,092,118)</b>	<b>\$ 373,814</b>
Fund balance, beginning of year			2,970,970	
Fund balance, end of year - budget basis			1,878,852	
Adjustments:				
Encumbrances			5,077,547	
Fund balance, end of year - GAAP basis			<u>\$ 6,956,399</u>	
Net change in fund balance - budget basis			\$ (1,092,118)	
Adjustments:				
Encumbrances - beginning of year			(15,143,170)	
Encumbrances - end of year			5,077,547	
Net change in fund balance - GAAP basis			<u>\$ (11,157,741)</u>	

See Note to Required Supplementary Information.

## **City of Blue Springs, Missouri**

### **Note to Required Supplementary Information**

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The legal level of control is at the fund level. City management cannot amend the budget without receiving the approval of the City Council. The City Administrator is authorized to approve overspending of budgeted line items within any fund as long as the total expenditures within the fund do not exceed the total approved budgeted expenditures for that fund. However, overspending of total expenditures of any fund requires approval by the City Council.



## **NON-MAJOR GOVERNMENTAL FUNDS**

*Hotel Motel Tax Fund* – established to account for the financial activity related to the collection of the hotel occupancy taxes.

*General Obligation Bond Debt Service Fund* – established to account for the accumulation of resources for, and the payment of, principal, interest, and other related costs of the City's general obligation bonds.

*COP Debt Service Fund* – established to account for the accumulation of resources for, and the payment of, principal, interest, and other related costs of the City's certificates of participation debt.

City of Blue Springs, Missouri

Combining Balance Sheet  
 Nonmajor Governmental Funds  
 September 30, 2015

	Hotel Motel Tax	General Obligation Debt Service	C.O.P. Debt Service	Total Nonmajor Governmental Funds
<b>Assets</b>				
Cash and investments	\$ 444,824	\$ 719,158	\$ 258,761	\$ 1,422,743
Receivables, net of allowance for uncollectibles:				
Property taxes	-	1,248,660	-	1,248,660
Other taxes	121,246	-	-	121,246
Restricted cash and investments	-	-	112,933	112,933
<b>Total assets</b>	<b>\$ 566,070</b>	<b>\$ 1,967,818</b>	<b>\$ 371,694</b>	<b>\$ 2,905,582</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balance</b>				
Liabilities, accounts payable	\$ -	\$ 2,267	\$ 42	\$ 2,309
Deferred inflows of resources:				
Unavailable revenue - property taxes	-	1,246,422	-	1,246,422
Fund balance:				
Restricted:				
Debt service	-	719,129	371,652	1,090,781
Tourism	566,070	-	-	566,070
<b>Total fund balance</b>	<b>566,070</b>	<b>719,129</b>	<b>371,652</b>	<b>1,656,851</b>
<b>Total liabilities, deferred inflows of resources and fund balance</b>	<b>\$ 566,070</b>	<b>\$ 1,967,818</b>	<b>\$ 371,694</b>	<b>\$ 2,905,582</b>

City of Blue Springs, Missouri

**Combining Statement of Revenues, Expenditures and  
Changes In Fund Balances - Nonmajor Governmental Funds  
Year Ended September 30, 2015**

	Hotel Motel Tax	General Obligation Debt Service	C.O.P. Debt Service	Total Nonmajor Governmental Funds
Revenues:				
Taxes	\$ 591,718	\$ 1,122,698	\$ -	\$ 1,714,416
Interest	156	231,841	1,486	233,483
<b>Total revenues</b>	<b>591,874</b>	<b>1,354,539</b>	<b>1,486</b>	<b>1,947,899</b>
Expenditures:				
Current, general government	145,000	17,896	-	162,896
Debt service:				
Principal retirement	-	785,000	250,000	1,035,000
Interest and fiscal charges	-	1,057,749	36,544	1,094,293
<b>Total expenditures</b>	<b>145,000</b>	<b>1,860,645</b>	<b>286,544</b>	<b>2,292,189</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>446,874</b>	<b>(506,106)</b>	<b>(285,058)</b>	<b>(344,290)</b>
Other financing sources (uses):				
Transfers in	-	500,000	389,490	889,490
Transfers out	(446,874)	-	-	(446,874)
<b>Total other financing sources (uses)</b>	<b>(446,874)</b>	<b>500,000</b>	<b>389,490</b>	<b>442,616</b>
<b>Net change in fund balances</b>	<b>-</b>	<b>(6,106)</b>	<b>104,432</b>	<b>98,326</b>
Fund balances, beginning	566,070	725,235	267,220	1,558,525
Fund balances, ending	<b>\$ 566,070</b>	<b>\$ 719,129</b>	<b>\$ 371,652</b>	<b>\$ 1,656,851</b>

City of Blue Springs, Missouri

**Schedule of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual - Hotel Motel Tax Fund  
Year Ended September 30, 2015**

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
Taxes	\$ 487,922	\$ 487,922	\$ 591,718	\$ 103,796
Fines and forfeits	2,539	2,539	-	(2,539)
Interest	412	412	156	(256)
<b>Total revenues</b>	<b>490,873</b>	<b>490,873</b>	<b>591,874</b>	<b>101,001</b>
Expenditures,				
current, general government	145,000	145,000	145,000	-
<b>Excess of revenues         over expenditures</b>	<b>345,873</b>	<b>345,873</b>	<b>446,874</b>	<b>101,001</b>
Other financing (uses), transfers out	(309,484)	(354,484)	(446,874)	(92,390)
<b>Net change in fund         balances</b>	<b>\$ 36,389</b>	<b>\$ (8,611)</b>	<b>-</b>	<b>\$ 8,611</b>
Fund balance, beginning of year			566,070	
Fund balance, end of year			<u>\$ 566,070</u>	

City of Blue Springs, Missouri

Schedule of Revenues, Expenditures and Changes in Fund Balances  
 Budget and Actual - General Obligation Debt Service Fund  
 Year Ended September 30, 2015

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
Taxes	\$ 1,090,507	\$ 1,090,507	\$ 1,122,698	\$ 32,191
Interest income	198,159	198,159	231,841	33,682
<b>Total revenues</b>	<b>1,288,666</b>	<b>1,288,666</b>	<b>1,354,539</b>	<b>65,873</b>
Expenditures:				
Current, general government	-	-	17,896	17,896
Debt service:				
Principal retirement	785,000	785,000	785,000	-
Interest and fiscal charges	1,074,967	1,074,967	1,057,749	(17,218)
<b>Total expenditures</b>	<b>1,859,967</b>	<b>1,859,967</b>	<b>1,860,645</b>	<b>678</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(571,301)</b>	<b>(571,301)</b>	<b>(506,106)</b>	<b>65,195</b>
Other financing sources, transfers in	500,000	500,000	500,000	-
<b>Net change in fund balances</b>	<b>\$ (71,301)</b>	<b>\$ (71,301)</b>	<b>(6,106)</b>	<b>\$ 65,195</b>
Fund balance, beginning of year			725,235	
Fund balance, end of year			<u>\$ 719,129</u>	

**City of Blue Springs, Missouri**

**Schedule of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual - COP Debt Service Fund  
Year Ended September 30, 2015**

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues, interest	\$ -	\$ -	\$ 1,486	\$ 1,486
Expenditures:				
Debt service:				
Principal retirement	260,000	260,000	250,000	(10,000)
Interest and fiscal charges	37,100	37,100	36,544	(556)
<b>Total expenditures</b>	<b>297,100</b>	<b>297,100</b>	<b>286,544</b>	<b>(10,556)</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(297,100)</b>	<b>(297,100)</b>	<b>(285,058)</b>	<b>12,042</b>
Other financing sources (uses), transfers in	297,100	297,100	389,490	92,390
<b>Total other financing sources (uses)</b>	<b>297,100</b>	<b>297,100</b>	<b>389,490</b>	<b>92,390</b>
<b>Net change in fund balances</b>	<b>\$ -</b>	<b>\$ -</b>	<b>104,432</b>	<b>\$ 104,432</b>
Fund balance, beginning of year			267,220	
Fund balance, end of year			<u>\$ 371,652</u>	

City of Blue Springs, Missouri

Schedule of Revenues, Expenditures and Changes in Fund Balances  
 Budget and Actual - Capital Projects Fund  
 Year Ended September 30, 2015

	Original Budget	Final Budget	Actual (Budget Basis)	Variance With Final Budget
Revenues:				
Taxes	\$ 3,211,830	\$ 3,211,830	\$ 3,558,248	\$ 346,418
Intergovernmental revenues	-	-	2,418,004	2,418,004
Interest	13,000	13,000	23,027	10,027
Donations	-	-	2,408	2,408
Other	-	-	678	678
<b>Total revenues</b>	<b>3,224,830</b>	<b>3,224,830</b>	<b>6,002,365</b>	<b>2,777,535</b>
Expenditures, capital outlay	2,720,635	3,369,593	3,723,687	354,094
<b>Excess (deficiency) of revenues over expenditures</b>	<b>504,195</b>	<b>(144,763)</b>	<b>2,278,678</b>	<b>2,423,441</b>
Other financing sources (uses):				
Transfers in	250,000	250,000	766,067	516,067
Transfers out	(500,000)	(500,000)	(2,348,400)	(1,848,400)
<b>Total other financing sources (uses)</b>	<b>(250,000)</b>	<b>(250,000)</b>	<b>(1,582,333)</b>	<b>(1,332,333)</b>
<b>Net change in fund balances</b>	<b>\$ 254,195</b>	<b>\$ (394,763)</b>	<b>696,345</b>	<b>\$ 1,091,108</b>
Fund balance, beginning of year			2,920,129	
Fund balance, end of year - budget basis			3,616,474	
Adjustments, encumbrances			1,408,137	
Fund balance, end of year - GAAP basis			<u>\$ 5,024,611</u>	
Net change in fund balance - budget basis			\$ 696,345	
Adjustments:				
Encumbrances - beginning of year			(6,321,278)	
Encumbrances - end of year			1,408,137	
Net change in fund balance - GAAP basis			<u>\$ (4,216,796)</u>	

City of Blue Springs, Missouri

Combining Balance Sheet -  
TIF Fund Projects  
September 30, 2015

	Mall at Fall Creek TIF	Copperleaf Village TIF	Highway 7 & 40 Project B TIF
<b>Assets</b>			
Cash and investments	\$ 33,503	\$ 113,342	\$ 18,960
Property taxes receivable	248,674	77,567	102,121
Other taxes receivable	-	-	-
Due from other funds	8,716	785	4,476
Due from other governments	12,132	772	5,360
Restricted cash and investments	-	-	-
<b>Total assets</b>	<b>\$ 303,025</b>	<b>\$ 192,466</b>	<b>\$ 130,917</b>
<b>Liabilities</b>			
Accounts payable	\$ -	\$ -	\$ 18,960
Advances from other funds	-	7	35
<b>Total liabilities</b>	<b>-</b>	<b>7</b>	<b>18,995</b>
<b>Deferred inflows of resources</b>			
Unavailable revenue - property taxes	248,674	77,567	102,121
Unavailable revenue - other	2,305	-	1,296
<b>Total deferred inflows of resources</b>	<b>250,979</b>	<b>77,567</b>	<b>103,417</b>
<b>Fund balance</b>			
Restricted, debt service	52,046	114,892	8,505
<b>Total liabilities, deferred inflows of resources and fund balance</b>	<b>\$ 303,025</b>	<b>\$ 192,466</b>	<b>\$ 130,917</b>



Woods Chapel TIF	Adams Farm TIF	Highway 7 & 40 Project C TIF	Highway 7 & 40 Project A TIF	Total
\$ 120,533	\$ 285,511	\$ 162,891	\$ 15,210	\$ 749,950
62,249	1,299,502	116,347	20,616	1,927,076
633	-	-	-	633
1,236	142,263	38,684	8,776	204,936
3,673	410,876	60,393	9,809	503,015
-	3,195,426	-	-	3,195,426
<u>\$ 188,324</u>	<u>\$ 5,333,578</u>	<u>\$ 378,315</u>	<u>\$ 54,411</u>	<u>\$ 6,581,036</u>
\$ -	\$ 1,800	\$ 162,891	\$ 15,210	\$ 198,861
19	1,112	604	137	1,914
19	2,912	163,495	15,347	200,775
62,249	1,299,502	116,347	20,616	1,927,076
617	39,640	7,936	2,708	54,502
<u>62,866</u>	<u>1,339,142</u>	<u>124,283</u>	<u>23,324</u>	<u>1,981,578</u>
125,439	3,991,524	90,537	15,740	4,398,683
<u>\$ 188,324</u>	<u>\$ 5,333,578</u>	<u>\$ 378,315</u>	<u>\$ 54,411</u>	<u>\$ 6,581,036</u>

City of Blue Springs, Missouri

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances -  
TIF Fund Projects  
Year Ended September 30, 2015

	Mall at Fall Creek TIF	Copperleaf Village TIF	Highway 7 & 40 Project B TIF
<b>Revenues:</b>			
Taxes	\$ 75,151	\$ 6,034	\$ 37,037
Intergovernmental activity taxes	309,684	40,424	119,284
Interest	12	8,043	9
Other	49,330	-	-
<b>Total revenues</b>	<b>434,177</b>	<b>54,501</b>	<b>156,330</b>
<b>Expenditures:</b>			
Current, economic development	4,079	699	13,534
<b>Debt service:</b>			
Principal retirement	340,000	-	142,808
Interest and fiscal charges	67,725	-	-
Bond issuance costs	-	-	-
<b>Total expenditures</b>	<b>411,804</b>	<b>699</b>	<b>156,342</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>22,373</b>	<b>53,802</b>	<b>(12)</b>
<b>Other financing sources (uses):</b>			
Transfers (out)	(6,996)	(267)	(755)
Bond discount	-	-	-
Bond issuance	-	-	-
Payments to refunded bond escrow agent	-	-	-
<b>Total other financing sources (uses)</b>	<b>(6,996)</b>	<b>(267)</b>	<b>(755)</b>
<b>Net change in fund balances</b>	<b>15,377</b>	<b>53,535</b>	<b>(767)</b>
Fund balances, beginning of year	36,669	61,357	9,272
Fund balances, end of year	<b>\$ 52,046</b>	<b>\$ 114,892</b>	<b>\$ 8,505</b>

Woods Chapel TIF	Adams Farm TIF	Highway 7 & 40 Project C TIF	Highway 7 & 40 Project A TIF	Total
\$ 13,471	\$ 888,208	\$ 308,769	\$ 34,378	\$ 1,363,048
82,409	3,455,448	326,236	26,535	4,360,020
244	16,556	25	2	24,891
-	-	-	-	49,330
96,124	4,360,212	635,030	60,915	5,797,289
9,104	263,546	34,099	634	325,695
44,022	15,951,888	560,975	52,680	17,092,373
-	1,581,540	-	-	1,649,265
-	1,615,270	-	-	1,615,270
53,126	19,412,244	595,074	53,314	20,682,603
42,998	(15,052,032)	39,956	7,601	(14,885,314)
(428)	(12,755)	(5,378)	(559)	(27,138)
-	(287,875)	-	-	(287,875)
-	38,050,000	-	-	38,050,000
-	(27,625,000)	-	-	(27,625,000)
(428)	10,124,370	(5,378)	(559)	10,109,987
42,570	(4,927,662)	34,578	7,042	(4,775,327)
82,869	8,919,186	55,959	8,698	9,174,010
\$ 125,439	\$ 3,991,524	\$ 90,537	\$ 15,740	\$ 4,398,683

City of Blue Springs, Missouri

**Schedule of Revenues, Expenditures and Changes in Fund Balances -  
Budget and Actual - Mall at Fall Creek TIF  
Year Ended September 30, 2015**

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
Taxes and intergovernmental activity taxes	\$ 376,143	\$ 376,143	\$ 384,835	\$ 8,692
Interest	34	34	12	(22)
Other	-	-	49,330	49,330
<b>Total revenues</b>	<b>376,177</b>	<b>376,177</b>	<b>434,177</b>	<b>58,000</b>
Expenditures:				
Current, economic development	4,125	4,125	4,079	(46)
Debt service:				
Principal retirement	340,000	340,000	340,000	-
Interest and fiscal charges	135,450	135,450	67,725	(67,725)
<b>Total expenditures</b>	<b>479,575</b>	<b>479,575</b>	<b>411,804</b>	<b>(67,771)</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(103,398)</b>	<b>(103,398)</b>	<b>22,373</b>	<b>125,771</b>
Other financing (uses), transfers out	(6,996)	(6,996)	(6,996)	-
<b>Net change in fund balances</b>	<b>\$ (110,394)</b>	<b>\$ (110,394)</b>	<b>15,377</b>	<b>\$ 125,771</b>
Fund balances, beginning of year			36,669	
Fund balances, end of year			<u>\$ 52,046</u>	

City of Blue Springs, Missouri

Schedule of Revenues, Expenditures and Changes in Fund Balances -  
 Budget and Actual - Copperleaf Village TIF  
 Year Ended September 30, 2015

	Original Budget	Final Budget	Actual	Variance With Final Budget
<b>Revenues:</b>				
Taxes and intergovernmental activity taxes	\$ 41,546	\$ 41,546	\$ 46,458	\$ 4,912
Interest	2,675	2,675	8,043	5,368
<b>Total revenues</b>	<b>44,221</b>	<b>44,221</b>	<b>54,501</b>	<b>10,280</b>
<b>Expenditures:</b>				
Current, economic development	3,488	3,488	699	(2,789)
Debt service, principal retirement	40,335	40,335	-	-
<b>Total expenditures</b>	<b>43,823</b>	<b>43,823</b>	<b>699</b>	<b>(2,789)</b>
<b>Excess of revenues over expenditures</b>	<b>398</b>	<b>398</b>	<b>53,802</b>	<b>13,069</b>
Other financing (uses), transfers out	(400)	(400)	(267)	133
<b>Net change in fund balances</b>	<b>\$ (2)</b>	<b>\$ (2)</b>	<b>53,535</b>	<b>\$ 13,202</b>
Fund balances, beginning of year			61,357	
Fund balances, end of year			<u>\$ 114,892</u>	

City of Blue Springs, Missouri

**Schedule of Revenues, Expenditures and Changes in Fund Balances -  
Budget and Actual - Highway 7 and 40 Project B TIF  
Year Ended September 30, 2015**

	Original Budget	Final Budget	Actual	Variance With Final Budget
<b>Revenues:</b>				
Taxes and intergovernmental activity taxes	\$ 147,461	\$ 147,461	\$ 156,321	\$ 8,860
Interest	21	21	9	(12)
<b>Total revenues</b>	<b>147,482</b>	<b>147,482</b>	<b>156,330</b>	<b>8,848</b>
<b>Expenditures:</b>				
Current, economic development	13,081	13,081	13,534	453
Debt service, principal retirement	133,651	147,938	142,808	(5,130)
<b>Total expenditures</b>	<b>146,732</b>	<b>161,019</b>	<b>156,342</b>	<b>(4,677)</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>750</b>	<b>(13,537)</b>	<b>(12)</b>	<b>13,525</b>
Other financing (uses), transfers out	(750)	(750)	(755)	(5)
<b>Net change in fund balances</b>	<b>\$ -</b>	<b>\$ (14,287)</b>	<b>(767)</b>	<b>\$ 13,520</b>
Fund balances, beginning of year			9,272	
Fund balances, end of year			<u>\$ 8,505</u>	

City of Blue Springs, Missouri

Schedule of Revenues, Expenditures and Changes in Fund Balances -  
 Budget and Actual - Woods Chapel TIF  
 Year Ended September 30, 2015

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
Taxes and intergovernmental activity taxes	\$ 48,930	\$ 91,183	\$ 95,880	\$ 4,697
Interest	60	60	244	184
Other	184	184	-	-
<b>Total revenues</b>	<b>49,174</b>	<b>91,427</b>	<b>96,124</b>	<b>4,881</b>
Expenditures,				
Current, economic development	547	8,632	9,104	472
Debt service, principal retirement	-	-	44,022	44,022
<b>Total expenditures</b>	<b>547</b>	<b>8,632</b>	<b>53,126</b>	<b>44,494</b>
<b>Excess of revenues     over expenditures</b>	<b>48,627</b>	<b>82,795</b>	<b>42,998</b>	<b>(39,613)</b>
Other financing (uses), transfers out	-	(34,168)	(428)	33,740
<b>Net change in fund     balances</b>	<b>\$ 48,627</b>	<b>\$ 48,627</b>	<b>42,570</b>	<b>\$ (5,873)</b>
Fund balances, beginning of year			82,869	
Fund balances, end of year			<u>\$ 125,439</u>	

City of Blue Springs, Missouri

Schedule of Revenues, Expenditures and Changes in Fund Balances -  
Budget and Actual - Adams Farm TIF  
Year Ended September 30, 2015

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
Taxes and intergovernmental activity taxes	\$ 3,884,247	\$ 3,884,247	\$ 4,343,656	\$ 459,409
Interest	-	566	16,556	15,990
Other	-	748,459	-	-
<b>Total revenues</b>	<b>3,884,247</b>	<b>4,633,272</b>	<b>4,360,212</b>	<b>475,399</b>
Expenditures:				
Current, economic development	259,064	1,007,523	263,546	(743,977)
Debt service:				
Principal retirement	960,000	960,000	15,951,888	14,991,888
Interest and fiscal charges	1,238,446	1,238,446	1,581,540	343,094
Bond issuance costs	-	-	1,615,270	1,615,270
<b>Total expenditures</b>	<b>2,457,510</b>	<b>3,205,969</b>	<b>19,412,244</b>	<b>16,206,275</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>1,426,737</b>	<b>1,427,303</b>	<b>(15,052,032)</b>	<b>(15,730,876)</b>
Other financing (uses):				
Transfers (out)	(13,617)	(13,617)	(12,755)	862
Bond discount	-	-	(287,875)	(287,875)
Bond issuance	-	-	38,050,000	38,050,000
Payments to refund bond escrow agent	-	-	(27,625,000)	862
<b>Total other financing sources (uses)</b>	<b>(13,617)</b>	<b>(13,617)</b>	<b>10,124,370</b>	<b>37,763,849</b>
<b>Net change in fund balances</b>	<b>\$ 1,413,120</b>	<b>\$ 1,413,686</b>	<b>(4,927,662)</b>	<b>\$ 22,032,973</b>
Fund balances, beginning of year			8,919,186	
Fund balances, end of year			<u>\$ 3,991,524</u>	



City of Blue Springs, Missouri

**Schedule of Revenues, Expenditures and Changes in Fund Balances -  
Budget and Actual - Highway 7 and 40 Project C TIF  
Year Ended September 30, 2015**

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
Taxes and intergovernmental activity taxes	\$ 508,285	\$ 508,285	\$ 635,005	\$ 126,720
Interest	43	43	25	(18)
<b>Total revenues</b>	<b>508,328</b>	<b>508,328</b>	<b>635,030</b>	<b>126,702</b>
Expenditures,				
Current, economic development	31,013	31,013	34,099	3,086
Debt service, principal retirement	472,232	570,072	560,975	(9,097)
<b>Total expenditures</b>	<b>503,245</b>	<b>601,085</b>	<b>595,074</b>	<b>(6,011)</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>5,083</b>	<b>(92,757)</b>	<b>39,956</b>	<b>132,713</b>
Other financing (uses), transfers out	(5,083)	(5,083)	(5,378)	(295)
<b>Net change in fund balances</b>	<b>\$ -</b>	<b>\$ (97,840)</b>	<b>34,578</b>	<b>\$ 132,418</b>
Fund balances, beginning of year			55,959	
Fund balances, end of year			<u>\$ 90,537</u>	

City of Blue Springs, Missouri

Schedule of Revenues, Expenditures and Changes in Fund Balances -  
 Budget and Actual - Highway 7 and 40 Project A TIF  
 Year Ended September 30, 2015

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
Taxes and intergovernmental activity taxes	\$ 27,732	\$ 41,185	\$ 60,913	\$ 19,728
Interest	2	2	2	-
<b>Total revenues</b>	<b>27,734</b>	<b>41,187</b>	<b>60,915</b>	<b>19,728</b>
Expenditures,				
Current, economic development	623	623	634	11
Debt service, principal retirement	26,662	48,655	52,680	4,025
<b>Total expenditures</b>	<b>27,285</b>	<b>49,278</b>	<b>53,314</b>	<b>4,036</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>449</b>	<b>(8,091)</b>	<b>7,601</b>	<b>15,692</b>
Other financing (uses), transfers out	(450)	(450)	(559)	(109)
<b>Net change in fund balances</b>	<b>\$ (1)</b>	<b>\$ (8,541)</b>	<b>7,042</b>	<b>\$ 15,583</b>
Fund balances, beginning of year			8,698	
Fund balances, end of year			<u>\$ 15,740</u>	

## **AGENCY FUNDS**

Agency Funds are used to account for resources received by the City as agent.

*Jackson County Tax Fund* – accounts for Jackson County, Missouri property taxes collected on behalf of the County.

*Employees Flexible Benefit Fund* – accounts for funds contributed by employees to a tax-exempt flexible benefit plan.

*Eastern Jackson County Betterment Council Fund* – accounts for membership deposits of the Council.

*Woods Chapel Community Improvement District* - accounts for amounts collected on behalf of the District.

*Adams Dairy Landing Community Improvement District* – accounts for amounts collected on behalf of the District.

*Coronado Drive Transportation Development District* – accounts for amounts collected on behalf of the District.

*Adams Farm Transportation Development District* – accounts for amounts collected on behalf of the District.

City of Blue Springs, Missouri

Statement of Changes in Assets and Liabilities - Agency Funds  
Year Ended September 30, 2015

	Balance September 30, 2014			Additions	Deletions	Balance September 30, 2015		
<b>Jackson County Tax Fund</b>								
Assets:								
Cash	\$	73,499	\$	16,751,618	\$	16,773,014	\$	52,103
Liabilities, due to other governments	\$	73,499	\$	33,476,711	\$	33,498,107	\$	52,103
<b>Employees Flexible Benefit Fund</b>								
Assets, cash								
	\$	(6,753)	\$	3,333	\$	684	\$	(4,104)
Liabilities, Employee flexible benefit deposits	\$	(6,753)	\$	67,223	\$	64,574	\$	(4,104)
<b>Eastern Jackson County Betterment Council Fund</b>								
Assets:								
Cash	\$	30,417	\$	15,575	\$	3,556	\$	42,436
Taxes receivable		4,275		13,125		16,250		1,150
<b>Total assets</b>	\$	34,692	\$	28,700	\$	19,806	\$	43,586
Liabilities, membership deposits	\$	34,692	\$	18,281	\$	9,387	\$	43,586
<b>Woods Chapel CID</b>								
Assets:								
Cash	\$	262	\$	24,854	\$	20,805	\$	4,311
Taxes receivable		2,698		1,266		2,698		1,266
<b>Total assets</b>	\$	2,960	\$	26,120	\$	23,503	\$	5,577
Liabilities, due to other governments	\$	2,960	\$	16,803	\$	14,186	\$	5,577
<b>Adams Dairy Landing CID</b>								
Assets:								
Cash	\$	874,068	\$	4,136,165	\$	4,538,040	\$	472,193
Taxes receivable		-		442,265		-		442,265
<b>Total assets</b>	\$	874,068	\$	4,578,430	\$	4,538,040	\$	914,458
Liabilities, due to other governments	\$	874,068	\$	5,924,436	\$	5,884,046	\$	914,458
<b>Coronado Drive TDD</b>								
Assets:								
Cash	\$	-	\$	476,842	\$	476,842	\$	-
Taxes receivable		73,887		75,567		73,887		75,567
<b>Total assets</b>	\$	73,887	\$	552,409	\$	550,729	\$	75,567
Liabilities, due to other governments	\$	73,887	\$	83,339	\$	81,659	\$	75,567
<b>Adams Farm TDD</b>								
Assets:								
Cash	\$	-	\$	1,106,172	\$	1,106,172	\$	-
Taxes receivable		173,873		168,836		173,873		168,836
<b>Total assets</b>	\$	173,873	\$	1,275,008	\$	1,280,045	\$	168,836
Liabilities, due to other governments	\$	173,873	\$	175,883	\$	180,920	\$	168,836

(Continued)

City of Blue Springs, Missouri

**Statement of Changes in Assets and Liabilities - Agency Funds (Continued)**  
**Year Ended September 30, 2015**

	Balance September 30, 2014	Additions	Deletions	Balance September 30, 2015
<b>Total - All Agency Fund</b>				
Assets:				
Cash	\$ 971,493	\$ 22,514,559	\$ 22,919,113	\$ 566,939
Taxes receivable	254,733	701,059	266,708	689,084
<b>Total assets</b>	<b>\$ 1,226,226</b>	<b>\$ 23,215,618</b>	<b>\$ 23,185,821</b>	<b>\$ 1,256,023</b>
Liabilities:				
Due to other governments	\$ 1,198,287	\$ 39,677,172	\$ 39,658,918	\$ 1,216,541
Membership and employee flexible benefit deposits	27,939	85,504	73,961	39,482
<b>Total liabilities</b>	<b>\$ 1,226,226</b>	<b>\$ 39,762,676</b>	<b>\$ 39,732,879</b>	<b>\$ 1,256,023</b>

City of Blue Springs, Missouri

Combining Statement of Net Position (Deficit)

Discretely Presented Component Unit - Blue Springs Economic Development Corporation

September 30, 2015

	Program			Total Consolidated Component Unit
	Blue Springs Economic Development Corporation	Blue Springs Growth Initiative	Inter-Organization Activity	
<b>Assets</b>				
Cash and investments	\$ 13,844	\$ 285	\$ -	\$ 14,129
Receivables, notes	119,901	-	(119,901)	-
Prepaid items	3,176	-	-	3,176
Depreciable capital assets, net	4,547	-	-	4,547
<b>Total assets</b>	<b>141,468</b>	<b>285</b>	<b>(119,901)</b>	<b>21,852</b>
<b>Liabilities</b>				
Accounts payable	25	-	-	25
Accrued liabilities	19,148	-	-	19,148
Short-term line of credit	93,050	-	-	93,050
Short-term note payable	-	119,901	(119,901)	-
<b>Total liabilities</b>	<b>112,223</b>	<b>119,901</b>	<b>(119,901)</b>	<b>112,223</b>
<b>Net Position (Deficit)</b>				
Investment in capital assets	4,547	-	-	4,547
Unrestricted	24,698	(119,616)	-	(94,918)
<b>Total net position (deficit)</b>	<b>\$ 29,245</b>	<b>\$ (119,616)</b>	<b>\$ -</b>	<b>\$ (90,371)</b>

City of Blue Springs, Missouri

Combining Statement of Activities

Discretely Presented Component Unit - Blue Springs Economic Development Corporation

Year Ended September 30, 2015

	Program			Total Consolidated Component Unit
	Blue Springs Economic Development Corporation	Blue Springs Growth Initiative	Inter-Organization Activity	
Revenues:				
Intergovernmental revenues	\$ 331,000	\$ -	\$ -	\$ 331,000
Contributions	156,677	-	-	156,677
In-kind contributions	-	2,345	-	2,345
Interest	107	-	-	107
<b>Total revenues</b>	<b>487,784</b>	<b>2,345</b>	<b>-</b>	<b>490,129</b>
Expenses:				
Current, economic development	517,508	2,930	-	520,438
<b>Change in net position</b>	<b>(29,724)</b>	<b>(585)</b>	<b>-</b>	<b>(30,309)</b>
Net position (deficit), beginning of year	58,969	(119,031)	-	(60,062)
Net position (deficit), end of year	\$ 29,245	\$ (119,616)	\$ -	\$ (90,371)

# City of Blue Springs, Missouri

## Statistical Section Contents

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The statistical section of the City's comprehensive annual financial report presents detailed information as a context for understanding what the information presented in the financial statements, note disclosures and required supplementary information say about the City's overall financial health.

Contents	Page
<b>Financial Trends</b>	
These schedules contain trend information to help the reader understand how the City's financial performance and well being have changed over time.	101 - 104
<b>Revenue Capacity</b>	
These schedules contain information to help the reader assess the City's two most significant local revenue sources: sales tax and property tax.	105 - 111
<b>Debt Capacity</b>	
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	112 - 116
<b>Demographic and Economic Information</b>	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	117 - 118
<b>Operating Information</b>	
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	119 - 121

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year.



City of Blue Springs, Missouri

Net Position By Component

Last Ten Fiscal Years

(accrual basis of accounting)

(Unaudited)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities:										
Net investment in capital assets	\$ 78,680,058	\$ 75,421,297	\$ 73,392,096	\$ 68,013,508	\$ 59,694,748	\$ 48,629,336	\$ 52,611,903	\$ 56,916,375	\$ 56,974,743	\$ 52,660,972
Restricted	8,086,101	9,363,978	9,141,264	9,902,864	6,793,655	17,423,528	12,530,535	14,074,282	11,962,522	777,874
Unrestricted	8,188,902	9,442,255	6,129,460	(14,846,756)	(10,206,636)	(12,766,225)	(19,806,791)	(21,991,465)	(30,155,338)	(10,051,448)
<b>Total governmental activities net position</b>	<b>\$ 94,955,061</b>	<b>\$ 94,227,530</b>	<b>\$ 88,662,820</b>	<b>\$ 63,069,616</b>	<b>\$ 56,281,767</b>	<b>\$ 53,284,639</b>	<b>\$ 45,335,647</b>	<b>\$ 48,999,192</b>	<b>\$ 38,761,927</b>	<b>\$ 43,387,398</b>
Business-type activities:										
Net investment in capital assets	\$ 51,532,431	\$ 53,298,946	\$ 49,883,666	\$ 47,144,204	\$ 47,749,588	\$ 48,753,483	\$ 48,535,736	\$ 48,485,162	\$ 47,321,113	\$ 52,642,617
Restricted	491,173	504,990	489,099	487,923	2,077,870	2,072,904	2,478,007	2,488,531	2,171,458	2,727,185
Unrestricted	8,244,184	9,657,585	12,289,968	32,003,688	33,919,068	38,610,277	41,628,468	42,750,205	42,553,879	39,206,646
<b>Total business-type activities net position</b>	<b>\$ 60,267,788</b>	<b>\$ 63,461,521</b>	<b>\$ 62,662,733</b>	<b>\$ 79,635,825</b>	<b>\$ 83,746,526</b>	<b>\$ 89,436,664</b>	<b>\$ 92,642,211</b>	<b>\$ 93,723,898</b>	<b>\$ 92,046,450</b>	<b>\$ 94,576,448</b>
Primary government:										
Net investment in capital assets	\$ 130,212,489	\$ 128,720,243	\$ 123,275,762	\$ 115,157,712	\$ 107,444,336	\$ 97,382,819	\$ 101,147,639	\$ 105,401,537	\$ 104,295,856	\$ 105,303,589
Restricted	8,577,274	9,868,968	9,630,363	10,390,787	9,051,525	19,496,432	15,008,542	16,562,813	14,133,980	3,505,059
Unrestricted	16,433,086	19,099,840	18,419,428	17,156,942	23,712,432	25,842,052	21,821,677	20,758,740	12,398,541	28,155,198
<b>Total primary government net position</b>	<b>\$ 155,222,849</b>	<b>\$ 157,689,051</b>	<b>\$ 151,325,553</b>	<b>\$ 142,705,441</b>	<b>\$ 140,208,293</b>	<b>\$ 142,721,303</b>	<b>\$ 137,977,858</b>	<b>\$ 142,723,090</b>	<b>\$ 130,828,377</b>	<b>\$ 137,963,846</b>

Notes: In 2006, the City implemented GASB Statement No. 46, which changed the reporting for restricted net assets  
 In 2013, the City implemented GASB Statement No. 63 which changed the reporting of net assets to net position

City of Blue Springs, Missouri

Changes in Net Position  
Last Ten Fiscal Years  
(accrual basis of accounting)  
(Unaudited)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Expenses:</b>										
Governmental activities:										
General government	\$ 5,872,381	\$ 7,241,811	\$ 9,417,156	\$ 6,722,852	\$ 5,952,221	\$ 5,747,148	\$ 6,173,185	\$ 6,682,189	\$ 6,494,979	\$ 6,732,979
Public works	1,182,225	1,114,645	1,085,815	1,150,817	1,157,261	1,165,906	1,235,515	1,082,539	729,879	758,851
Highways and streets	10,682,407	18,328,434	12,583,751	12,091,281	13,175,169	14,911,575	8,492,791	13,469,975	14,428,795	6,262,685
Public safety	10,853,511	10,844,451	11,387,848	11,308,429	11,855,976	12,475,129	17,032,328	13,362,419	12,815,066	18,032,520
Parks and recreation	3,697,637	3,644,910	3,926,097	3,808,823	3,926,898	4,059,046	4,036,137	3,869,602	4,166,939	4,141,149
Economic development	-	-	-	22,120,492	3,023,924	625,859	6,577,745	2,336,825	13,549,379	2,416,435
Interest and fiscal charges	834,021	807,943	768,656	720,823	1,921,555	2,809,800	2,759,693	2,960,575	3,380,506	5,251,068
<b>Total governmental activities expenses</b>	<b>33,122,182</b>	<b>41,982,194</b>	<b>39,169,323</b>	<b>57,923,317</b>	<b>41,013,004</b>	<b>41,794,463</b>	<b>46,307,394</b>	<b>43,764,124</b>	<b>55,565,543</b>	<b>43,595,687</b>
Business-type activities:										
Water	6,707,118	7,133,548	7,028,585	7,691,581	7,378,974	8,215,144	8,322,203	8,472,236	8,819,587	8,608,200
Sewer	6,173,085	6,365,722	7,248,223	7,438,288	6,991,779	7,315,040	7,348,680	7,829,235	9,585,897	11,455,986
Golf course	1,840,266	1,851,144	1,920,248	1,850,615	1,836,939	1,670,943	2,019,349	1,667,800	1,717,978	1,654,733
Non-major: Fieldhouse	-	-	-	-	-	-	-	-	-	149,777
<b>Total business-type activities expenses</b>	<b>14,720,469</b>	<b>15,350,414</b>	<b>16,197,056</b>	<b>16,980,484</b>	<b>16,207,682</b>	<b>17,201,127</b>	<b>17,690,232</b>	<b>17,969,271</b>	<b>20,123,462</b>	<b>21,868,696</b>
<b>Total primary government expenses</b>	<b>47,842,651</b>	<b>57,332,608</b>	<b>55,366,379</b>	<b>74,903,801</b>	<b>57,220,686</b>	<b>58,995,590</b>	<b>63,997,626</b>	<b>61,733,395</b>	<b>75,689,005</b>	<b>65,464,383</b>
Program revenue:										
Governmental activities:										
Charges for services:										
General government	3,280,500	3,438,438	3,192,776	3,526,012	3,050,375	3,095,525	3,171,600	3,569,233	3,826,423	3,456,917
Public works	336,522	240,110	303,539	50,586	26,376	54,941	332,068	92,490	21,205	69,054
Highways and streets	1,200	5,023	5,200	-	-	-	-	-	-	-
Public safety	1,962,360	2,020,941	2,448,292	2,826,024	2,732,433	2,871,402	2,915,982	1,947,267	1,405,762	1,428,023
Parks and recreation	596,353	679,237	670,760	645,069	633,235	626,200	398,451	381,691	414,159	444,931
Operating grants and contributions	960,638	718,617	684,440	649,095	457,455	567,701	574,895	799,005	575,817	581,258
Capital grants and contributions	6,516,879	10,522,467	1,525,944	1,578,255	1,248,938	4,535,142	124,886	9,569,123	5,837,853	2,449,429
<b>Total governmental activities program revenue</b>	<b>13,654,452</b>	<b>17,624,833</b>	<b>8,834,951</b>	<b>9,275,041</b>	<b>8,148,812</b>	<b>11,850,911</b>	<b>7,517,682</b>	<b>16,358,809</b>	<b>12,081,219</b>	<b>8,429,612</b>
Business-type activities:										
Charges for services:										
Water	7,629,315	7,208,618	6,454,183	6,459,597	6,651,551	7,052,276	7,886,884	7,215,657	8,074,733	8,102,186
Sewer	5,812,493	5,995,606	6,141,450	6,621,395	6,731,206	6,800,171	6,773,648	6,777,957	6,885,033	7,273,979
Golf course	1,482,474	1,658,689	1,750,262	1,516,109	1,433,111	1,367,495	1,520,568	1,469,473	1,394,058	1,432,673
Non-major: Fieldhouse	-	-	-	-	-	-	-	-	-	105,705
Capital grants and contributions	620,600	2,572,073	289,624	18,812,221	5,054,010	7,169,853	3,413,162	3,065,333	763,153	280,965
<b>Total business-type activities program revenues</b>	<b>15,544,882</b>	<b>17,434,986</b>	<b>14,635,519</b>	<b>33,409,322</b>	<b>19,869,878</b>	<b>22,389,795</b>	<b>19,594,262</b>	<b>18,528,420</b>	<b>17,116,977</b>	<b>17,195,408</b>
<b>Total primary government program revenues</b>	<b>\$ 29,199,334</b>	<b>\$ 35,059,819</b>	<b>\$ 23,470,470</b>	<b>\$ 42,664,363</b>	<b>\$ 28,018,690</b>	<b>\$ 34,240,706</b>	<b>\$ 27,111,944</b>	<b>\$ 34,887,229</b>	<b>\$ 29,198,196</b>	<b>\$ 25,625,020</b>

(Continued)

City of Blue Springs, Missouri

Changes in Net Position (Continued)  
Last Ten Fiscal Years  
(accrual basis of accounting)  
(Unaudited)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Net (expense) revenue:										
Governmental activities	\$ (19,467,730)	\$ (24,357,361)	\$ (30,334,372)	\$ (48,648,276)	\$ (32,864,192)	\$ (29,943,552)	\$ (38,789,712)	\$ (27,405,225)	\$ (43,484,324)	\$ (35,166,075)
Business-type activities	824,413	2,084,572	(1,561,537)	16,428,838	3,662,186	5,188,668	1,904,030	559,149	(3,006,485)	(4,673,288)
<b>Total primary government net expense</b>	\$ (18,643,317)	\$ (22,272,789)	\$ (31,895,909)	\$ (32,219,438)	\$ (29,202,006)	\$ (24,754,884)	\$ (36,885,682)	\$ (26,846,076)	\$ (46,490,809)	\$ (39,839,363)
General revenues and other changes in net position:										
Governmental activities:										
Taxes:										
Sales taxes	\$ 9,690,850	\$ 10,057,093	\$ 10,119,903	\$ 8,843,215	\$ 9,639,673	\$ 10,227,290	\$ 13,710,170	\$ 14,128,049	\$ 15,136,972	\$ 15,971,904
Property taxes	4,975,870	5,153,731	5,421,561	5,288,096	5,373,148	5,345,937	5,675,553	5,273,295	5,543,977	5,610,797
Franchise tax	3,254,497	3,705,535	5,413,715	5,096,487	6,111,034	5,311,660	5,062,742	5,414,939	5,250,496	5,187,482
Intergovernmental activity taxes	-	-	-	662,481	1,981,710	2,598,427	2,910,479	3,867,998	3,851,865	4,360,020
Motor Vehicle	-	-	-	-	-	-	1,765,850	1,672,082	1,764,838	1,833,354
Hotel	548,352	586,635	591,127	493,983	572,571	573,835	544,620	536,199	575,237	591,718
Other taxes	1,747,842	1,802,724	1,759,356	1,995,432	2,054,909	2,064,588	409,592	404,923	394,499	334,958
Interest	705,272	966,719	894,555	367,671	334,685	419,579	410,317	352,556	371,085	385,668
Miscellaneous	192,206	1,500,396	718,366	611,431	504,639	588,977	581,404	812,952	778,639	526,698
Gain on disposal of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers	(256,990)	(143,003)	(148,921)	(303,724)	(316,026)	(363,869)	(250,007)	(262,696)	(400,549)	(5,152,426)
<b>Total governmental activities</b>	20,857,899	23,629,830	24,769,662	23,055,072	26,256,343	26,766,424	30,840,720	32,200,297	33,267,059	29,650,173
Business-type activities:										
Interest	567,610	966,158	613,828	237,530	135,489	137,601	1,051,510	923,456	928,488	996,622
Transfers	256,990	143,003	148,921	303,724	316,026	363,869	250,007	262,696	400,549	5,152,426
<b>Total business-type activities</b>	824,600	1,109,161	762,749	541,254	451,515	501,470	1,301,517	1,186,152	1,329,037	6,149,048
<b>Total primary government</b>	\$ 21,682,499	\$ 24,738,991	\$ 25,532,411	\$ 23,596,326	\$ 26,707,858	\$ 27,267,894	\$ 32,142,237	\$ 33,386,449	\$ 34,596,096	\$ 35,799,221
Changes in net position:										
Governmental activities	1,390,169	(727,531)	(5,564,710)	(25,593,204)	(6,607,849)	(3,177,128)	(7,948,992)	4,795,072	(10,217,265)	(5,515,902)
Business-type activities	1,649,013	3,193,733	(798,788)	16,970,092	4,113,701	5,690,138	3,205,547	1,745,301	(1,677,448)	1,475,760
<b>Total primary government</b>	\$ 3,039,182	\$ 2,466,202	\$ (6,363,498)	\$ (8,623,112)	\$ (2,494,148)	\$ 2,513,010	\$ (4,743,445)	\$ 6,540,373	\$ (11,894,713)	\$ (4,040,142)

City of Blue Springs, Missouri

Fund Balances, Governmental Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)  
(Unaudited)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund:										
Reserved	\$ 2,570,622	\$ 2,758,255	\$ 2,505,963	\$ 2,680,486	\$ 2,585,922	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	7,846,412	9,112,054	8,635,056	9,700,183	11,143,726	-	-	-	-	-
Nonspendable	-	-	-	-	-	2,069,873	2,124,185	2,250,484	2,390,413	2,444,821
Restricted	-	-	-	-	-	131,654	107,265	1,143,677	1,110,681	61,804
Committed	-	-	-	-	-	7,174,859	7,145,032	7,431,610	7,615,714	7,876,539
Assigned	-	-	-	-	-	2,042,797	32,217	4,831,566	4,203,615	1,532,656
Unassigned	-	-	-	-	-	4,060,154	6,041,570	1,563,656	213,769	850,231
<b>Total General Fund</b>	<b>\$ 10,417,034</b>	<b>\$ 11,870,309</b>	<b>\$ 11,141,019</b>	<b>\$ 12,380,669</b>	<b>\$ 13,729,648</b>	<b>\$ 15,479,337</b>	<b>\$ 15,450,269</b>	<b>\$ 17,321,013</b>	<b>\$ 15,534,192</b>	<b>\$ 12,766,051</b>
All other governmental funds:										
Unreserved	\$ 9,185,884	\$ 3,528,551	\$ 2,148,966	\$ 7,095,640	\$ 9,822,955	\$ -	\$ -	\$ -	\$ -	\$ -
Special revenue funds	161,217	262,018	358,830	363,631	436,280	-	-	-	-	-
Capital projects funds	(1,325,929)	5,331,632	6,593,008	2,479,359	14,587,042	-	-	-	-	-
Nonspendable,										
Special revenue funds	-	-	-	-	-	58,169	340,394	15,415	353,424	29,857
Restricted/Committed/Assigned:										
Capital projects funds	-	-	-	-	-	16,063,845	14,628,781	14,270,225	8,914,496	5,024,611
Public Safety Sales Tax fund	-	-	-	-	-	-	3,673,183	2,756,681	18,087,627	6,926,542
Other governmental funds	-	-	-	-	-	7,382,340	8,150,087	1,879,203	10,732,535	6,055,534
<b>Total all other government funds</b>	<b>\$ 8,021,172</b>	<b>\$ 9,122,201</b>	<b>\$ 9,100,804</b>	<b>\$ 9,938,630</b>	<b>\$ 24,846,277</b>	<b>\$ 23,494,354</b>	<b>\$ 26,792,445</b>	<b>\$ 18,921,524</b>	<b>\$ 38,088,082</b>	<b>\$ 18,036,544</b>

(1) GASB 54 was implemented during fiscal year 2011. The City did not restate fund balance in prior years to comply with the new presentation format.

City of Blue Springs, Missouri

Changes in Fund Balances, Governmental Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)  
(Unaudited)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Revenues:</b>										
Taxes	18,670,374	19,704,229	21,755,056	19,248,987	21,148,583	23,005,988	24,686,823	25,839,079	26,682,458	27,506,137
Intergovernmental activity taxes	-	-	-	662,481	1,981,709	2,598,425	2,843,750	3,775,528	3,851,865	4,360,020
Licenses, fees and permits	777,131	772,510	746,020	917,980	572,183	629,447	639,179	688,903	865,546	777,265
Intergovernmental	7,948,706	8,055,156	3,576,748	3,893,513	3,935,449	6,676,347	2,979,681	2,960,671	3,510,789	5,366,824
Charges for services	5,114,710	4,515,378	4,870,792	4,981,920	4,697,653	4,982,338	1,382,522	1,676,501	1,512,856	1,305,934
Administrative charges	748,320	753,650	777,911	924,640	957,684	884,777	882,785	870,291	1,114,347	1,127,246
Fines, forfeitures and court costs	705,272	966,722	894,555	367,671	334,685	419,578	410,317	352,555	371,276	404,276
Interest	133,924	153,479	41,003	82,816	56,735	55,672	87,409	1,237,690	41,152	34,427
Donations	268,160	1,641,225	803,366	687,218	559,601	904,226	581,904	812,123	815,672	597,656
Other	34,366,597	36,562,349	33,465,451	31,767,206	34,244,282	40,156,778	38,053,455	40,536,092	40,530,896	43,319,785
<b>Total revenues</b>										
Expenditures:										
General government	5,451,595	6,815,363	6,242,211	6,195,290	5,602,502	5,471,625	5,676,363	5,832,150	6,117,293	6,327,983
Public works	983,707	1,036,256	938,675	888,418	848,364	844,437	820,337	692,584	721,738	758,851
Highways and streets	1,774,500	2,203,282	2,144,303	2,067,920	2,206,235	2,407,243	2,487,103	2,690,517	2,722,410	2,999,767
Public safety	10,241,806	10,623,207	10,919,674	10,821,665	11,649,900	11,742,075	16,335,463	15,191,037	19,151,121	24,489,006
Parks and recreation	3,392,075	3,415,753	3,621,081	3,545,496	3,549,907	3,680,470	3,378,523	3,357,255	3,647,241	3,649,129
Economic development	-	-	-	12,660,575	14,212,124	383,397	431,682	298,302	305,241	325,695
Capital outlay	8,920,232	7,893,555	7,993,886	5,305,272	7,777,445	10,310,341	13,994,620	12,066,688	2,774,635	8,886,778
Debt service:										
Principal	1,440,000	1,140,000	1,109,587	1,278,955	1,316,011	1,893,905	2,254,897	3,266,049	3,564,582	18,659,554
Interest	791,517	764,868	704,544	1,010,720	2,083,257	2,694,128	2,625,145	2,911,469	2,930,738	3,694,548
Bond Issuance Costs	-	-	-	-	-	-	158,350	-	408,232	1,615,270
<b>Total expenditures</b>	32,995,432	33,892,284	33,673,961	43,774,311	49,245,745	39,427,621	48,162,483	46,306,051	42,343,231	71,406,591
<b>Excess of revenues over (under) expenditures</b>	1,371,165	2,670,065	(208,510)	(12,007,105)	(15,001,463)	729,157	(10,109,028)	(5,769,959)	(1,812,335)	(28,086,806)
Other financing sources (uses):										
Bond proceeds	-	-	-	14,500,000	31,805,000	-	13,409,490	-	20,960,000	38,050,000
Refunded bond proceeds	-	-	-	-	3,590,000	-	-	-	-	-
Premium/(Discount) on issuance	-	-	-	(144,034)	(3,643,181)	-	185,701	-	460,377.00	(287,875)
Payment to refunded bond escrow agent	-	-	(421,330)	-	(210,274)	-	-	-	(1,860,234.00)	(27,625,000)
Capital lease issuance	-	-	-	1,676,388	2,418,388	4,035,359	4,975,087	2,401,594	6,001,009	2,575,957
Transfers in	741,274	381,232	3,993,280	(1,947,753)	(2,701,844)	(4,366,750)	(5,192,227)	(2,631,812)	(6,369,080)	(7,695,905)
Transfers out	(978,914)	(496,993)	(4,114,127)	(1,947,753)	(2,701,844)	(4,366,750)	(5,192,227)	(2,631,812)	(6,369,080)	(7,695,905)
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	(237,640)	(115,761)	(542,177)	14,084,581	31,258,089	(331,391)	13,378,051	(230,218)	19,192,072	5,267,127
<b>Net changes in fund balances</b>	1,133,525	2,554,304	(750,687)	2,077,476	16,256,626	397,766	3,269,023	(6,000,177)	17,379,737	(22,819,679)
Debt service as a percentage of noncapital expenditures	8.4%	5.9%	6.3%	6.0%	9.0%	12.9%	14.5%	16.3%	23.8%	42.1%

City of Blue Springs, Missouri

Total City Taxable Sales by Category  
Current Fiscal Year and Prior Eight Years

Sales by Retail Category:	2007	2008	2009	2010	2011	2012	2013	2014	2015
Retail	\$ 595,309	\$ 605,917	\$ 530,141	\$ 585,204	626,092	\$ 641,420	\$ 633,517	\$ 689,106	\$ 734,869
Manufacturing	3,739	2,717	2,947	1,952	3,208	3,650	3,862	9	9
Restaurants	20,176	21,618	20,583	24,640	29,592	29,773	29,632	35,843	37,676
Services	24,337	24,237	22,701	25,361	25,458	25,519	23,464	30,308	32,029
All other outlets	923	2,769	11,158	2,333	2,532	22,004	47,604	30,624	25,843
<b>Total</b>	<b>\$ 644,484</b>	<b>\$ 657,258</b>	<b>\$ 587,530</b>	<b>\$ 639,490</b>	<b>\$ 686,883</b>	<b>\$ 722,366</b>	<b>\$ 738,079</b>	<b>\$ 785,890</b>	<b>\$ 830,446</b>

Note: Amounts are in thousands of dollars. This schedule is intended to show the current year and nine years ago; however, amounts for years prior to 2007 are not available.

Source: Missouri Department of Revenue

City of Blue Springs, Missouri

Sales Tax Rates  
Direct and Overlapping Governments  
Last Ten Calendar Years  
(in Percent)

	Fiscal Year										
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Direct Sales Tax Rate City of Blue Springs											
General fund	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Transportation	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500
Public Safety	-	-	-	-	-	-	-	0.500	0.500	0.500	0.500
<b>Direct sales tax rate City of Blue Springs</b>	1.500	1.500	1.500	1.500	1.500	1.500	1.500	2.000	2.000	2.000	2.000
Transportation Development District											
Adams Farm TDD	-	-	-	-	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Home Depot TDD	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500
Coronado Drive TDD	-	-	-	-	0.500	0.500	0.500	0.500	0.500	0.500	0.500
<b>Total direct sales tax rate</b>	2.000	2.000	2.000	2.000	3.500	3.500	3.500	4.000	4.000	4.000	4.000
Total Local Option Sales Tax Rate											
State of Missouri	4.000	4.000	4.000	4.000	4.000	4.000	4.000	4.000	4.000	4.000	4.000
Mo. State Conservation	0.125	0.125	0.125	0.125	0.125	0.125	0.125	0.125	0.125	0.125	0.125
Mo. State Parks and Soil	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100
Jackson County	0.750	1.125	1.125	1.125	1.125	1.125	1.125	1.125	1.125	1.125	1.125
City of Blue Springs	1.500	1.500	1.500	1.500	1.500	1.500	1.500	2.000	2.000	2.000	2.000
Central Jackson County Fire Protection District	-	-	-	-	0.500	0.500	0.500	0.500	0.500	0.500	0.500
Zoo	-	-	-	-	-	-	-	0.125	0.125	0.125	0.125
<b>Total direct and overlapping sales tax rate</b>	6.475	6.850	6.850	6.850	7.350	7.350	7.350	7.975	7.975	7.975	7.975

Note: The rates shown for the Transportation Development Districts apply within those districts only.

Source: Missouri Department of Revenue.

City of Blue Springs, Missouri

Assessed Value and Estimated Actual Value of Taxable Property

Last Ten Fiscal Years

(Unaudited)

Fiscal Year	Real Property				Total	Other Property		Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Market Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Agricultural Property	Commercial Property	Personal Property		Railroads & Utilities					
2006	446,162,760	182,141	103,291,773	120,162,987	549,636,674	5,507,669	675,307,330	0.7027	3,050,590,961	22.14	
2007	456,882,349	184,193	107,901,822	124,234,987	564,968,364	5,507,022	694,710,373	0.7029	3,133,659,560	22.17	
2008	493,629,422	181,943	115,500,336	129,576,528	609,311,701	5,360,046	744,248,275	0.6971	3,366,373,178	22.11	
2009	499,748,063	172,367	121,072,121	130,285,814	620,992,551	4,879,636	756,158,001	0.6989	3,416,537,286	22.13	
2010	474,190,733	170,782	121,505,173	121,476,300	595,866,688	4,550,413	721,893,401	0.7259	3,255,881,283	22.17	
2011	476,649,966	165,812	121,890,009	119,506,303	598,705,787	6,480,646	724,692,736	0.7259	3,270,101,882	22.16	
2012	474,054,725	170,838	110,865,876	125,435,676	585,091,439	7,797,528	718,324,643	0.7489	3,243,955,368	22.14	
2013	475,193,138	178,203	111,893,539	129,559,419	587,264,880	9,707,540	726,531,839	0.7489	3,271,572,237	22.21	
2014	477,024,751	177,905	109,710,301	131,401,691	586,912,957	12,741,635	731,056,283	0.7489	3,289,401,099	22.22	
2015	479,712,354	173,478	109,136,575	131,036,206	589,022,407	12,569,227	732,627,940	0.7489	3,300,080,265	22.20	

Note: The assessed value is set at 19% for residential property; 12% for agricultural property; and 32% for commercial property of the estimated fair market value.

Source: Jackson County Assessor's Office



**City of Blue Springs, Missouri**  
**Direct and Overlapping Governments**  
**Last Ten Fiscal Years**  
**(rate per \$100 assessed value)**

Fiscal Year	City Direct Rates (1)				Overlapping Rates (2 & 3)					
	Basic/ General Rate	Debt Service	Total Direct	Central Jackson County Fire	Metropolitan Junior College	Blue Springs School District	Jackson County	State	Total Overlapping	
2006	0.5527	0.1500	0.7027	1.1146	0.2171	5.3893	1.0598	0.0300	7.8108	
2007	0.5529	0.1500	0.7029	1.1146	0.2172	5.3893	1.0632	0.0300	7.8143	
2008	0.5471	0.1500	0.6971	1.1029	0.2132	5.3893	1.0523	0.0300	7.7877	
2009	0.5489	0.1500	0.6989	1.1058	0.2143	5.5307	1.0610	0.0300	7.9418	
2010	0.5759	0.1500	0.7259	1.0974	0.2266	5.5307	1.0596	0.0300	7.9443	
2011	0.5759	0.1500	0.7259	1.0497	0.2329	5.7286	1.0596	0.0300	8.1008	
2012	0.5988	0.1501	0.7489	1.0692	0.2335	5.7286	1.0464	0.0300	8.1077	
2013	0.5989	0.1500	0.7489	1.0746	0.2349	5.7286	1.0464	0.0300	8.1145	
2014	0.5989	0.1500	0.7489	1.1203	0.2369	5.7286	1.0464	0.0300	8.1622	
2015	0.5989	0.1500	0.7489	1.1607	0.2374	5.7286	1.0317	0.0300	8.1884	

Notes: 1 The General Fund levy rates are limited by Missouri Statutes to \$1.00 per \$100.00 assessed valuation.

There is no limit on the levy rates for General Debt and Interest.

2 County Tax Breakdown for Current Year:

Health & Welfare Fund	0.1493
General Fund	0.1414
Road & Bridge Fund	0.1363
Park Fund	0.0871
Mid-Continent Public Library	0.3200
Handicap	0.0753
Mental Health	0.1223
Total County	<u>1.0317</u>

3 Two other school districts are in the City of Blue Springs. School tax rates for the current year in these districts are:

Grain Valley Reorganized #5	5.5299
Lee's Summit Reorganized #7	6.0627

Note: Taxes are due November 1, delinquent after December 31. Interest of 1.5% per month, up to a maximum of 18% annually is added for each month of delinquency. Collections are enforced through the attachment and sale of the property. Commercial real property is also assessed an additional "replacement tax" of 1.437 per \$100 assessed value.

**City of Blue Springs, Missouri**

**Principal Property Taxpayers  
Current Year and Nine Years Ago  
(Unaudited)**

Taxpayer	2015				2006				
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
KCPL - Greater MO Oper. Co. (Aquila)	\$ 15,180,702	1	33.87	\$ 3,860,627	1	17.70			
Wal-Mart Stores, Inc.	7,629,251	2	17.02	2,055,270	4	9.42			
Kohl's Department Store	5,570,837	3	12.43			-			
Fike Metal Products Corp.	3,798,594	4	8.48	\$ 1,687,354	8	7.74			
Enterprise Real Estate LLC	2,427,705	5	5.42			-			
George & Jeanette Ward	2,218,608	6	4.95	3,403,314	2	15.61			
Sunnyside Gardens Apts - Blue Springs LLC	2,235,495	7	4.99			-			
Southern Union Company	1,995,607	8	4.45	1,524,922	10	6.99			
Blue Springs Partners LP	1,932,578	9	4.31			-			
HD Development of Maryland Inc.	1,827,840	10	4.08	1,974,578	5	9.05			
21stMaize LLC & Wichita East LLC				2,214,072	3	10.15			
Blue Springs 1 LLC				1,706,408	7	7.83			
Southwestern Bell				1,787,206	6	8.20			
St. Mary's Hospital				1,593,252	9	7.31			
<b>Total</b>	<b>\$ 44,817,217</b>		<b>100.00</b>	<b>\$ 21,807,003</b>		<b>100.00</b>			<b>100.00</b>

Source: Jackson County Collection Department

**City of Blue Springs, Missouri**

**Property Tax Levies and Collections  
Last Ten Fiscal Years  
(Unaudited)**

Fiscal Year Ended September 30:	Taxes Levied for the Fiscal Year		Collected Within the Fiscal Year of the Levy		Total Collections to Date	
	Fiscal Year	Amount	Amount	Percentage of Levy	Collections in Subsequent Years	Amount
2006	4,762,600	4,588,481	96.34	150,849	4,739,330	99.51
2007	4,939,713	4,751,744	96.19	166,440	4,918,184	99.56
2008	5,195,766	5,071,884	97.62	97,884	5,169,768	99.50
2009	5,754,504	5,513,233	95.81	216,062	5,729,295	99.56
2010	5,825,726	5,633,240	96.70	168,789	5,802,029	99.59
2011	6,239,956	6,009,470	96.31	204,619	6,214,089	99.59
2012	6,637,020	6,425,351	96.81	177,078	6,602,429	99.48
2013	6,889,963	6,658,528	96.64	195,839	6,854,367	99.48
2014	7,052,632	6,834,975	96.91	142,779	6,834,975	96.91
2015	7,168,365	6,961,356	97.11		6,961,356	97.11

City of Blue Springs, Missouri

Ratios of Outstanding Debt  
Last Ten Fiscal Years  
(Unaudited)

Fiscal Year	Governmental Activities					Business-type Activities					Total Primary Government	Percentage of Personal Income	Per Capita (1)
	General Obligation Bonds	Leasehold Revenue Bonds	Special Obligation Bonds	Capital Leases	Certifications of Participation	Development Agreement	Capital Leases	Certificates of Participation	Neighborhood Improvements	State Revolving Fund Loan			
2006	7,860,000	-	-	283,340	3,510,000	2,862,500	283,340	5,115,000	10,475,000	-	30,105,840	2.21	566.98
2007	7,065,000	-	-	215,239	3,300,000	2,727,500	215,239	4,925,000	17,490,000	-	35,722,739	2.39	662.94
2008	5,970,000	-	-	278,350	3,075,000	5,332,892	278,350	4,725,000	17,490,000	-	36,871,242	2.44	670.01
2009	5,219,470	-	14,500,000	188,617	2,835,000	17,640,689	188,617	4,515,000	18,725,000	-	63,623,776	3.95	1,142.30
2010	19,450,000	-	31,305,000	92,570	2,595,000	13,591,502	92,570	4,305,000	18,325,000	2,411,481	92,075,553	6.01	1,649.60
2011	18,605,000	-	30,845,000	7,472	2,350,000	13,386,972	7,472	4,100,000	17,900,000	14,689,221	101,883,665	6.68	1,937.87
2012	25,445,000	-	30,310,000	-	2,095,000	19,155,005	-	3,890,000	17,475,000	20,509,149	124,351,776	8.26	2,357.42
2013	24,555,000	-	29,475,000	197,511	1,825,000	20,419,568	197,511	3,650,000	17,025,000	21,672,282	123,804,895	8.23	2,347.06
2014	23,841,419	-	28,237,059	183,402	21,120,421	32,594,749	183,402	3,222,661	17,001,263	20,931,228	151,553,401	9.84	2,843.72
2015	23,040,812	-	47,340,170	69,283	20,845,445	9,818,417	69,283	2,961,056	16,171,696	19,882,400	144,318,257	9.37	2,707.96

Notes: See Table 16 for personal income and population data. The 2006 ratios are calculated using personal income and population data from table 16 which is an estimate.

**City of Blue Springs, Missouri**

**Ratios of General Bonded Debt Outstanding  
Last Ten Fiscal Years  
(Unaudited)**

Fiscal Year	General Bonded Debt Outstanding			Percentage of Est. Actual Taxable Value of Property (1)		Per Capita (2)
	General Obligation Bonds	Less Amounts Available in Debt Service	Total	Value of Property (1)	Per Capita (2)	
2006	7,860,000	(1,112,774)	6,747,226	0.56	324.34	
2007	7,065,000	(1,126,322)	5,938,678	0.75	434.79	
2008	5,970,000	(906,079)	5,063,921	0.67	409.84	
2009	5,219,470	(1,053,475)	4,165,995	0.67	410.98	
2010	19,450,000	(1,053,965)	18,396,035	1.13	657.88	
2011	18,605,000	(1,053,965)	17,551,035	1.08	674.29	
2012	25,445,000	(1,101,576)	24,343,424	1.29	792.78	
2013	24,555,000	(890,633)	23,664,367	0.72	767.52	
2014	23,841,419	(725,235)	23,116,184	0.70	433.75	
2015	23,040,812	(719,158)	22,321,654	0.68	425.98	

Notes: 1 See Table 7 for property value data.

2 See Table 16 for population data.

**City of Blue Springs, Missouri**

**Direct and Overlapping Governmental Activities Debt  
For the Year Ended September 30, 2015  
(Unaudited)**

Name of Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
City of Blue Springs	105,233,812	100.00%	105,233,812
<b>Total direct debt</b>	<b>105,233,812</b>		<b>105,233,812</b>
Blue Springs Reorganized #4 School District	129,915,000	88.90%	115,494,435
Grain Valley Reorganized #5 School District	37,501,079	5.42%	2,032,558
Central Jackson County Fire Protection District	11,700,000	90.00%	10,530,000
Lee's Summit School District	179,500,000	0.004%	6,878
<b>Total overlapping debt</b>	<b>358,616,079</b>		<b>128,063,872</b>
<b>Total direct and overlapping debt</b>	<b>\$ 463,849,891</b>		<b>\$ 233,297,684</b>

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

Source: The debt outstanding data and applicable percentages provided by each governmental entity.

**City of Blue Springs, Missouri**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years**  
**(Unaudited)**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt Limit (1)	\$ 135,061,466	\$ 138,942,075	\$ 148,849,655	\$ 151,231,600	\$ 144,378,680	\$ 144,938,547	\$ 143,664,929	\$ 145,306,368	\$ 146,211,257	\$ 146,525,568
Total net debt applicable to limit	6,747,226	5,938,678	5,063,921	4,165,995	18,396,035	17,551,035	24,343,424	23,664,367	23,116,184	22,321,654
<b>Legal debt margin</b>	<b>\$ 128,314,240</b>	<b>\$ 133,003,397</b>	<b>\$ 143,785,734</b>	<b>\$ 147,065,605</b>	<b>\$ 125,982,645</b>	<b>\$ 127,387,512</b>	<b>\$ 119,321,505</b>	<b>\$ 121,642,001</b>	<b>\$ 123,095,073</b>	<b>\$ 124,203,914</b>

**Total net debt to the limit as a percentage of debt limit**

	6.646	12.751	16.862	15.152	15.136	25.434	24.459
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Legal Debt Margin Calculation for Fiscal Year 2015

Assessed Value	\$ 732,627,840
Debt Limit (20% of assessed value)	146,525,568

General obligation:

City-wide	23,040,812
<b>Total Bonded Debt</b>	<b>23,040,812</b>

Less:

Debt Service Fund Balance	719,158
<b>Total net debt applicable to limit</b>	<b>22,321,654</b>

<b>Legal debt margin</b>	<b>\$ 124,203,914</b>
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Notes:

- 1 - Article 6, Section 26(b) of the Missouri Constitution permits any county or city, by vote of four-sevenths of qualified electors voting thereon, to incur an indebtedness for city purposes not to exceed 5 percent of the value of the taxable tangible property therein, as shown by the last assessment.
- 1 - Article 6, Section 26(c) of the Missouri Constitution permits any county or city, by vote of four-sevenths of qualified electors voting thereon, to incur additional indebtedness for city purposes not to exceed 5 percent of the value of the taxable tangible property therein, as shown by the last assessment.
- 1 - Article 6, Section 26(d) & (e) of the Missouri Constitution provides that any city may become indebted not exceeding in the aggregate an additional 10 percent of the value of the taxable tangible property for the purpose of acquiring right-of-ways, constructing, extending and improving streets and avenues and/or sanitary or storm sewer systems and an additional 10 percent for purchasing or construction of waterworks, electric or other light plants provided the total general obligated indebtedness of the city does not exceed 20 percent of the assessed valuation.

**City of Blue Springs, Missouri**

**Pledged-Revenue Coverage  
Last Ten Fiscal Years  
(Unaudited)**

Fiscal Year	Revenues	Less Operating Expenses (1)	Net Available Revenue	Debt Service		Coverage
				Principal	Interest (2)	
2006	13,744,338	4 10,977,950	2,766,388	-	-	-
2007	13,232,926	5 11,040,024	2,192,902	-	-	-
2008	12,595,633	11,526,280	1,069,353	-	-	-
2009	13,080,992	11,815,907	1,265,085	-	-	-
2010	13,382,757	11,106,770	2,275,987	-	-	-
2011	13,852,447	12,338,827	1,513,620	-	-	-
2012	14,660,532	12,498,037	2,162,495	652,000	-	-
2013	13,993,614	13,087,683	905,931	1,323,200	-	-
2014	14,959,766	13,590,191	1,369,575	1,349,300	95,024	-
2015	15,376,165	15,452,891	(76,726)	1,048,827	313,523	-

Details regarding the City's outstanding debt can be found in the Notes to the Financial Statements.

- Notes: 1 Operating expenses excludes depreciation, interest expense, amortization and non-operating expenses.  
2 Includes estimated fiscal charges.  
3 Includes intergovernmental grants for Adams Dairy Parkway for \$1,226,763.  
4 Includes intergovernmental grants for Adams Dairy Parkway for \$302,530.  
5 Includes intergovernmental grants for Adams Dairy Parkway for \$28,702.



**City of Blue Springs, Missouri**

**Demographic and Economic Statistics**

**Last Ten Fiscal Years**

**(Unaudited)**

Fiscal Year Ended September 30, (3)	Population (1)	Personal Income (in thousands)	Per Capita Personal Income (1)	Median Age (1)	School Enrollment (2)	Unemployment Rate (1)
2006	53,099	1,364,803,597	25,703	35.10	13,608	3.70%
2007	53,885	1,493,692,200	27,720	33.10	13,871	3.40%
2008	55,031	1,508,674,865	27,415	35.26	13,951	3.40%
2009	55,698	1,609,727,898	28,901	33.10	14,085	6.30%
2010	55,817	1,531,618,480	27,440	35.50	14,162	7.60%
2011	52,575	1,524,464,700	28,996	34.80	14,174	7.80%
2012	52,749	1,503,451,998	28,502	34.70	14,447	5.20%
2013	53,014	1,508,619,398	28,457	33.10	14,586	6.30%
2014	53,294	1,540,622,952	28,908	35.60	14,524	5.60%
2015	52,401	1,501,969,863	28,663	36.20	14,383	5.10%

Note: The information for 2006 is an estimate.

- Sources: 1 Information provided by KCADC through the Blue Springs Economic Development Council - Claritas report  
 2 Information provided by school districts.  
 3 The information shown is for fiscal years.

City of Blue Springs, Missouri

Principal Employers  
Current Year and Nine Years Ago  
(Unaudited)

Employer	2015			2006		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Blue Springs School District	1,998	1	6.90%	1,613	1	5.94%
St. Mary's Hospital of Blue Springs	545	2	1.88%	615	2	2.26%
Fike Corporation	460	3	1.59%	230	10	0.85%
Hy-Vee	460	4	1.59%	340	6	1.25%
Wal-Mart Stores, Inc.	355	5	1.23%	400	5	1.47%
Price Chopper	335	6	1.16%	402	4	1.48%
City of Blue Springs	289	7	1.00%	273	8	1.01%
Home Depot	147	8	0.51%			
Target	135	9	0.47%			
Texas Roadhouse	130	10	0.45%			
Kohl's Distribution Center				450	3	1.66%
Durvet				296	7	1.09%
Haldex, Inc.				233	9	0.86%
<b>Total</b>	<b>4,854</b>		<b>16.77%</b>	<b>4,852</b>		<b>17.87%</b>

Source: Blue Springs Chamber of Commerce

City of Blue Springs, Missouri

Full-Time Equivalent City Government Employees by Functions/Programs  
Last Ten Fiscal Years  
(Unaudited)

Full-Time Equivalent Employees for Fiscal Year Beginning October 1										
Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Government:										
Administration	5.00	5.00	5.00	5.00	5.00	4.00	5.00	5.00	5.00	5.00
Legal	-	-	-	1.00	1.00	1.50	1.50	1.50	2.00	2.00
Public relations and communications	2.00	2.00	2.00	2.00	2.00	1.00	1.00	1.00	1.00	2.00
Human resources	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Information services	3.00	4.00	4.00	4.00	4.00	4.00	5.00	5.00	5.00	5.00
Community development	7.20	7.20	7.20	7.20	7.20	6.00	6.00	6.00	6.00	6.00
Codes administration	9.00	10.00	10.46	11.46	10.46	8.46	8.46	8.46	8.46	10.46
Geographic information systems	0.20	1.20	1.20	1.20	1.20	1.00	1.00	1.00	1.00	1.00
Economic development	2.00	2.00	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Finance	21.90	21.90	22.90	22.90	22.90	23.90	22.90	22.90	22.90	22.90
Municipal court	5.62	5.62	5.62	5.62	5.62	6.12	6.12	6.62	6.62	6.62
Public Works	12.94	12.54	12.54	12.14	10.00	9.00	9.00	9.00	9.00	8.00
Highways and streets	15.30	17.30	16.30	16.30	16.30	15.30	15.30	15.30	15.30	16.80
Public Safety:										
Administration	2.00	2.00	2.00	2.00	1.00	1.00	2.00	2.00	2.00	3.00
Operations	59.23	63.00	63.00	66.00	71.00	67.00	78.00	78.00	78.00	79.00
Staff services	26.20	26.20	18.00	17.00	18.00	18.00	30.00	30.00	30.00	30.00
Professional standards	7.65	8.65	15.20	16.20	17.20	16.00	-	-	-	-
Community/youth outreach	17.50	17.00	18.65	20.15	20.15	20.00	28.00	28.00	28.00	28.00
Parks and recreation										
Administration	5.00	5.00	5.00	5.50	5.50	5.00	5.00	4.00	4.00	4.00
Building maintenance	3.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00	3.00
50-Plus Programs	7.47	7.47	7.99	7.99	7.99	7.24	7.24	7.24	7.24	7.24
Parks maintenance	19.60	20.33	20.33	20.33	20.33	19.71	19.71	19.71	20.21	20.21
Recreation	2.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00	3.00	5.30
Swimming pool	-	-	-	-	-	-	-	-	-	-
Water:										
Operations	5.00	5.00	5.33	5.33	5.33	5.00	5.00	4.00	4.00	4.50
Maintenance	7.00	7.00	7.00	7.00	7.00	7.00	7.00	8.00	8.00	8.00
Sewer:										
Operations	5.00	5.00	5.33	5.33	5.33	5.00	5.00	4.00	4.00	4.50
Maintenance	6.00	6.00	6.00	6.00	6.00	6.00	6.00	7.00	7.00	7.00
Shi-A-Bar treatment plant	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	4.00	4.00
Central Garage Fund	2.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00	3.00	3.00
<b>Total</b>	<b>263.81</b>	<b>272.41</b>	<b>272.05</b>	<b>273.65</b>	<b>281.51</b>	<b>268.23</b>	<b>285.23</b>	<b>286.73</b>	<b>289.73</b>	<b>298.59</b>

Source: City of Blue Springs Budget

City of Blue Springs, Missouri

Operating Indicators by Function/Program  
Last Ten Fiscal Years  
(Unaudited)

Function/Program	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Police:</b>										
Number of citations issued	10,162	9,691	10,800	13,296	13,402	12,198	10,506	10,714	10,988	10,816
<b>Public Works:</b>										
Street overlay (lane miles)	4.50	-	55.00	48.00	36.00	38.00	36.00	27.00	-	14.00
Potholes repaired	7,181	10,561	6,129	3,650	7,503	3,199	7,888	10,973	6,990	8,341
Crack sealing (sq. yds.)	1,360,234	717,795	621,927	560,475	273,950	936,577	1,209,825	964,037	522,323	469,296
Slurry seal (sq. yds.)	199,700	208,517	-	-	-	-	-	-	-	-
<b>Parks and Recreation:</b>										
Park shelter reservations	1,075	1,000	1,222	955	1,243	1,201	1,123	1,111	1,023	1,096
Vesper Hall rentals	118	105	62	90	50	64	67	68	88	132
Number of participants in recreation programs	166,991	183,116	160,400	181,675	182,100	180,700	164,464	167,894	172,674	177,854
<b>Community Development:</b>										
Building permits issued	507	491	527	460	490	544	648	699	806	920
Number of nuisance violations cited	3,174	2,353	3,051	2,571	3,660	3,912	4,400	4,180	3,781	3,512
<b>Water:</b>										
Number of customers	19,959	20,134	20,427	20,439	20,356	20,377	20,376	20,475	20,528	20,622
Water main breaks	87	84	51	60	76	90	196	67	79	54
New water connections	391	217	138	48	58	56	42	51	75	88
<b>Sewer:</b>										
Number of customers	19,414	19,742	19,887	19,932	20,073	20,148	20,205	20,395	20,540	20,663
New sewer connections	227	212	231	66	68	76	88	127	136	159

Source: City of Blue Springs, Missouri

City of Blue Springs, Missouri

Capital Asset Statistics by Function/Program  
Last Ten Fiscal Years  
(Unaudited)

Function/Program	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Police:</b>										
Police stations	1	1	1	1	1	1	1	1	1	1
Police sub-stations	2	2	1	1	2	2	2	2	3	2
Vehicles	17	17	18	18	22	22	24	24	24	24
<b>Public Works:</b>										
Total area (square miles)	22.01	22.01	22.11	22.11	22.21	22.21	22.21	22.21	22.26	22.26
Paved miles	232.67	239.06	240.31	252.00	252.00	252.00	252.00	300.00	300.00	300.00
Street lights	2,570	2,613	2,409	2,409	2,531	2,535	2,527	2,527	2,527	2,556
Storm sewers (miles)	82.60	87.61	88.79	120.00	122.00	118.00	125.00	122.71	121.05	121.10
<b>Parks and Recreation:</b>										
Park acreage - developed & golf course	376.00	416.00	515.00	515.00	594.00	594.00	594.00	603.00	603.00	603.00
Park acreage - undeveloped & preserved	323.00	302.00	341.00	341.00	262.00	262.00	262.00	266.00	266.00	266.00
Parks - developed	14	14	14	14	14	14	15	15	15	15
Parks - undeveloped	4	5	7	7	7	7	6	7	7	7
Swimming pools	2	2	2	2	2	2	2	2	2	2
Soccer fields	12	11	12	12	12	12	12	12	12	12
Tennis courts	20	21	20	20	20	20	20	20	20	21
Skate parks	2	2	2	2	2	2	2	2	2	2
Baseball fields	6	8	8	8	8	8	8	8	8	8
Softball fields	15	14	15	15	15	15	15	15	15	15
Miles of walking/bike trails	15	15	15	17	17	17	15	17	17	17
Community centers	1	1	1	1	1	1	1	1	1	1
Conference centers	1	1	1	1	1	1	1	1	1	1
Public golf courses	1	1	1	1	1	1	1	1	1	1
Football fields	-	3	3	3	3	3	3	3	3	3
BMX race track	-	1	1	1	1	1	1	1	1	1
Basketball courts	-	7	7	7	7	7	7	7	7	7
Sand volleyball courts	-	14	14	11	11	11	14	11	10	10
Picnic shelters	-	18	18	18	18	18	18	18	18	18
Playgrounds	-	15	15	15	15	15	15	15	15	15
Dog park facility	-	1	1	1	1	1	1	1	1	1
<b>Water:</b>										
Water mains (miles)	230.10	230.10	232.50	275.00	277.00	277.00	275.50	275.80	276.36	277.04
Fire hydrants	2,280.00	2,305.00	2,350.00	2,377.00	2,406.00	2,429.00	2,434.00	2,349.00	2,369.00	2,479.00
Average daily consumption (millions of gallons)	4.50	5.33	4.80	4.70	4.40	4.60	5.70	5.76	4.50	4.20
<b>Sewer:</b>										
Number of treatment plants	2	2	2	1	1	1	1	1	1	1
Sewer mains (miles)	332.90	348.01	350.69	274.00	275.00	277.00	272.00	272.45	272.49	272.26
Average daily treatment (millions of gallons)	3.08	3.35	4.97	5.08	5.90	4.70	4.40	4.30	3.87	4.15
Manhole lined	N/A	10	96	-	25	27	13	-	-	5
Mains line	N/A	50	88	48	46	107	198	122	119	104
Main point repairs	N/A	14	23	43	10	8	9	5	8	6
Chimney seal installed on manhole	N/A	38	21	-	1	18	7	-	-	-

Source: City of Blue Springs, Missouri