

2016

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016



The City of
Blue Springs
Missouri

City of Blue Springs, Missouri

Comprehensive Annual Financial Report
Year Ended September 30, 2016

Prepared by:
Finance Department

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City of Blue Springs, Missouri

Principal Officials September 30, 2016

Mayor and City Council

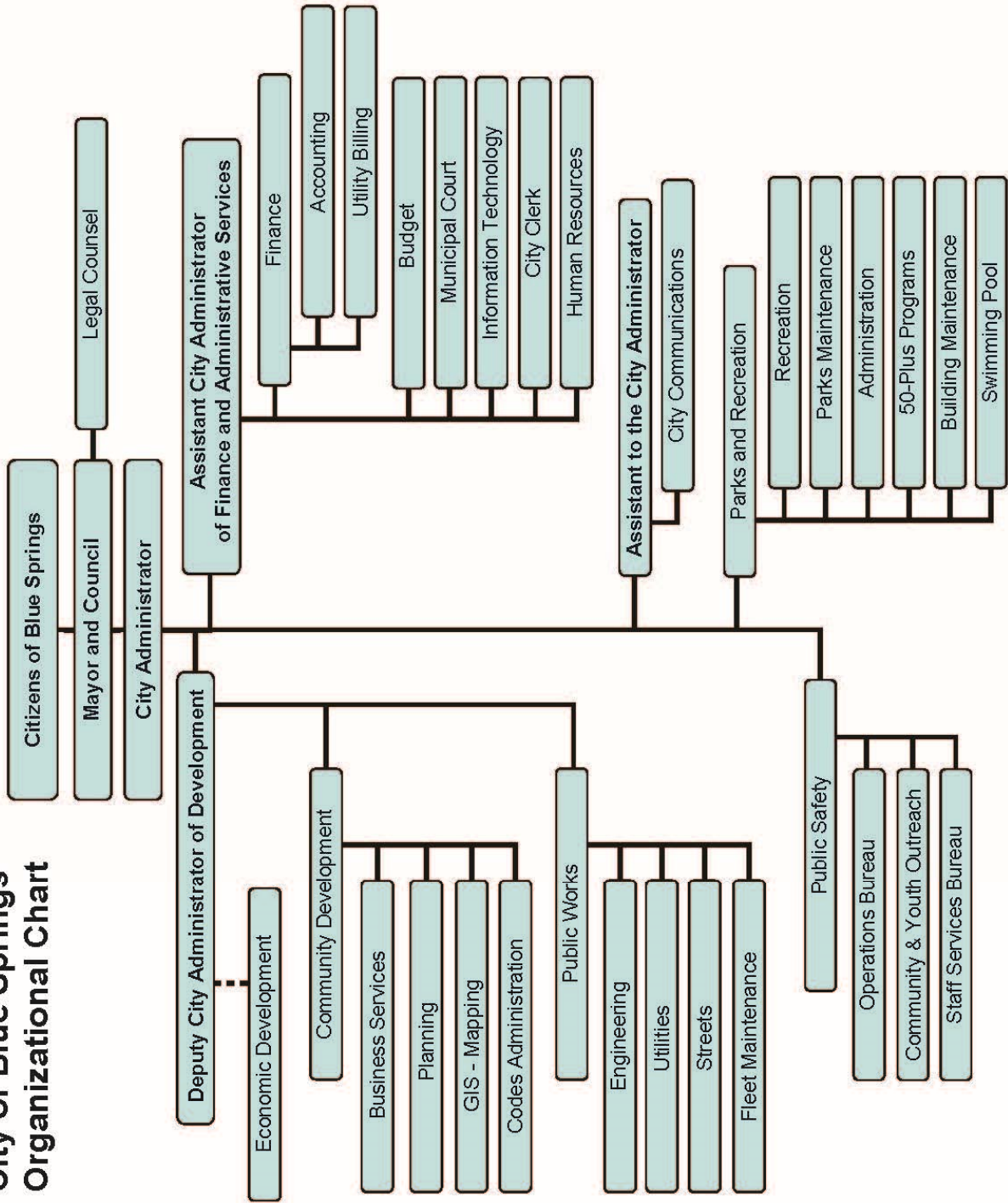
Honorable Carson Ross	Mayor
Honorable Dale Carter	District I
Honorable Jeff Quibell	District I
Honorable Kent Edmondson	District II
Honorable Chris Lievsay	District II
Honorable Susan Culpepper	District III
Honorable Ronald Fowler	District III

Administration

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 10, 2017

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, 2016, 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, 2016, 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 is typically part of a broader, federally mandated "Single Audit" designed to meet the special needs of Federal grantor agencies. For fiscal year 2016, the City did not meet the \$750,000 threshold of federal funding; therefore, a Single Audit was not required.

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 2016 is 54,148.

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 2016-17 budget includes projects totaling an estimated \$12.4 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 \$2,215,376 or 9.2% of total general fund expenditures. In compliance with the City's Enterprise Fund Policy, a comprehensive rate study was performed in 2016 for both the Water and Sewer Utilities. The study was

completed and adopted in July 2016 with increases in rates in October 2016, 2017 and 2018. During 2019, the City will perform another rate study to be implemented over the following three fiscal years.

Major initiatives

In 2016, the City implemented a five year Strategic Plan that sets forth values, goals and objectives that align with the City's mission to provide high quality core services as well as partner with community and regional organizations to enhance the quality of life for Blue Springs citizens.

With a focus on economic growth and prosperity, the Economic Development Corporation was reorganized structurally under the City's umbrella as the Economic Development Council effective October 1, 2016. The mission and goals of the EDC remain the same, but the organization and means by which services are delivered was restructured. The EDC continues to collaborate with existing businesses while recruiting new businesses that are in line with the city's long-term strategic plan. The board of the Economic Development Corporation essentially remained the same and transitioned to an advisory board to the City Council.

On December 19, 2016, the City Council adopted ordinance 4636 authorizing the issuance of \$9,265,000 in Special Obligation Revenue Bonds to provide project funding for the reimbursement of specific costs for the White Oak Tax Increment Financing and Community Improvement District projects. Bonds were issued in two series of term bonds due May 1, 2027 (\$1,635,000) and May 1, 2040 (\$7,630,000). The proceeds of the Series 2016 bonds will be used to provide approximately \$7.5 million in reimbursement to the developer of the project.

The Parks and Recreation Department implemented 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. In order for the City to address the projects identified in the Plan, the City Council approved a ballot issue for a ½ cent Parks sales tax with a five year sunset. This will be placed on the April 2017 ballot.

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, 2015. The City has been the recipient of this award since 1982.

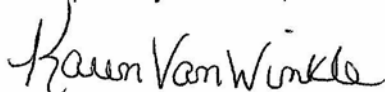
In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year. We believe that our 2016 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, 2015. 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 fifth 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, 2015

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, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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, each major fund, the aggregate discretely presented component unit and remaining fund information of the City of Blue Springs, Missouri, as of September 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Schedule of Changes in Net Pension Liability and Related Ratios and Schedule of City Contributions for the Local Government Employees Retirement System, the schedule of funding progress for the other postemployment benefits, and the budgetary comparison information, as listed in the table of contents, 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 10, 2017

City of Blue Springs, Missouri

Management's Discussion and Analysis

Fiscal Year Ended September 30, 2016

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, 2016. 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.

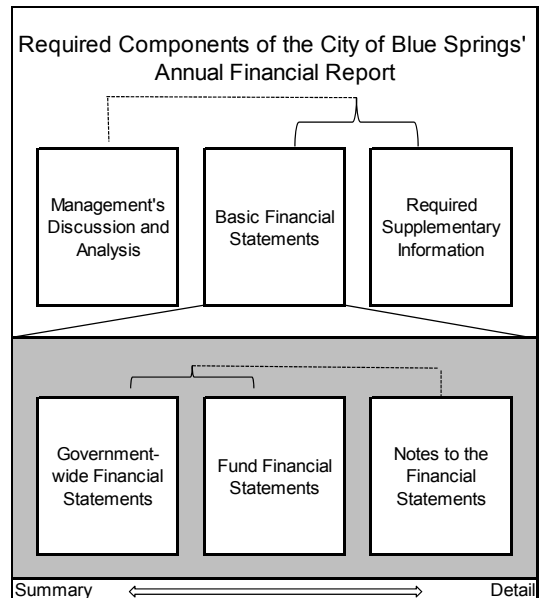
Financial Highlights

- 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 \$137,651,777 (net position). Of this amount, \$22,913,459 (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 \$0.3 million. Business-type activities account for a decrease of \$0.8 million in net position while governmental activities net position increased by \$0.5 million.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$30,718,404, a decrease of \$0.1 million in comparison with the prior year.
- Approximately 53 percent or \$16,155,005 of the combined governmental fund balances of \$30,718,404 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 increased by \$1,291,647, public safety sales tax fund decreased by \$2,391,933, the capital projects fund increased by \$6,431 and the TIF fund increased by \$863,289.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$2,217,410 or 9 percent of total general fund expenditures.
- The City's total long-term liabilities decreased by \$6,566,609 or 4.5 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 \$8.2 million in excess of the additions of debt related to compensated absences, developer agreements and capital leases.

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, 2016

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				
	Government-Wide Statements	Governmental Funds	Fund Statements	
			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, 2016

The government-wide financial statements can be found on pages 16 – 18 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 19 – 26 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, Fleet Maintenance, 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 27 – 34 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 35 – 36 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 37 – 71 of this report.

City of Blue Springs, Missouri

**Management’s Discussion and Analysis
Fiscal Year Ended September 30, 2016**

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 72 – 100 of this report. Statistical Information can be found beginning on page 101.

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. In the case of the City of Blue Springs, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$137,651,777 at September 30, 2016.

	City of Blue Springs Net Position					
	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Current and other assets	\$ 44,691,283	\$ 52,016,050	\$ 44,022,110	\$ 44,084,384	\$ 88,713,393	\$ 96,100,434
Capital assets	105,224,922	108,720,067	88,010,587	91,555,891	193,235,509	200,275,958
Total assets	149,916,205	160,736,117	132,032,697	135,640,275	281,948,902	296,376,392
Deferred outflows of resources	7,556,111	3,260,067	828,008	405,970	8,384,119	3,666,037
Long-term liabilities outstanding	102,681,173	107,073,383	37,097,307	39,271,706	139,778,480	146,345,089
Other liabilities	3,166,763	5,997,698	1,958,947	2,177,042	5,125,710	8,174,740
Total liabilities	105,847,936	113,071,081	39,056,254	41,448,748	144,904,190	154,519,829
Deferred inflows of resources	7,749,958	7,537,705	27,096	21,049	7,777,054	7,558,754
Net position:						
Net investment in capital assets	50,935,498	52,660,972	51,265,320	52,642,617	102,200,818	105,303,589
Restricted	10,961,853	777,874	1,575,649	2,727,185	12,537,502	3,505,059
Unrestricted (deficit)	(18,022,929)	(10,051,448)	40,936,386	39,206,646	22,913,457	29,155,198
Total net position	\$ 43,874,422	\$ 43,387,398	\$ 93,777,355	\$ 94,576,448	\$ 137,651,777	\$ 137,963,846

The largest portion of the City's net position \$102,200,818 (74 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 \$12,537,500 (9 percent) represents resources that are subject to external restrictions on how they may be used. Unrestricted net position totals \$22,913,459 (17 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, 2016**

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

	City of Blue Springs' Changes in Net Position					
	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenues:						
Program revenues:						
Charges for services	\$ 5,543,186	\$ 5,398,925	\$ 19,402,970	\$ 16,914,543	\$ 24,946,156	\$ 22,313,468
Operating grants and contributions	471,559	581,258	-	-	471,559	581,258
Capital grants and contributions	609,823	2,449,429	230,991	280,865	840,814	2,730,294
General revenues:						
Property taxes	6,122,937	5,610,797	-	-	6,122,937	5,610,797
General sales and use tax	16,518,994	15,971,904	-	-	16,518,994	15,971,904
Franchise tax	4,860,305	5,187,482	-	-	4,860,305	5,187,482
Intergovernmental activity taxes	3,952,005	4,360,020	-	-	3,952,005	4,360,020
Motor vehicle tax	1,844,525	1,833,354	-	-	1,844,525	1,833,354
Hotel tax	591,123	591,718	-	-	591,123	591,718
Other taxes	364,960	334,958	-	-	364,960	334,958
Unrestricted investment earnings	386,448	385,668	950,212	996,622	1,336,660	1,382,290
Other	410,308	526,698	-	-	410,308	526,698
Total revenues	41,676,173	43,232,211	20,584,173	18,192,030	62,260,346	61,424,241
Expenses:						
General government	6,420,523	6,732,979	-	-	6,420,523	6,732,979
Public works	701,230	758,851	-	-	701,230	758,851
Highways and streets	8,365,757	6,262,685	-	-	8,365,757	6,262,685
Public safety	16,788,117	18,032,520	-	-	16,788,117	18,032,520
Parks and recreation	4,269,900	4,141,149	-	-	4,269,900	4,141,149
Economic development	267,098	2,416,435	-	-	267,098	2,416,435
Water	-	-	9,424,854	8,608,200	9,424,854	8,608,200
Sewer	-	-	9,599,824	11,455,986	9,599,824	11,455,986
Golf Course	-	-	1,658,105	1,654,733	1,658,105	1,654,733
Non-major: Fieldhouse	-	-	1,012,307	149,777	1,012,307	149,777
Interest on long-term debt	4,064,700	5,251,068	-	-	4,064,700	5,251,068
Total expenses	40,877,325	43,595,687	21,695,090	21,868,696	62,572,415	65,464,383
Excess (deficiency) before transfers	798,848	(363,476)	(1,110,917)	(3,676,666)	(312,069)	(4,040,142)
Transfers	(311,824)	(5,152,426)	311,824	5,152,426	-	-
Change in net position	487,024	(5,515,902)	(799,093)	1,475,760	(312,069)	(4,040,142)
Net position, beginning	43,387,398	48,903,300	94,576,448	93,100,688	137,963,846	142,003,988
Net position, ending	\$ 43,874,422	\$ 43,387,398	\$ 93,777,355	\$ 94,576,448	\$ 137,651,777	\$ 137,963,846

Governmental activities. Several factors caused net position for governmental activities to increase by \$487,024 or 1% due to revenues in excess of expenses.

Overall revenues decreased from fiscal year 2015 by \$1,556,038 due to increases in some revenue categories and decreases in other revenue categories.

- Sales taxes increased in total by \$547,090 or 3 percent from 2015 primarily due to increased sales throughout the City.

City of Blue Springs, Missouri

Management’s Discussion and Analysis

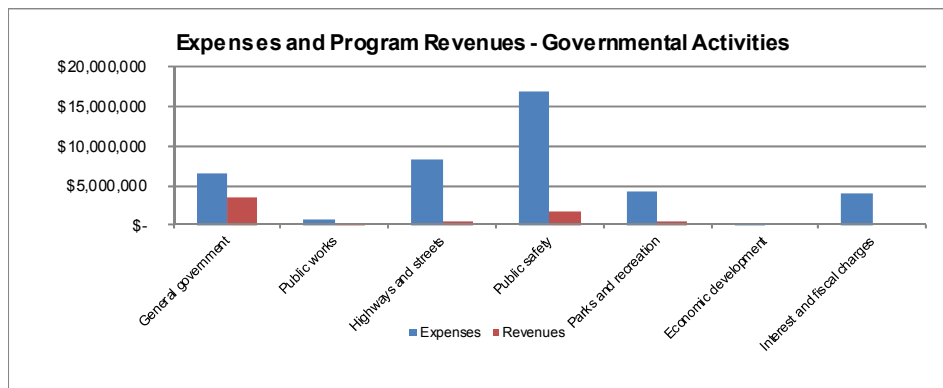
Fiscal Year Ended September 30, 2016

- Property taxes increased by \$512,140 or 9 percent during the year due to an increase in new construction.
- Franchise taxes decreased by \$327,177 or 6 percent. This decrease is primarily due to the decrease in wireless telecommunications services and a mild winter that resulted in a decrease in Missouri Gas Energy taxes.
- Intergovernmental activity taxes decreased by \$408,015 or 9 percent due to PILOTS for the Adams Farm TIF that were paid under protest and have not been received by the City.
- Charges for Services increased by \$144,261 or 2.7 percent in 2016 due to an increase in building permits and right of way fees.
- Capital Grants and Contributions decreased by \$1,839,606 or 75 percent due primarily to the substantial completion of Woods Chapel Road expansion project in fiscal year 2015.
- Transfers out decreased by \$4.8 million due to the transfers from the general and capital projects funds for renovation of the Fieldhouse in fiscal year 2015.
- Operating Grants decreased by \$109,699 primarily due to the completion of the domestic violence grant in fiscal year 2015. The award was not received for 2016; however, has been received for fiscal year 2017 and will be included in the mid-year budget amendment.
- Miscellaneous revenues decreased by \$116,390 or 22 percent primarily due to the decrease in Midwest Public Risk insurance incentives in fiscal year 2016.

Overall expenses decreased from fiscal year 2015 by \$2,718,362 due to increases in functions and decreases in other functions.

- Economic Development decreased by \$2.1 million from 2015 due to the issuance of the 2015 SO bonds in fiscal year 2015.
- Public Safety decreased by \$1.2 million due to substantial completion of the Public Safety Building expansion in fiscal year 2015.
- Highways and Streets increased by \$2.1 million from 2015 due to additional expenses for Woods Chapel Rd. Phase 2 project.
- Interest and Fiscal Charges decreased by \$1.2 million primarily due to issuance costs related to the 2015 Special Obligation Bonds.

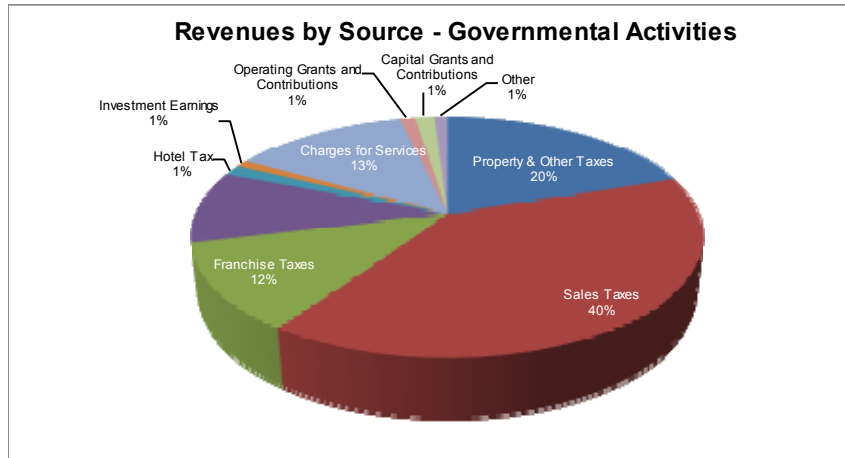
The following table reflects the expenses and revenues from the City's governmental activities:



City of Blue Springs, Missouri

**Management’s Discussion and Analysis
Fiscal Year Ended September 30, 2016**

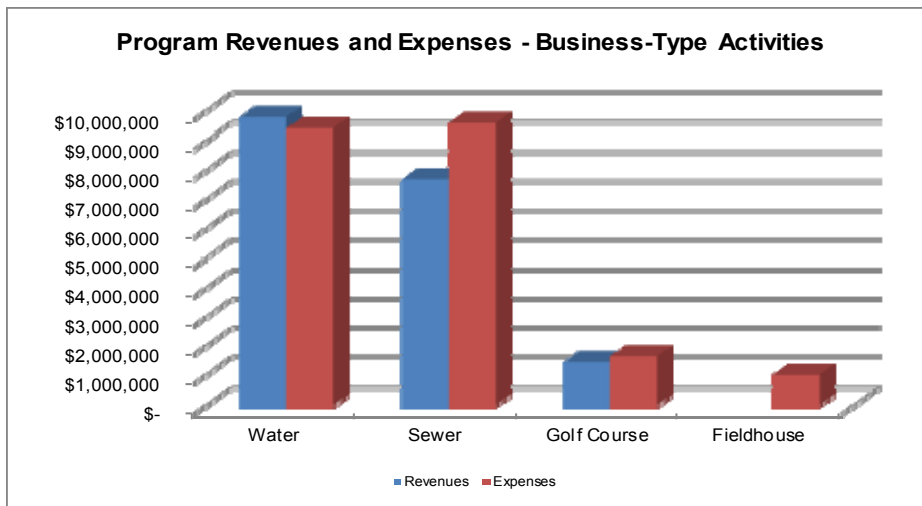
The following table reflects the revenues by source from the City’s governmental activities:



Business-type activities. Business-type activities net position decreased by \$799,093 or 0.8 percent. Key elements of this increase are as follows:

- Net position for the Sewer Utility Fund decreased by \$1,312,130 due to citywide sewer maintenance and the City’s need to subsidize the Neighborhood Improvement District Limited Obligation Bonds debt service payments in the amount of \$453,494.
- Net position for the Water Utility Fund increased by \$744,290 due to operating revenues exceeding operating expenses and an increase in Charges for Services related to water sales.
- Net position for the Golf Course increased by \$58,907 primarily due to an increase in pro shop revenues and refinancing of debt in 2014 that resulted in a decrease in expenses related to debt.
- Net position of the Fieldhouse Fund decreased by \$290,160 due to the operating expenses exceeding revenues due to fiscal year 2016 being the first full year of operations for the Fieldhouse. Memberships exceeded expectations for year one; however, personnel costs, contracted services and depreciation expenses exceeded revenues.

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

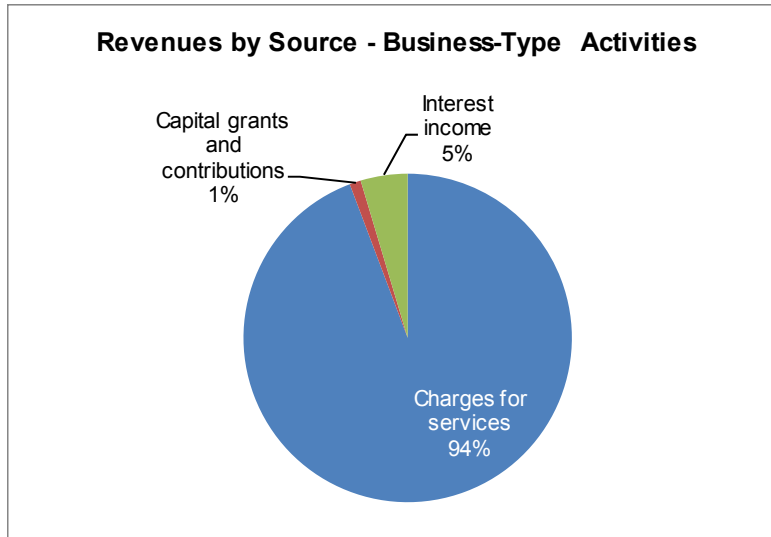


City of Blue Springs, Missouri

Management’s Discussion and Analysis

Fiscal Year Ended September 30, 2016

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 \$30,718,404 a decrease of \$84,191 in comparison with the prior year. Approximately 53 percent or \$16,155,005 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 increased by \$1,291,647, public safety sales tax fund decreased by \$2,391,933, the capital projects fund increased by \$6,431 and the TIF fund increased by \$864,289.

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.

City of Blue Springs, Missouri

Management's Discussion and Analysis

Fiscal Year Ended September 30, 2016

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).

The fund balance of the City's general fund increased by \$1,291,647 during the current fiscal year. The key factors in the increase are reductions in budgeted expenditures including carryover encumbrances of \$1,020,980.

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 \$4,564,466 which is a decrease of \$2,391,933 from last year. The fund balance decrease is primarily related to additional expenditures of \$2.8 million for the substantial completion of the Public Safety building expansion.

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 \$5,031,042, which is an increase of \$6,431 from last year.

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 \$5,262,972, which is an increase of \$864,289 from last year. The fund balance increase is related primarily to revenues exceeding expenditures in the Adams Farm TIF. The related cash is held by the trustee as fund restricted for future debt service payments.

The encumbrances for the General Fund decreased to \$719,523 from \$1,020,980 for a difference of \$301,457. \$330,702 due to the release of a reserve purchase order for the Economic Development Department. Public Safety Sales Tax Fund encumbrances decreased to \$1,334,884 from \$5,077,547 for a difference of \$3,742,663 due to additional work on the public safety building expansion in project that resulted in the addition of the asset for fiscal year 2016. Capital Projects Fund encumbrances decreased to \$846,315 from \$1,408,137 for a difference of \$561,822, primarily related to additional expenditures for the substantial completion of 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 \$9,003,702 and \$35,060,489, respectively. The golf course fund has an unrestricted net deficit of \$1,764,779 for a decrease in the unrestricted deficit of \$33,286 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, 2016 were \$25,913,765 or \$1,952,167 over budget. Expenditures ended the year at \$23,877,399 or \$2,618,016 below the final budget amount of \$26,495,415.

City of Blue Springs, Missouri

Management's Discussion and Analysis

Fiscal Year Ended September 30, 2016

General Fund Revenues exceeded budget by \$1,952,167:

- Taxes - Franchise taxes including natural gas, wireless communications, telecommunications were significantly below budget by \$332,695 or 6% while sales taxes were \$196,078 or 3% above budget.
- Licenses & Permits - Building permits revenue exceeded budget by \$177,857 or 47% for the year while other categories were below budget resulting in an overall increase of \$160,813 or 20%.
- Charges for Services - Charges for services revenues, primarily construction and right of way fees, exceeded budget by \$268,933 or 25%.
- Fines - Fines were \$55,571 or 5% below budget due to the implementation of Senate Bill 572 that went into effect August 28, 2016. This new bill further impacted the City's municipal court revenue that started with Senate Bill 5 that went into effect August 28, 2015.

General Fund Expenditures were below budget by \$2,618,016 due to less than anticipated spending. Key factors are noted below:

- Personal Services were under budget by \$414,115 due to position vacancies in Public Works and Police.
- Materials & Supplies were under budget by \$317,134 due to Police fuel expenses and Streets & Highways was intentionally reduced due to the creation of Concrete cost center in the Water Fund.
- Contractual Services were \$1,023,242 under budget due to saving on Utilities and the release of a reserve purchase order related to Economic Development Department.

During the fiscal year, the City Council revised the budget as expenditures were increased \$1,118,041 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 election expense related to the out of state motor vehicle sales tax.
- Increase in appropriations for transfer to the Fieldhouse for the purchase of score-boards.
- Increase in appropriations for professional services in the Law Department.
- Carry-over encumbrances from fiscal year 2015 account for \$1.02 million of the increase.

Outstanding General Fund encumbrances as of September 30, 2016 totaled \$719,523.

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, 2016, amounts to \$193,235,509, 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 decrease in the City's investment in capital assets for the current fiscal year was \$7,040,449 or 3.5 percent (a 4 percent decrease for business-type activities and a 3.3 percent decrease for governmental activities). The decrease in governmental activities is primarily due to depreciation of \$8.2 million exceeding net increases in asset additions of \$4.6 million primarily for the public safety building expansion. For business-type activities, depreciation of \$4.1 million, including \$437,825 for the Fieldhouse, exceeded asset retirements of \$393,322.

City of Blue Springs, Missouri

Management's Discussion and Analysis

Fiscal Year Ended September 30, 2016

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Land and land rights	\$ 16,031,345	\$ 16,207,745	\$ 4,006,033	\$ 4,001,233	\$ 20,037,378	\$ 20,208,978
Construction-in-progress	-	26,316,700	366,152	68,628	366,152	26,385,328
Buildings and improvements	25,276,411	3,620,432	12,502,201	12,985,962	37,778,612	16,606,394
Equipment and vehicles	6,109,930	6,496,332	1,024,081	1,289,192	7,134,011	7,785,524
Infrastructure	57,807,236	56,078,858	70,112,120	73,210,876	127,919,356	129,289,734
	\$ 105,224,922	\$ 108,720,067	\$ 88,010,587	\$ 91,555,891	\$ 193,235,509	\$ 200,275,958

Additional information on the City's capital assets can be found in Note 6 on pages 51 – 53 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 \$139,778,480. Of this amount, \$22,030,000 comprises debt backed by the full faith and credit of the government and \$14,950,000 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 \$22,680,000 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 \$46,061,530. 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 \$5.4 million resulting in a loan balance of \$18.8 million.

The City's total debt decreased by \$6,566,609 or 4.5 percent during the current fiscal year. The key factors were scheduled debt service payments and only minor increases to debt related to capital leases and developer agreement interest.

	Governmental Activities		Business-Type Activities		Total	
	2016	2015 (as restated)	2016	2015 (as restated)	2016	2015 (as restated)
Capitalized leases	\$ 3,412,143	\$ 4,188,968	\$ 54,542	\$ 69,293	\$ 3,466,685	\$ 4,258,261
General obligation bonds	22,030,000	22,860,000	-	-	22,030,000	22,860,000
Compensated absences	1,479,676	1,384,821	155,834	149,520	1,635,510	1,534,341
Development agreements	8,745,327	9,818,417	-	-	8,745,327	9,818,417
Certificates of participation	20,160,000	20,425,000	2,520,000	2,745,000	22,680,000	23,170,000
Neighborhood improvement	-	-	14,950,000	15,775,000	14,950,000	15,775,000
Net OPEB obligation	496,665	454,750	42,153	37,741	538,818	492,491
Special obligation bonds	46,061,530	47,616,530	-	-	46,061,530	47,616,530
Discount/premium on issuance	295,832	324,897	561,578	612,752	857,410	937,649
LAGERS obligation	-	-	-	-	-	-
State revolving fund	-	-	18,813,200	19,882,400	18,813,200	19,882,400
	\$ 102,681,173	\$ 107,073,383	\$ 37,097,307	\$ 39,271,706	\$ 139,778,480	\$ 146,345,089

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 \$155,708,386.

City of Blue Springs, Missouri

Management's Discussion and Analysis

Fiscal Year Ended September 30, 2016

Additional information regarding the City's long-term debt can be found in Note 7 on pages 54 – 60 of this report.

Economic Factors and Next Year's Budgets and Rates

General Fund revenues for fiscal year 2017 are projected to total \$23,915,399. This represents an overall decrease of 0.38% percent. General Fund budgeted expenditures are projected to total \$25,366,259 compared to \$25,377,374 in fiscal year 2016; a decrease of 0.04%. The very slight decreases in both revenues and expenditures are primarily a result of very little change expected in revenues and management's decision to maintain budgeted expenditures consistent with fiscal year 2016.

During the current fiscal year, unassigned fund balance in the general fund increased to \$2,217,410. The City has not appropriated this amount in the 2017 fiscal year, but funds may be designated for the City Hall renovation project. .

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 2017 are \$3,340,446. 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. There are still minor encumbrances still open on this project.

The City performed another water and sewer rate study in 2016 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 2019. 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 April 2017.

The City's budget includes a 2 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 2017 budget includes \$2.3 million for street rehabilitation and \$300,000 to address sidewalk maintenance citywide. As part of this program, in 2016 the City has established an in-house sidewalk/flatwork crew of four full-time employees that addresses sidewalk defects. The budget also includes \$900,000 for citywide sewer inspection and maintenance, \$800,000 for reed bed sludge drying facility \$700,000 for the Tyer Road sanitary sewer project and \$307,000 for police vehicles.

The Parks and Recreation Department implemented 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 2017 budget includes \$208,000 to complete a few of the minor park maintenance projects. In order for the City to address many of the other projects identified in the Plan, the City Council approved a ballot issue for a 1/2 cent Parks sales tax with a five year sunset. By placing this on the April 2017 ballot, the City will incur no additional election costs since the ballot will include the election of three council members as well.

City of Blue Springs, Missouri

Management's Discussion and Analysis

Fiscal Year Ended September 30, 2016

Also included in the 2017 budget is the City Hall Renovation in the amount of \$3,595,000. This project will be funded by General Fund, Capital Projects Fund and Water and Sewer Funds.

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 were implemented during fiscal year 2016. The annual wage reopener for all 3 FOP Units was approved for 2016-17 fiscal year.

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 is currently reviewing the Fieldhouse to determine maintenance needs in order to establish a Maintenance and Reserve Fund Policy.

Senate bill 23 was approved in 2014 which allowed 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 required that the City put a "repeal" vote on the ballot sometime between November 2014 and November 2016, in which voters would be asked if they want to keep the local tax. The City placed this on the ballot in August 2016 and voters responded with 73% support to not discontinue the tax.

The City is evaluating the impact that Missouri Senate Bill 5, House Bill 572 and Supreme Court Rule 37 for their impact on municipal court fines and court cost revenues. Supreme Court Rule 37 must be implemented by July 1, 2017.

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.

City of Blue Springs, Missouri

Statement of Net Position
September 30, 2016

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
Assets				
Cash and investments	\$ 22,026,179	\$ 16,519,137	\$ 38,545,316	\$ 39,105
Receivables (net of allowances for uncollectibles):				
Property taxes	8,215,781	-	8,215,781	-
Other taxes	2,915,051	-	2,915,051	-
Accounts	281,603	1,999,494	2,281,097	-
Accrued interest	10,516	8,703	19,219	-
Internal balances	2,000,055	(2,000,055)	-	-
Inventories	142,456	343,753	486,209	-
Prepaid items	639,724	398,397	1,038,121	-
Special assessments:				
Due in one year	-	1,981,989	1,981,989	-
Due in more than one year	-	14,100,000	14,100,000	-
Due from other governments:				
Due in one year	1,048,029	389,049	1,437,078	-
Due in more than one year	-	8,418,378	8,418,378	-
Restricted cash and investments	4,303,947	1,575,649	5,879,596	-
Net pension asset	3,107,942	287,616	3,395,558	-
Capital assets:				
Land and construction-in-progress, nondepreciable	16,031,345	4,372,185	20,403,530	-
Other capital assets, net of depreciation	89,193,577	83,638,402	172,831,979	-
Total assets	149,916,205	132,032,697	281,948,902	39,105
Deferred Outflows of Resources				
Deferred charge on refunding	732,295	154,053	886,348	-
Pension-related amounts	6,823,816	673,955	7,497,771	-
Total deferred outflows	7,556,111	828,008	8,384,119	-
Liabilities				
Accounts payable	977,232	1,267,631	2,244,863	-
Accrued liabilities	459,815	58,440	518,255	-
Due to other governments	3,789	-	3,789	-
Court bonds	68,878	-	68,878	-
Accrued interest	817,091	105,772	922,863	-
Customer deposits	771,119	512,437	1,283,556	-
Unearned revenue	68,839	14,667	83,506	-
Noncurrent liabilities:				
Due in one year	2,904,974	2,232,014	5,136,988	23,555
Due in more than one year	99,776,199	34,865,293	134,641,492	-
Total liabilities	105,847,936	39,056,254	144,904,190	23,555
Deferred Inflows of Resources				
Property taxes	7,605,289	-	7,605,289	-
Pension-related amounts	144,669	27,096	171,765	-
Total deferred inflows	7,749,958	27,096	7,777,054	-
Net Position				
Net investment in capital assets	50,935,498	51,265,320	102,200,818	-
Restricted for:				
Debt service	5,682,037	1,575,649	7,257,686	-
Public safety building improvements	4,496,849	-	4,496,849	-
Tourism	566,070	-	566,070	-
Other	216,897	-	216,897	-
Unrestricted (deficit)	(18,022,929)	40,936,386	22,913,457	15,550
Total net position	\$ 43,874,422	\$ 93,777,355	\$ 137,651,777	\$ 15,550

See notes to basic financial statements.

City of Blue Springs, Missouri

**Statement of Activities
Year Ended September 30, 2016**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental activities:				
General government	\$ 6,420,523	\$ 3,598,475	\$ 3,520	\$ -
Public works	701,230	162,531	-	-
Highways and streets	8,365,757	-	-	579,449
Public safety	16,788,117	1,332,713	443,039	8,070
Parks and recreation	4,269,900	449,467	25,000	22,304
Economic development	267,098	-	-	-
Interest and fiscal charges	4,064,700	-	-	-
Total governmental activities	40,877,325	5,543,186	471,559	609,823
Business-type activities:				
Water	9,424,854	9,797,233	-	2,400
Sewer	9,599,824	7,482,274	-	228,591
Golf course	1,658,105	1,458,922	-	-
Fieldhouse	1,012,307	664,541	-	-
Total business-type activities	21,695,090	19,402,970	-	230,991
Total primary government	\$ 62,572,415	\$ 24,946,156	\$ 471,559	\$ 840,814
Component unit - economic development	\$ 463,022	\$ -	\$ 568,712	\$ -

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
 Net position, ending

See notes to basic financial statements.

Net (Expense) Revenue and Changes in Net Position

Primary Government				Component Unit
Governmental Activities	Business-Type Activities	Total		
\$ (2,818,528)	\$ -	\$ (2,818,528)	\$ -	
(538,699)	-	(538,699)	-	
(7,786,308)	-	(7,786,308)	-	
(15,004,295)	-	(15,004,295)	-	
(3,773,129)	-	(3,773,129)	-	
(267,098)	-	(267,098)	-	
(4,064,700)	-	(4,064,700)	-	
(34,252,757)	-	(34,252,757)	-	
-	374,779	374,779	-	
-	(1,888,959)	(1,888,959)	-	
-	(199,183)	(199,183)	-	
-	(347,766)	(347,766)	-	
-	(2,061,129)	(2,061,129)	-	
(34,252,757)	(2,061,129)	(36,313,886)	-	
-	-	-	105,690	
16,518,994	-	16,518,994	-	
6,122,937	-	6,122,937	-	
4,860,305	-	4,860,305	-	
3,952,005	-	3,952,005	-	
1,844,525	-	1,844,525	-	
591,123	-	591,123	-	
364,960	-	364,960	-	
386,448	950,212	1,336,660	231	
410,308	-	410,308	-	
(311,824)	311,824	-	-	
34,739,781	1,262,036	36,001,817	231	
487,024	(799,093)	(312,069)	105,921	
43,387,398	94,576,448	137,963,846	(90,371)	
\$ 43,874,422	\$ 93,777,355	\$ 137,651,777	\$ 15,550	

City of Blue Springs, Missouri

**Balance Sheet
Governmental Funds
September 30, 2016**

	General	Public Safety Sales Tax	Capital Projects	TIF Fund
Assets				
Cash and investments	\$ 11,314,124	\$ 4,028,789	\$ 4,362,600	\$ 713,971
Receivables, (net of allowances for uncollectibles):				
Property taxes	4,698,032	-	-	2,340,303
Other taxes	1,696,911	569,761	569,777	1,887
Accounts	272,863	-	-	-
Accrued interest	3,529	-	6,987	-
Due from other funds	2,027	-	-	219,218
Due from other governments	406,787	-	-	641,242
Advances to other funds	1,827,324	-	326,911	-
Prepaid items	562,603	67,619	-	-
Restricted cash and investments	48,086	-	-	4,142,884
Total assets	\$ 20,832,286	\$ 4,666,169	\$ 5,266,275	\$ 8,059,505

(Continued)

Other Governmental Funds	Total Governmental Funds
\$ 1,606,695	\$ 22,026,179
1,177,446	8,215,781
76,715	2,915,051
-	272,863
-	10,516
-	221,245
-	1,048,029
-	2,154,235
-	630,222
112,977	4,303,947
<u>\$ 2,973,833</u>	<u>\$ 41,798,068</u>

City of Blue Springs, Missouri

Balance Sheet (Continued)
 Governmental Funds
 September 30, 2016

	General	Public Safety Sales Tax	Capital Projects	TIF Fund
Liabilities, Deferred Inflows of Resources and Fund Balance				
Liabilities:				
Accounts payable	\$ 513,226	\$ 18,402	\$ 180,595	\$ 231,124
Accrued liabilities	405,308	27,997	-	-
Due to other funds	109,276	55,304	54,638	2,027
Due to other governments	3,789	-	-	-
Court bonds	68,878	-	-	-
Customer deposits	771,119	-	-	-
Unearned revenue	68,839	-	-	-
Total liabilities	1,940,435	101,703	235,233	233,151
Deferred inflows of resources:				
Unavailable revenue - property taxes	4,666,237	-	-	2,348,115
Unavailable revenue - other	24,106	-	-	215,267
Unavailable revenue - intergovernmental	143,810	-	-	-
Total deferred inflows of resources	4,834,153	-	-	2,563,382
Fund balance:				
Nonspendable:				
Prepaid items	562,603	67,619	-	-
Interfund advances	1,827,324	-	326,911	-
Restricted:				
Debt service	-	-	-	5,262,972
Tourism	-	-	-	-
Public safety building improvements	-	4,496,847	-	-
Other purposes	66,897	-	150,000	-
Committed:				
Budget stabilization reserve	2,457,628	-	-	-
Emergency reserve	4,915,256	-	-	-
Other purposes	468,392	-	404,570	-
Assigned:				
Capital projects	-	-	4,149,561	-
Information technology	909,046	-	-	-
Other purposes	633,142	-	-	-
Unassigned	2,217,410	-	-	-
Total fund balance	14,057,698	4,564,466	5,031,042	5,262,972
Total liabilities, deferred inflows of resources and fund balance	\$ 20,832,286	\$ 4,666,169	\$ 5,266,275	\$ 8,059,505

See notes to basic financial statements.

Other Governmental Funds	Total Governmental Funds
\$ 2,310	\$ 945,657
-	433,305
-	221,245
-	3,789
-	68,878
-	771,119
-	68,839
2,310	2,512,832
1,169,297	8,183,649
-	239,373
-	143,810
1,169,297	8,566,832
-	630,222
-	2,154,235
1,236,156	6,499,128
566,070	566,070
-	4,496,847
-	216,897
-	2,457,628
-	4,915,256
-	872,962
-	4,149,561
-	909,046
-	633,142
-	2,217,410
1,802,226	30,718,404
\$ 2,973,833	\$ 41,798,068

City of Blue Springs, Missouri

**Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities
September 30, 2016**

Total governmental fund balances	\$	30,718,404
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Amounts reported for governmental activities in the statement of net position are different because:

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.		105,216,348
Net pension asset not reported in the funds		3,107,942
Long-term assets are not available to pay for current period expenditures and are therefore deferred inflows of resources in the fund statements.		961,543

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	\$	(817,091)
Accrued compensated absences		(1,479,676)
OPEB obligation		(485,935)
Deferred charge on refunding		732,295
Net discount/premium on bond issues		(295,832)
Development agreements		(8,745,327)
Capital lease obligations		(3,412,143)
Bonds and certificates of participation		(88,251,530)
		(102,755,239)

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		6,823,816
Deferred inflows of resources - pension-related amounts		(144,669)

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.

(53,723)

Net position of governmental activities

\$ 43,874,422

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, 2016**

	General	Public Safety Sales Tax	Capital Projects	TIF Fund
Revenues:				
Taxes	\$ 17,322,254	\$ 3,580,432	\$ 3,662,528	\$ 1,480,558
Intergovernmental activity taxes	-	-	-	3,949,611
Licenses and permits	977,939	-	-	-
Intergovernmental revenues	2,874,061	-	452,373	-
Charges for services	1,361,123	-	-	-
Administrative charges	1,839,701	-	-	-
Fines and forfeits	1,033,510	-	-	-
Interest	65,222	31,299	29,774	21,526
Donations	33,883	-	3,500	-
Other	406,072	5,994	-	-
Total revenues	25,913,765	3,617,725	4,148,175	5,451,695
Expenditures:				
Current:				
General government	5,853,077	-	-	-
Public works	701,230	-	-	-
Highways and streets	2,792,470	-	-	-
Public safety	10,612,645	4,351,249	-	-
Parks and recreation	3,685,781	-	-	-
Economic development	-	-	-	267,098
Capital outlay	483,655	-	3,891,744	-
Debt service:				
Principal retirement	49,990	726,835	-	2,810,430
Interest and fiscal charges	-	931,574	-	1,481,623
Total expenditures	24,178,848	6,009,658	3,891,744	4,559,151
Excess (deficiency) of revenues over expenditures	1,734,917	(2,391,933)	256,431	892,544
Other financing sources (uses):				
Transfers in	339,334	-	515,780	-
Transfers out	(782,604)	-	(765,780)	(28,255)
Total other financing sources (uses)	(443,270)	-	(250,000)	(28,255)
Net change in fund balance	1,291,647	(2,391,933)	6,431	864,289
Fund balances, beginning	12,766,051	6,956,399	5,024,611	4,398,683
Fund balances, ending	\$ 14,057,698	\$ 4,564,466	\$ 5,031,042	\$ 5,262,972

See notes to basic financial statements.

Other Governmental Funds	Total Governmental Funds
\$ 1,791,571	\$ 27,837,343
-	3,949,611
-	977,939
-	3,326,434
-	1,361,123
-	1,839,701
-	1,033,510
238,627	386,448
-	37,383
-	412,066
<u>2,030,198</u>	<u>41,161,558</u>
164,506	6,017,583
-	701,230
-	2,792,470
-	14,963,894
-	3,685,781
-	267,098
-	4,375,399
1,095,000	4,682,255
1,067,496	3,480,693
<u>2,327,002</u>	<u>40,966,403</u>
<u>(296,804)</u>	<u>195,155</u>
889,943	1,745,057
<u>(447,764)</u>	<u>(2,024,403)</u>
<u>442,179</u>	<u>(279,346)</u>
145,375	(84,191)
<u>1,656,851</u>	<u>30,802,595</u>
<u>\$ 1,802,226</u>	<u>\$ 30,718,404</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, 2016**

Total net change in fund balances - governmental funds	\$ (84,191)
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Amounts reported for governmental activities in the statement of activities are different because:

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	4,800,965
Depreciation expense	(8,183,677)
Loss on disposal of capital assets	(231,826)
Capital assets contributed	123,576

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	573,379
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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:

Principal payments	3,426,825
Certified developer obligations	(182,340)
Reduction of amount owed for certified developer obligations	1,255,430
Amortization of premium, discount and deferred charges on refunding	(33,390)
Change in accrued interest payable	(550,617)

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	(94,855)
Pension-related amount, pension expense	(309,686)
Change in other postemployment benefit obligations	(36,363)

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.

13,794

Change in net position of governmental activities

<u>\$ 487,024</u>

City of Blue Springs, Missouri

**Statement of Net Position
Proprietary Funds
September 30, 2016**

	Business-Type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Golf Course
Assets			
Current assets:			
Cash and investments	\$ 8,439,721	\$ 7,801,457	\$ 117,200
Receivables, (net of allowances for uncollectibles):			
Accounts	1,029,875	967,165	-
Accrued interest	4,181	4,522	-
Special assessments	-	1,981,989	-
Due from other governments	-	389,049	-
Inventory	180,501	25,046	138,206
Prepaid items	195,142	198,916	-
Total current assets	9,849,420	11,368,144	255,406
Noncurrent assets:			
Restricted cash and investments	-	1,342,747	232,902
Due from other governments	-	8,418,378	-
Noncurrent special assessments	-	14,100,000	-
Advances to other funds	-	1,500,000	-
Net pension asset	140,978	146,638	-
Capital assets:			
Land and construction in progress, nondepreciable	585,994	1,284,953	2,250,443
Other capital assets, net of depreciation	19,027,882	53,368,519	5,373,928
Total noncurrent assets	19,754,854	80,161,235	7,857,273
Total assets	29,604,274	91,529,379	8,112,679
Deferred Outflows of Resources			
Deferred charge on refunding	-	-	154,053
Pension related amounts	343,745	330,210	-
Total deferred outflows of resources	343,745	330,210	154,053
Liabilities			
Current liabilities:			
Accounts payable	660,928	583,272	79
Accrued liabilities	30,346	20,868	-
Accrued interest	-	97,730	8,042
Customer deposits	510,593	-	1,844
Unearned revenue	4,502	-	10,165
Long-term debt due in one year	29,676	1,949,246	253,092
Total current liabilities	1,236,045	2,651,116	273,222
Noncurrent liabilities:			
Advances from other funds	-	-	2,000,055
Long-term debt	80,669	32,268,723	2,515,901
Total noncurrent liabilities	80,669	32,268,723	4,515,956
Total liabilities	1,316,714	34,919,839	4,789,178
Deferred Inflows of Resources , pension related amounts	13,727	13,369	-
Net Position			
Net investment in capital assets	19,613,876	20,523,145	5,009,431
Restricted for debt service	-	1,342,747	232,902
Unrestricted (deficit)	9,003,702	35,060,489	(1,764,779)
Total net position (deficit)	\$ 28,617,578	\$ 56,926,381	\$ 3,477,554

See notes to basic financial statements.

Business-Type Activities - Enterprise Fund		Total	Governmental
Nonmajor, Fieldhouse	Activities - Internal Service Fund		
\$ 160,759	\$ 16,519,137	\$ -	
2,454	1,999,494	8,740	
-	8,703	-	
-	1,981,989	-	
-	389,049	-	
-	343,753	142,456	
4,339	398,397	9,502	
<u>167,552</u>	<u>21,640,522</u>	<u>160,698</u>	
-	1,575,649	-	
-	8,418,378	-	
-	14,100,000	-	
-	1,500,000	-	
-	287,616	-	
250,795	4,372,185	-	
<u>5,868,073</u>	<u>83,638,402</u>	<u>8,574</u>	
<u>6,118,868</u>	<u>113,892,230</u>	<u>8,574</u>	
<u>6,286,420</u>	<u>135,532,752</u>	<u>169,272</u>	
-	154,053	-	
-	673,955	-	
-	<u>828,008</u>	-	
23,352	1,267,631	31,575	
7,226	58,440	26,510	
-	105,772	-	
-	512,437	-	
-	14,667	-	
-	2,232,014	-	
<u>30,578</u>	<u>4,190,961</u>	<u>58,085</u>	
1,500,000	3,500,055	154,180	
-	34,865,293	10,730	
<u>1,500,000</u>	<u>38,365,348</u>	<u>164,910</u>	
<u>1,530,578</u>	<u>42,556,309</u>	<u>222,995</u>	
-	27,096	-	
6,118,868	51,265,320	8,574	
-	1,575,649	-	
<u>(1,363,026)</u>	<u>40,936,386</u>	<u>(62,297)</u>	
<u>\$ 4,755,842</u>	<u>\$ 93,777,355</u>	<u>\$ (53,723)</u>	

City of Blue Springs, Missouri

Statement of Revenues, Expenses and Changes in Fund Net Position
 Proprietary Funds
 Year Ended September 30, 2016

	Business-Type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Golf Course
Revenues:			
Charges for services	\$ 9,773,107	\$ 7,477,951	\$ 1,455,635
Other	24,126	4,323	3,287
Total operating revenues	9,797,233	7,482,274	1,458,922
Operating expenses:			
Personnel services	974,177	987,498	562,735
Administrative and support services	1,021,902	817,799	-
Materials and supplies	527,832	1,412,770	451,668
Purchased water and sewer services	4,971,718	1,806,248	-
Contractual services	906,268	563,439	292,558
Utilities	60,883	454,926	-
Depreciation	962,074	2,460,195	270,626
Total operating expenses	9,424,854	8,502,875	1,577,587
Operating income (loss)	372,379	(1,020,601)	(118,665)
Nonoperating revenues (expenses):			
Special assessments	-	-	-
Interest income	62,916	173,424	3,872
Interest income - special assessments	-	710,000	-
Interest expense and fiscal charges	-	(1,087,999)	(80,518)
Loss on sale of capital assets	-	(8,950)	-
Total nonoperating revenues (expenses)	62,916	(213,525)	(76,646)
Income (loss) before contributions and transfers	435,295	(1,234,126)	(195,311)
Capital contributions	2,400	228,591	-
Transfers in	306,595	-	254,218
Transfers out	-	(306,595)	-
Change in net position	744,290	(1,312,130)	58,907
Net position (deficit), beginning of year	27,873,288	58,238,511	3,418,647
Net position (deficit), end of year	\$ 28,617,578	\$ 56,926,381	\$ 3,477,554

See notes to basic financial statements.

Business-Type Activities - Enterprise Fund		Total	Governmental
Nonmajor, Fieldhouse	Activities - Internal Service Fund		
\$ 663,831	\$ 19,370,524	\$ 960,371	
710	32,446	-	
<u>664,541</u>	<u>19,402,970</u>	<u>960,371</u>	
288,645	2,813,055	220,137	
-	1,839,701	-	
58,122	2,450,392	501,713	
-	6,777,966	-	
177,802	1,940,067	188,066	
-	515,809	-	
442,738	4,135,633	4,183	
<u>967,307</u>	<u>20,472,623</u>	<u>914,099</u>	
(302,766)	(1,069,653)	46,272	
-	-	-	
-	240,212	-	
-	710,000	-	
(45,000)	(1,213,517)	-	
-	(8,950)	-	
<u>(45,000)</u>	<u>(272,255)</u>	<u>-</u>	
(347,766)	(1,341,908)	46,272	
-	230,991	-	
57,606	618,419	-	
-	(306,595)	(32,478)	
<u>(290,160)</u>	<u>(799,093)</u>	<u>13,794</u>	
5,046,002	94,576,448	(67,517)	
<u>\$ 4,755,842</u>	<u>\$ 93,777,355</u>	<u>\$ (53,723)</u>	

City of Blue Springs, Missouri

**Statement of Cash Flows
Proprietary Funds
Year Ended September 30, 2016**

	Business-Type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Golf Course
Cash flows from operating activities:			
Receipts from customers and users	\$ 9,763,470	\$ 7,392,362	\$ 1,452,571
Payments to suppliers and service providers	(7,389,504)	(5,178,214)	(752,590)
Payments to employees	(906,559)	(930,804)	(562,735)
Net cash provided by (used in) operating activities	1,467,407	1,283,344	137,246
Cash flows from noncapital financing activities:			
Increase (decrease) in interfund advances	-	-	-
Transfers in	306,595	-	254,218
Transfers out	-	(306,595)	-
Net cash provided by (used in) noncapital financing activities	306,595	(306,595)	254,218
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	(251,440)	(121,425)	(51,926)
Intergovernmental grants	-	861,321	-
Special assessments received	-	725,914	-
Principal payments on debt	-	(1,894,201)	(239,751)
Interest payments on debt and interfund loans	-	(1,122,432)	(103,577)
Net cash (used in) capital and related financing activities	(251,440)	(1,550,823)	(395,254)
Cash flows from investing activities:			
Purchases of investments	(7,545)	(108,046)	-
Sale of investments	1,996,000	3,764,000	147,267
Interest on special assessments	-	710,000	-
Interest on investments	67,323	179,908	3,872
Net cash provided by investing activities	2,055,778	4,545,862	151,139
Net increase (decrease) in cash and cash equivalents	3,578,340	3,971,788	147,349
Cash and cash equivalents, beginning of year	372,377	(1,077,239)	128,596
Cash and cash equivalents, end of year	<u>\$ 3,950,717</u>	<u>\$ 2,894,549</u>	<u>\$ 275,945</u>

(Continued)

Business-Type Activities - Enterprise Fund			Governmental Activities - Internal Service Fund	
Nonmajor, Fieldhouse		Total		
\$ 706,244	\$ 19,314,647	\$ 962,016		
(458,780)	(13,779,088)	(715,237)		
(281,478)	(2,681,576)	(211,635)		
(34,014)	2,853,983	35,144		
-	-	(2,666)		
57,606	618,419	-		
-	(306,595)	(32,478)		
57,606	311,824	(35,144)		
(132,220)	(557,011)	-		
-	861,321	-		
-	725,914	-		
-	(2,133,952)	-		
(45,000)	(1,271,009)	-		
(177,220)	(2,374,737)	-		
-	(115,591)	-		
-	5,907,267	-		
-	710,000	-		
-	251,103	-		
-	6,752,779	-		
(153,628)	7,543,849	-		
314,387	(261,879)	-		
\$ 160,759	\$ 7,281,970	\$ -		

City of Blue Springs, Missouri

**Statement of Cash Flows (Continued)
Proprietary Funds
Year Ended September 30, 2016**

	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	\$ 3,950,717	\$ 2,894,549	\$ 275,945
Investments	4,489,004	6,249,655	74,157
Total cash and investments	\$ 8,439,721	\$ 9,144,204	\$ 350,102
Reconciliation of operating (loss) to net cash provided by operating activities:			
Operating income (loss)	\$ 372,379	\$ (1,020,601)	\$ (118,665)
Adjustments to reconcile operating (loss) to net cash provided by operating activities:			
Depreciation	962,074	2,460,195	270,626
(Increase) decrease in accounts receivable	(42,662)	(89,912)	1,353
(Increase) decrease in inventories	(30,640)	5,272	(8,364)
(Increase) decrease in prepaid items	3,426	3,444	-
Increase (decrease) in accounts payable	126,313	(131,748)	-
Increase (decrease) in accrued expenses	17,284	9,962	-
Increase (decrease) in customer deposits	8,899	-	1,844
Increase (decrease) in unearned revenue	-	-	(9,548)
Increase (decrease) in other postemployment benefits	2,817	1,594	-
(Increase) decrease in deferred outflows of resources	(225,214)	(213,941)	-
Increase (decrease) in deferred inflows of resources	3,101	2,946	-
Decrease (increase) in LAGERS net pension asset	269,630	256,133	-
Net cash provided by operating activities	\$ 1,467,407	\$ 1,283,344	\$ 137,246
Supplemental Information, noncash capital and related financing activities:			
Capital contributions	\$ 2,400	\$ 39,868	\$ -
Special assessment receivable write-off for uncollectibles	\$ -	\$ -	\$ -

See notes to basic financial statements.

Business-Type Activities - Enterprise Fund		Total	Governmental
Nonmajor, Fieldhouse	Activities - Internal Service Fund		
\$ 160,759	\$ 7,281,970	\$ -	
-	10,812,816	-	
<u>\$ 160,759</u>	<u>\$ 18,094,786</u>	<u>\$ -</u>	
\$ (302,766)	\$ (1,069,653)	\$ 46,272	
442,738	4,135,633	4,183	
41,703	(89,518)	1,645	
-	(33,732)	603	
(4,339)	2,531	(3,554)	
(218,517)	(223,952)	(22,507)	
7,167	34,413	2,950	
-	10,743	-	
-	(9,548)	-	
-	4,411	5,552	
-	(439,155)	-	
-	6,047	-	
-	525,763	-	
<u>\$ (34,014)</u>	<u>\$ 2,853,983</u>	<u>\$ 35,144</u>	
<u>\$ -</u>	<u>\$ 42,268</u>	<u>\$ -</u>	
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

City of Blue Springs, Missouri

**Statement of Net Position - Fiduciary Funds
September 30, 2016**

	Blue Springs Land Bank Agency Trust Fund	Agency Funds
Assets		
Cash and investments	\$ 14,469	\$ 694,074
Taxes receivable	-	709,360
Capital assets, land, nondepreciable	232,134	-
	<u>232,134</u>	<u>-</u>
Total assets	\$ 246,603	\$ 1,403,434
Liabilities		
Due to other governments	\$ -	\$ 1,352,045
Membership and employee flexible benefits deposits	-	51,389
	<u>-</u>	<u>51,389</u>
Total liabilities	\$ -	\$ 1,403,434
Net Position		
Investment in capital assets	\$ 232,134	
Restricted for land	14,469	
	<u>232,134</u>	
	<u>14,469</u>	
	\$ 246,603	

See notes to basic financial statements.

City of Blue Springs, Missouri

**Statement of Changes in Net Position - Fiduciary Funds
Year Ended September 30, 2016**

	Blue Springs Land Bank Agency Trust Fund
<hr/>	
Additions	
Gain on sale of capital assets	\$ 330,234
	<hr/>
Deductions	
Administrative expenses	630
Remittance of special assessment collections on land sale to Sewer Fund	349,039
Total deductions	<hr/> 349,669 <hr/>
Change in net position	(19,435)
Net position held in trust for Land Bank, beginning	<hr/> 266,038
Net position held in trust for Land Bank, ending	<hr/> \$ 246,603 <hr/>

See notes to basic 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 Accounting 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 Accounting 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

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

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

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

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

Most of the City's investments are reported at fair value. Fair value is 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. Fair value is a market-based measurement, not an entity-specific measurement. For some assets and liabilities, observable market transactions or market information might be available; for others, it might not be available. However, the objective of a fair value measurement in both cases is the same—that is, to determine the price at which an orderly transaction to sell the asset or to transfer the liability would take place between the market and participants at the measurement date under current market conditions. Fair value is an exit price at the measurement date from the perspective of a market participant that controls the asset or is obligated for the liability. Purchases and sales of securities are recorded on a trade-date basis. See Note 2 for additional information regarding fair value measures.

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 \$90,961 for the business-type activities. Allowances for doubtful accounts are based on historical collection trends for the related receivables.

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 Accounting Policies (Continued)

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, 2016, the City had \$16,081,989 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.

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 acquisition 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.

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 Accounting Policies (Continued)

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 2016.

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

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.

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 Accounting Policies (Continued)

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.

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 \$6 for the community center in the Public Safety Sales Tax Fund. \$27,371,250 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

Note 1. Nature of Operations, Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Summary of Significant Accounting 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 unassign 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 Accounting 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, 2016, the carrying values of deposits and investments are summarized as follows:

Investments:

Short-term investments held in trust (money market fund)	\$ 4,152,302
U.S. agency securities	16,200,000
Corporate bonds	1,500,000
Repurchase agreement	18,949,000
Total investments	40,801,302
Deposits	2,870,958
Certificates of deposit	1,493,000
Petty cash	7,300
Total	\$ 45,172,560

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	\$ 44,424,912	\$ 708,543	\$ 45,133,455	\$ 39,105	\$ 45,172,560

City of Blue Springs, Missouri

Notes to the Basic Financial Statements

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 reported at 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, 2016 consisted of Federal Home Loan Bank, Federal Home Loan Mortgage Corporation, and Federal National Mortgage Association investments.

Fair Value Measurements: During the fiscal year ending September 30, 2016, the City adopted GASB Statement No. 72, *Fair Value Measurement and Applications*, which provides guidance for determining a fair value measurement for financial reporting purposes. The City categorizes its assets and liabilities measured at fair value within the hierarchy established by generally accepted accounting principles. Assets and liabilities valued at fair value are categorized based on inputs to valuation techniques as follows:

Level 1 input: Quoted prices for identical assets or liabilities in an active market that an entity has the ability to access.

Level 2 input: Quoted prices for similar assets or liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 input: Inputs that are unobservable for the asset or liability which are typically based upon the City's own assumptions as there is little, in any, related market activity.

Hierarchy: The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

Inputs: If the fair value of an asset or a liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

For the City, the following fair value techniques were utilized in measuring the fair value of its investments:

Corporate bonds: These investments are reported at fair value based on evaluation using market sources and integrating relative credit information, observed market movements, and sector news into the evaluated pricing applications and models.

City of Blue Springs, Missouri

Notes to the Basic Financial Statements

Note 2. Deposits and Investments (Continued)

U.S. Government agency securities: U.S. Government securities are reported at fair value based on bullet (noncall) spread scale for each issuer for maturities going out to 40 years. These spreads represent credit risk and are obtained from the new issue market, secondary trading, and dealer quotes.

An Option Adjusted Spread (OAS) model is incorporated to adjust spreads of issues that have early redemption features. Final spreads are added to a U.S. Treasury curve. A cash discounting yield/price routine calculates prices from final yields to accommodate odd coupon payment dates typical of medium-term notes.

The City has no assets reported at fair value on a nonrecurring basis and no other investments meeting the fair value disclosure requirements of Governmental Accounting Standards Board (GASB) Statement No. 7.

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, 2016
Federal Home Loan Banks (FHLB)	\$ 1,700,000	Aaa
Federal National Mortgage Association (FNMA)	10,000,000	Aaa
Federal Home Loan Mortgage Corporation (FHLMC)	4,500,000	Aaa
Short-term investments held in trust (money market fund)	4,152,302	Aaa
Corporate bonds	1,500,000	Aaa
Repurchase agreement	18,949,000	Aaa
	<u>\$ 40,801,302</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, 2016, 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, 2016. 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, 2016, the City's investments had the following maturities:

	Investment Maturities (in years)			Fair Value Hierarchy Level
	Fair Value	Less Than 1	1 - 5	
Investments recorded at fair value:				
Debt securities, U.S. agencies				
FHLB	\$ 1,700,000	\$ 1,000,000	\$ 700,000	2
FNMA	10,000,000	7,000,000	3,000,000	2
FHLMC	4,500,000	1,000,000	3,500,000	2
Corporate bonds	1,500,000	-	1,500,000	2
Investments recorded at cost:				
Short-term investments held in trust				
(money market fund)	4,152,302	4,152,302	-	
Repurchase agreement	18,949,000	18,949,000	-	
Total	<u>\$ 40,801,302</u>	<u>\$ 32,101,302</u>	<u>\$ 8,700,000</u>	

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, 2016, approximately 36 percent of the City's investments were issued by Federal National Mortgage Association and Federal Home Loan Mortgage Corporation. These securities represent 25 percent and 11 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. On January 1, a lien attaches to all property. Property taxes are billed in total by November 1 following the levy date and considered delinquent after December 31. Property taxes are recognized as a receivable at the time they become an enforceable legal claim (the lien date), and revenue is recognized in the year for which the property tax is levied. 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, 2015 on which the fiscal year ended September 30, 2016, levy was based, was \$778,541,930. During the year ended September 30, 2016, the City collected approximately 97.89 percent of property taxes which were levied in the period.

City of Blue Springs, Missouri

Notes to the Basic Financial Statements

Note 3. Tax Revenues and Taxes Receivable (Continued)

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, 2016 were as follows:

	Levy (Dollars)
General Fund	\$ 0.5781
Debt Service Fund	0.1500
Total	<u>\$ 0.7281</u>

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 \$8,681,735 of the City's taxes, PILOTS, City sticker fees and Special Assessments, resulting in a collection charge of \$86,817 paid by the City to the County for the year ended September 30, 2016.

The City accounts for its collection of County taxes in the Jackson County Tax Fund (an Agency Fund). The City collected and remitted approximately \$14.57 million of County taxes resulting in collection fees of \$145,157 for the year ended September 30, 2016.

City of Blue Springs, Missouri

Notes to the Basic Financial Statements

Note 5. Interfund Activity

Interfund transfers for the year were as follows:

Transfers To	Transfers From						Total
	General	TIF	Capital Projects	Other Governmental	Sewer Fund	Internal Service	
General Fund	\$ -	\$ 28,255	\$ 265,780	\$ 12,821	\$ -	\$ 32,478	\$ 339,334
Capital Projects Fund	515,780	-	-	-	-	-	515,780
Nonmajor Governmental Funds	-	-	500,000	389,943	-	-	889,943
Water Fund	-	-	-	-	306,595	-	306,595
Golf Course Fund	254,218	-	-	-	-	-	254,218
Fieldhouse Fund	12,606	-	-	45,000	-	-	57,606
Total	\$ 782,604	\$ 28,255	\$ 765,780	\$ 447,764	\$ 306,595	\$ 32,478	\$ 2,363,476

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.

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 \$1,021,902 and \$817,799, respectively. In the General fund, these charges are reported as administrative charges revenue. In Water and Sewer funds these charges are reported as administrative and support services expenses.

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

Interfund Receivables	Interfund Payables				Total
	General	Public Safety Sales Tax	Capital Projects	TIF	
General Fund	\$ -	\$ -	\$ -	\$ 2,027	\$ 2,027
TIF	109,276	55,304	54,638	-	219,218
Total	\$ 109,276	\$ 55,304	\$ 54,638	\$ 2,027	\$ 221,245

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

Advance to Other Funds	Advance From Other Funds			Total
	Golf Course	Central Garage	Fieldhouse Fund	
General Fund	\$ 1,673,144	\$ 154,180	\$ -	\$ 1,827,324
Capital Projects Fund	326,911	-	-	326,911
Sewer Fund	-	-	1,500,000	1,500,000
Total	\$ 2,000,055	\$ 154,180	\$ 1,500,000	\$ 3,654,235

City of Blue Springs, Missouri

Notes to the Basic Financial Statements

Note 5. Interfund Activity (Continued)

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 \$1,829,351. 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.

Note 6. Capital Assets

Capital assets activity for the year ended September 30, 2016, was as follows:

Governmental activities	Beginning Balance	Increases	Transfers/ Decreases	Ending Balance
Capital assets, not being depreciated:				
Land and easements	\$ 16,207,745	\$ 44,611	\$ 221,011	\$ 16,031,345
Construction in progress	26,316,700	3,796,117	30,112,817	-
Total capital assets, not being depreciated	<u>42,524,445</u>	<u>3,840,728</u>	<u>30,333,828</u>	<u>16,031,345</u>
Capital assets, being depreciated:				
Buildings and building improvements	18,224,479	22,732,850	77,434	40,879,895
Equipment and vehicles	16,131,147	995,015	204,129	16,922,033
Infrastructure	188,202,921	7,468,765	-	195,671,686
Total capital assets being depreciated	<u>222,558,547</u>	<u>31,196,630</u>	<u>281,563</u>	<u>253,473,614</u>
Less accumulated depreciation for:				
Buildings and building improvements	14,604,047	1,073,967	74,530	15,603,484
Equipment and vehicles	9,634,815	1,373,506	196,218	10,812,103
Infrastructure	132,124,063	5,740,387	-	137,864,450
Total accumulated depreciation	<u>156,362,925</u>	<u>\$ 8,187,860</u>	<u>\$ 270,748</u>	<u>164,280,037</u>
Total capital assets being depreciated, net	<u>66,195,622</u>			<u>89,193,577</u>
Governmental activities capital assets, net	<u>\$ 108,720,067</u>			<u>\$ 105,224,922</u>

City of Blue Springs, Missouri

Notes to the Basic Financial Statements

Note 6. Capital Assets (Continued)

	Beginning Balance	Increases	Transfers/ Decreases	Ending Balance
Business-type activities				
Capital assets, not being depreciated:				
Land	\$ 4,001,233	\$ 4,800	\$ -	\$ 4,006,033
Construction in progress	68,628	297,524	-	366,152
Total capital assets, not being depreciated	4,069,861	302,324	-	4,372,185
Capital assets, being depreciated:				
Buildings and building improvements	18,592,805	65,005	-	18,657,810
Equipment and vehicles	3,921,032	189,682	95,516	4,015,198
Infrastructure	113,016,052	42,268	297,806	112,760,514
Total capital assets being depreciated	135,529,889	296,955	393,322	135,433,522
Less accumulated depreciation for:				
Buildings and building improvements	5,606,843	548,766	-	6,155,609
Equipment and vehicles	2,631,840	445,843	86,566	2,991,117
Infrastructure	39,805,176	3,141,024	297,806	42,648,394
Total accumulated depreciation	48,043,859	\$ 4,135,633	\$ 384,372	51,795,120
Total capital assets being depreciated, net	87,486,030			83,638,402
Business-type activities capital assets, net	\$ 91,555,891			\$ 88,010,587
Component unit				
Capital assets, being depreciated:				
Leasehold improvements	\$ 6,035	\$ -	\$ -	\$ 6,035
Equipment	18,257	-	-	18,257
Total capital assets being depreciated	24,292	-	-	24,292
Less accumulated depreciation for:				
Leasehold improvements	1,488	4,547	-	6,035
Equipment	18,257	-	-	18,257
Total accumulated depreciation	19,745	\$ 4,547	\$ -	24,292
Total capital assets being depreciated, net	\$ 4,547			\$ -

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	\$ 453,395
Highways and streets	5,767,027
Public safety	1,383,319
Parks and recreation	584,119
Total depreciation expense for governmental activities	<u>\$ 8,187,860</u>
Business-type activities:	
Water utility	\$ 962,074
Sewer utility	2,460,195
Golf course	270,626
Fieldhouse	442,738
Total depreciation expense for business-type activities	<u>\$ 4,135,633</u>
Component unit:	
Economic development	<u>\$ 4,547</u>

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, 2016:

	Beginning Balance	Additions	Retirements	Ending Balance	Amounts Due Within One Year
Governmental activities:					
Compensated absences*	\$ 1,384,821	\$ 1,279,715	\$ 1,184,860	\$ 1,479,676	\$ 1,184,860
General obligation bonds	22,860,000	-	830,000	22,030,000	875,000
Certificates of participation	20,425,000	-	265,000	20,160,000	255,000
Special obligation bonds	47,616,530	-	1,555,000	46,061,530	-
Net discount/premium on issuances	324,897	-	29,065	295,832	-
Development agreements	9,818,417	182,340	1,255,430	8,745,327	-
Capital lease obligations	4,188,968	-	776,825	3,412,143	590,114
Net OPEB obligation*	454,750	41,915	-	496,665	-
	<u>107,073,383</u>	<u>1,503,970</u>	<u>5,896,180</u>	<u>102,681,173</u>	<u>2,904,974</u>
Business-type activities:					
Compensated absences	149,520	157,097	150,783	155,834	38,622
Certificates of participation	2,745,000	-	225,000	2,520,000	240,000
Special assessment-neighborhood improvement bonds	15,775,000	-	825,000	14,950,000	850,000
Net discount/premium on issuances	612,752	-	51,174	561,578	-
Capital lease obligations	69,293	51,924	66,675	54,542	13,092
Sewer revenue bonds	19,882,400	-	1,069,200	18,813,200	1,090,300
Net OPEB obligation	37,741	4,412	-	42,153	-
	<u>39,271,706</u>	<u>213,433</u>	<u>2,387,832</u>	<u>37,097,307</u>	<u>2,232,014</u>
Total primary government	<u>\$ 146,345,089</u>	<u>\$ 1,717,403</u>	<u>\$ 8,284,012</u>	<u>\$ 139,778,480</u>	<u>\$ 5,136,988</u>

* Primarily liquidated by the General Fund.

City of Blue Springs, Missouri

Notes to the Basic Financial Statements

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, 2016 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%	\$ 320,000
\$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%	1,920,000
\$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%	7,230,000
Total general obligation bonds	<u>\$ 22,030,000</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>\$ 20,160,000</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%	36,495,000
	<u>\$ 46,061,530</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 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.

City of Blue Springs, Missouri

Notes to the Basic Financial Statements

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

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.

Additionally, the City has entered into certain developer agreements (six as of September 30, 2016) 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, 2016, total principal remaining on the Special Obligation Bonds was \$46.1 million and the outstanding developer obligations was \$8.8 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.

For the current year, principal and interest paid on the bonds and developer obligations totaled \$4,290,075. Incremental revenues from the City included \$1,480,558 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.

City of Blue Springs, Missouri

Notes to the Basic Financial Statements

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

Business-type activities, certificates of participation and special assessments as of September 30, 2016 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%	<u>\$ 2,520,000</u>
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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%	<u>\$ 14,950,000</u>
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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, 2016, the outstanding balance of the bonds was \$18,813,200. 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 \$21,133,743. Principal and interest paid for the current year and sewer net revenues for the current year were \$1,367,369 and \$2,161,940, 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, 2016, the City has drawn \$24,255,728 from these funds, and the outstanding balance as of September 30, 2016 is \$18,813,200 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, 2016 is \$8,807,427 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, 2016 are as follows:

Governmental Activities	General Obligation Bonds		Certificates of Participation	
	Principal	Interest	Principal	Interest
Year ending September 30:				
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	1,100,000	854,143	-	798,913
2022-2026	6,515,000	3,324,548	2,705,000	3,808,263
2027-2031	8,575,000	1,268,206	3,810,000	3,035,813
2032-2036	1,995,000	31,172	4,650,000	2,200,400
2037-2041	-	-	5,630,000	1,209,200
2042-2044	-	-	2,580,000	155,800
	\$ 22,030,000	\$ 9,320,586	\$ 20,160,000	\$ 14,451,591

	Special Obligation Bonds **		Total Governmental Activities	
	Principal	Interest *	Principal	Interest
Year ending September 30:				
2017	\$ -	\$ 1,672,963	\$ 1,130,000	\$ 3,503,348
2018	-	1,601,063	1,205,000	3,395,639
2019	-	1,526,363	1,255,000	3,281,646
2020	-	1,448,363	1,040,000	3,153,838
2021	-	1,382,963	1,100,000	3,036,019
2022-2026	16,970,000	6,071,012	26,190,000	13,203,823
2027-2031	5,500,000	3,798,869	17,885,000	8,102,888
2032-2036	-	1,516,181	6,645,000	3,747,753
2037-2041	14,025,000	585,113	19,655,000	1,794,313
2042-2044	-	-	2,580,000	155,800
	\$ 36,495,000	\$ 19,602,890	\$ 78,685,000	\$ 43,375,067

* 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 the terms of the agreement.

City of Blue Springs, Missouri

Notes to the Basic Financial Statements

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

Business-Type Activities	Certificates of Participation		Neighborhood Improvement Bonds	
	Principal	Interest	Principal	Interest
	Year ending September 30:			
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	280,000	63,250	1,025,000	531,905
2022-2026	1,220,000	137,600	5,935,000	1,829,490
2027-2030	-	-	4,340,000	333,500
	<u>\$ 2,520,000</u>	<u>\$ 542,150</u>	<u>\$ 14,950,000</u>	<u>\$ 5,225,015</u>

Business-Type Activities	Sewer Revenue Bonds		Total Business-Type Activities	
	Principal	Interest	Principal	Interest
	Year ending September 30:			
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	1,178,700	213,231	2,483,700	808,386
2022-2026	6,251,100	788,897	13,406,100	2,755,987
2027-2031	6,891,800	292,300	11,231,800	625,800
	<u>\$ 18,813,200</u>	<u>\$ 2,320,543</u>	<u>\$ 36,283,200</u>	<u>\$ 8,087,708</u>

Business-Type Activities	Total Primary Government	
	Principal	Interest
	Year ending September 30:	
2016	\$ 3,310,300	\$ 4,568,216
2017	3,471,700	4,401,654
2018	3,573,600	4,226,530
2019	3,436,000	4,035,606
2020	3,583,700	3,844,405
2021-2025	39,596,100	15,959,810
2026-2030	29,116,800	8,728,688
2031-2035	6,645,000	3,747,753
2036-2040	19,655,000	1,794,313
2041-2044	2,580,000	155,800
	<u>\$ 114,968,200</u>	<u>\$ 51,462,775</u>

City of Blue Springs, Missouri

Notes to the Basic Financial Statements

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

Capital lease obligations: The City has entered into several capital leasing agreements as of September 30, 2016. 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 \$6,016,650 with \$1,715,303 of accumulated depreciation as of September 30, 2016.

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2016 were as follows:

Year ending September 30:	
2017	\$ 731,442
2018	731,442
2019	731,442
2020	731,442
2021	731,442
2022	130,889
Less imputed interest	(375,956)
Present value of minimum lease payments	<u>\$ 3,412,143</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 \$308,359 with accumulated depreciation of \$228,011 as of September 30, 2016.

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2016 were as follows:

Year ending September 30:	
2017	\$ 18,274
2018	9,764
2019	10,953
2020	10,598
2021	10,230
2022	6,607
Less imputed interest	(11,884)
Present value of minimum lease payments	<u>\$ 54,542</u>

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, 2017. At September 30, 2016, \$23,555 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	\$ 4,142,884	\$ 1,342,747	\$ 232,902	\$ 112,977	<u>\$ 5,831,510</u>

City of Blue Springs, Missouri

Notes to the Basic Financial Statements

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

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, 2016, based on the assessed valuation as of January 1, 2016, of \$778,541,930, the constitutional total general obligation debt limit for "City purposes" was \$155,708,386, which, after reduction for outstanding general obligation bonds of \$22,195,204, net of amounts available in the General Obligation Bond Debt Service fund of \$768,675, provides a general obligation debt margin of \$134,281,857.

Adams Farm Project Special Obligation Special Assessment Bonds: On August 18, 2015, the City issued \$3,910,000 in Taxable Special Obligation Special Assessment Bonds for the Adams Farm Project. The City is not obligated in any manner for the special assessment debt and is only acting as agent for the Community Improvement District in collection of the assessments and forwarding to the bond Trustee for payment of the debt.

Conduit debt: The City has issued taxable industrial revenue bonds to provide financial assistance to private business for economic development. Under related agreements, the City will lease the projects to the businesses and the rental therefrom shall be applied to pay the debt service on the bonds. The bonds and the interest thereon are special obligations of the City payable solely from the rental payments and shall not constitute obligations of the City. Accordingly, the bonds are not reported as liabilities in the accompanying basic financial statements. As of September 30, 2016, there were two series of taxable industrial revenue bonds outstanding, with an aggregate principal amount payable of \$1,208,988.

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 \$448,339 for the year ended September 30, 2016 and were recorded as charges for services in the Sewer Utility Fund.

Note 9. Employees' Retirement System and Other Postemployment Benefits

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.

City of Blue Springs, Missouri

Notes to the Basic Financial Statements

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.

	2016 Valuation
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, 2016, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	149
Inactive employees entitled to but not yet receiving benefits	108
Active employees	261
	518

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 6.0 percent (General) and 7.4 percent (Police) of annual covered payroll.

Net Pension Asset: The employer's net pension asset was measured as of June 30, 2016, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of February 29, 2016. Standard update procedures were used to roll forward the total pension liability to June 30, 2016.

Actuarial assumptions: The total pension liability in the February 29, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25%
Salary Increase	3.25% to 6.55% including wage inflation
Investment Rate of Return	7.25%, net of investment expenses

City of Blue Springs, Missouri

Notes to the Basic Financial Statements

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

Mortality rates were based on the RP-2014 Healthy Annuitant mortality table for males and females. The disabled retiree mortality tables, for post-retirement mortality, were the RP-2014 disabled mortality table for males and females. The pre-retirement mortality tables used were the RP-2014 employees' mortality table for males and females. The tables were set back 10 years and adjusted for the MP-2015 improvement scale.

The actuarial assumptions used in the February 29, 2016 valuation were based on the results of an actuarial experience study for the period March 1, 2010 through February 28, 2015.

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	43.00%	5.29%
Fixed Income	26.00	2.23
Real Assets	21.00	3.31
Strategic Assets	10.00	5.73
	<u>100.00%</u>	

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 September 30, 2015	\$ 49,323,928	\$ 57,882,894	\$ (8,558,966)
Changes for the year:			
Service cost	1,125,184	-	1,125,184
Interest	3,545,150	-	3,545,150
Difference between expected and actual experience	369,842	-	369,842
Changes of assumptions	1,918,944	-	1,918,944
Contributions - employer	-	977,911	(977,911)
Contributions - employee	-	-	-
Net investment income	-	(114,992)	114,992
Benefit payments, including refunds	(1,990,945)	(1,990,945)	-
Administrative expense	-	(40,384)	40,384
Other changes	-	973,177	(973,177)
Net changes	4,968,175	(195,233)	5,163,408
Balances at September 30, 2016	\$ 54,292,103	\$ 57,687,661	\$ (3,395,558)

Note: Change in assumptions – In 2016, amounts reported as changes in assumptions resulted primarily from the changes in the mortality table, inflation rate and salary increases.

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	\$ 62,397,428	\$ 54,292,103	\$ 47,655,710
Plan fiduciary net position	57,687,661	57,687,661	57,687,661
Net pension liability (asset)	\$ 4,709,767	\$ (3,395,558)	\$ (10,031,951)

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, 2016 the employer recognized pension expense of \$1,388,084. 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 between expected and actual plan experience	\$ 407,864	\$ (171,765)
Assumption changes	1,566,243	-
Net difference between projected and actual earnings on pension plan investments	5,262,846	-
Contributions subsequent to the measurement date*	260,818	-
Total	<u>\$ 7,497,771</u>	<u>\$ (171,765)</u>

* 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, 2017.

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

Year ended:	
2017	\$ 1,844,195
2018	1,844,195
2019	1,844,193
2020	1,250,474
2021	162,430
Thereafter	119,701
	<u>\$ 7,065,188</u>

Deferred inflows and outflows of resources related to the difference between expected and actual plan experience and assumption changes 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 as of the beginning of each measurement period.

City of Blue Springs, Missouri

Notes to the Basic Financial Statements

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 265 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	\$	59,098
Interest on net OPEB obligation		22,162
Adjustment to annual required contribution		(28,933)
Annual OPEB cost (expense)		<u>52,327</u>
Less net employer contributions		<u>6,000</u>
Increase in net OPEB obligation		46,327
Net OPEB obligation, October 1, 2015		<u>492,491</u>
Net OPEB obligation, September 30, 2016	\$	<u><u>538,818</u></u>

City of Blue Springs, Missouri

Notes to the Basic Financial Statements

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, 2016 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, 2014	\$ 75,783	9.2%	\$ 423,708
September 30, 2015	75,783	9.2	492,491
September 30, 2016	52,327	11.5	538,818

Funded status and funding progress: As of July 1, 2015, which represents the most recent actuarial valuation date, the actuarial accrued liability for benefits within the plan for the City was \$359,340. 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 \$12,287,504, which results in a ratio of the unfunded actuarial accrued liability (UAAL) to the covered payroll of 2.9 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, 2015 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

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, since the City does not perform investment functions and does not have significant administrative involvement.

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 \$75,530, \$499,319, \$17,574 and \$167,743 in the General, Capital Project, Public Safety Sales Tax and Enterprise Funds, respectively. The City expects to receive the contracted services during fiscal year 2017.

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, 2016 totaled \$1,290,501.

The City has 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, 2016 totaled \$1,414,248.

In 2012, the City had entered into an agreement with the City of Grain Valley to purchase a maximum of 2,000,000 gallons of water per day from Tri-County Water Authority. In July, 2013, the City entered directly into a new agreement with Tri-County Water Authority to move forward on a project to upgrade the TCWA treatment plant; upon substantial completion of this project in 2016, the City entered into another 20 year agreement to purchase an additional 6 million gallons per day. The total amount paid under this agreement for the year ended September 30, 2016 totaled \$1,001,702. The total amount paid under the agreement for capital project charges for the year ended September 30, 2016, totaled \$1,265,268 -- \$1,082,799 for the 2015 agreement and \$182,469 for the 2016 agreement.

City of Blue Springs, Missouri

Notes to the Basic Financial Statements

Note 11. Commitments and Contingencies (Continued)

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 or 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 \$719,523, \$1,334,884 and \$846,315, 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.

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. 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.

City of Blue Springs, Missouri

Notes to the Basic Financial Statements

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. 82, *Pension Issues*, issued April 2016, will be effective for the City beginning with its fiscal year ending September 30, 2017. Statement No. 82 is designed to improve consistency in the application of the pension standards by clarifying or amending related areas of existing guidance with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

GASB Statement No. 83, *Certain Asset Retirement Obligations*, issued December 2016, will be effective for the City beginning with its fiscal year ending September 30, 2019. Under Statement No. 83, a government that has legal obligations to perform future asset retirement activities related to its tangible capital assets is required to recognize a liability and a corresponding deferred outflow of resources. The Statement identifies the circumstances that trigger the recognition of these transactions. The Statement also requires the measurement of an asset retirement obligation to be based on the best estimate of the current value of outlays expected to be incurred while the deferred outflow of resources associated with the asset retirement obligation will be measured at the amount of the corresponding liability upon initial measurement and generally recognized as an expense during the reporting periods that the asset provides service. The Statement requires disclosures including a general description of the asset retirement obligation and associated tangible capital assets; the source of the obligation to retire the assets; the methods and assumptions used to measure the liability; and other relevant information.

GASB Statement No. 84, *Fiduciary Activities*, issued February 2017, will be effective for the City beginning with its fiscal year ending September 30, 2020. The objective of Statement No. 84 is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. An exception to that requirement is provided for a business-type activity that normally expects to hold custodial assets for three months or less. This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria.

City of Blue Springs, Missouri

Notes to the Basic Financial Statements

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

A fiduciary component unit, when reported in the fiduciary fund financial statements of a primary government, should combine its information with its component units that are fiduciary component units and aggregate that combined information with the primary government's fiduciary funds.

This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. Events that compel a government to disburse fiduciary resources occur when a demand for the resources has been made or when no further action, approval, or condition is required to be taken or met by the beneficiary to release the assets.

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

Note 13. Subsequent Events

With a focus on economic growth and prosperity, the Economic Development Corporation was reorganized structurally under the City's umbrella as the Economic Development Council effective October 1, 2016. The mission and goals of the EDC remain the same, but the organization and means by which services are delivered was restructured. The EDC continues to collaborate with existing businesses while recruiting new businesses that are in line with the city's long-term strategic plan. The board of the Economic Development Corporation essentially remained the same and transitioned to an advisory board to the City Council.

On December 19, 2016, the City Council adopted ordinance 4636 authorizing the issuance of \$9,265,000 in Special Obligation Revenue Bonds to provide project funding for the reimbursement of specific costs for the White Oak Tax Increment Financing and Community Improvement District projects. Bonds were issued in two series of term bonds due May 1, 2027 (\$1,635,000) and May 1, 2040 (\$7,630,000). The proceeds of the Series 2016 bonds will be used to provide approximately \$7.5 million in reimbursement to the developer of the project.

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 September 30,	2016	2015
Total Pension Liability		
Service cost	\$ 1,125,184	\$ 1,079,631
Interest on the total pension liability	3,545,150	3,377,170
Benefit changes	-	-
Difference between expected and actual experience	369,842	(135,197)
Assumption changes	1,918,944	-
Benefit payments, including refunds	(1,990,945)	(2,062,203)
Net change in total pension liability	<u>4,968,175</u>	<u>2,259,401</u>
Total pension liability, beginning	<u>49,323,928</u>	<u>47,064,527</u>
Total pension liability, ending	<u><u>\$ 54,292,103</u></u>	<u><u>\$ 49,323,928</u></u>
Plan Fiduciary Net Position		
Contributions-employer	\$ 977,911	\$ 1,078,892
Contributions-employee	-	-
Pension plan net investment income	(114,992)	1,120,945
Benefit payments, including refunds	(1,990,945)	(2,062,203)
Pension plan administrative expense	(40,384)	(43,154)
Other	973,177	151,943
Net change in plan fiduciary net position	<u>(195,233)</u>	<u>246,423</u>
Plan fiduciary net position, beginning	<u>57,882,894</u>	<u>57,636,471</u>
Plan fiduciary net position, ending	<u><u>\$ 57,687,661</u></u>	<u><u>\$ 57,882,894</u></u>
Employer net pension liability (asset)	<u><u>\$ (3,395,558)</u></u>	<u><u>\$ (8,558,966)</u></u>
Plan fiduciary net position as a percentage of the total pension liability	106%	117%
Covered employee payroll	\$ 13,200,061	\$ 12,622,334
Employer's net pension liability (asset) as a percentage of covered employee	-25.72%	-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.

Note: Changes in assumptions - In 2016, amounts reported as changes in assumptions resulted primarily from the changes in the mortality table, inflation rate and salary increase.

City of Blue Springs, Missouri

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

	2016	2015	2014	2013
Actuarially determined contribution	\$ 985,036	\$ 1,071,473	\$ 1,113,110	\$ 1,177,037
Contributions in relation to the actuarially determined contribution	985,036	1,071,473	1,113,110	1,116,633
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 60,404</u>
Covered-employee payroll	\$ 14,033,009	\$ 12,999,252	\$ 12,529,095	\$ 11,891,443
Contributions as a percentage of covered-employee payroll	7.02%	8.24%	8.88%	9.39%

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

2012	2011	2010	2009	2008	2007
\$ 1,086,646	\$ 1,126,274	\$ 750,127	\$ 722,994	\$ 711,515	\$ 845,619
968,153	850,885	750,127	722,994	711,515	845,619
\$ 118,493	\$ 275,389	\$ -	\$ -	\$ -	\$ -
\$ 11,600,167	\$ 11,577,175	\$ 11,817,024	\$ 11,144,986	\$ 11,131,182	\$ 10,964,149
8.35%	7.35%	6.35%	6.49%	6.39%	7.71%

City of Blue Springs, Missouri

**Required Supplementary Information
Other Postemployment Benefit Plan**

Schedule of Funding Progress

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]
9/30/2013	7/1/2011	\$ -	\$ 527,810	\$ 527,810	- %	\$ 10,260,190	5.1%
9/30/2014	7/1/2013	-	546,907	546,907	-	12,129,017	4.5
9/30/2015	7/1/2013	-	546,907	546,907	-	12,129,017	4.5
9/30/2016	7/1/2015	-	359,340	359,340	-	12,287,504	2.9

The information presented above was determined as part of the actuarial valuation date as of July 1, 2015. 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, 2016

	Original Budget	Final Budget	Actual (Budget Basis)	Variance With Final Budget
Revenues:				
Taxes	\$ 17,477,306	\$ 17,477,306	\$ 17,322,254	\$ (155,052)
Licenses and permits	817,126	817,126	977,939	160,813
Intergovernmental revenues	2,921,682	2,921,682	2,874,061	(47,621)
Charges for services	1,092,190	1,092,190	1,361,123	268,933
Administrative charges	-	-	1,839,701	1,839,701
Fines and forfeits	1,089,081	1,089,081	1,033,510	(55,571)
Interest	107,895	107,895	65,222	(42,673)
Donations	-	-	33,883	33,883
Other	456,318	456,318	406,072	(50,246)
Total revenue	23,961,598	23,961,598	25,913,765	1,952,167
Expenditures:				
General government:				
City Council	424,583	501,892	429,920	(71,972)
Legal services	308,150	394,606	315,226	(79,380)
Municipal court	396,009	396,009	403,274	7,265
City administration	679,236	704,236	672,904	(31,332)
Public relations and communications	331,771	334,336	306,526	(27,810)
Human resources	547,191	554,691	294,003	(260,688)
Economic development	325,000	655,702	27,935	(627,767)
Community development	799,417	812,517	766,534	(45,983)
Business services	184,982	215,182	240,944	25,762
Codes administration	793,121	793,121	734,027	(59,094)
Geographic information systems	121,415	123,278	122,037	(1,241)
Finance - accounting and budget	613,617	613,617	516,073	(97,544)
Information systems	824,370	866,873	828,871	(38,002)
Revenue collections	-	-	-	-
Public works, engineering and administration	867,917	867,917	757,279	(110,638)
Highways and streets, street maintenance	2,919,647	3,044,874	2,796,321	(248,553)
Public safety:				
Police administration	511,192	511,192	515,217	4,025
Staff services	2,057,342	2,136,745	2,072,961	(63,784)
Operations	6,300,415	6,503,992	6,093,038	(410,954)
Community youth outreach unit	2,141,679	2,141,679	2,107,455	(34,224)
Emergency medical services	-	-	-	-
Parks:				
Parks administration	442,547	442,547	463,796	21,249
Recreation	531,372	543,432	442,145	(101,287)
Swimming pools	-	-	20,906	20,906
Parks maintenance	1,909,353	1,967,794	1,844,444	(123,350)
Vesper hall (50+ programs)	431,037	440,442	395,312	(45,130)
Building maintenance	916,011	928,741	710,251	(218,490)
Capital outlay	-	-	-	-
Total expenditures	25,377,374	26,495,415	23,877,399	(2,618,016)
Excess (deficiency) of revenues over expenditures	(1,415,776)	(2,533,817)	2,036,366	4,570,183

(Continued)

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, 2016**

	Original Budget	Final Budget	Actual (Budget Basis)	Variance With Final Budget
Other financing sources (uses):				
Transfers in	\$ 1,915,776	\$ 1,915,776	\$ 339,334	\$ (1,576,442)
Transfers out	(500,000)	(1,036,180)	(782,604)	253,576
Total other financing sources (uses)	1,415,776	879,596	(443,270)	(1,322,866)
Net change in fund balance	\$ -	\$ (1,654,221)	1,593,096	\$ 3,247,317
Fund balance, beginning of year			11,745,071	
Fund balance, end of year - budget basis			13,338,167	
Adjustments, encumbrances			719,531	
Fund balance, end of year - GAAP basis			<u>\$ 14,057,698</u>	
Net change in fund balance - budget basis			\$ 1,593,096	
Adjustments:				
Encumbrances - beginning of year			(1,020,980)	
Encumbrances - end of year			719,531	
Net change in fund balance - GAAP basis			<u>\$ 1,291,647</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, 2016**

	Original Budget	Final Budget	Actual (Budget Basis)	Variance With Final Budget
Revenues:				
Taxes	\$ 3,444,589	\$ 3,444,589	\$ 3,580,432	\$ 135,843
Interest	-	-	31,299	31,299
Other	-	-	5,994	5,994
Total revenues	3,444,589	3,444,589	3,617,725	173,136
Expenditures:				
Current, public safety	2,953,690	1,683,803	608,546	(1,075,257)
Debt service:				
Principal retirement	-	550,645	726,835	176,190
Interest and fiscal charges	-	929,720	931,574	1,854
Total expenditures	2,953,690	3,164,168	2,266,955	(897,213)
Net change in fund balances	\$ 490,899	\$ 280,421	1,350,770	\$ 1,070,349
Fund balance, beginning of year			1,878,852	
Fund balance, end of year - budget basis			3,229,622	
Adjustments, encumbrances			1,334,844	
Fund balance, end of year - GAAP basis			<u>\$ 4,564,466</u>	
Net change in fund balance - budget basis			\$ 1,350,770	
Adjustments:				
Encumbrances - beginning of year			(5,077,547)	
Encumbrances - end of year			1,334,844	
Net change in fund balance - GAAP basis			<u>\$ (2,391,933)</u>	

See note to required supplementary information.

City of Blue Springs, Missouri

Note to Required Supplementary Information

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.

NONMAJOR 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, 2016**

	Hotel Motel Tax	General Obligation Debt Service	C.O.P. Debt Service	Total Nonmajor Governmental Funds
Assets				
Cash and investments	\$ 489,355	\$ 762,795	\$ 354,545	\$ 1,606,695
Receivables, net of allowance for uncollectibles:				
Property taxes	-	1,177,446	-	1,177,446
Other taxes	76,715	-	-	76,715
Restricted cash and investments	-	-	112,977	112,977
Total assets	\$ 566,070	\$ 1,940,241	\$ 467,522	\$ 2,973,833
Liabilities, Deferred Inflows of Resources and Fund Balance				
Liabilities, accounts payable	\$ -	\$ 2,269	\$ 41	\$ 2,310
Deferred inflows of resources:				
Unavailable revenue - property taxes	-	1,169,297	-	1,169,297
Fund balance:				
Restricted:				
Debt service	-	768,675	467,481	1,236,156
Tourism	566,070	-	-	566,070
Total fund balance	566,070	768,675	467,481	1,802,226
Total liabilities, deferred inflows of resources and fund balance	\$ 566,070	\$ 1,940,241	\$ 467,522	\$ 2,973,833

City of Blue Springs, Missouri

**Combining Statement of Revenues, Expenditures and
Changes In Fund Balances - Nonmajor Governmental Funds
Year Ended September 30, 2016**

	Hotel Motel Tax	General Obligation Debt Service	C.O.P. Debt Service	Total Nonmajor Governmental Funds
Revenues:				
Taxes	\$ 591,123	\$ 1,200,448	\$ -	\$ 1,791,571
Interest	1,641	234,425	2,561	238,627
Total revenues	592,764	1,434,873	2,561	2,030,198
Expenditures:				
Current, general government	145,000	19,506	-	164,506
Debt service:				
Principal retirement	-	830,000	265,000	1,095,000
Interest and fiscal charges	-	1,035,821	31,675	1,067,496
Total expenditures	145,000	1,885,327	296,675	2,327,002
Excess (deficiency) of revenues over expenditures	447,764	(450,454)	(294,114)	(296,804)
Other financing sources (uses):				
Transfers in	-	500,000	389,943	889,943
Transfers out	(447,764)	-	-	(447,764)
Total other financing sources (uses)	(447,764)	500,000	389,943	442,179
Net change in fund balances	-	49,546	95,829	145,375
Fund balances, beginning	566,070	719,129	371,652	1,656,851
Fund balances, ending	\$ 566,070	\$ 768,675	\$ 467,481	\$ 1,802,226

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, 2016**

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
Taxes	\$ 546,080	\$ 546,080	\$ 591,123	\$ 45,043
Fines and forfeits	2,279	2,279	-	(2,279)
Interest	149	149	1,641	1,492
Total revenues	<u>548,508</u>	<u>548,508</u>	<u>592,764</u>	<u>44,256</u>
Expenditures,				
current, general government	<u>145,000</u>	<u>145,000</u>	<u>145,000</u>	<u>-</u>
Excess of revenues over expenditures	403,508	403,508	447,764	44,256
Other financing (uses), transfers out	<u>(354,921)</u>	<u>(354,921)</u>	<u>(447,764)</u>	<u>(92,843)</u>
Net change in fund balances	<u>\$ 48,587</u>	<u>\$ 48,587</u>	<u>-</u>	<u>\$ (48,587)</u>
Fund balance, beginning of year			<u>566,070</u>	
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, 2016**

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
Taxes	\$ 1,090,507	\$ 1,090,507	\$ 1,200,448	\$ 109,941
Interest income	198,159	198,159	234,425	36,266
Total revenues	1,288,666	1,288,666	1,434,873	146,207
Expenditures:				
Current, general government	-	-	19,506	19,506
Debt service:				
Principal retirement	785,000	785,000	830,000	45,000
Interest and fiscal charges	1,074,967	1,074,967	1,035,821	(39,146)
Total expenditures	1,859,967	1,859,967	1,885,327	25,360
Excess (deficiency) of revenues over expenditures	(571,301)	(571,301)	(450,454)	120,847
Other financing sources, transfers in	500,000	500,000	500,000	-
Net change in fund balances	\$ (71,301)	\$ (71,301)	49,546	\$ 120,847
Fund balance, beginning of year			719,129	
Fund balance, end of year			\$ 768,675	

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, 2016**

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues, interest	\$ -	\$ -	\$ 2,561	\$ 2,561
Expenditures:				
Debt service:				
Principal retirement	260,000	260,000	265,000	5,000
Interest and fiscal charges	37,100	37,100	31,675	(5,425)
Total expenditures	297,100	297,100	296,675	(425)
Excess (deficiency) of revenues over expenditures	(297,100)	(297,100)	(294,114)	2,986
Other financing sources (uses), transfers in	297,100	297,100	389,943	92,843
Total other financing sources (uses)	297,100	297,100	389,943	92,843
Net change in fund balances	\$ -	\$ -	95,829	\$ 95,829
Fund balance, beginning of year			371,652	
Fund balance, end of year			\$ 467,481	

City of Blue Springs, Missouri

**Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Capital Projects Fund
Year Ended September 30, 2016**

	Original Budget	Final Budget	Actual (Budget Basis)	Variance With Final Budget
Revenues:				
Taxes	\$ 3,211,830	\$ 3,211,830	\$ 3,662,528	\$ 450,698
Intergovernmental revenues	-	-	452,373	452,373
Interest	13,000	13,000	29,774	16,774
Donations	-	-	3,500	3,500
Total revenues	3,224,830	3,224,830	4,148,175	923,345
Expenditures, capital outlay	2,720,635	4,569,195	3,329,922	(1,239,273)
Excess (deficiency) of revenues over expenditures	504,195	(1,344,365)	818,253	2,162,618
Other financing sources (uses):				
Transfers in	250,000	250,000	515,780	265,780
Transfers out	(500,000)	(500,000)	(765,780)	(265,780)
Total other financing sources (uses)	(250,000)	(250,000)	(250,000)	-
Net change in fund balances	\$ 254,195	\$ (1,594,365)	568,253	\$ 2,162,618
Fund balance, beginning of year			3,616,474	
Fund balance, end of year - budget basis			4,184,727	
Adjustments, encumbrances			846,315	
Fund balance, end of year - GAAP basis			<u>\$ 5,031,042</u>	
Net change in fund balance - budget basis			\$ 568,253	
Adjustments:				
Encumbrances - beginning of year			(1,408,137)	
Encumbrances - end of year			846,315	
Net change in fund balance - GAAP basis			<u>\$ 6,431</u>	

City of Blue Springs, Missouri

Combining Balance Sheet -
TIF Fund Projects
September 30, 2016

	Mall at Fall Creek TIF	Copperleaf Village TIF	Highway 7 & 40 Project B TIF
Assets			
Cash and investments	\$ 56,120	\$ 1,828	\$ 23,219
Property taxes receivable	279,785	41,864	102,243
Other taxes receivable	-	-	-
Due from other funds	9,331	416	9,797
Due from other governments	19,066	588	13,344
Restricted cash and investments	-	-	-
Total assets	\$ 364,302	\$ 44,696	\$ 148,603
Liabilities			
Accounts payable	\$ 39,499	\$ 1,829	\$ 23,218
Due to other funds	-	4	77
Total liabilities	39,499	1,833	23,295
Deferred inflows of resources			
Unavailable revenue - property taxes	279,785	41,864	102,243
Unavailable revenue - other	9,257	-	9,191
Total deferred inflows of resources	289,042	41,864	111,434
Fund balance			
Restricted, debt service	35,761	999	13,874
Total liabilities, deferred inflows of resources and fund balance	\$ 364,302	\$ 44,696	\$ 148,603

Woods Chapel TIF	Adams Farm TIF	Highway 7 & 40 Project C TIF	Highway 7 & 40 Project A TIF	White Oaks TIF	Total
\$ 158,094	\$ 309,310	\$ 151,168	\$ 13,607	\$ 625	\$ 713,971
62,323	1,716,252	116,486	20,641	709	2,340,303
1,887	-	-	-	-	1,887
2,448	147,903	38,300	11,023	-	219,218
11,931	504,373	81,580	10,360	-	641,242
-	4,142,884	-	-	-	4,142,884
<u>\$ 236,683</u>	<u>\$ 6,820,722</u>	<u>\$ 387,534</u>	<u>\$ 55,631</u>	<u>\$ 1,334</u>	<u>\$ 8,059,505</u>
\$ -	\$ 1,804	\$ 151,165	\$ 13,609	\$ -	\$ 231,124
19	1,157	598	172	-	2,027
19	2,961	151,763	13,781	-	233,151
70,135	1,716,252	116,486	20,641	709	2,348,115
2,207	130,993	55,858	7,761	-	215,267
72,342	1,847,245	172,344	28,402	709	2,563,382
164,322	4,970,516	63,427	13,448	625	5,262,972
<u>\$ 236,683</u>	<u>\$ 6,820,722</u>	<u>\$ 387,534</u>	<u>\$ 55,631</u>	<u>\$ 1,334</u>	<u>\$ 8,059,505</u>

City of Blue Springs, Missouri

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances -
TIF Fund Projects
Year Ended September 30, 2016**

	Mall at Fall Creek TIF	Copperleaf Village TIF	Highway 7 & 40 Project B TIF
Revenues:			
Taxes	\$ 74,651	\$ 4,798	\$ 48,210
Intergovernmental activity taxes	250,523	81,173	119,709
Interest	228	10,175	115
Total revenues	325,402	96,146	168,034
Expenditures:			
Current, economic development	3,299	9,762	14,772
Debt service:			
Principal retirement	226,119	199,805	147,022
Interest and fiscal charges	104,652	-	-
Total expenditures	334,070	209,567	161,794
Excess (deficiency) of revenues over expenditures	(8,668)	(113,421)	6,240
Other financing sources (uses):			
Transfers (out)	(7,617)	(472)	(871)
Total other financing sources (uses)	(7,617)	(472)	(871)
Net change in fund balances	(16,285)	(113,893)	5,369
Fund balances, beginning of year	52,046	114,892	8,505
Fund balances, end of year	\$ 35,761	\$ 999	\$ 13,874

Woods Chapel TIF	Adams Farm TIF	Highway 7 & 40 Project C TIF	Highway 7 & 40 Project A TIF	White Oaks TIF	Total
\$ 15,387	\$ 958,251	\$ 344,556	\$ 34,705	\$ -	\$ 1,480,558
69,277	3,152,205	243,054	32,931	739	3,949,611
63	10,659	260	26	-	21,526
84,727	4,121,115	587,870	67,662	739	5,451,695
7,904	198,311	29,961	2,982	107	267,098
37,561	1,555,000	578,682	66,241	-	2,810,430
-	1,376,971	-	-	-	1,481,623
45,465	3,130,282	608,643	69,223	107	4,559,151
39,262	990,833	(20,773)	(1,561)	632	892,544
(379)	(11,841)	(6,337)	(731)	(7)	(28,255)
(379)	(11,841)	(6,337)	(731)	(7)	(28,255)
38,883	978,992	(27,110)	(2,292)	625	864,289
125,439	3,991,524	90,537	15,740	-	4,398,683
\$ 164,322	\$ 4,970,516	\$ 63,427	\$ 13,448	\$ 625	\$ 5,262,972

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, 2016**

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
Taxes and intergovernmental activity taxes	\$ 370,982	\$ 370,982	\$ 325,174	\$ (45,808)
Interest	16	16	228	212
Total revenues	370,998	370,998	325,402	(45,596)
Expenditures:				
Current, economic development	4,037	4,037	3,299	(738)
Debt service:				
Principal retirement	359,345	359,345	226,119	(133,226)
Interest and fiscal charges	-	-	104,652	104,652
Total expenditures	363,382	363,382	334,070	(29,312)
Excess (deficiency) of revenues over expenditures	7,616	7,616	(8,668)	(16,284)
Other financing (uses), transfers out	-	-	(7,617)	(7,617)
Net change in fund balances	\$ 7,616	\$ 7,616	(16,285)	\$ (23,901)
Fund balances, beginning of year			52,046	
Fund balances, end of year			\$ 35,761	

City of Blue Springs, Missouri

**Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual - Copperleaf Village TIF
Year Ended September 30, 2016**

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
Taxes and intergovernmental activity taxes	\$ 46,441	\$ 46,441	\$ 85,971	\$ 39,530
Interest	8,032	8,032	10,175	2,143
Total revenues	54,473	54,473	96,146	41,673
Expenditures:				
Current, economic development	3,070	3,070	9,762	6,692
Debt service, principal retirement	91,506	299,596	199,805	-
Total expenditures	94,576	302,666	209,567	6,692
Excess of revenues over expenditures	(40,103)	(248,193)	(113,421)	34,981
Other financing (uses), transfers out	(400)	(400)	(472)	(72)
Net change in fund balances	\$ (40,503)	\$ (248,593)	(113,893)	\$ 34,909
Fund balances, beginning of year			114,892	
Fund balances, end of year			\$ 999	

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, 2016

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
Taxes and intergovernmental activity taxes	\$ 152,483	\$ 152,483	\$ 167,919	\$ 15,436
Interest	11	11	115	104
Total revenues	<u>152,494</u>	<u>152,494</u>	<u>168,034</u>	<u>15,540</u>
Expenditures:				
Current, economic development	13,085	13,085	14,772	1,687
Debt service, principal retirement	138,659	138,659	147,022	8,363
Total expenditures	<u>151,744</u>	<u>151,744</u>	<u>161,794</u>	<u>10,050</u>
Excess of revenues over expenditures	750	750	6,240	5,490
Other financing (uses), transfers out	(750)	(750)	(871)	(121)
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>5,369</u>	<u>\$ 5,369</u>
Fund balances, beginning of year			<u>8,505</u>	
Fund balances, end of year			<u>\$ 13,874</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, 2016

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
Taxes and intergovernmental activity taxes	\$ 91,183	\$ 91,183	\$ 84,664	\$ (6,519)
Interest	28	28	63	35
Other	235	235	-	-
Total revenues	91,446	91,446	84,727	(6,484)
Expenditures,				
Current, economic development	9,101	9,101	7,904	(1,197)
Debt service, principal retirement	-	-	37,561	37,561
Total expenditures	9,101	9,101	45,465	36,364
Excess of revenues over expenditures	82,345	82,345	39,262	(42,848)
Other financing (uses), transfers out	(40,800)	(40,800)	(379)	40,421
Net change in fund balances	\$ 41,545	\$ 41,545	38,883	\$ (2,427)
Fund balances, beginning of year			125,439	
Fund balances, end of year			<u>\$ 164,322</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, 2016**

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
Taxes and intergovernmental activity taxes	\$ 4,336,779	\$ 4,336,779	\$ 4,110,456	\$ (226,323)
Interest	18,899	18,899	10,659	(8,240)
Total revenues	<u>4,355,678</u>	<u>4,355,678</u>	<u>4,121,115</u>	<u>(234,563)</u>
Expenditures:				
Current, economic development	281,881	281,881	198,311	(83,570)
Debt service:				
Principal retirement	1,015,000	1,835,000	1,555,000	(280,000)
Interest and fiscal charges	1,208,821	1,363,821	1,376,971	13,150
Total expenditures	<u>2,505,702</u>	<u>3,480,702</u>	<u>3,130,282</u>	<u>(350,420)</u>
Excess of revenues over expenditures	<u>1,849,976</u>	<u>874,976</u>	<u>990,833</u>	<u>115,857</u>
Other financing (uses), transfers (out)	(15,566)	(15,566)	(11,841)	3,725
Net change in fund balances	<u>\$ 1,834,410</u>	<u>\$ 859,410</u>	<u>978,992</u>	<u>\$ 119,582</u>
Fund balances, beginning of year			<u>3,991,524</u>	
Fund balances, end of year			<u>\$ 4,970,516</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, 2016

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
Taxes and intergovernmental activity taxes	\$ 519,287	\$ 519,287	\$ 587,610	\$ 68,323
Interest	25	25	260	235
Total revenues	519,312	519,312	587,870	68,558
Expenditures,				
Current, economic development	34,099	34,099	29,961	(4,138)
Debt service, principal retirement	480,020	480,020	578,682	98,662
Total expenditures	514,119	514,119	608,643	94,524
Excess (deficiency) of revenues over expenditures	5,193	5,193	(20,773)	(25,966)
Other financing (uses), transfers out	(5,193)	(5,193)	(6,337)	(1,144)
Net change in fund balances	\$ -	\$ -	(27,110)	\$ (27,110)
Fund balances, beginning of year			90,537	
Fund balances, end of year			\$ 63,427	

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, 2016**

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
Taxes and intergovernmental activity taxes	\$ 41,028	\$ 41,028	\$ 67,636	\$ 26,608
Interest	1	1	26	25
Total revenues	<u>41,029</u>	<u>41,029</u>	<u>67,662</u>	<u>26,633</u>
Expenditures,				
Current, economic development	634	2,723	2,982	259
Debt service, principal retirement	39,944	66,638	66,241	(397)
Total expenditures	<u>40,578</u>	<u>69,361</u>	<u>69,223</u>	<u>(138)</u>
Excess (deficiency) of revenues over expenditure:	451	(28,332)	(1,561)	26,771
Other financing (uses), transfers out	(450)	(450)	(731)	(281)
Net change in fund balances	<u>\$ 1</u>	<u>\$ (28,782)</u>	<u>(2,292)</u>	<u>\$ 26,490</u>
Fund balances, beginning of year			<u>15,740</u>	
Fund balances, end of year			<u>\$ 13,448</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, 2016

	Balance September 30, 2015	Additions	Deletions	Balance September 30, 2016
Jackson County Tax Fund				
Assets:				
Cash	\$ 52,103	\$ 14,539,913	\$ 14,570,213	\$ 21,803
Liabilities:				
Liabilities, due to other governments	52,103	29,057,358	29,087,658	21,803
Total liabilities	\$ 52,103	\$ 29,057,358	\$ 29,087,658	\$ 21,803
Employees Flexible Benefit Fund				
Assets, cash				
	\$ (4,104)	\$ 5,142	\$ 1,885	\$ (847)
Liabilities, Employee flexible benefit deposits				
	\$ (4,104)	\$ 70,096	\$ 66,839	\$ (847)
Eastern Jackson County Betterment Council Fund				
Assets:				
Cash	\$ 42,436	\$ 15,025	\$ 5,600	\$ 51,861
Taxes receivable	1,150	14,350	15,125	375
Total assets	\$ 43,586	\$ 29,375	\$ 20,725	\$ 52,236
Liabilities:				
Accounts payable	\$ -	\$ 5,600	\$ 5,600	\$ -
Membership deposits	43,586	14,250	5,600	52,236
Total liabilities	\$ 43,586	\$ 19,850	\$ 11,200	\$ 52,236
Woods Chapel CID				
Assets:				
Cash	\$ 4,311	\$ 18,746	\$ 16,551	\$ 6,506
Taxes receivable	1,266	2,506	1,266	2,506
Total assets	\$ 5,577	\$ 21,252	\$ 17,817	\$ 9,012
Liabilities, due to other governments				
	\$ 5,577	\$ 22,731	\$ 19,296	\$ 9,012
Adams Dairy Landing CID				
Assets:				
Cash	\$ 472,193	\$ 1,575,206	\$ 1,432,648	\$ 614,751
Taxes receivable	442,265	536,700	530,160	448,805
Total assets	\$ 914,458	\$ 2,111,906	\$ 1,962,808	\$ 1,063,556
Liabilities, due to other governments				
	\$ 914,458	\$ 1,295,574	\$ 1,146,476	\$ 1,063,556
Coronado Drive TDD				
Assets:				
Cash	\$ -	\$ 568,963	\$ 568,963	\$ -
Taxes receivable	75,567	75,191	75,567	75,191
Total assets	\$ 75,567	\$ 644,154	\$ 644,530	\$ 75,191
Liabilities, due to other governments				
	\$ 75,567	\$ 82,796	\$ 83,172	\$ 75,191
Adams Farm TDD				
Assets:				
Cash	\$ -	\$ 1,277,313	\$ 1,277,313	\$ -
Taxes receivable	168,836	182,483	168,836	182,483
Total assets	\$ 168,836	\$ 1,459,796	\$ 1,446,149	\$ 182,483
Liabilities, due to other governments				
	\$ 168,836	\$ 189,954	\$ 176,307	\$ 182,483

(Continued)

City of Blue Springs, Missouri

Statement of Changes in Assets and Liabilities - Agency Funds (Continued)
Year Ended September 30, 2016

	Balance September 30, 2015	Additions	Deletions	Balance September 30, 2016
Total - All Agency Fund				
Assets:				
Cash	\$ 566,939	\$ 18,000,308	\$ 17,873,173	\$ 694,074
Taxes receivable	689,084	811,230	790,954	709,360
Total assets	\$ 1,256,023	\$ 18,811,538	\$ 18,664,127	\$ 1,403,434
Liabilities:				
Due to other governments	1,216,541	30,648,413	30,512,909	1,352,045
Membership and employee flexible benefit deposits	39,482	84,346	72,439	51,389
Total liabilities	\$ 1,256,023	\$ 30,732,759	\$ 30,585,348	\$ 1,403,434

City of Blue Springs, Missouri

Combining Statement of Net Position
 Discretely Presented Component Unit - Blue Springs Economic Development Corporation
 September 30, 2016

	Program		Total Consolidated Component Unit
	Blue Springs Economic Development Corporation	Blue Springs Growth Initiative	
Assets			
Cash and investments	\$ 38,830	\$ 275	\$ 39,105
Total assets	38,830	275	39,105
Liabilities			
Short-term line of credit	23,555	-	23,555
Total liabilities	23,555	-	23,555
Net Position			
Unrestricted	15,275	275	15,550
Total net position	\$ 15,275	\$ 275	\$ 15,550

City of Blue Springs, Missouri

Combining Statement of Activities
 Discretely Presented Component Unit - Blue Springs Economic Development Corporation
 Year Ended September 30, 2016

	Program		Total Consolidated Component Unit
	Blue Springs Economic Development Corporation	Blue Springs Growth Initiative	
Revenues:			
Intergovernmental revenues	\$ 325,000	\$ 119,953	\$ 444,953
Contributions	117,454	-	117,454
In-kind contributions	5,375	930	6,305
Interest	231	-	231
Total revenues	448,060	120,883	568,943
Expenses:			
Current, economic development	462,030	992	463,022
Change in net position	(13,970)	119,891	105,921
Net position (deficit), beginning of year	29,245	(119,616)	(90,371)
Net position, end of year	\$ 15,275	\$ 275	\$ 15,550

City of Blue Springs, Missouri

Statistical Section Contents

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
Financial Trends	
These schedules contain trend information to help the reader understand how the City's financial performance and well being have changed over time.	102 - 105
Revenue Capacity	
These schedules contain information to help the reader assess the City's two most significant local revenue sources: sales tax and property tax.	106 - 112
Debt Capacity	
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	113 - 117
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	118 - 119
Operating Information	
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.	120 - 122

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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental activities:										
Net investment in capital assets	\$ 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	\$ 50,935,498
Restricted	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	10,961,851
Unrestricted	9,442,255	6,129,460	(14,846,756)	(10,206,636)	(12,768,225)	(19,806,791)	(21,991,465)	(30,155,338)	(10,051,448)	(18,022,927)
Total governmental activities net position	\$ 94,227,530	\$ 88,662,820	\$ 63,069,616	\$ 56,281,767	\$ 53,284,639	\$ 45,335,647	\$ 48,999,192	\$ 38,781,927	\$ 43,387,398	\$ 43,874,422
Business-type activities:										
Net investment in capital assets	\$ 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	\$ 51,265,320
Restricted	504,990	489,099	487,923	2,077,870	2,072,904	2,478,007	2,488,531	2,171,458	2,727,185	1,575,649
Unrestricted	9,657,585	12,289,968	32,003,698	33,919,068	38,610,277	41,628,468	42,750,205	42,553,879	39,206,646	40,936,386
Total business-type activities net position	\$ 63,461,521	\$ 62,662,733	\$ 79,635,825	\$ 83,746,526	\$ 89,436,664	\$ 92,642,211	\$ 93,723,898	\$ 92,046,450	\$ 94,576,448	\$ 93,777,355
Primary government:										
Net investment in capital assets	\$ 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	\$ 102,200,818
Restricted	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	12,537,500
Unrestricted	19,099,840	18,419,428	17,156,942	23,712,432	25,842,052	21,821,677	20,758,740	12,398,541	29,155,198	22,913,459
Total primary government net position	\$ 157,689,051	\$ 151,325,553	\$ 142,705,441	\$ 140,208,293	\$ 142,721,303	\$ 137,977,858	\$ 142,723,090	\$ 130,828,377	\$ 137,963,846	\$ 137,651,777

Notes: 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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses:										
Governmental activities:										
General government	\$ 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	\$ 6,420,523
Public works	1,114,645	1,085,815	1,150,617	1,157,261	1,165,906	1,235,515	1,082,539	729,879	758,851	701,230
Highways and streets	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	8,365,757
Public safety	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	16,788,117
Parks and recreation	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	4,269,900
Economic development	-	-	22,120,492	3,023,924	625,859	6,577,745	2,336,825	13,549,379	2,416,435	267,098
Interest and fiscal charges	807,943	768,656	720,823	1,921,555	2,809,800	2,759,693	2,960,575	3,380,506	5,251,068	4,064,700
Total governmental activities expenses	41,982,194	39,169,323	57,923,317	41,013,004	41,794,463	46,307,394	43,764,124	55,565,543	43,595,687	40,877,325
Business-type activities:										
Water	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	9,424,854
Sewer	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	9,599,824
Golf course	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	1,658,105
Non-major: Fieldhouse	-	-	-	-	-	-	-	-	149,777	1,012,307
Total business-type activities expenses	15,350,414	16,197,056	16,980,484	16,207,692	17,201,127	17,690,232	17,969,271	20,123,462	21,868,696	21,695,090
Total primary government expenses	57,332,608	55,366,379	74,903,801	57,220,696	58,995,590	63,997,626	61,733,395	75,689,005	65,464,383	62,572,415
Program revenue:										
Governmental activities:										
Charges for services:										
General government	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	3,598,475
Public works	240,110	303,539	50,586	26,376	54,941	332,068	92,490	21,205	69,054	162,531
Highways and streets	5,023	5,200	-	-	-	-	-	-	-	-
Public safety	2,020,941	2,448,292	2,826,024	2,732,433	2,971,402	2,915,982	1,947,267	1,405,762	1,428,023	1,332,713
Parks and recreation	679,237	670,760	645,069	633,235	626,200	398,451	381,691	414,159	444,931	449,467
Operating grants and contributions	718,617	684,440	649,095	457,455	567,701	574,895	799,005	575,817	581,258	471,559
Capital grants and contributions	10,522,467	1,529,944	1,578,255	1,248,938	4,535,142	124,686	9,569,123	5,837,853	2,449,429	609,823
Total governmental activities program revenue	17,624,833	8,834,951	9,275,041	8,148,812	11,850,911	7,517,682	16,358,809	12,081,219	8,429,612	6,624,568
Business-type activities:										
Charges for services:										
Water	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	9,797,233
Sewer	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	7,482,274
Golf course	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	1,458,922
Non-major: Fieldhouse	-	-	-	-	-	-	-	-	105,705	664,541
Capital grants and contributions	2,572,073	289,624	18,812,221	5,054,010	7,169,853	3,413,162	3,065,333	763,153	280,865	230,991
Total business-type activities program revenues	17,434,986	14,635,519	33,409,322	19,869,878	22,389,795	19,594,262	18,528,420	17,116,977	17,195,408	19,633,961
Total primary government program revenues	\$ 35,059,819	\$ 23,470,470	\$ 42,684,363	\$ 28,018,690	\$ 34,240,706	\$ 27,111,944	\$ 34,887,229	\$ 29,198,196	\$ 25,625,020	\$ 26,258,529

(Continued)

City of Blue Springs, Missouri

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

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Net (expense) revenue:										
Governmental activities	\$ (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)	\$ (34,252,757)
Business-type activities	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)	(2,061,129)
Total primary government net expense	\$ (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)	\$ (36,313,886)
General revenues and other changes in net position:										
Governmental activities:										
Taxes:										
Sales taxes	\$ 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	\$ 16,518,994
Property taxes	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	6,122,937
Franchise tax	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	4,860,305
Intergovernmental activity taxes	-	-	662,481	1,981,710	2,598,427	2,910,479	3,867,998	3,851,865	4,360,020	3,952,005
Motor Vehicle						1,785,850	1,672,082	1,764,838	1,833,354	1,844,525
Hotel	586,635	591,127	493,983	572,571	573,835	544,620	536,199	575,237	591,718	591,123
Other taxes	1,802,724	1,759,356	1,995,432	2,054,909	2,064,588	409,592	404,923	394,499	334,958	364,960
Interest	966,719	894,555	367,671	334,685	419,579	410,317	352,556	371,085	385,668	386,448
Miscellaneous	1,500,396	718,366	611,431	504,639	588,977	581,404	812,952	778,639	526,698	410,308
Gain on disposal of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers	(143,003)	(148,921)	(303,724)	(316,026)	(363,869)	(250,007)	(262,696)	(400,549)	(5,152,426)	(311,824)
Total governmental activities	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	34,739,781
Business-type activities:										
Interest	966,158	613,828	237,530	135,489	137,601	1,051,510	923,456	928,488	996,622	950,212
Transfers	143,003	148,921	303,724	316,026	363,869	250,007	262,696	400,549	5,152,426	311,824
Total business-type activities	1,109,161	762,749	541,254	451,515	501,470	1,301,517	1,186,152	1,329,037	6,149,048	1,262,036
Total primary government	\$ 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	\$ 36,001,817
Changes in net position:										
Governmental activities	(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)	487,024
Business-type activities	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	(799,093)
Total primary government	\$ 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)	\$ (312,069)

City of Blue Springs, Missouri

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

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund:										
Reserved	\$ 2,758,255	\$ 2,505,963	\$ 2,680,486	\$ 2,585,922	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	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	2,389,927
Restricted	-	-	-	-	131,654	107,265	1,143,677	1,110,681	61,804	66,897
Committed	-	-	-	-	7,174,859	7,145,032	7,431,610	7,615,714	7,876,539	7,841,276
Assigned	-	-	-	-	2,042,797	32,217	4,931,586	4,203,615	1,532,656	1,542,188
Unassigned	-	-	-	-	4,060,154	6,041,570	1,563,656	213,769	850,231	2,217,410
Total General Fund	\$ 11,870,309	\$ 11,141,019	\$ 12,380,669	\$ 13,729,648	\$ 15,479,337	\$ 15,450,269	\$ 17,321,013	\$ 15,534,192	\$ 12,766,051	\$ 14,057,698
All other governmental funds:										
Reserved	\$ 3,528,551	\$ 2,148,966	\$ 7,095,640	\$ 9,822,955	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	262,018	358,830	363,631	436,280	-	-	-	-	-	-
Capital projects funds	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	67,619
Capital projects funds	-	-	-	-	-	-	-	-	-	326,911
Restricted/Committed/Assigned:										
Capital projects funds	-	-	-	-	16,053,845	14,628,781	14,270,225	8,914,496	5,024,611	4,704,131
Public Safety Sales Tax fund	-	-	-	-	-	3,673,183	2,756,681	18,087,627	6,926,542	4,496,847
Other governmental funds	-	-	-	-	7,382,340	8,150,087	1,879,203	10,732,535	6,055,534	7,065,198
Total all other government funds	\$ 9,122,201	\$ 9,100,804	\$ 9,938,630	\$ 24,846,277	\$ 23,494,354	\$ 26,792,445	\$ 18,921,524	\$ 38,088,082	\$ 18,036,544	\$ 16,660,706

(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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues:										
Taxes	\$ 19,704,229	\$ 21,755,056	\$ 19,248,967	\$ 21,148,583	\$ 23,005,968	\$ 24,686,823	\$ 25,839,079	\$ 26,682,458	\$ 27,506,137	\$ 27,837,343
Intergovernmental activity taxes	-	-	662,481	1,981,709	2,598,425	2,843,750	3,775,528	3,851,865	4,360,020	3,949,611
Licenses, fees and permits	772,510	746,020	917,980	572,183	629,447	639,179	688,903	865,546	777,265	977,939
Intergovernmental	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	3,326,434
Charges for services	4,515,378	4,870,792	4,981,920	4,697,653	4,982,338	3,559,085	2,322,751	1,512,856	1,305,934	1,361,123
Administrative charges	-	-	-	-	-	1,382,522	1,676,501	1,764,935	1,840,000	1,839,701
Fines, forfeitures and court costs	753,650	777,911	924,640	957,684	884,777	882,785	870,291	1,114,347	1,127,246	1,033,510
Interest	966,722	894,555	367,671	334,685	419,578	410,317	352,555	371,276	404,276	386,448
Donations	153,479	41,003	82,816	56,735	55,672	87,409	1,237,690	41,152	34,427	37,383
Other	1,641,225	803,366	687,218	559,601	904,226	581,904	812,123	815,672	597,656	412,066
Total revenues	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	41,161,558
Expenditures:										
General government	6,815,363	6,242,211	6,195,290	5,602,502	5,471,625	5,676,363	5,832,150	6,117,293	6,327,993	6,017,583
Public works	1,036,256	938,675	888,418	848,364	844,437	820,337	692,584	721,738	758,851	701,230
Highways and streets	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	2,792,470
Public safety	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	14,963,894
Parks and recreation	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	3,685,781
Economic development	-	-	12,660,575	14,212,124	383,397	431,682	298,302	305,241	325,695	267,098
Capital outlay	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	4,375,399
Debt service:										
Principal	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	4,682,255
Interest	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	3,480,693
Bond Issuance Costs	-	-	-	-	-	158,350	-	408,232	1,615,270	-
Total expenditures	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	40,966,403
Excess of revenues over (under) expenditures	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)	195,155
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	-	-	-	-	-	-	-	-	249,950	-
Transfers in	381,232	3,993,280	1,676,368	2,418,388	4,035,359	4,975,087	2,401,594	6,001,009	2,575,957	1,745,057
Transfers out	(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)	(2,024,403)
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(115,761)	(542,177)	14,084,581	31,258,089	(331,391)	13,378,051	(230,218)	19,192,072	5,267,127	(279,346)
Net changes in fund balances	\$ 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)	\$ (84,191)
Debt service as a percentage of noncapital expenditures										
	5.9%	6.3%	6.0%	9.0%	12.9%	14.5%	16.3%	23.8%	42.1%	22.5%

City of Blue Springs, Missouri

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

Sales by Retail Category:	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Retail	\$ 595,309	\$ 605,917	\$ 530,141	\$ 585,204	626,092	\$ 641,420	\$ 633,517	\$ 689,106	\$ 734,889	\$ 760,521
Manufacturing	3,739	2,717	2,947	1,952	3,208	3,650	3,862	9	9	9
Restaurants	20,176	21,618	20,583	24,640	29,592	29,773	29,632	35,843	37,676	39,186
Services	24,337	24,237	22,701	25,361	25,458	25,519	23,464	30,308	32,029	33,807
All other outlets	923	2,769	11,158	2,333	2,532	22,004	47,604	30,624	25,843	24,686
Total	\$ 644,484	\$ 657,258	\$ 587,530	\$ 639,490	686,883	\$ 722,366	\$ 738,079	\$ 785,890	\$ 830,446	\$ 858,209

Note: Amounts are in thousands of dollars.

Source: Missouri Department of Revenue

City of Blue Springs, Missouri

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

Direct Sales Tax Rate City of Blue Springs	Fiscal Year											
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	
General fund	1.000	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	0.500
Public Safety	-	-	-	-	-	-	0.500	0.500	0.500	0.500	0.500	0.500
Direct sales tax rate City of Blue Springs	1.500	1.500	1.500	1.500	1.500	1.500	2.000	2.000	2.000	2.000	2.000	2.000
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	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	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	0.100
Jackson County	1.125	1.125	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	2.000	2.000	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	0.500	0.500
Zoo	-	-	-	-	-	-	0.125	0.125	0.125	0.125	0.125	0.125
Total direct and overlapping sales tax rate	6.850	6.850	6.850	7.350	7.350	7.350	7.975	7.975	7.975	7.975	7.975	7.975
Transportation Development Districts & Community Improvement Districts												
Adams Farm Transportation Development District	-	-	-	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Home Depot Transportation Development District	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500
Coronado Drive Transportation Development District	-	-	-	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500
Oaks at Woods Chapel Community Improvement District	-	-	-	-	-	-	-	-	1.000	1.000	1.000	1.000

Note: The rates shown for the Transportation Development Districts and Community Improvement Districts are in addition to the direct and overlapping rates and 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				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	Total	Personal Property	Railroads & Utilities				
2007	456,882,349	184,193	107,901,822	564,968,364	124,234,987	5,507,022	694,710,373	0.7029	3,133,659,560	22.17
2008	493,629,422	181,943	115,500,336	609,311,701	129,576,528	5,360,046	744,248,275	0.6971	3,366,373,178	22.11
2009	499,748,063	172,367	121,072,121	620,992,551	130,285,814	4,879,636	756,158,001	0.6989	3,416,537,286	22.13
2010	474,190,733	170,782	121,505,173	595,866,688	121,476,300	4,550,413	721,893,401	0.7259	3,255,881,283	22.17
2011	476,649,966	165,812	121,890,009	598,705,787	119,506,303	6,480,646	724,692,736	0.7259	3,270,101,882	22.16
2012	474,054,725	170,838	110,865,876	585,091,439	125,435,676	7,797,528	718,324,643	0.7489	3,243,955,368	22.14
2013	475,193,138	178,203	111,893,539	587,264,880	129,559,419	9,707,540	726,531,839	0.7489	3,271,572,237	22.21
2014	477,024,751	177,905	109,710,301	586,912,957	131,401,691	12,741,635	731,056,283	0.7489	3,289,401,099	22.22
2015	479,712,354	173,478	109,136,575	589,022,407	131,036,206	12,569,227	732,627,840	0.7489	3,300,080,265	22.20
2016	515,457,495	176,724	114,610,010	630,244,229	134,012,963	14,284,738	778,541,930	0.7281	3,519,644,302	22.12

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
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
2016	0.5781	0.1500	0.7281	1.1731	0.2343	5.7286	1.0038	0.0300	8.1698

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	0.1442
General Fund	0.1356
Road & Bridge Fund	0.1319
Park Fund	0.0839
Mid-Continent Public Library	0.3146
Handicap	0.0738
Mental Health	0.1198
Total County	<u>1.0038</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	2016			2007		
	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)	\$ 15,323,392	1	28.09	\$ 3,860,627	1	17.70
MPT of Blue Springs LLC	9,428,060	2	17.29			
Wal-Mart Stores, Inc.	6,514,697	3	11.94	2,055,270	4	9.42
Kohl's Department Store	5,620,567	4	10.30			
Fike Metal Products Corp.	3,804,441	5	6.98	1,687,354	8	7.74
Prime Healthcare Services of Blue Springs LLC	3,292,544	6	6.04			
Comcast of Mo Inc.	3,185,077	7	5.84			
Blue Springs Senior Community LLC	2,721,826	8	4.99			
George & Jeanette Ward	2,536,365	9	4.65	3,403,314	2	15.61
Sunnyside Gardens Apts - Blue Springs LLC	2,116,873	10	3.88			
21st Maize LLC & Wichita East LLC				2,214,072	3	10.15
HD Development of Maryland Inc.				1,974,578	5	9.05
Southwestern Bell				1,787,206	6	8.20
Blue Springs 1 LLC				1,706,408	7	7.83
St. Mary's Hospital				1,593,252	9	7.31
Southern Union Co				1,524,922	10	6.99
Total	\$ 54,543,842		100.00	\$ 21,807,003		100.00

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		
		Amount	Percentage of Levy	Collections in Subsequent Years	Amount	Percentage of Levy	
2007	4,939,713	4,751,744	96.19	166,733	4,918,477	99.57	
2008	5,195,766	5,071,884	97.62	98,482	5,170,366	99.51	
2009	5,754,504	5,513,233	95.81	216,773	5,730,006	99.57	
2010	5,825,726	5,633,240	96.70	169,632	5,802,872	99.61	
2011	6,239,956	6,009,470	96.31	207,404	6,216,874	99.63	
2012	6,637,020	6,425,351	96.81	182,071	6,607,422	99.55	
2013	6,889,963	6,658,528	96.64	202,720	6,861,248	99.58	
2014	7,052,632	6,834,975	96.91	174,742	7,009,717	99.39	
2015	7,168,365	6,961,356	97.11	134,243	7,095,599	98.98	
2016	7,424,315	7,267,788	97.89		7,267,788	97.89	

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				
2007	7,065,000	-	-	-	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	-	-	-	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	-	2,835,000	17,640,689	188,617	4,515,000	18,725,000	-	63,623,776	3.95	1,142.30	
2010	19,460,000	-	31,305,000	-	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	-	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	5,482,622	2,095,000	19,155,005	-	3,880,000	17,475,000	20,509,149	124,351,776	8.26	2,357.42	
2013	24,555,000	-	29,475,000	4,985,534	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	4,471,199	21,120,421	32,594,749	133,402	3,222,661	17,001,263	20,931,228	151,553,401	9.84	2,843.72	
2015	23,040,812	-	47,340,170	4,188,968	20,845,445	9,818,417	69,293	2,961,056	16,171,696	19,882,400	144,318,257	9.37	2,707.96	
2016	22,195,204	-	45,796,685	3,412,143	20,555,474	8,745,327	54,542	2,714,450	15,317,127	18,813,200	137,604,152	8.93	2,581.98	

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.	
	General Obligation Bonds	Less Amounts Available in Debt		Actual Taxable Value of Property (1)	Per Capita (2)
		Service	Total		
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	418.84
2016	22,195,204	(768,675)	21,426,529	0.61	395.70

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, 2016
(Unaudited)**

Name of Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
City of Blue Springs	100,704,833	100.00%	100,704,833
Total direct debt	100,704,833		100,704,833
Blue Springs Reorganized #4 School District	121,465,000	88.70%	107,739,455
Grain Valley Reorganized #5 School District	47,047,502	6.24%	2,935,764
Central Jackson County Fire Protection District	15,000,000	90.00%	13,500,000
Lee's Summit School District	220,340,000	0.005%	10,043
Total overlapping debt	<u>403,852,502</u>		<u>124,185,262</u>
Total direct and overlapping debt	<u>\$ 504,557,335</u>		<u>\$ 224,890,095</u>

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)**

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Debt Limit (1)	\$ 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	\$ 155,708,386
Total net debt applicable to limit	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	21,426,529
Legal debt margin	\$ 133,003,397	\$ 143,785,734	\$ 147,065,605	\$ 125,982,645	\$ 127,387,512	\$ 119,321,505	\$ 121,642,001	\$ 123,095,073	\$ 124,203,914	\$ 134,281,857
Total net debt to the limit as a percentage of debt limit	12.751	16.862	15.152	15.136	25.434	24.459				

Legal Debt Margin Calculation for Fiscal Year 2015	
Assessed Value	\$ 778,541,930
Debt Limit (20% of assessed value)	<u>155,708,386</u>
General obligation:	
City-wide	<u>22,195,204</u>
Total Bonded Debt	<u>22,195,204</u>
Less:	
Debt Service Fund Balance	<u>768,675</u>
Total net debt applicable to limit	<u>21,426,529</u>
Legal debt margin	<u>\$ 134,281,857</u>

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)	
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
2016	17,279,507		14,664,073	2,615,434	1,069,200	297,492

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.

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)
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%
2016	54,148	1,641,875,656	30,322	35.60	14,382	4.90%

- 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	2016			2007		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Blue Springs School District	1,998	1	6.90%	1,615	1	5.79%
St. Mary's Hospital of Blue Springs	545	2	1.88%	615	2	2.21%
Fike Corporation	460	3	1.59%	380	6	1.36%
Hy-Vee	460	4	1.59%	280	8	1.00%
Wal-Mart Stores, Inc.	355	5	1.23%	400	5	1.43%
Price Chopper	335	6	1.16%	402	4	1.44%
City of Blue Springs	289	7	1.00%	270	9	0.97%
Home Depot	147	8	0.51%			
Target	135	9	0.47%			
Texas Roadhouse	130	10	0.45%			
Kohl's Distribution Center				450	3	1.61%
Durvet				296	7	1.06%
Haldex, Inc.				250	10	0.90%
Total	4,854		16.77%	4,958		17.77%

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)**

Function/Program	Full-Time Equivalent Employees for Fiscal Year Beginning October 1									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Government:										
Administration	5.00	5.00	5.00	5.00	4.00	5.00	5.00	5.00	5.00	6.00
Legal	-	-	1.00	1.00	1.50	1.50	1.50	2.00	2.00	2.00
Public relations and communications	2.00	2.00	2.00	2.00	1.00	1.00	1.00	1.00	2.00	3.00
Human resources	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Information services	4.00	4.00	4.00	4.00	4.00	5.00	5.00	5.00	5.00	5.00
Community development	7.20	7.20	7.20	7.20	6.00	6.00	6.00	6.00	6.00	8.65
Codes administration	10.00	10.46	11.46	10.46	8.46	8.46	8.46	8.46	10.46	10.46
Geographic information systems	1.20	1.20	1.20	1.20	1.00	1.00	1.00	1.00	1.00	1.00
Economic development	2.00	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Finance	21.90	22.90	22.90	22.90	23.90	22.90	22.90	22.90	22.90	10.50
Municipal court	5.62	5.62	5.62	5.62	6.12	6.12	6.12	6.62	6.62	6.62
Public Works:										
Public Works	12.54	12.54	12.14	10.00	9.00	9.00	9.00	9.00	8.00	7.00
Highways and streets:										
Highways and streets	17.30	16.30	16.30	16.30	15.30	15.30	15.30	15.30	16.80	16.80
Public Safety:										
Administration	2.00	2.00	2.00	1.00	1.00	2.00	2.00	2.00	3.00	3.00
Operations	63.00	63.00	66.00	71.00	67.00	78.00	78.00	78.00	79.00	81.00
Staff services	26.20	18.00	17.00	18.00	18.00	30.00	30.00	30.00	30.00	28.00
Professional standards	8.65	15.20	16.20	17.20	16.00	-	-	-	-	-
Community/youth outreach	17.00	18.65	20.15	20.15	20.00	28.00	28.00	28.00	28.00	28.00
Parks and recreation:										
Administration	5.00	5.00	5.50	5.50	5.00	5.00	4.00	4.00	4.00	4.00
Building maintenance	2.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00	3.00	3.00
50-Plus Programs	7.47	7.99	7.99	7.99	7.24	7.24	7.24	7.24	7.24	7.47
Parks maintenance	20.33	20.33	20.33	20.33	19.71	19.71	19.71	20.21	20.21	21.21
Recreation	2.00	2.00	2.00	2.00	2.00	2.00	3.00	3.00	5.30	5.30
Swimming pool	-	-	-	-	-	-	-	-	-	-
Fieldhouse	-	-	-	-	-	-	-	-	-	23.78
Water:										
Operations	5.00	5.33	5.33	5.33	5.00	5.00	4.00	4.00	4.50	4.50
Maintenance	7.00	7.00	7.00	7.00	7.00	7.00	8.00	8.00	8.00	12.00
Sewer:										
Operations	5.00	5.33	5.33	5.33	5.00	5.00	4.00	4.00	4.50	4.50
Maintenance	6.00	6.00	6.00	6.00	6.00	6.00	7.00	7.00	7.00	7.00
Sni-A-Bar treatment plant	3.00	3.00	3.00	3.00	3.00	3.00	3.00	4.00	4.00	4.00
Fleet Maintenance Fund										
Fleet Maintenance Fund	2.00	2.00	2.00	2.00	2.00	2.00	3.00	3.00	3.00	3.00
Total	272.41	272.05	278.65	281.51	268.23	285.23	286.73	289.73	298.53	318.79

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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Police,										
Number of citations issued	9,691	10,800	13,296	13,402	12,198	10,506	10,714	10,988	10,816	10,562
Public Works:										
Street overlay (lane miles)	-	55.00	48.00	36.00	38.00	36.00	27.00	-	14.00	10.50
Potholes repaired	10,561	6,129	3,650	7,503	3,199	7,888	10,973	6,990	8,341	8,340
Crack sealing (sq. yds.)	717,795	621,927	560,475	273,950	936,577	1,209,825	964,037	522,323	469,296	274,560
Slurry seal (sq. yds.)	208,517	-	-	-	-	-	-	-	-	-
Parks and Recreation:										
Park shelter reservations	1,000	1,222	955	1,243	1,201	1,123	1,111	1,023	1,096	941
Vesper Hall rentals	105	62	90	50	64	67	68	88	132	104
Number of participants in recreation programs	183,116	160,400	181,675	182,100	180,700	164,464	167,894	172,674	177,854	156,560
Community Development:										
Building permits issued	491	527	460	490	544	648	699	806	920	914
Number of nuisance violations cited	2,353	3,051	2,571	3,660	3,912	4,400	4,180	3,781	3,512	3,621
Water:										
Number of customers	20,134	20,427	20,439	20,356	20,377	20,376	20,475	20,528	20,622	21,458
Water main breaks	84	51	60	76	90	196	67	79	54	54
New water connections	217	138	48	58	56	42	51	75	88	83
Sewer:										
Number of customers	19,742	19,887	19,932	20,073	20,148	20,205	20,395	20,540	20,663	20,923
New sewer connections	212	231	66	68	76	88	127	136	159	161

Source: City of Blue Springs, Missouri Budget

City of Blue Springs, Missouri

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

Function/Program	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Police:										
Police stations	1	1	1	1	1	1	1	1	1	1
Police sub-stations	2	1	1	2	2	2	2	3	2	3
Vehicles	17	18	18	22	22	24	24	24	24	24
Public Works:										
Total area (square miles)	22.01	22.11	22.11	22.21	22.21	22.21	22.21	22.26	22.26	22.26
Paved miles	239.06	240.31	252.00	252.00	252.00	252.00	300.00	300.00	300.00	238.70
Street lights	2,613	2,409	2,409	2,531	2,535	2,527	2,527	2,527	2,556	2,670
Storm sewers (miles)	87.61	88.79	120.00	122.00	118.00	125.00	122.71	121.05	121.10	123.00
Parks and Recreation:										
Park acreage - developed & golf course	416.00	515.00	515.00	594.00	594.00	594.00	603.00	603.00	603.00	558.00
Park acreage - undeveloped & preserved	302.00	341.00	341.00	262.00	262.00	262.00	266.00	266.00	266.00	271.00
Parks - developed	14	14	14	14	14	15	15	15	15	14
Parks - undeveloped	5	7	7	7	7	6	7	7	7	6
Swimming pools	2	2	2	2	2	2	2	2	2	2
Soccer fields	11	12	12	12	12	12	12	12	12	12
Tennis courts	21	20	20	20	20	20	20	20	21	20
Skate parks	2	2	2	2	2	2	2	2	2	2
Baseball fields	8	8	8	8	8	8	8	8	8	8
Softball fields	14	15	15	15	15	15	15	15	15	15
Miles of walking/bike trails	15	15	17	17	17	15	17	17	17	18
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	2
Football fields	3	3	3	3	3	3	3	3	3	3
BMX race track	1	1	1	1	1	1	1	1	1	1
Basketball courts	7	7	7	7	7	7	7	7	7	7
Sand volleyball courts	14	14	11	11	11	14	11	10	10	11
Picnic shelters	18	18	18	18	18	18	18	18	18	18
Playgrounds	15	15	15	15	15	15	15	15	15	15
Dog park facility	1	1	1	1	1	1	1	1	1	1
Water:										
Water mains (miles)	230.10	232.50	275.00	277.00	277.00	275.50	275.80	276.36	277.04	277.04
Fire hydrants	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	2,481.00
Average daily consumption (millions of gallons)	5.33	4.80	4.70	4.40	4.60	5.70	5.76	4.50	4.20	5.10
Sewer:										
Number of treatment plants	2	2	1	1	1	1	1	1	1	1
Sewer mains (miles)	348.01	350.69	274.00	275.00	277.00	272.00	272.45	272.49	272.26	273.00
Average daily treatment (millions of gallons)	3.35	4.97	5.08	5.90	4.70	4.40	4.30	3.87	4.15	4.70
Manhole lined	10	96	-	25	27	13	-	-	5	5
Mains line	50	88	48	46	107	198	122	119	104	118
Main point repairs	14	23	43	10	8	9	5	8	6	1
Chimney seal installed on manhole	38	21	-	1	18	7	-	-	-	-

Source: City of Blue Springs, Missouri Budget

