City of Excelsior Springs, Missouri

Comprehensive Annual Financial Report
Year Ended September 30, 2010

City of Excelsior Springs, Missouri

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Year Ended September 30, 2010

Prepared by:
Finance Department

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THE CITY OF Excelsior Springs MISSOURI

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February 4, 2011

To the Mayor, Members of the City Council and the Citizens of the City of Excelsior Springs, Missouri

State law requires that every general-purpose local government publish a complete set of audited financial statements. The Comprehensive Annual Financial Report (CAFR) of the City of Excelsior Springs, Missouri (the City), for the fiscal year ended September 30, 2010, is hereby submitted to fulfill those requirements. This report was prepared by the Finance Department in close cooperation with the external auditor, McGladrey & Pullen, Certified Public Accountants, LLP.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed the anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

McGladrey & Pullen, Certified Public Accountants, LLP, have issued an unqualified ("clean") opinion on the City of Excelsior Springs' financial statements for the year ended September 30, 2010. The independent auditor's report is located at the front of the financial section of this report.

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

Profile of the Government

The City of Excelsior Springs was formed in 1880 and is located in eastern Clay and western Ray Counties. It currently occupies approximately sixteen square miles and serves an estimated population of 11,500. The City of Excelsior Springs is empowered to levy a property tax on both real and personal property located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which it has done from time to time.

The City of Excelsior Springs is a city of the third-class and operates under the manager-council form of government. Policy-making and legislative authority are vested in the five-member City Council whose members are elected at large for staggered three-year terms. The Mayor and Mayor pro tem are elected by the City Council from amongst its members and serve a one-year term. The City Council appoints the City Manager who serves as the chief administrative officer of the City.

The City of Excelsior Springs provides a full range of services including police and fire protection, and emergency medical service, water, sanitation service, traffic regulation and municipal court service, construction and maintenance of city streets and bridges, and recreational activities. This report presents data for the financial reporting entity, which includes all departments, funds, boards, and commissions of the primary government (the City, as legally defined), as well as all of its component units. Component units are legally separate entities for which the City is financially accountable. The two component units of the City include the Facilities Authority, which is a blended component unit and the City Hospital, which is a discretely presented component unit. The financial reporting entity is discussed further in note 1 to the basic financial statements.

The Excelsior Springs R-40 School District and the Excelsior Springs Housing Authority do not meet the criteria for inclusion in the financial reporting entity and, accordingly, are not presented in this report.

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

Local Economy

Excelsior Springs' location provides some unique opportunities as we are located close enough to Kansas City that many of our citizens both work and shop in Kansas City metropolitan area while our businesses also draw customers and employees from areas further removed from the metropolitan area. Some of the major employers within Excelsior Springs include the Excelsior Springs School District, American Italian Pasta, Magna Intier Auto Interiors (a just-in-time supplier of auto interior parts to the Claycomo Ford plant), Excelsior Springs Job Corps Center, Waller Truck Company, and Gilmore Group.

Excelsior Springs is home to a state-of-the-art manufacturing facility operated by American Italian Pasta and to the corporate headquarters of Waller Truck Company. The Excelsior Springs School District operates two elementary schools, one middle school, and one high school within the City Limits. The district also operates the Excelsior Springs Area Career Center which offers vocational technology training to students from the surrounding area. Excelsior Springs is also home to the Crescent Lake Christian Academy. The Excelsior Springs Job Corp Center provides training in business office technology, construction-related occupations, culinary arts and health occupations to approximately 375 students.

All of these activities have given Excelsior Springs a relatively stable employment base. Clay County, which includes most of Excelsior Springs, has an unemployment rate of approximately 8.5% in September 2010, which is slightly below the state and national average of approximately 9.1% and 9.2%, respectively. During the past ten years the Clay County unemployment rate has varied from a low of 2.1 % to a high of 9.1%.

During the past ten years, the government's expenses related to public safety have increased not only in amount, but also as a percentage of total expenses (a ten-year increase of 2.5 percent). Much of the increase reflects a trend that has seen the salaries and benefits of police officers and firefighters growing at a faster rate than those of other categories of public-sector employees. This increase is also associated with the increased quantity and types of specialized equipment required by the public safety professions.

During the past ten years, the government's total tax revenues have increased by approximately $2,561,000, or 43.2%. The largest single contributor in this increase was general sales and use tax which increased by approximately $1,538,087, or 45.5%. Property tax revenues also increased by approximately $586,000, or 45.3 percent, during this ten-year period. Utility franchise fees increased by approximately $428,000, or 38.9 percent, during this ten-year period. The increase in sales and use tax revenues was driven by the addition of a one-half cent sales tax for public safety as well as a growth in underlying sales. The increase in property tax revenues was driven primarily by the growth in assessed value. The increase is utility franchise fees was driven by the collection of these fees on wireless telephones.

Long-term financial planning

The unreserved, undesignated fund balance in the general fund (30 percent of total general fund revenues) falls within the policy guidelines set by the City Council. The unreserved fund balance in the general fund, including those monies designated for City Council use, is 35.3 percent of total general fund revenues, exceeds the minimum recommended by the Government Finance Officers Association (a fund balance in their general fund of no less than five to 15 percent of regular general fund operating revenues).

During fiscal year 2010 the City of Excelsior Springs published an updated master plan.

During fiscal year 2010 the City of Excelsior Springs completed a utility rate review and instituted the rate increases specified by that review.

The City began the process of issuing approximately thirty-five million dollars in certificates of participation to fund 1) refunding of the outstanding water bonds, 2) rehabilitation of the water distribution system, 3) construction of a new sewer plant, and 4) rehabilitation of the sewer collection system. These certificates of participation were issued in December 2010.

Major Initiatives

On August 25, 2006 the City obtained a new five-year operating permit for the Wastewater Treatment Plant. As the Environmental Protection Agency (EPA) has issued updated water quality standards for those entities discharging wastewater effluent into "full-body contact" streams, the City anticipates not being able to qualify for renewal of the Wastewater Discharge Permit without first completing substantial upgrades and improvements. The City has contracted for design of a new sewer plant and rehabilitation of the sewer collection system. It is anticipated that these projects will be completed during fiscal year 2013 or 2014.

The City has hired an engineering firm to redesign components of the water distribution system. These improvements should improve flows and pressure to the affected areas. It is anticipated that this project will be completed during fiscal year 2013 or 2014.

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 Excelsior Springs for its comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 2009. This was the fourth consecutive year that the government received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

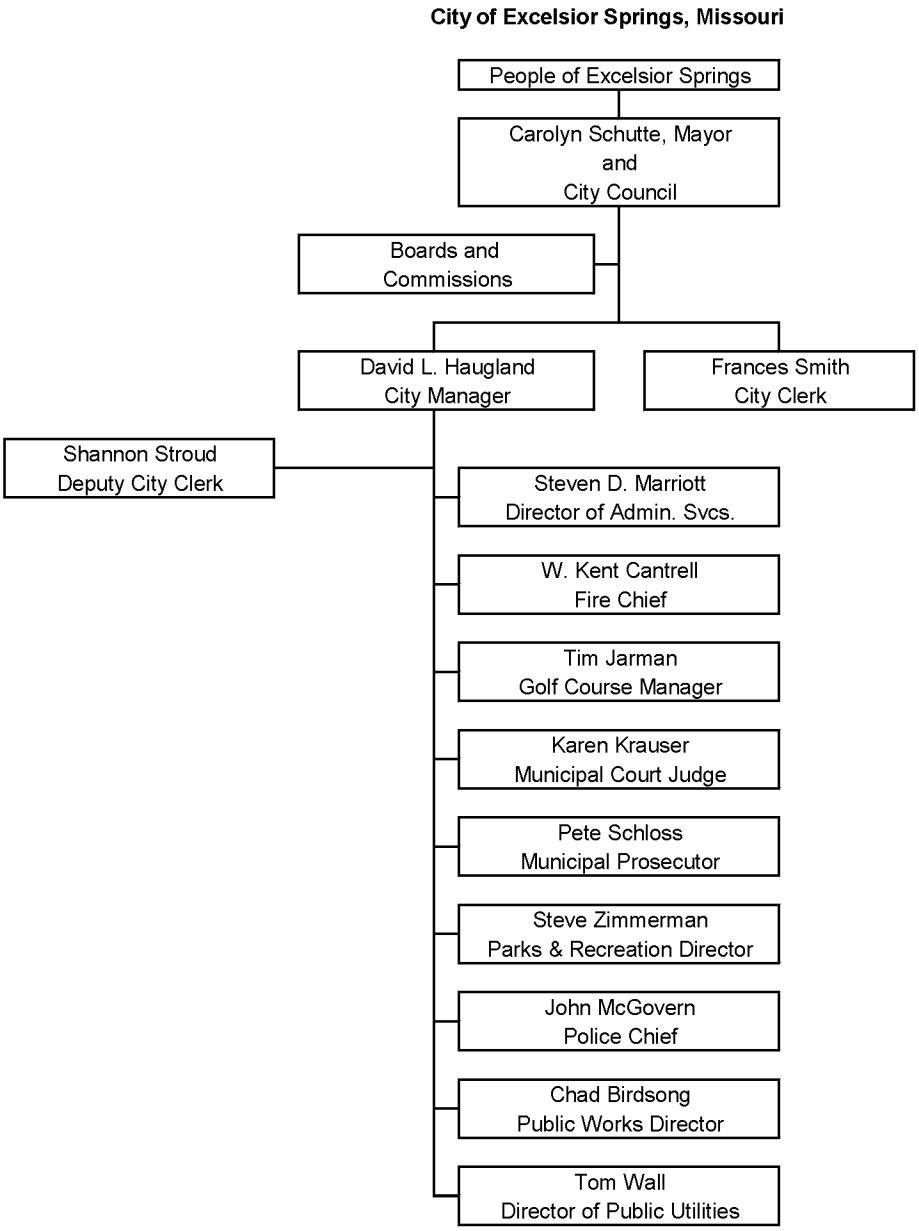
The preparation of this report would not have been possible without the efficient and dedicated service of the entire staff of the finance department and the assistance of other departments. We wish to express our appreciation to all members of the departments who assisted and contributed to the preparation of this report. Credit also must be given to the Mayor and the City Council for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Excelsior Springs' finances.

Respectfully submitted,

Steven D. Marriott
Director of Administrative Services

City of Excelsior Springs, Missouri

Organizational Chart
Year Ended September 30, 2010



City of Excelsior Springs, Missouri

Principal Officials
September 30, 2010

Elected Officials

Mayor	Carolyn Schutte
Mayor Pro Tem	Ambrose Buckman
Councilman	Ken Fousek
Councilman	R.D. "Sonny" Parker
Councilman	James C. Nelson

Appointed Officials

City Manager	David L. Haugland
City Clerk	Frances Smith
Deputy City Clerk	Shannon Stroud
Director of Administrative Services	Steven D. Marriott
Fire Chief	W. Kent Cantrell
Golf Course Manager	Tim Jarmin
Municipal Court Judge	Karen Krauser
Municipal Prosecutor	Pete Schloss
Parks and Recreation Director	Steve Zimmerman
Police Chief	John McGovern
Public Works Director	Chad Birdsong
Director of Public Utilities	Tom Wall

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Excelsior Springs Missouri

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2009

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

President

Executive Director

McGladrey

Independent Auditor's Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Excelsior Springs, Missouri, as of and for the year ended September 30, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Excelsior Springs, Missouri's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the City Hospital, the discretely presented component unit of the City, which represents all of the assets and revenues of the discretely presented component unit opinion unit and 51 percent and 0 percent, respectively, of the assets and revenues of the aggregate remaining fund information for the Hospital's agency fund. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the City Hospital, a discretely presented component unit and Hospital agency fund, is based on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of the other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Excelsior Springs, Missouri, as of September 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof, and the respective budgetary comparison for the General Fund, Parks and Recreation Fund, Capital Improvements Fund and Community Development Block Grant Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards,* we have also issued our report dated February 3, 2011 on our consideration of the City of Excelsior Springs, Missouri's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

McGladrey is the brand under which RSM McGladrey, Inc. and McGladrey & Pullen, LLP serve clients' business needs.
The two firms operate as separate legal entities in an alternative practice structure.

Member of RSM International network, a network of independent accounting, tax and consulting firms.

The Management's Discussion and Analysis on pages 3 through 15, the pension plan schedule of funding progress and schedule of employer contributions on page 69 and schedule of funding progress for other postemployment benefit plan on page 70 are not a required part of the basic financial statements but are supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Excelsior Springs, Missouri'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 has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The accompanying introductory and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information has not been subjected to the auditing procedures applied in our audit of the basic financial statements and, accordingly, we express no opinion on them.

McGladrey & Pullen, LLP

Kansas City, Missouri
February 3, 2011

City of Excelsior Springs, Missouri

Management's Discussion and Analysis
For Fiscal Year Ended September 30, 2010

As management of the City of Excelsior Springs, we offer readers of the City of Excelsior Springs' financial statements this narrative overview and analysis of the financial activities of the City of Excelsior Springs for the fiscal year ended September 30, 2010.

Financial Highlights

- The assets of the City of Excelsior Springs (primary government only) exceeded its liabilities at the close of the most recent fiscal year by $33,164,344. Of this amount, $7,773,669 may be used to meet the government's ongoing obligations to citizens and creditors. For fiscal year 2009, assets exceeded liabilities by $31,302,869 of which $6,725,033 was unrestricted.
- The government's total net assets increased by $1,861,475 and $2,579,387 for fiscal years ended September 30, 2010 and 2009, respectively. Analysis is included in the overview of the financial statements.
- As of the close of the current fiscal year, the City of Excelsior Springs' governmental funds reported combined ending fund balances of $10,146,207, a decrease of $390,522. Approximately $8,285,961 of this amount is available for spending at the government's discretion. Total governmental funds combined ending fund balances in fiscal year 2009 were $10,536,729.
- At the end of the current fiscal year, the unreserved undesignated fund balance for the General Fund was $1,933,780 or 31 percent of total General Fund expenditures.
- The City of Excelsior Springs total debt (excluding compensated absences) decreased by $1,314,507 (16 percent) during the current fiscal year.

Overview of the Financial Statements

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

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City of Excelsior Springs' finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the City of Excelsior Springs' assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City of Excelsior Springs is improving or deteriorating.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless 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).

Both of the government-wide financial statements distinguish functions of the City of Excelsior Springs that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Excelsior Springs include general government, public safety, transportation (or OMNI), public works, health and welfare, recreational activities and community betterment.

The government-wide financial statements include not only the City of Excelsior Springs itself (known as the primary government), but also the legally separate hospital for which the City of Excelsior Springs is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 16-19 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 Excelsior Springs, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Excelsior Springs can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Excelsior Springs maintains 19 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Parks and Recreation Special Revenue Fund, Capital Improvements Special Revenue Fund and Community Development Block Grant Special Revenue Fund, which are considered to be major funds. Data from the other 15 funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on pages 20-29 of this report.

Proprietary funds. The City of Excelsior Springs maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Excelsior Springs uses enterprise funds to account for its water, sewer, golf, airport and refuse operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for water, sewer and golf course operations, all of which are considered major funds of the City of Excelsior Springs. Conversely, airport and refuse operations are combined into a single, aggregated presentation in the proprietary fund financial statements.

The basic proprietary fund financial statements can be found on pages 30-37 of this report.

Fiduciary funds. Fiduciary funds are 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 Excelsior Springs' own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on page 38 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 basic financial statements can be found on pages 39-68 of this report.

Other information. The combining statements referred to earlier in connection with nonmajor funds and combining and individual fund statements and schedules can be found on pages 71-89 of this report.

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of Excelsior Springs, primary governmental assets exceeded liabilities by $33,164,344 at the close of the most recent fiscal year.

A large portion of the City of Excelsior Springs' net assets (58 percent) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment); less any related debt issued to acquire those assets that is still outstanding. The City of Excelsior Springs uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Excelsior Springs' investment in its capital assets is reported net of related debt, it should be noted 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.

City of Excelsior Springs' Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	**2010**	2009	**2010**	2009
Current and other assets	**$ 12,100,579**	$ 12,435,802	**$ 4,949,197**	$ 3,527,405	**$ 17,049,776**	$ 15,963,207
Capital assets	**14,948,517**	14,844,403	**11,138,930**	11,687,630	**26,087,447**	26,532,033
Total assets	**27,049,096**	27,280,205	**16,088,127**	15,215,035	**43,137,223**	42,495,240
Long-term liabilities outstanding	**1,985,679**	2,739,044	**3,555,623**	4,213,367	**5,541,302**	6,952,411
Other liabilities	**3,257,503**	3,132,026	**1,174,074**	1,107,934	**4,431,577**	4,239,960
Total liabilities	**5,243,182**	5,871,070	**4,729,697**	5,321,301	**9,972,879**	11,192,371
Net assets:						
Invested in capital assets, net of related debt	**12,241,755**	11,453,475	**7,033,568**	6,951,927	**19,275,323**	18,405,402
Restricted	**5,493,852**	5,375,415	**621,500**	797,019	**6,115,352**	6,172,434
Unrestricted	**4,070,307**	4,580,245	**3,703,362**	2,144,788	**7,773,669**	6,725,033
Total net assets	**$ 21,805,914**	$ 21,409,135	**$ 11,358,430**	$ 9,893,734	**$ 33,164,344**	$ 31,302,869

A portion of the City of Excelsior Springs' net assets (19 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets ($7,773,669 or 23 percent) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of 2010 and 2009, the City of Excelsior Springs is able to report positive balances in all three categories of net assets for the governmental activities and business-type activities.

There was an increase of $118,437 in restricted net assets reported in connection with the City of Excelsior Springs' governmental activities. This increase was caused primarily by an increase in public safety sales tax funds on hand and parks and recreation funds on hand.

There was a decrease of $175,519 in restricted net assets reported in connection with the City of Excelsior Springs' business-type activities. This decrease resulted primarily from the release of collateral pledged by the Missouri Department of Natural Resources related to the 1992 Sewerage Revenue Bonds.

The government's net assets increased by $1,861,475 during the current fiscal year. The changes in net assets are highlighted in the following table, which shows the City's revenue and expenses for the fiscal year. These two main components are subtracted to yield the change in net assets.

Revenue is further divided into two major components: program revenue and general revenue. Program revenue is defined as charges for sales and services, operating grants and contributions and capital grants and contributions. General revenue includes taxes, investment income and other unrestricted revenue sources.

A summary of the City's changes in net assets is as follows:

City of Excelsior Springs' Changes in Net Assets

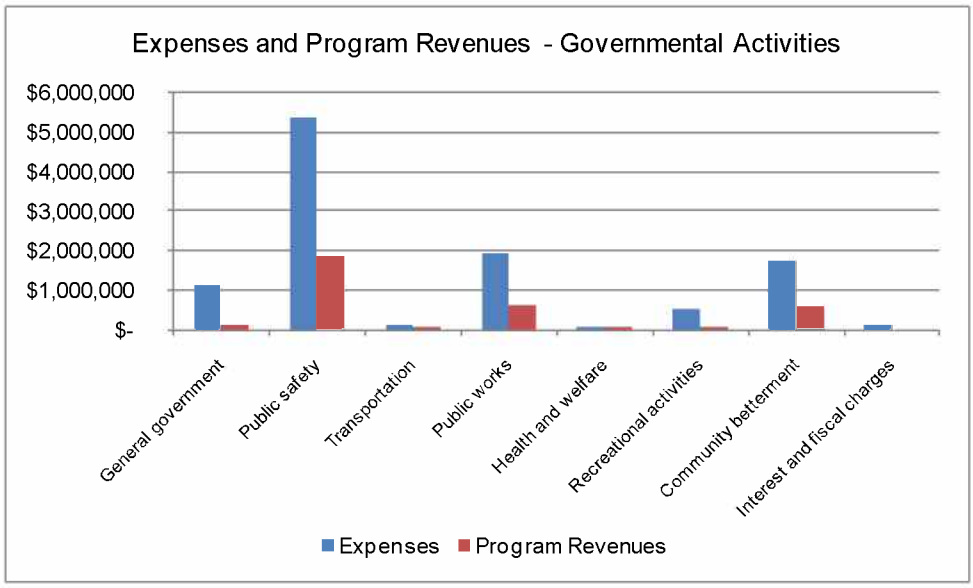
	Governmental Activities 2010	**Business-Type Activities 2010**	**2010 Total**	Governmental Activities 2009	Business-Type Activities 2009	2009 Total
Revenues:						
Program revenues:						
Charges for services	**$ 1,813,830**	**$ 5,066,766**	**$ 6,880,596**	$ 1,574,097	$ 4,872,192	$ 6,446,289
Operating grants and contributions	**1,515,557**	**16,483**	**1,532,040**	2,022,405	-	2,022,405
Capital grants and contributions	**-**	**-**	**-**	2,267	-	2,267
General revenues:						
Property taxes	**1,880,348**	**-**	**1,880,348**	1,924,393	-	1,924,393
General sales and use tax	**4,917,024**	**-**	**4,917,024**	4,696,840	-	4,696,840
Franchise tax	**1,530,424**	**-**	**1,530,424**	1,256,515	-	1,256,515
Cigarette tax	**117,079**	**-**	**117,079**	128,419	-	128,419
Railroad and utility/financial institution tax	**52,715**	**-**	**52,715**	51,582	-	51,582
Investment earnings	**148,491**	**84,269**	**232,760**	179,924	96,786	276,710
Miscellaneous	**48,620**	**-**	**48,620**	164,471	-	164,471
Gain on sale of capital assets	**21,295**	**-**	**21,295**	46,318	-	46,318
Total revenues	**12,045,383**	**5,167,518**	**17,212,901**	12,047,231	4,968,978	17,016,209

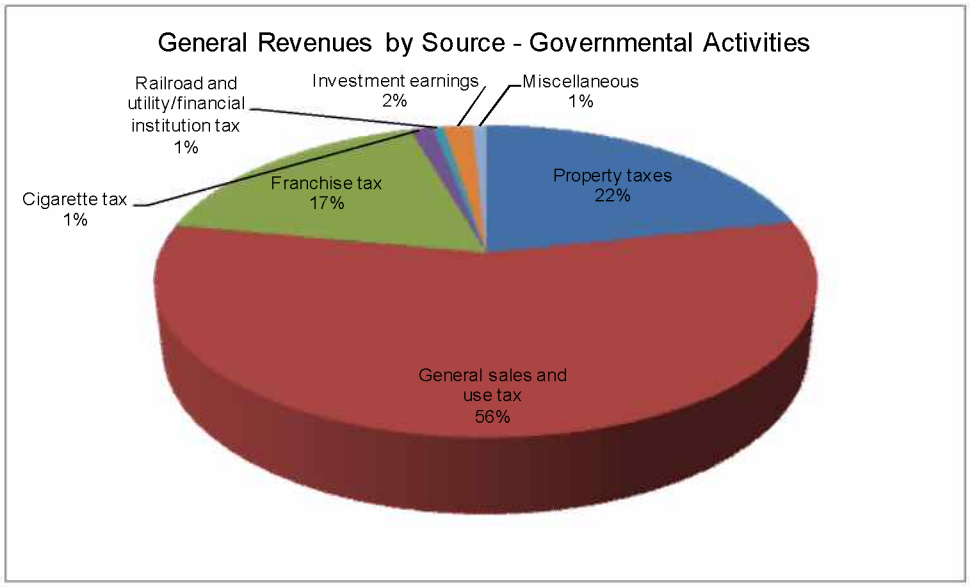
City of Excelsior Springs' Changes in Net Assets (Continued)

	Governmental Activities 2010	Business-Type Activities 2010	2010 Total	Governmental Activities 2009	Business-Type Activities 2009	2009 Total
Expenses:						
General government	1,128,823	-	1,128,823	1,264,010	-	1,264,010
Public safety	5,361,872	-	5,361,872	4,853,975	-	4,853,975
Transportation	143,981	-	143,981	143,769	-	143,769
Public works	1,929,547	-	1,929,547	1,549,922	-	1,549,922
Health and welfare	51,887	-	51,887	52,943	-	52,943
Recreational activities	528,013	-	528,013	459,717	-	459,717
Community betterment	1,728,610	-	1,728,610	1,731,000	-	1,731,000
Interest and fiscal charges	137,029	-	137,029	176,710	-	176,710
Water	-	1,660,959	1,660,959	-	1,678,836	1,678,836
Sewer	-	1,204,401	1,204,401	-	1,127,120	1,127,120
Golf	-	792,062	792,062	-	851,479	851,479
Airport	-	16,958	16,958	-	9,595	9,595
Refuse	-	667,284	667,284	-	537,746	537,746
Total expenses	11,009,762	4,341,664	15,351,426	10,232,046	4,204,776	14,436,822
Excess before transfers	1,035,621	825,854	1,861,475	1,815,185	764,202	2,579,387
Transfers	(638,842)	638,842	-	319,270	(319,270)	-
Change in net assets	396,779	1,464,696	1,861,475	2,134,455	444,932	2,579,387
Net assets, beginning	21,409,135	9,893,734	31,302,869	19,274,680	9,448,802	28,723,482
Net assets, ending	$ 21,805,914	$ 11,358,430	$ 33,164,344	$ 21,409,135	$ 9,893,734	$ 31,302,869

Governmental activities. Governmental activities increased the City of Excelsior Springs' net assets by $396,779, accounting for 21 percent of the increase in the government's net assets. Key elements of this increase are as follows:

- Operating grants and contribution revenues decreased by $506,848 (25 percent) during the fiscal year. This decrease was caused by a decrease in federal grant monies received for street and bridge rehabilitation projects.
- Franchise tax revenues increased by $273,909 (22 percent) during the fiscal year. This increase was driven by one-time payments telephone franchise taxes received during the current fiscal year and by increased electric franchise taxes received during the current year due to increased usage.
- General government expenses decreased by $135,187 (10.7 percent) during the fiscal year. This decrease was caused by a reduction in building maintenance expenses, computer programming expenses and demolition expenses.
- Public safety expenses increased by $507,897 (10.5 percent) during the fiscal year. This increase is primarily related to increased grant expenses associated with the Clay County Drug Task Force and increased expenses associated with the operation of traffic enforcement cameras.
- Public works expenses increased by $379,625 (24.5 percent) during the fiscal year. This increase is attributable primarily to increased maintenance expenses.


Expenses and Program Revenues - Governmental Activities
$6,000,000
$5,000,000
$4,000,000
$3,000,000
$2,000,000
$1,000,000
$-
General government
Public safety
Transportation
Public works
Health and welfare
Recreational activities
Community betterment
Interest and fiscal charges
Expenses
Program Revenues

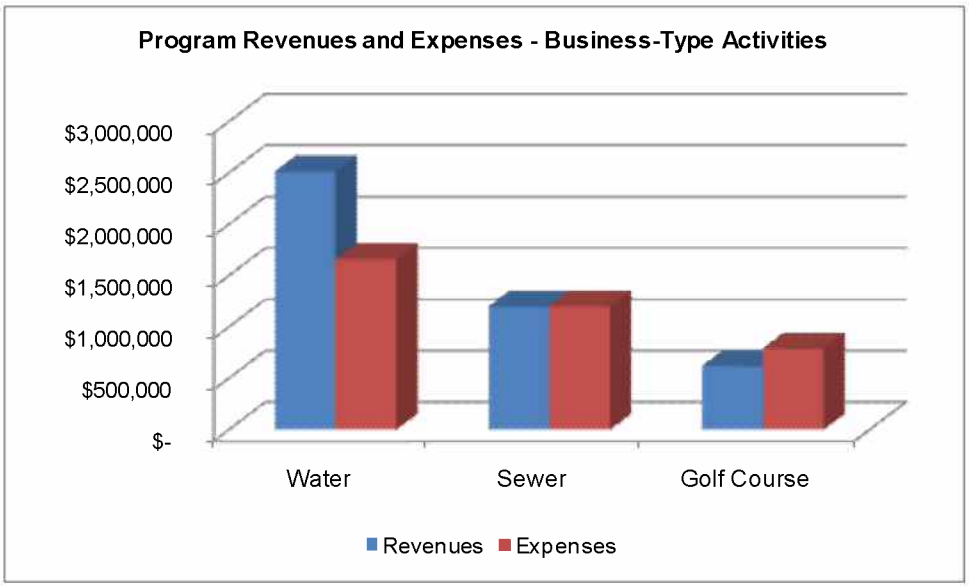

General Revenues by Source - Governmental Activities
Railroad and utility/financial institution tax 1%
Investment earnings 2%
Miscellaneous 1%
Cigarette tax 1%
Franchise tax 17%
Property taxes 22%
General sales and use tax 56%

Business-type activities. Business-type activities increased the City of Excelsior Springs' net assets by $1,464,696, accounting for 79 percent of the increase in the government's net assets. Key elements of this increase are as follows:

- Charges for services for business-type activities increased by $194,574 (4 percent). This increase was driven by an $89,197 (4 percent) increase in water revenues, a $73,062 (6 percent) increase in sewer revenues, a $116,493 (16 percent) decrease in golf revenues and a $159,202 (28 percent) increase in refuse revenues. The increases in water, sewer and refuse revenues were caused by changes in volume and rate increases enacted during the fiscal year. The decrease in golf revenues was caused by a decline in the number of non-member rounds played.
- Interest income for business-type activities decreased by $12,517 (13 percent), primarily due to lower interest rates.

In 2009, the business-type activities increased the City of Excelsior Springs' net assets by $444,932, accounting for 17 percent of the growth in the government's net assets. Key elements of this increase were as follows:

- Charges for services for business-type activities increased by $250,372 (5 percent). This increase was driven by a $215,207 (10 percent) increase in water revenues, a $38,289 (4 percent) increase in sewer revenues, a $38,657 (5 percent) decrease in golf revenues and a $38,603 (7 percent) increase in refuse revenues. The increases in water, sewer and refuse revenues were caused by changes in volume and rate increases enacted during the fiscal year. The decrease in golf revenues was caused by a decline in the number of rounds played.
- Interest income for business-type activities decreased by $23,937 (20 percent), primarily due to lower interest rates.



Financial Analysis of the Government's Funds

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

Governmental funds. The focus of the City of Excelsior Springs' governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City of Excelsior Springs' financing requirements. In particular, unreserved 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 end of the current fiscal year, the City of Excelsior Springs' governmental funds reported combined ending fund balances of $10,146,207, a decrease of $390,522 in comparison with the prior year. Approximately $8,625,207 is unreserved.

The General Fund is the chief operating fund of the City of Excelsior Springs. At the end of the current fiscal year, the unreserved fund balance of the General Fund was $2,273,026; however, the City Council has designated $339,246 as an emergency fund. As a measure of the General Fund's liquidity, it may be useful to compare both the undesignated fund balance and the total fund balance to total fund expenditures. The undesignated unreserved fund balance represents 31 percent of General Fund expenditures, while the total fund balance represents 47 percent of that same amount.

The fund balance of the City of Excelsior Springs' General Fund decreased by $370,008 during the current fiscal year. Key factors in this growth are as follows:

- Total revenues increased by $432,517 (7 percent). This increase was caused primarily by a $392,669 increase in tax revenues offset by other immaterial increases and decreases.
- Total expenditures decreased by $58,676 (1 percent). This decrease was caused by a $43,292 (4.6 percent) increase in general government expenditures, a $140,118 (3.3 percent) increase in public safety expenditures and a $233,544 (88.8 percent) decrease in capital outlay expenditures. The increase in general government expenditures was driven by consulting fees associated with the DREAM initiative. The increase in public safety expenditures was driven by expenditures related to the addition of traffic enforcement cameras since these cameras were only operational for four months in the prior fiscal year. The decrease in capital outlay expenditures was due to the purchase of a street sweeper and bus during the prior fiscal year.
- Other financing sources decreased by $1,064,488. This decrease was caused by increased transfers out which occurred because the City Council made a conscious decision to forgive amounts owed to the General Fund by the Golf Course and Airport Funds.

The Parks and Recreation Fund has a total fund balance of $574,306. Funding sources for the Parks and Recreation Fund include property tax revenues and program revenue. The fund balance of the Parks and Recreation Fund increased by $129,300 during the fiscal year. Key factors of this increase are as follows:

- Total expenditures decreased by $152,286 (24 percent). The largest factor in this decrease is a $142,229 (90 percent) decrease in capital outlay expenditures as the prior year expenditures included building and equipment purchases for a new park.
- Total revenues and other financing uses increased and decreased by immaterial amounts.

The Capital Improvements Fund has a total fund balance of $2,154,814. Funding sources for the Capital Improvements Fund include sales and use tax revenues as well as interest proceeds. The fund balance of the Capital Improvements Fund decreased by $55,296 during the fiscal year. Key factors of this decrease include the following:

- Total revenues increased by $29,449 (4 percent). This increase was caused by an increase in sales and use tax revenues.
- Total expenditures decreased by $117,549 (27 percent). This decrease occurred because of a decrease in the number of projects funded during the year. Some of the projects funded during the prior year included Fire Department building repairs and funding for establishment of a bioswale and parking lot at the new park.
- Transfers out increased by $291,081 (135 percent). This increase is related to match provided on the Hall of Waters Terrace project.

The Community Development Block Grant Fund has a total fund deficit of $3,525. The main funding source for the Community Development Block Grant Fund is federal and state grant revenue as well as transfers in of match from other funds. The fund balance of the Community Development Block Grant Fund decreased by $19,309. Key factors of this decrease include the following:

- Total revenues decreased by $275,527 (23 percent). This decrease occurred due the change in the mix of grant projects awarded from year-to-year.
- Total expenditures decreased by $46,865 (3 percent). This decrease occurred because prior year expenditures included $968,446 for road and bridge projects and $430,251 in Community Development Block Grant (CDBG) disbursements to sub-recipients, while current year expenditures included $432,760 related to the Hall of Waters Terrace rehabilitation project and $380,809 related to the Clay County Drug Squad grant.
- Other financing sources increased by $223,044 (87 percent). This increase was caused by an increase in transfers from the Capital Improvements Fund related to local match for the Hall of Waters Terrace rehabilitation project.

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

Unrestricted net assets of the Water Fund, the Pollution Control (Sewer) Fund and the Golf Course Fund at the end of the current fiscal year amounted to $2,618,586, $1,015,440 and ($231,690), respectively. The increase/decline in net assets for these funds was $682,232, ($45,770) and $672,392, respectively. Other factors concerning the finances of these three funds have already been addressed in the discussion of the City of Excelsior Springs' business-type activities.

General Fund Budgetary Highlights

General Fund Revenue: The original 2010 revenue budget was $6,634,781 including transfers of $635,691. The amended 2010 revenue budget was $6,938,074 including transfers of $728,900. Actual revenue, including transfers was $7,200,380 and included the following variances:

Taxes, including property tax, franchise fees, sales and use tax and other miscellaneous taxes comprise 58 percent of the total General Fund revenue. In total, General Fund tax revenues exceeded the original budget by approximately 11 percent. Some elements of this difference are the following:

- Property tax collections grew by 5 percent over fiscal year 2009 and exceeded the original and amended budget by 4 percent and 0.6 percent, respectively.
- Sales and use tax collections grew by 5.6 percent over fiscal year 2009 and exceeded the original and amended budget by 5 percent and 5.2 percent, respectively.
- Total franchise fees grew by 21.8 percent over fiscal year 2009 and exceeded the original and amended budget by 25.1 percent and 9.2 percent, respectively. Telephone franchise fees increased by $190,523 (67 percent) over fiscal year 2009 primarily due to one-time payments received. Electric franchise fees increased by $94,543 (15.8 percent) primarily due to increases in electric rates and increased usage as the summer was unusually warm.
- Cigarette taxes declined by 8.8 percent from fiscal year 2009 and fell short of the original and amended budget by 3.8 percent and 1.8 percent, respectively.
- Licenses and permits fell short of the original budget by 2 percent, exceeded the amended budget by 9.6 percent and grew by 7.4 percent from fiscal year 2009. The primary driving force behind this increase was the increase in the number of commercial building permits issued.
- Charges for services exceeded the original and amended budget by 27 percent and 12 percent, respectively, and grew by 6.6 percent from fiscal year 2009. These differences are attributable to changes in net ambulance billings.
- Fines and forfeitures fell short of the original and amended budget by 2 percent and 5.1 percent, respectively, and grew by 30 percent from fiscal year 2009. The addition of traffic enforcement cameras is the driving force in this increase.
- Investment earnings exceeded the original budget by 5.8 percent, fell short of the amended budget by 16.8 percent and fell by 5.1 percent from fiscal year 2009. The continued decline in interest rates is the driving force in this decrease.
- Other revenues fell short of the original and amended budget by 1.4 percent and 4.2 percent, respectively, and fell by 35.4 percent from fiscal year 2009.

General Fund Expenditures: The original 2010 expenditure budget was $6,931,725 including transfers of $376,890. The amended 2010 expenditure budget was $8,112,648 including transfers of $1,271,654. Actual expenditures, including transfers, were $7,570,388 and grew by 13 percent from fiscal year 2009. Salary and benefit expenditures decreased by $45,094, or 1 percent, from fiscal year 2009. Other details of the changes are as follows:

- General government expenditures exceeded the original budget by 3 percent and grew by 5 percent over fiscal year 2009. Some elements of this difference are:
  - ✓ City manager and City council expenditures exceeded the original budget by 22 percent and grew by 10.7 percent over fiscal year 2009. The largest factors in this increase were a 49.4 percent increase in professional fees (primarily related to the DREAM program) and a 209 percent increase in election costs (related to placement of an economic development sales tax on the ballot).
  - ✓ Finance department expenditures fell short of the original budget by 4.2 percent although they grew by 2.1 percent over fiscal year 2009. The largest factor in this increase was a 25.8 percent increase in professional fees due to the addition of a single audit.
  - ✓ Human Resources expenditures fell short of the original budget by 0.8 percent and fell by 0.7 percent over fiscal year 2009.
  - ✓ Building operations expenditures fell short of the original budget by 20 percent and fell by 7.8 percent from fiscal year 2009. The largest factor in this decrease was a 46.9 percent decrease in building maintenance expenditures.
- Public works expenditures fell short of the original budget by 3.9 percent although they increased by 3.5 percent over fiscal year 2009. Some of the factors of this increase include a 49.9 percent increase in salt and sand expenditures and a 74.7 percent increase in gasoline and diesel fuel expenditures, both of which are related to the increased amount of snow received during the year.
- Public safety expenditures fell short of the original budget by 3.1 percent although they grew by 3.3 percent from fiscal year 2009. Some elements of this difference are:
  - ✓ Police department expenditures fell short of the original budget by 2.5 percent although they grew by 4.6 percent over fiscal year 2009. The largest factor in this increase was a 244 percent increase in operational expenditures was caused by payments to the subcontractor that operates the City's traffic enforcement cameras. These cameras were installed late in fiscal year 2009.
  - ✓ Municipal court expenditures fell short of the original budget by 16.9 percent and declined by 9.0 percent from fiscal year 2009. The largest single factor in this decrease was a 15.9 percent decrease in costs related to providing housing and medical services for prisoners.
  - ✓ Fire department expenditures fell short of the original budget by 2.9 percent although they grew by 2.4 percent from fiscal year 2009. The largest factors in this increase were a 1.8 percent increase in personnel expenditures and a 60.7 percent increase in maintenance expenditures.

Community betterment expenditures decreased by 4.9 percent from fiscal year 2009 and fell short of the original budget and the amended budget by 14.3 percent and 12.1 percent, respectively. The decrease in community betterment expenditures was caused by a 6.2 percent decrease in community development expenditures, a 2.0 percent decrease in senior center expenditures and a 2.5 percent decrease in transportation expenditures.

Capital outlay expenditures decreased by 88.8 percent from fiscal year 2009 and fell short of the original budget and the amended budget by 61.4 percent and 62.4 percent, respectively. The decrease in capital outlay expenditures was driven by the purchase of a street sweeper and bus in the prior fiscal year.

Capital Asset and Debt Administration

Capital assets. The City of Excelsior Springs' investment in capital assets for its governmental and business-type activities as of the end of the current fiscal year amounts to $26,087,447 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system improvements, machinery and equipment, and infrastructure assets. The total decrease in the City of Excelsior Springs' investment in capital assets for the current fiscal year was 1.7 percent (business-type capital assets decreased by 4.7 percent while governmental capital assets increased by 0.7 percent).

Additional information on the City of Excelsior Springs' capital assets can be found in Note 4 of this report.

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

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	**2010**	2009	**2010**	2009
Land	**$ 1,523,144**	$ 1,523,144	**$ 1,036,813**	$ 1,036,813	**$ 2,559,957**	$ 2,559,957
Land improvements	**-**	-	**263,246**	305,700	**263,246**	305,700
Construction-in-progress	**653,522**	1,223,643	**74,712**	325,116	**728,234**	1,548,759
Buildings and improvements	**937,146**	1,054,580	**2,328,553**	2,555,496	**3,265,699**	3,610,076
Operating equipment	**1,048,363**	1,231,520	**215,379**	164,156	**1,263,742**	1,395,676
Furniture and office equipment	**71,440**	50,644	**15,649**	17,598	**87,089**	68,242
Vehicles	**777,536**	893,831	**126,659**	147,913	**904,195**	1,041,744
Infrastructure	**9,937,366**	8,867,241	**7,077,919**	7,134,838	**17,015,285**	16,002,079
	$ 14,948,517	$ 14,844,603	**$ 11,138,930**	$ 11,687,630	**$ 26,087,447**	$ 26,532,233

Long-term debt. At the end of the current fiscal year, the City of Excelsior Springs had total capital leases, bonded debt and long-term loans payable outstanding of $505,874, $5,961,250 and $345,000, respectively, for a total of $6,812,124. Of this amount, $140,000 is special assessment debt for which the government is liable in the event of default by the property owners subject to the assessment and $5,821,250 represents bonds secured solely by specified revenue sources (i.e., revenue bonds). The remainder of the City of Excelsior Springs' debt represents capital lease agreements and long-term loans payable.

City of Excelsior Springs' Outstanding Debt
Capital Leases, General Obligation Bonds, Revenue Bonds and Long-Term Debt

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	**2010**	2009	**2010**	2009
Capital leases	**$ 146,762**	$ 215,928	**$ 359,112**	$ 450,286	**$ 505,874**	$ 666,214
Special assessment debt with governmental commitment	**140,000**	215,000	**-**	-	**140,000**	215,000
Revenue bonds	**2,420,000**	2,960,000	**3,401,250**	3,840,417	**5,821,250**	6,800,417
Long-term loans payable	**-**	-	**345,000**	445,000	**345,000**	445,000
	$ 2,706,762	$ 3,390,928	**$ 4,105,362**	$ 4,735,703	**$ 6,812,124**	$ 8,126,631

The City of Excelsior Springs' total debt decreased by $1,314,507 (16 percent) during the current fiscal year. This decrease resulted from scheduled principal payments.

The City of Excelsior Springs maintains an "A+" rating from Standard and Poor's for general obligation debt.

State statutes limit the amount of general obligation debt a governmental entity may issue up to 10 percent of its total assessed valuation. The current debt limitation for the City of Excelsior Springs is $27.639 million. As the City of Excelsior Springs has no outstanding general obligation debt, this entire amount is available for issuance with voter approval.

Additional information on the City of Excelsior Springs' long-term debt can be found in Note 5 of this report.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for Clay County, which includes the City of Excelsior Springs, is currently 8.5 percent, which is 0.2 percent lower than it was one year ago. This compares favorably to the state's average unemployment rate of 9.1 percent and the national average of 9.2 percent.
- Inflationary trends in the region compare favorably to national indices.
- Real estate values and related assessed values have experienced a slight decline over the past year, although the decline in this area is not as substantial as the declines seen in other parts of the nation.

These factors were considered in preparing the City of Excelsior Springs' budget for the 2011 fiscal year:

- During the fiscal year, the unreserved fund balance of the General Fund decreased to $2,273,026. The City of Excelsior Springs passed a balanced budget for the 2011 fiscal year.
- Water and sewer rate increases of 15.2 percent and 33.3 percent, respectively were included in the 2011 budget.

Requests for Information

This financial report is designed to provide a general overview of the City of Excelsior Springs' finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Administrative Services, City of Excelsior Springs, 201 East Broadway, Excelsior Springs, Missouri 64024.

City of Excelsior Springs, Missouri

Statement of Net Assets
September 30, 2010

	Primary Government			Component Unit
Assets	Governmental Activities	Business-Type Activities	Total	Hospital
Current assets:				
Cash and cash equivalents	$ 3,480,937	$ 1,670,146	$ 5,151,083	$ 4,297,106
Restricted cash	-	-	-	49,367
Investments	4,395,000	1,945,000	6,340,000	-
Receivables, net of allowance for uncollectibles of $212,437:				
Property taxes	1,385,247	-	1,385,247	-
Franchise taxes	168,103	-	168,103	-
Utility accounts	-	559,652	559,652	-
Patient accounts	-	-	-	2,280,715
Other	163,784	-	163,784	581,150
Due from other governmental units	810,979	-	810,979	-
Inventory	-	5,858	5,858	-
Prepaid items	168,949	33,713	202,662	412,720
Assets held for sale	65,000	-	65,000	-
Internal balances	175,529	(175,529)	-	-
Supplies	-	-	-	390,274
Total current assets	10,813,528	4,038,840	14,852,368	8,011,332
Noncurrent assets:				
Nondepreciable:				
Land	1,523,144	1,036,813	2,559,957	-
Construction-in-progress	653,522	74,712	728,234	23,194
Depreciable:				
Land improvements	39,831	809,585	849,416	1,254,298
Buildings and improvements	4,244,024	5,107,018	9,351,042	15,044,392
Operating equipment	2,107,994	1,153,069	3,261,063	6,395,320
Furniture and office equipment	235,437	131,704	367,141	6,101,675
Vehicles	2,651,337	796,661	3,447,998	-
Infrastructure	46,110,380	16,872,788	62,983,168	-
Less accumulated depreciation	(42,617,152)	(14,843,420)	(57,460,572)	(13,807,842)
Total capital assets	14,948,517	11,138,930	26,087,447	15,011,037
Restricted cash and cash equivalents	1,037,051	910,357	1,947,408	-
Restricted investments	250,000	-	250,000	-
Cash and deposits held under bond indenture, due from primary government agency fund	-	-	-	1,952,045
Other	-	-	-	142,131
Total noncurrent assets	16,235,568	12,049,287	28,284,855	17,105,213
Total assets	$ 27,049,096	$ 16,088,127	$ 43,137,223	$ 25,116,545

See Notes to Basic Financial Statements.

	Primary Government			Component Unit
Liabilities	Governmental Activities	Business-Type Activities	Total	Hospital
Current liabilities:				
Accounts payable and accrued expenses	$ 624,667	$ 167,910	$ 792,577	$ 901,205
Unearned revenue	1,329,705	-	1,329,705	-
Customer deposits	-	288,857	288,857	-
Accrued interest	53,175	61,239	114,414	113,330
Current portion of long-term obligations:				
Capital lease obligations	71,939	96,530	168,469	247,253
Revenue bonds payable	715,000	468,750	1,183,750	360,862
Compensated absences	463,017	90,788	553,805	500,073
Total current liabilities	3,257,503	1,174,074	4,431,577	2,122,723
Noncurrent liabilities:				
Noncurrent portion of long-term obligations:				
Other post employment benefits obligation	65,856	15,541	81,397	-
Capital lease obligations	74,823	262,582	337,405	655,940
Loans payable	-	345,000	345,000	-
Revenue bonds payable	1,845,000	2,932,500	4,777,500	12,183,609
Total noncurrent liabilities	1,985,679	3,555,623	5,541,302	12,839,549
Total liabilities	5,243,182	4,729,697	9,972,879	14,962,272
Net assets:				
Invested in capital assets, net of related debt	12,241,755	7,033,568	19,275,323	1,563,373
Restricted for:				
Renewal and replacement	-	621,500	621,500	-
Debt service	1,004,006	-	1,004,006	1,060,070
Other purposes	283,045	-	283,045	96,127
Parks and recreation	574,306	-	574,306	-
Transportation trust	986,281	-	986,281	-
Capital improvements	10,819	-	10,819	806,703
Tax increment financing projects	1,226,304	-	1,226,304	-
E-911 system	375,977	-	375,977	-
Public safety	1,033,114	-	1,033,114	-
Unrestricted	4,070,307	3,703,362	7,773,669	6,628,000
Total net assets	21,805,914	11,358,430	33,164,344	10,154,273
Total liabilities and net assets	$ 27,049,096	$ 16,088,127	$ 43,137,223	$ 25,116,545

City of Excelsior Springs, Missouri

Statement of Activities
Year Ended September 30, 2010

Functions/Programs	Expenses	Program Revenues: Charges for Services and Sales	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary Government				
Governmental activities:				
General government	$ (1,128,823)	$ 121,535	$ -	$ -
Public safety	(5,361,872)	1,396,007	437,247	-
Transportation	(143,981)	33,036	56,004	-
Public works	(1,929,547)	159,468	477,368	-
Health and welfare	(51,887)	-	16,500	-
Recreational activities	(528,013)	50,018	29,268	-
Community betterment	(1,728,610)	53,766	499,170	-
Interest and fiscal charges	(137,029)	-	-	-
Total governmental activities	(11,009,762)	1,813,830	1,515,557	-
Business-type activities:				
Water	(1,660,959)	2,514,840	-	-
Sewer	(1,204,401)	1,198,899	-	-
Golf	(792,062)	603,071	16,483	-
Airport	(16,958)	25,074	-	-
Refuse	(667,284)	724,882	-	-
Total business-type activities	(4,341,664)	5,066,766	16,483	-
Total primary government	(15,351,426)	6,880,596	1,532,040	-
Component unit - hospital	$ (21,152,473)	$ 21,799,793	$ 219,154	$ 8,282

General Revenues
- Taxes:
  - Property taxes, levied for general purposes
  - General sales and use tax
  - Franchise tax
  - Cigarette tax
  - Railroad and utility/financial institution tax
- Investment earnings
- Miscellaneous
- Gain on sale of capital assets

Transfers

Total general revenues and transfers

Changes in net assets

Net assets, beginning

Net assets, ending

See Notes to Basic Financial Statements.

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			Component Unit
Governmental Activities	Business-Type Activities	Total	Hospital
$ (1,007,288)	$ -	$ (1,007,288)	$ -
(3,528,618)	-	(3,528,618)	-
(54,941)	-	(54,941)	-
(1,292,711)	-	(1,292,711)	-
(35,387)	-	(35,387)	-
(448,727)	-	(448,727)	-
(1,175,674)	-	(1,175,674)	-
(137,029)	-	(137,029)	-
(7,680,375)	-	(7,680,375)	-
-	853,881	853,881	-
-	(5,502)	(5,502)	-
-	(172,508)	(172,508)	-
-	8,116	8,116	-
-	57,598	57,598	-
-	741,585	741,585	-
(7,680,375)	741,585	(6,938,790)	-
-	-	-	874,756
1,880,348	-	1,880,348	265,756
4,917,024	-	4,917,024	-
1,530,424	-	1,530,424	-
117,079	-	117,079	-
52,715	-	52,715	-
148,491	84,269	232,760	-
48,620	-	48,620	90,402
21,295	-	21,295	-
(638,842)	638,842	-	-
8,077,154	723,111	8,800,265	356,158
396,779	1,464,696	1,861,475	1,230,914
21,409,135	9,893,734	31,302,869	8,923,359
$ 21,805,914	$ 11,358,430	$ 33,164,344	$ 10,154,273

City of Excelsior Springs, Missouri

Balance Sheet
Governmental Funds
September 30, 2010

Assets	General	Parks and Recreation
Cash and cash equivalents	$ 452,471	$ 546,736
Investments	1,250,000	-
Receivables, net of allowance for uncollectibles of $189,639:		
Property taxes	848,659	472,204
Franchise taxes	157,280	-
Other	153,012	7,685
Due from other governments	255,633	372
Due from other funds	304,357	-
Prepaid items	168,949	-
Assets held for sale	-	-
Restricted cash and cash equivalents	283,045	-
Restricted investments	250,000	-
Total assets	$ 4,123,406	$ 1,026,997
Liabilities and Fund Balance		
Liabilities:		
Accounts payable and accrued expenses	$ 329,796	$ 4,504
Due to other funds	-	-
Deferred revenue	818,590	448,187
Total liabilities	1,148,386	452,691
Fund balance (deficit):		
Reserved for assets held for sale	-	-
Reserved for police programs	48,566	-
Reserved for court	23,850	-
Reserved for ambulance	10,051	-
Reserved for construction and equipment	200,578	-
Reserved for debt service	250,000	-
Reserved for prepaid items	168,949	-
Unreserved, designated for board use	339,246	-
Unreserved, reported in:		
General Fund	1,933,780	-
Special revenue funds	-	574,306
Capital Projects Fund	-	-
Total fund balance (deficit)	2,975,020	574,306
Total liabilities and fund balance (deficit)	$ 4,123,406	$ 1,026,997

See Notes to Basic Financial Statements.

Capital Improvements	Community Development Block Grant	Other Governmental Funds	Total Governmental Funds
$ 261,255	$ 101,964	$ 2,118,511	$ 3,480,937
1,745,000	-	1,400,000	4,395,000
-	-	64,384	1,385,247
-	-	10,823	168,103
799	-	2,288	163,784
91,358	170,683	292,933	810,979
-	-	-	304,357
-	-	-	168,949
65,000	-	-	65,000
-	-	754,006	1,037,051
-	-	-	250,000
$ 2,163,412	$ 272,647	$ 4,642,945	$ 12,229,407
$ 8,598	$ 216,315	$ 65,454	$ 624,667
-	59,857	68,971	128,828
-	-	62,928	1,329,705
8,598	276,172	197,353	2,083,200
65,000	-	-	65,000
-	-	-	48,566
-	-	-	23,850
-	-	-	10,051
-	-	-	200,578
-	-	754,006	1,004,006
-	-	-	168,949
-	-	-	339,246
-	-	-	1,933,780
2,089,814	(3,525)	3,680,767	6,341,362
-	-	10,819	10,819
2,154,814	(3,525)	4,445,592	10,146,207
$ 2,163,412	$ 272,647	$ 4,642,945	$ 12,229,407

City of Excelsior Springs, Missouri

Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities
September 30, 2010

Total governmental fund balances			$	10,146,207
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds				14,948,517
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at year-end consist of the following:				
Accrued compensated absences	$	(463,017)		
Accrued interest on long-term debt		(53,175)		
Other post employment benefits obligation		(65,856)		
Capital leases payable		(146,762)		
Bonds payable		(2,560,000)		(3,288,810)
Net assets of governmental activities			$	21,805,914

See Notes to Basic Financial Statements.

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City of Excelsior Springs, Missouri

Statement of Revenues, Expenditures and Changes in Fund Balances (Deficit) - Governmental Funds
Year Ended September 30, 2010

	General	Parks and Recreation
Revenues:		
Taxes	$ 4,148,636	$ 561,610
Licenses, permits and fees	167,034	-
Intergovernmental	559,573	-
Charges for services	695,880	43,436
Fines and forfeitures	583,827	-
Special assessment fees	-	8,585
Investment earnings	102,703	9,566
Other	172,463	6,363
Total revenues	6,430,116	629,560
Expenditures:		
Current:		
General government:		
Administration	17,117	-
City manager/council	426,959	-
Finance administration	395,813	-
Human resources	54,591	-
Building operations	91,084	-
Public works, street operations	428,952	-
Public safety:		
Police department	2,565,850	-
Municipal courts	132,741	-
Fire department	1,716,065	-
Recreational activities, parks and recreation	-	477,693
Community betterment:		
Transportation activities	101,124	-
Community development	293,750	-
Senior center	51,887	-
Capital outlay	29,417	15,835
Debt service:		
Principal	-	-
Interest	-	-
Trustee fees	-	-
Total expenditures	6,305,350	493,528
Excess of revenues over (under) expenditures	124,766	136,032
Other financing sources (uses):		
Proceeds from sale of capital assets	-	-
Transfers in	770,264	29,268
Transfers out	(1,265,038)	(36,000)
Total other financing sources (uses)	(494,774)	(6,732)
Net change in fund balance	(370,008)	129,300
Fund balances, beginning	3,345,028	445,006
Fund balances (deficit), ending	$ 2,975,020	$ 574,306

See Notes to Basic Financial Statements.

Capital Improvements	Community Development Block Grant	Other Governmental Funds	Total Governmental Funds
$ 756,442	$ -	$ 2,903,650	$ 8,370,338
-	-	-	167,034
-	939,050	23,468	1,522,091
-	-	-	739,316
-	-	-	583,827
-	-	128,860	137,445
14,955	-	21,267	148,491
-	-	187,910	366,736
771,397	939,050	3,265,155	12,035,278
-	-	75,079	92,196
-	-	-	426,959
-	-	-	395,813
-	-	-	54,591
30,796	473,572	-	595,452
-	401,452	990,273	1,820,677
10,182	380,811	117,473	3,074,316
-	-	-	132,741
83,239	-	-	1,799,304
4,538	-	-	482,231
-	-	-	101,124
76,285	150,253	1,167,921	1,688,209
-	-	-	51,887
115,709	32,968	74,800	268,729
-	-	684,166	684,166
-	-	146,026	146,026
-	-	4,537	4,537
320,749	1,439,056	3,260,275	11,818,958
450,648	(500,006)	4,880	216,320
-	-	32,000	32,000
-	510,507	1,277,902	2,587,941
(505,944)	(29,810)	(1,389,991)	(3,226,783)
(505,944)	480,697	(80,089)	(606,842)
(55,296)	(19,309)	(75,209)	(390,522)
2,210,110	15,784	4,520,801	10,536,729
$ 2,154,814	$ (3,525)	$ 4,445,592	$ 10,146,207

City of Excelsior 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, 2010

Total net change in fund balances - governmental funds	$	(390,522)
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are shown in the statement of net assets and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities. This is the amount by which capital outlays exceed depreciation in the period:		
Depreciation		(1,074,871)
Capital outlays		1,189,690
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, donations and disposals) is to increase/decrease net assets:		
Gain on sale of capital assets		21,295
Proceeds from sale of capital assets		(32,000)
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 the governmental funds:		
Change in compensated absences		28,644
Change in other post employment benefits obligation		(33,574)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(9,583)
The issuance of long-term debt (e.g., bonds, loans, leases) provides current resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. In the statement of activities, interest is accrued on outstanding bonds, whereas in the governmental funds an interest expenditure is reported when due. The following is the detail of the net effect of these differences in the treatment of long-term debt and related items:		
Repayment of principal of long-term debt		684,166
Interest		13,534
Change in net assets of governmental activities	$	396,779

See Notes to Basic Financial Statements.

City of Excelsior Springs, Missouri

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
General Fund
Year Ended September 30, 2010

	General Fund			Variance With Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Taxes	$ 3,748,600	$ 3,937,604	$ 4,148,636	$ 211,032
Licenses, permits and fees	170,450	152,348	167,034	14,686
Intergovernmental	667,400	603,387	559,573	(43,814)
Charges for services	546,540	620,776	695,880	75,104
Fines and forfeitures	594,100	615,500	583,827	(31,673)
Special assessment fees	-	(24,000)	-	24,000
Investment earnings	97,000	123,559	102,703	(20,856)
Other	175,000	180,000	172,463	(7,537)
Total revenues	5,999,090	6,209,174	6,430,116	220,942
Expenditures:				
Current:				
General government	953,475	1,213,532	985,564	227,968
Public works	446,258	452,468	428,952	23,516
Public safety	4,557,604	4,588,295	4,414,656	173,639
Community betterment	521,298	508,477	446,761	61,716
Capital outlay	76,200	78,222	29,417	48,805
Total expenditures	6,554,835	6,840,994	6,305,350	535,644
Excess of revenues over (under) expenditures	(555,745)	(631,820)	124,766	756,586
Other financing sources (uses):				
Transfers in	635,691	728,900	770,264	41,364
Transfers out	(376,890)	(1,271,654)	(1,265,038)	6,616
Total other financing sources	258,801	(542,754)	(494,774)	47,980
Net change in fund balance	$ (296,944)	$ (1,174,574)	(370,008)	$ 804,566
Fund balances, beginning			3,345,028	
Fund balances, ending			$ 2,975,020	

See Notes to Basic Financial Statements.

City of Excelsior Springs, Missouri

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Parks and Recreation Fund
Year Ended September 30, 2010

	Parks and Recreation Fund			Variance With Final Budget
	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues:				
Taxes	$ 536,900	$ 536,900	$ 561,610	$ 24,710
Charges for services	24,000	24,000	43,436	19,436
Special assessment fees	-	-	8,585	8,585
Investment earnings	3,000	3,000	9,566	6,566
Other	-	-	6,363	6,363
Total revenues	563,900	563,900	629,560	65,660
Expenditures:				
Current, recreational activities	494,847	497,869	477,693	20,176
Capital outlay	69,000	15,835	15,835	-
Total expenditures	563,847	513,704	493,528	20,176
Excess of revenues over expenditures	53	50,196	136,032	85,836
Other financing sources (uses):				
Transfers in	-	29,268	29,268	-
Transfers out	(60,000)	(50,195)	(36,000)	14,195
Total other financing sources (uses)	(60,000)	(20,927)	(6,732)	14,195
Net change in fund balance	$ (59,947)	$ 29,269	129,300	$ 100,031
Fund balances, beginning			445,006	
Fund balances, ending			$ 574,306	

See Notes to Basic Financial Statements.

City of Excelsior Springs, Missouri

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Capital Improvements Fund
Year Ended September 30, 2010

	Capital Improvements Fund			Variance With Final Budget
	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues:				
Taxes	$ 690,000	$ 738,483	$ 756,442	$ 17,959
Investment earnings	9,000	14,000	14,955	955
Total revenues	699,000	752,483	771,397	18,914
Expenditures:				
Current:				
General government	264,500	588,522	30,796	557,726
Public safety	295,429	276,888	93,421	183,467
Recreational activities	20,000	11,389	4,538	6,851
Community betterment	29,603	105,436	76,285	29,151
Capital outlay	-	34,328	115,709	(81,381)
Total expenditures	609,532	1,016,563	320,749	695,814
Excess of revenues over (under) expenditures	89,468	(264,080)	450,648	714,728
Other financing (uses), transfers out	(5,000)	(270,922)	(505,944)	(235,022)
Net change in fund balance	$ 84,468	$ (535,002)	(55,296)	$ 479,706
Fund balances, beginning			2,210,110	
Fund balances, ending			$ 2,154,814	

See Notes to Basic Financial Statements.

City of Excelsior Springs, Missouri

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Community Development Block Grant Fund
Year Ended September 30, 2010

	Community Development Block Grant			Variance With Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues, intergovernmental	$ 1,042,579	$ 1,053,029	$ 939,050	$ (113,979)
Expenditures:				
Current:				
General government	-	548,870	473,572	75,298
Public works	600,000	401,653	401,452	201
Public safety	157,778	460,009	380,811	79,198
Community betterment	224,800	234,900	150,253	84,647
Capital outlay	72,901	32,968	32,968	-
Total expenditures	1,055,479	1,678,400	1,439,056	239,344
Excess of revenues (under) expenditures	(12,900)	(625,371)	(500,006)	(353,323)
Other financing sources (uses):				
Transfers in	14,990	654,639	510,507	(144,132)
Transfers out	-	(29,268)	(29,810)	(542)
Total other financing sources (uses)	14,990	625,371	480,697	(144,674)
Net change in fund balance	$ 2,090	$ -	(19,309)	$ (497,997)
Fund balances, beginning			15,784	
Fund balances (deficit), ending			$ (3,525)	

See Notes to Basic Financial Statements.

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City of Excelsior Springs, Missouri

Statement of Net Assets
Enterprise Funds
September 30, 2010

Assets	Water	Pollution Control
Current assets:		
Cash and cash equivalents	$ 579,667	$ 833,858
Investments	1,945,000	-
Accounts receivable, utility accounts net of allowance for uncollectibles of $22,798	292,051	195,475
Inventory	-	-
Prepaids	2,850	21,683
Total current assets	2,819,568	1,051,016
Noncurrent assets, restricted cash	565,357	345,000
Advances to other funds	-	20,000
Capital assets:		
Land	131,849	799,000
Construction-in-progress	-	51,137
Land improvements	-	-
Buildings and improvements	4,754,843	9,280
Operating equipment	243,303	213,031
Furniture and office equipment	51,200	72,437
Vehicles	385,163	409,248
Infrastructure	7,221,179	9,651,609
Total capital assets	12,787,537	11,205,742
Less accumulated depreciation	6,806,147	6,653,685
Net capital assets	5,981,390	4,552,057
Total noncurrent assets	6,546,747	4,917,057
Total assets	$ 9,366,315	$ 5,968,073

(Continued)

Golf	Nonmajor Enterprise Funds	Total Enterprise Funds
$ 17,715	$ 238,906	$ 1,670,146
-	-	1,945,000
-	72,126	559,652
-	5,858	5,858
9,180	-	33,713
26,895	316,890	4,214,369
-	-	910,357
-	-	20,000
55,964	50,000	1,036,813
23,575	-	74,712
809,585	-	809,585
294,271	48,624	5,107,018
644,488	52,247	1,153,069
8,067	-	131,704
2,250	-	796,661
-	-	16,872,788
1,838,200	150,871	25,982,350
1,344,479	39,109	14,843,420
493,721	111,762	11,138,930
493,721	111,762	12,069,287
$ 520,616	$ 428,652	$ 16,283,656

City of Excelsior Springs, Missouri

Statement of Net Assets (Continued)
Enterprise Funds
September 30, 2010

Liabilities and Fund Equity (Deficit)	Water	Pollution Control
Current liabilities:		
Due to other funds	$ -	$ -
Accounts payable and accrued expenses	99,155	36,989
Compensated absences	35,353	12,667
Customer deposits and bonds, restricted	288,857	-
Accrued interest	59,813	-
Current portion of:		
Capital lease obligations	-	-
Revenue bonds payable	250,000	218,750
Total current liabilities	733,178	268,406
Noncurrent liabilities:		
Advances from other funds	-	-
Other post employment benefits obligation	6,661	5,920
Capital lease obligations	-	-
Loans payable	-	345,000
Revenue bonds payable	2,515,000	417,500
Total noncurrent liabilities	2,521,661	768,420
Total liabilities	3,254,839	1,036,826
Net assets (deficit):		
Invested in capital assets, net of related debt	3,216,390	3,570,807
Restricted for renewal and replacement	276,500	345,000
Unrestricted	2,618,586	1,015,440
Total net assets (deficit)	6,111,476	4,931,247
Total liabilities and net assets (deficit)	$ 9,366,315	$ 5,968,073

See Notes to Basic Financial Statements.

Golf	Nonmajor Enterprise Funds	Total Enterprise Funds
$ 175,529	$ -	$ 175,529
15,902	15,864	167,910
42,768	-	90,788
-	-	288,857
1,426	-	61,239
96,530	-	96,530
-	-	468,750
332,155	15,864	1,349,603
20,000	-	20,000
2,960	-	15,541
262,582	-	262,582
-	-	345,000
-	-	2,932,500
285,542	-	3,575,623
617,697	15,864	4,925,226
134,609	111,762	7,033,568
-	-	621,500
(231,690)	301,026	3,703,362
(97,081)	412,788	11,358,430
$ 520,616	$ 428,652	$ 16,283,656

City of Excelsior Springs, Missouri

Statement of Revenues, Expenses and Changes in Fund Net Assets (Deficit)
Enterprise Funds
Year Ended September 30, 2010

	Water	Pollution Control
Operating revenues:		
Charges for services	$ 2,453,501	$ 1,185,584
Rental income	57,790	13,288
Other	3,549	27
Total operating revenues	2,514,840	1,198,899
Operating expenses:		
Personnel services	493,372	397,408
Contractual and professional services	49,613	48,933
Utilities	148,747	161,531
Maintenance and repairs	110,823	41,538
Cost of goods sold	-	-
Insurance	24,295	29,950
Supplies and materials (administrative)	246,262	61,458
Depreciation	442,828	407,163
Total operating expenses	1,515,940	1,147,981
Operating income (loss)	998,900	50,918
Nonoperating revenue (expense):		
Investment earnings	27,736	54,797
Interest expense	(145,019)	(56,420)
Total nonoperating revenue (expense)	(117,283)	(1,623)
Income (loss) before transfers	881,617	49,295
Transfers in	-	4,527
Transfers out	(199,385)	(99,592)
	(199,385)	(95,065)
Change in net assets	682,232	(45,770)
Total net assets (deficit), beginning	5,429,244	4,977,017
Total net assets (deficit), ending	$ 6,111,476	$ 4,931,247

See Notes to Basic Financial Statements.

Golf	Nonmajor Enterprise Funds	Total Enterprise Funds
$ 603,071	$ 714,789	$ 4,956,945
-	20,630	91,708
16,483	14,537	34,596
619,554	749,956	5,083,249
343,766	5,242	1,239,788
443	648,552	747,541
26,753	10,864	347,895
76,076	4,226	232,663
90,592	3,311	93,903
4,392	2,185	60,822
116,019	9,545	433,284
109,564	317	959,872
767,605	684,242	4,115,768
(148,051)	65,714	967,481
2	1,734	84,269
(24,457)	-	(225,896)
(24,455)	1,734	(141,627)
(172,506)	67,448	825,854
859,425	123,190	987,142
(14,527)	(34,796)	(348,300)
844,898	88,394	638,842
672,392	155,842	1,464,696
(769,473)	256,946	9,893,734
$ (97,081)	$ 412,788	$ 11,358,430

City of Excelsior Springs, Missouri

Statement of Cash Flows - Enterprise Funds
Year Ended September 30, 2010

	Water	Pollution Control
Cash flows from operating activities:		
Cash collected from customers	$ 2,507,939	$ 1,157,370
Cash from other operating revenue	-	-
Cash paid to suppliers for goods and services	(514,109)	(350,186)
Cash paid to employees for services	(490,898)	(393,397)
Net cash provided by (used in) operating activities	1,502,932	413,787
Cash flows from noncapital financing activities:		
Decrease in advances to other funds	-	10,000
Decrease in advances from other funds	-	-
Interfund payments	-	-
Transfers in	-	4,527
Transfers out	(199,385)	(99,592)
Net cash provided by (used in) noncapital financing activities	(199,385)	(85,065)
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(182,492)	(129,958)
Principal payments on revenue bonds and capital leases	(235,000)	(304,167)
Interest paid	(150,012)	(55,527)
Net cash (used in) capital and related financing activities	(567,504)	(489,652)
Cash flows from investing activities:		
Purchase of investments	(4,245,100)	-
Interest	25,498	54,797
Proceeds from sales and maturities of investments	2,800,100	-
Net cash provided by (used in) investing activities	(1,419,502)	54,797
Net increase (decrease) in cash and cash equivalents	(683,459)	(106,133)
Cash and cash equivalents:		
Beginning	1,828,483	1,284,991
Ending	$ 1,145,024	$ 1,178,858
Displayed as:		
Cash and cash equivalents	$ 579,667	$ 833,858
Restricted cash	565,357	345,000
	$ 1,145,024	$ 1,178,858
Reconciliation of operating income (loss) to net cash provided by operating activities:		
Operating income (loss)	$ 998,900	$ 50,918
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation	442,828	407,163
(Increase) decrease in accounts receivable	(11,801)	(41,529)
(Increase) in inventory	-	-
(Increase) in prepaids	-	(21,683)
Increase (decrease) in accounts payable and accrued expenses	65,631	14,907
Increase in other postemployment benefits obligation	3,396	3,018
Increase (decrease) in compensated absences	(922)	993
Increase in customer deposits and bonds	4,900	-
Net cash provided by (used in) operating activities	$ 1,502,932	$ 413,787

See Notes to Basic Financial Statements.

Golf	Nonmajor Enterprise Funds	Total Enterprise Funds
$ 603,071	$ 752,576	$ 5,020,956
16,483	-	16,483
(312,122)	(722,677)	(1,899,094)
(356,313)	(5,242)	(1,245,850)
(48,881)	24,657	1,892,495
-	-	10,000
(10,000)	-	(10,000)
(607,914)	(77,311)	(685,225)
859,425	123,190	987,142
(14,527)	(34,796)	(348,300)
226,984	11,083	(46,383)
(46,475)	(52,247)	(411,172)
(91,174)	-	(630,341)
(24,657)	-	(230,196)
(162,306)	(52,247)	(1,271,709)
-	-	(4,245,100)
2	1,734	82,031
-	-	2,800,100
2	1,734	(1,362,969)
15,799	(14,773)	(788,566)
1,916	253,679	3,369,069
$ 17,715	$ 238,906	$ 2,580,503
$ 17,715	$ 238,906	$ 1,670,146
-	-	910,357
$ 17,715	$ 238,906	$ 2,580,503
$ (148,051)	$ 65,714	$ 967,481
109,564	317	959,872
-	2,620	(50,710)
-	(5,858)	(5,858)
(537)	-	(22,220)
2,690	(38,136)	45,092
1,509	-	7,923
(14,056)	-	(13,985)
-	-	4,900
$ (48,881)	$ 24,657	$ 1,892,495

City of Excelsior Springs, Missouri

Statement of Assets and Liabilities - Agency Funds
September 30, 2010

Assets		
Cash and cash equivalents	$	6,442,839
Taxes receivable		238,598
	$	6,681,437
Liabilities		
Accounts payable	$	82,619
Due to component unit		6,015,374
Due to other governments		583,444
	$	6,681,437

See Notes to Basic Financial Statements.

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

Reporting entity:

The City of Excelsior Springs, Missouri (the City) was formed in 1880 and covers an area of approximately 16 square miles in Clay and Ray Counties, Missouri. Excelsior Springs is a city of the third class and operates under the council-manager form of government. The City Manager is the chief administrative officer of the City. The City provides services to its estimated 11,500 residents in many areas, including law enforcement, fire protection, a hospital, paramedic services, 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, all of which are separate governmental entities.

The City's reporting entity consists of the primary government, as well as its component units, which are legally separate organizations for which the elected officials of the primary government are financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board and either (a) the ability to impose will by the primary government or (b) the possibility the component unit will provide a financial benefit or impose a financial burden on the primary government.

The accompanying financial statements present the City (the primary government) and its component units. The financial data of the component units are included in the City's reporting entity because of the significance of their operational or financial relationships with the City. The component units have September 30 year-ends.

Blended component unit: The Facilities Authority serves all the citizens of the government and is governed by a self-perpetuating five-member board established by the City Council. The Authority was established to promote, acquire, develop, construct, own, operate, maintain and lease facilities within the City, which are approved by the City Council for the purpose of promoting the economic, social, industrial, cultural and commercial growth and for the general benefit of the City and its residents. Administration of its various programs is performed by City employees. Although it is legally separate from the City, the Authority is reported as if it were part of the primary government because its Board is substantively the same as the City Council and the Administration, and its sole purpose is to finance and construct the City's public buildings. The Facilities Authority is reported as the Debt Service Fund.

Discretely presented component unit: The City Hospital is a municipally owned hospital controlled by the Hospital Board, which is appointed by the City Council. City Council must approve bond issuances, but they do not take action on user charges or budget approvals. The financial statements of the City Hospital are audited by other auditors and may be obtained at the Hospital's administrative offices located at 1700 Rainbow Blvd., Excelsior Springs, Missouri 64024.

Basis of presentation:

Government-wide and fund financial statements: The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. However, interfund services provided and used are not eliminated in the process of consolidation. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not included among program revenues are reported as general revenues.

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

Fund accounting: The accounts of the City are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, liabilities, reserves, fund balance/net assets, revenues and expenditures or expenses, as appropriate. The City has the following fund types:

Governmental Fund Types: Governmental fund types are those funds through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used; current liabilities are assigned to the fund from which they are paid; and the difference between governmental fund assets and liabilities, the fund equity, is referred to as “fund balance.” The measurement focus is upon determination of changes in financial position, rather than upon net income determination. The City reports the following major governmental funds:

***General Fund*:** The General Fund is the City’s primary operating fund. It accounts for all financial resources for the general government, except those required to be accounted for in another fund.

Parks and Recreation Fund: A Special Revenue Fund, accounts for parks and recreation activities of the City.

Capital Improvements Fund: A Special Revenue Fund, accounts for capital improvements of the City.

Community Development Block Grant Fund: A Special Revenue Fund, accounts for most of the state and federal grant proceeds received by the City.

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

The other governmental funds of the City are considered nonmajor and are as follows:

Special Revenue Funds: Account for revenues and expenditures related to programs that are restricted in nature for specific purposes. The nonmajor special revenue funds account for the activities of the Neighborhood Improvement District Fund, Transportation Trust Fund, E-911 Phone Tax Fund, Capital Improvements E-911 Tax Fund, Tax Increment Financing-Paradise Playhouse Fund, Tax Increment Financing-Vintage Development Fund, Public Safety Sales Tax Fund, Elms Hotel Events Fees Fund, Equitable Sharing Fund, Tax Increment Financing-Elms Hotel Fund, Construction Services Fund and the Tax Increment Financing-Wal-Mart Fund.

Debt Service Funds: Account for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds. The nonmajor debt service funds are the Debt Service Fund and Tax Increment Financing Wal-Mart/Elms Fund.

Capital Projects Fund: Account for all resources to be used for the construction or acquisition of designated capital assets. The nonmajor capital projects fund is the Capital Equipment Fund.

Proprietary Fund Types: Proprietary fund types are used to account for a government's ongoing organizations and activities which are similar to those often found in the private sector. The measurement focus is upon income determination, financial position and cash flows.

Enterprise funds: Are used to account for those operations that are financed and operated in a manner similar to private business or where the City has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, the City has elected to apply all applicable Financial Accounting Standards Board (FASB) pronouncements, issued on or before November 30, 1989, except for those pronouncements which conflict with or contradict GASB pronouncements. The City has elected not to follow FASB guidance issued subsequent to November 30, 1989.

The following are the City's major enterprise funds:

Water Fund: Accounts for the activities of the Water Department which operates the City's water plant and provides for the distribution of safe drinking water to the City's residential and commercial customers as well as surrounding communities.

Pollution Control Fund: Accounts for the activities of the Pollution Control (or Sewer) Department which is responsible for maintaining the City's sanitary sewer system.

Golf Course Fund: Accounts for the activities of the Excelsior Springs Municipal Golf Course.

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

The other enterprise funds of the City are considered nonmajor and are as follows:

***Airport Fund*:** Accounts for the activities of the City's airport.

Refuse Fund: Accounts for the activities of the City's hazardous waste and other refuse collection.

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 type:

Agency Funds: Account for resources received and held by the City as an agent and are to be expended as directed by the party for which the City is acting as an agent. The City's Agency Funds account for revenues collected and disbursed by the City on behalf of another entity. The agency funds of the City are Hospital Fund, Payroll Fund and Road District Fund.

Measurement focus and basis of accounting:

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as is the proprietary fund. The agency funds have no measurement focus and utilize the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded 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 on the specific purpose or project before any amounts will be paid to the City; therefore, revenues are recognized based upon the expenditures recorded and the availability criteria. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

Charges for sales and services (other than utility), and miscellaneous revenues are generally recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned since they are measurable and available.

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

Property taxes are recognized as a receivable at the time they become an enforceable legal claim. The current taxes receivable represent the 2010 levy plus any uncollected amounts from the 2009 levy. Property taxes that are not available for current year operations are shown as deferred revenue. Property taxes are levied each year on all taxable real and personal property in the City. The City's property tax is levied each October 1 on the assessed value as of the prior January 1. Property taxes are billed in total by November 1 following the levy date and considered delinquent after January 1. On January 1, a lien attaches to all property for which taxes are unpaid.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Summary of significant accounting policies:

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

Budgets and budgetary accounting: The City Council annually adopts budgets for the General Fund, special revenue funds, debt service funds and Capital Projects Fund of the primary government. All appropriations are legally controlled at the department level for the individual funds. On September 21, 2009, the City Council formally approved the original adopted budget and on September 7, 2010, approved the revised budget reflected in the financial statements.

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

- The City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed operating expenditures, capital expenditures and the means for financing them.
- Public hearings are conducted to obtain comments from all interested parties.
- The budget for the coming year is formally adopted on or before the last day of the current fiscal year.
- The City Manager is authorized to make changes within departments, between departments and between functions within each fund. Changes or transfers at the fund level require approval by the City Council.
- Under Missouri law, expenditures may not legally exceed budgeted appropriations at the fund level. If expenditures for a fund exceed the budget, either the budget must be amended or the City Council must pass a resolution authorizing the expenditures in excess of the budget.

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

The budgets are integrated into the accounting system, and the budgetary data, as presented in the financial statements for all funds with annual budgets, compare the expenditures with the amended budgets. All budgets are presented on the modified accrual basis of accounting. Accordingly, the Budgetary Comparison Statement for the General Fund, Parks and Recreation Fund, Capital Improvements Fund and Community Development Block Grant Fund presents actual expenditures in accordance with the accounting principles generally accepted in the United States of America on a basis consistent with the legally adopted budgets as amended. All annual appropriations lapse at fiscal year-end. Encumbrances are reappropriated for the ensuing year's budget. The Tax Increment Financing – Elms Hotel Fund exceeded the final budget of expenditures by $11,034.

Cash and cash equivalents: The City maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the statements of net assets or balance sheets as "Cash and Cash Equivalents." In addition, certain resources set aside are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. The bond reserve account is used to report resources set aside to subsidize potential deficiencies from the capital projects and special revenue fund's operations that could adversely affect debt service payments. The amount available in Debt Service Fund is used to report resources accumulated for future debt service payments and construction.

Investments are stated at fair value, which is based on quoted market prices. For U.S. Government securities and bankers' acceptances with maturity dates of less than one year, the investments are valued at amortized cost. Because the City uses the pooled cash investment method, individual fund overdrafts are reclassified as due to/due from other funds or internal balances for financial statement purposes. Income from the investment of pooled cash is allocated to the various funds based on the percentage of cash and temporary investments of each fund to the total pooled cash and temporary investments.

Statement of cash flows: For purposes of the statement of cash flows for proprietary fund type funds, all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased are considered to be cash equivalents.

Accounts receivable: Balances result primarily from miscellaneous services provided to citizens and are accounted for in the General Fund and nonmajor governmental funds. Water and sewer services are accounted for in the Water Fund and Pollution Control Fund. All are net of an allowance for uncollectibles. The City calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis.

Prepaid Items: Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Capital assets: Capital assets, which include land, construction-in-progress, land improvements, buildings and improvements, equipment, vehicles and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial cost of more than $1,000 for equipment and vehicles and $25,000 for buildings and improvements and infrastructure and an estimated useful life in excess of one year. All land purchases are capitalized. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of the donation.

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

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. No interest was capitalized during the year.

Capital assets of the primary government, as well as the component units, is depreciated using the straight-line method and the following estimated useful lives:

Land improvements	10 to 20 years
Building and improvements	7 to 30 years
Infrastructure	20 to 40 years
Operating equipment	3 to 5 years
Furniture and office equipment	3 to 5 years
Vehicles	4 to 10 years

Upon sale or retirement of land, buildings and equipment, the cost and related accumulated depreciation, if applicable, are eliminated from the respective accounts and any resulting gain or loss is included in the results of operations.

Deferred and unearned revenue: Deferred revenue in the governmental funds and unearned revenue in the statement of net assets primarily represents property tax levied for future fiscal years.

Compensated absences: Under terms of the City's personnel policy, City employees are granted vacation and sick leave in varying amounts, based on length of service. In the event of termination or separation, an employee is paid for accumulated vacation up to the maximum he/she can earn over a two-year period. Employees are also paid for accumulated sick leave upon termination in an amount equal to one day for every four days in excess of 30 days that have been accrued.

For proprietary fund types, these accumulations are recorded as expenses and liabilities of the appropriate fund in the fiscal year earned. For governmental fund types, the amount of accumulated unpaid vacation and sick leave, which is payable from available resources, is recorded as a liability of the respective fund only if they have matured, for example, as a result of employee retirements and resignations.

Interfund transactions: Interfund transactions are defined as transactions among City funds that would be treated as revenues and expenditures or expenses if they involved organizations external to City government and 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 funds' operating statements.

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

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" and "advances to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Deficit fund balances: The City has a deficit fund balance in the Tax Increment Financing-Elms Hotel Fund of $49,981, the Construction Services Fund of $32,505 and the Community Development Block Grant Fund of $3,525, all special revenue funds and a net deficit balance in the Golf Fund of $97,081, an enterprise fund.

Long-term obligations: In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the debt using a method which approximates the interest method.

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 the debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Noncurrent cash and deposits: Noncurrent cash and deposits include (1) assets externally restricted by donors, (2) assets held under bond indentures, (3) assets held by the City Hospital Foundation and (4) certificates of deposit.

Patient accounts receivable: The City Hospital reports patient accounts receivable for services rendered at net realizable amounts from third-party payers, patients and others. The City Hospital provides an allowance for uncollectible accounts based upon a review of outstanding receivables, historical collection information and existing economic conditions.

Charity care: The City Hospital provides care without charge or at amounts less than its established rates to patients meeting certain criteria under its charity care policy. Charity care is not included in net patient service revenue. Charges excluded from revenue under the City Hospital's charity care policy were $224,173 for 2010.

Fund equity: In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

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

Net assets: Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets invested in capital assets, net of related debt, excludes unspent debt proceeds. Net assets are reported as restricted when there are limitations imposed on their use through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net assets restricted through enabling legislation consist of $1,004,006 for debt service, $574,306 for parks and recreation, $986,281 for transportation trust, $10,819 for capital improvements, $1,226,304 for tax increment financing projects, $375,977 for E-911 system and $1,033,114 for public safety. Net assets restricted for purposes other than enabling legislation consist of $283,045 restricted by donors.

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

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

Note 2. Deposits and Investments

As of September 30, 2010, the City had the following investments:

		Investment Maturities (in Years)			
Investment Type	Fair Value	Less Than 1	1 - 5	6 - 10	More Than
U.S. Government Agencies	$ 6,590,000	$ -	$ 6,590,000	$ -	$ -

Interest Rate Risk: The City does not have a formal policy that limits investment maturities as a means of limiting its exposure to fair value losses arising from increasing market rates.

Credit Risk: Missouri State Statutes authorize the City, with certain restrictions, to deposit funds in open accounts, time deposits and certificates of deposit. Statutes also required that collateral pledged have a fair market 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 may purchase any investments allowed by the State Treasurer. These include (a) obligations of the United States government or any agency or instrumentality thereof maturing and becoming payable not more than three years from the date of purchase or (b) repurchase agreements maturing and becoming payable within 90 days secured by U.S. Treasury obligations or obligations of U.S. government agencies or instrumentalities of any maturity, as provided by law.

As of September 30, 2010, the City's investments consisted of Federal Home Loan Bank Notes and Federal Farm Credit Bank Notes, all of which were rated AAA by Moody's Investor Service and Standard & Poor's.

Note 2. Deposits and Investments (Continued)

The City's general investment policy is to apply the prudent-person rule: Investments shall be made with the exercise of that judgment and care, under circumstances then prevailing, which individuals of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital, as well as the probable income to be derived.

Concentration of Credit Risk: The City's investment policy is to diversify its investment portfolio to eliminate the risk of loss resulting from over concentration of assets in a specific maturity, a specific issuer or a specific class of securities. As of September 30, 2010 the City's investments are invested in FHLB and FFCB, which represents 81 and 19 percent, respectively, of total investments.

Custodial Credit Risk: Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The custodial risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investments or collateral securities that are in possession of another party. As of September 30, 2010, the City's investments were not exposed to custodial risk. It is the City's policy to require that time deposits in excess of FDIC insurable limits be secured by collateral or private insurance to protect public deposits in a single financial institution if it were to default. As of September 30, 2010, none of the City's bank balance of $7,452,923, which excludes the Hospital agency fund, was exposed to custodial credit risk.

The bank balance of deposits for the Excelsior Springs City Hospital, including the Hospital agency fund, was $6,656,761. The entire bank balance was covered by federal depository insurance or by collateral held by the Hospital's agent in the Hospital's name.

Excelsior Springs City Hospital, the discretely presented component unit, had no investments as of September 30, 2010.

A summary of deposits and investments of the City, along with the financial statement classification, is as follows:

Deposits and cash on hand	$	13,541,330
Investments		6,590,000
	$	20,131,330
Cash and cash equivalents	$	5,151,083
Investments		6,340,000
Restricted cash and cash equivalents		1,947,408
Restricted investments		250,000
Cash and cash equivalents, fiduciary funds		6,442,839
	$	20,131,330

Note 3. Property Taxes

The City's property tax is levied each October 1 on the assessed value of the prior January 1 for all property located in the City. Property taxes are due in total by December 31 following the levy date and are collected by the Finance Office. The City records property tax revenues when levied, net of estimated uncollectible amounts.

Note 3. Property Taxes (Continued)

Assessed values are established by County Assessors subject to review by the County's Board of Equalization and State Tax Commission. The assessed value for property, excluding railroad and utility properties located in the City as of January 1, 2009, on which the fiscal year 2010 levy was based, was $127,402,705 and $123,612,604 for the General Fund and other funds, respectively. The assessed value of railroad and utility properties as of January 1, 2009 was $4,788,531 and $4,788,531 for the General Fund and other funds, respectively. During the year ended September 30, 2010, the City collected 98 percent of property taxes, excluding interest and penalty which were levied in the period.

The City is permitted by Missouri State Statutes to levy taxes 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, 2010 are as follows:

Fund	Levy
General	$ 0.5927
Parks/recreation	0.3322
Total primary government	0.9249
Component unit - City Hospital	0.1661
Total reporting entity	$ 1.0910

Note 4. Capital Assets

The following is a summary of changes in capital assets for the year ended September 30, 2010:

	2009 Balance	Additions	Retirements	2010 Balance
Governmental activities				
Capital assets, not being depreciated:				
Land	$ 1,523,144	$ -	$ -	$ 1,523,144
Construction-in-progress	1,223,643	653,522	1,223,643	653,522
Total capital assets, not being depreciated	2,746,787	653,522	1,223,643	2,176,666
Capital assets, being depreciated:				
Land improvements	39,831	-	-	39,831
Buildings and improvements	4,244,024	-	-	4,244,024
Operating equipment	2,102,745	5,249	-	2,107,994
Furniture and office equipment	202,469	32,968	-	235,437
Vehicles	2,601,937	92,220	42,820	2,651,337
Infrastructure	44,481,006	1,629,374	-	46,110,380
Total capital assets, being depreciated	53,672,012	1,759,811	42,820	55,389,003
Less accumulated depreciation for:				
Land improvements	39,831	-	-	39,831
Buildings and improvements	3,189,444	117,434	-	3,306,878
Operating equipment	871,425	188,206	-	1,059,631
Furniture and office equipment	151,825	12,172	-	163,997
Vehicles	1,708,106	197,810	32,115	1,873,801
Infrastructure	35,613,765	559,249	-	36,173,014
Total accumulated depreciation	41,574,396	1,074,871	32,115	42,617,152
Total capital assets, being depreciated, net	12,097,616	684,940	10,705	12,771,851
Governmental activities capital assets, net	$ 14,844,403	$ 1,338,462	$ 1,234,348	$ 14,948,517

Note 4. Capital Assets (Continued)

	2009 Balance	Additions	Retirements	2010 Balance
Business-Type Activities				
Capital assets, not being depreciated:				
Land	$ 1,036,813	$ -	$ -	$ 1,036,813
Construction-in-progress	325,116	74,712	325,116	74,712
Total capital assets, not being depreciated	1,361,929	74,712	325,116	1,111,525
Capital assets, being depreciated:				
Land improvements	809,585	-	-	809,585
Buildings and improvements	5,107,018	-	-	5,107,018
Operating equipment	997,870	155,199	-	1,153,069
Furniture and office equipment	131,704	-	-	131,704
Vehicles	720,937	75,724	-	796,661
Infrastructure	16,442,135	430,653	-	16,872,788
Total capital assets, being depreciated	24,209,249	661,576	-	24,870,825
Less accumulated depreciation for:				
Land improvements	503,885	42,454	-	546,339
Buildings and improvements	2,551,522	226,943	-	2,778,465
Operating equipment	833,714	103,976	-	937,690
Furniture and office equipment	114,106	1,949	-	116,055
Vehicles	573,024	96,978	-	670,002
Infrastructure	9,307,297	487,572	-	9,794,869
Total accumulated depreciation	13,883,548	959,872	-	14,843,420
Total capital assets, being depreciated, net	10,325,701	(298,296)	-	10,027,405
Business-type activities capital assets, net	$ 11,687,630	$ (223,584)	$ 325,116	$ 11,138,930

Note 4. Capital Assets (Continued)

Depreciation expense was charged to functions of the government as follows:

Governmental Activities		
General government	$	8,343
Public safety		281,834
Transportation		42,857
Public works		690,666
Recreation activities		46,001
Community betterment		5,170
Total depreciation expense, governmental activities	$	1,074,871
Business-Type Activities		
Water	$	442,828
Pollution control		407,163
Golf		109,564
Airport		317
Total depreciation expense, business-type activities	$	959,872

Activity for the Hospital for the year ended September 30, 2010 was as follows:

	2009 Balance	Additions	Retirements	Transfers	2010 Balance
Component Unit: Hospital					
Capital assets, not being depreciated, construction-in-progress	$ -	$ 64,140	$ -	$ (40,946)	$ 23,194
Capital assets, being depreciated:					
Land and improvements	1,286,400	800	33,502	600	1,254,298
Buildings and improvements	15,259,594	78,538	301,822	8,082	15,044,392
Operating equipment	6,213,521	331,977	180,291	30,113	6,395,320
Furniture and office equipment	6,594,477	575,421	1,070,374	2,151	6,101,675
Total capital assets, being depreciated, Hospital	29,353,992	986,736	1,585,989	40,946	28,795,685
Less accumulated depreciation for:					
Land and improvements	491,985	77,561	2,560	(600)	566,386
Buildings and improvements	4,304,074	695,465	111,790	600	4,888,349
Operating equipment	3,603,672	412,579	173,491	(2,683)	3,840,077
Furniture and office equipment	5,076,066	498,780	1,064,499	2,683	4,513,030
Total accumulated depreciation	13,475,797	1,684,385	1,352,340	-	13,807,842
Total capital assets, being depreciated, Hospital, net	15,878,195	(697,649)	233,649	40,946	14,987,843
Hospital capital assets, net	$ 15,878,195	$ (633,509)	$ 233,649	$ -	$ 15,011,037

Note 5. Long-Term Debt

Long-term liability balances and activity for the year ended September 30, 2010 were as follows:

	Balance September 30, 2009	Additions	Retirements	Balance September 30, 2010	Amounts Due Within One Year
Governmental activities:					
Capital leases	$ 215,928	$ -	$ 69,166	$ 146,762	$ 71,939
Revenue bonds	2,960,000	-	540,000	2,420,000	575,000
Neighborhood improvement district bonds	215,000	-	75,000	140,000	140,000
Compensated absences	491,661	463,017	491,661	463,017	463,017
Governmental activities, long-term liabilities	$ 3,882,589	$ 463,017	$ 1,175,827	$ 3,169,779	$ 1,249,956
Business-type activities:					
Long-term loans payable	$ 445,000	$ -	$ 100,000	$ 345,000	$ -
Lease purchase agreement	450,286	-	91,174	359,112	96,530
Revenue bonds	3,840,417	-	439,167	3,401,250	468,750
Compensated absences	104,773	90,788	104,773	90,788	90,788
Business-type activities, long-term liabilities	$ 4,840,476	$ 90,788	$ 735,114	$ 4,196,150	$ 656,068
Component unit:					
Revenue bonds	12,456,168	$ 338,676	$ 250,373	$ 12,544,471	$ 360,862
Capital lease	663,674	448,737	209,218	903,193	247,253
Compensated absences	427,291	500,073	427,291	500,073	500,073
Component unit, long-term liabilities	$ 13,547,133	$ 1,287,486	$ 886,882	$ 13,947,737	$ 1,108,188

The General Fund has generally been the fund to liquidate the liability for compensated absences.

Note 5. Long-Term Debt (Continued)

Long-term debt payable as of September 30, 2010, is comprised of the following individual issues:

	Balance September 30, 2009	Additions	Retirements	Balance September 30, 2010
Governmental activities:				
Capital leases:				
Purchase of 2007 fire truck due in bi-annual payments of principal and interest of $77,059; interest at 3.97%	$ 215,928	$ -	$ 69,166	$ 146,762
Revenue bonds:				
$3,045,000 Facilities Authority Leasehold Refunding Revenue Bonds Series 2001, due in annual installments of $135,000 to $295,000 through December 15, 2015; interest at 2.30% to 5.05%	1,780,000	-	235,000	1,545,000
$2,520,000 of refunding bonds, due in annual installments of $195,000 to $350,000 through October 1, 2012; interest at 1.75% to 4.75%	1,180,000	-	305,000	875,000
Neighborhood Improvement District Bonds:				
$565,000 Series 1999A Tax-Exempt Neighborhood Improvement District Bonds (Elms NID), due in annual installments of $40,000 to $140,000; interest at 6.00%	215,000	-	75,000	140,000
Total governmental activities	$ 3,390,928	$ -	$ 684,166	$ 2,706,762

Note 5. Long-Term Debt (Continued)

	Balance September 30, 2009	Additions	Retirements	Balance September 30, 2010
Business-Type Activities:				
Long-term loans payable:				
Advance from the Missouri Department of Natural Resources made in conjunction with City's advance from the Missouri Department of Natural Resources made in conjunction with City's participation in State of Missouri's State Revolving Loan Program. Loan to be repaid without interest as 1992 Sewerage System revenue bonds mature	$ 445,000	$ -	$ 100,000	$ 345,000
Lease purchase agreements:				
$950,000 Series 2001 Lease Purchase Agreement, due in annual installments of $20,164 to $77,268 through September 1, 2016; interest at 5.75%	339,399	-	41,775	297,624
$243,079 Series 2007 Lease Purchase Agreement, due in annual installments of $41,596 to $53,118 through October 15, 2011; interest at 5.82%	110,887	-	49,399	61,488
Revenue bonds:				
$2,870,000 1992 Sewerage System revenue bonds (State Revolving Fund Program), due in annual installments of $80,000 to $245,000 starting on July 1, 1994 through July 1, 2013; interest at 4.50% to 6.55%	840,417	-	204,167	636,250
$4,875,000 1998 Waterworks Refunding Bonds, due in annual installments of $155,000 to $375,000 starting on November 1, 1999 through November 1, 2018; interest at 4.00% to 5.25%	3,000,000	-	235,000	2,765,000
Total business-type activities	$ 4,735,703	$ -	$ 630,341	$ 4,105,362

Note 5. Long-Term Debt (Continued)

	Balance September 30, 2009	Additions	Retirements	Balance September 30, 2010
Component Unit:				
Revenue bonds:				
Hospital revenue bonds, Series B-R2, payable in monthly installments of $10,183, including interest at 5%	$ 265,674	$ -	$ 131,322	$ 134,352
Hospital revenue bonds, Series C-R1; maturing April 2026; 5.75% interest; interest payments of $4,045 payable monthly through March 1999, then principal and interest of $5,113 thereafter	625,525	-	27,880	597,645
Hospital Revenue Bonds, Series 1999, maturing October 2030; 5.125% interest; interest payments annually through October 2002, annual principal and interest payments of $100,734 thereafter; collateralized by a deed of trust on the Independent Living Facility	1,263,753	-	41,079	1,222,674
Hospital Revenue Bonds, Series 1999, maturity October 2030; 5.0% interest; interest payments annually through October 2002, annual principal and interest payments of $50,348 thereafter; Independent Living Facility	639,892	-	21,045	618,847
Hospital Revenue Bonds, Series 2007A and Series 2007B, maturity October 1, 2038; 4.125% interest; interest annually through September 30, 2011, monthly principal and interest thereafter	8,000,000	-	29,047	7,970,953
Hospital Revenue Bonds, Series 2009, maturity October 1, 2040; 4.5% interest; interest only through September 30, 2013, monthly principal and interest thereafter	1,661,324	338,676	-	2,000,000
Capital leases	663,674	448,737	209,218	903,193
Total component unit	$ 13,119,842	$ 787,413	$ 459,591	$ 13,447,664

General obligation debt limit: The state constitution permits a city, by vote of two thirds of the voting electorate, 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 exceeding, in the aggregate, an additional 10 percent of the assessed value of taxable tangible property, for the purpose of acquiring rights-of-way, construction, extending and improving streets and avenues and/or sanitary or storm sewer systems, and purchasing or constructing waterworks and 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.

Note 5. Long-Term Debt (Continued)

During 1992, the City issued $2,870,000 in Sewerage System Revenue Bonds through the State Revolving Fund to fund expenses related to the extension and improvements of the sewer system. These revenue bonds under Missouri law are payable solely from net revenues derived from operation of the sewer system. Annual principal and interest payments on the bonds are expected to require less than 36 percent of net revenues. These bonds are not general obligations of the City. Total principal and interest remaining on the bonds is $717,306 payable through 2013. For the current year, principal and interest paid and net revenues generated were $255,393 and $512,878, respectively. The difference was paid from the net assets in the Pollution Control Fund. In conjunction with this issuance, the City entered into an agreement with the Missouri Department of Natural Resources whereby the state of Missouri will advance monies to establish a reserve fund in an amount up to 50 percent of the outstanding bonds.

This reserve fund will serve as collateral on the Sewerage System Revenue Bonds in the event of default and interest earnings on the reserve fund will be used to reduce the City's interest payment on the outstanding bonds. As of September 30, 2010, the balance of the advances from the Missouri Department of Natural Resources to the City is $345,000.

During 1998, the City issued $4,875,000 in Waterworks System Improvement and Refunding Revenue Bonds to fund expenses related to extending and improving the waterworks system. These revenue bonds under Missouri law are payable solely from waterworks system net revenues. Annual principal and interest payments on the bonds are expected to require less than 49 percent of net revenues. These bonds are not general obligations of the City. Total principal and interest remaining on the bonds is $3,614,275 payable through 2019. For the current year, principal and interest paid and net revenues generated were $379,549 and $1,469,464, respectively.

During 1999, the City issued $565,000 in Neighborhood Improvement District Bonds to fund expenses related to construction of the Elms Public Improvement Project. These neighborhood improvement district bonds under Missouri law are payable solely from special assessments against those properties within the district which in this case is limited to the Elms Hotel. Special assessments were projected to produce $851,873 or 100 percent of the debt service requirements for the life of the bonds. Total principal and interest remaining on the bonds is $148,400 payable through 2011. For the current year, principal and interest paid and special assessment revenues were $87,900 and $83,583, respectively.

During 2001, the Excelsior Springs Facilities Authority, a blended component unit, issued $3,045,000 in Leasehold Refunding Revenue Bonds to fund the advance repayment of a series of 1994 Leasehold Refunding and Improvement Revenue bonds. These leasehold refunding revenue bonds under Missouri law are payable solely from rental payments derived by the Corporation from the lease of the Fire and Police facilities. The rental payments were projected to produce $4,196,625 or 100 percent of the debt service requirements for the life of the bonds. These bonds are not general obligations of the City. It is not considered a default if there are insufficient rental payments to pay the full amount of principal and interest on the bonds. If the rental payments are insufficient to pay the full amount of principal and interest at maturity, the bonds will be deemed satisfied and paid in full. Total principal and interest remaining on the bonds is $1,768,230 payable through 2016. For the current year, principal and interest paid and rental payments generated were $318,299 and $315,274, respectively.

Note 5. Long-Term Debt (Continued)

During 2003, the City issued $2,520,000 in Tax Increment Refunding Revenue bonds to fund the advance repayment of a series of 1997 Tax Increment Revenue bonds. These tax increment refunding revenue bonds under Missouri law are payable solely from property tax and economic activity tax increments with respect to the financed project. Combined, incremental property taxes and economic activity taxes were projected to produce $4,841,703 or 55 percent of the debt service requirements for the life of the bonds. These bonds are not general obligations of the City. It is not considered a default if there is insufficient tax increment to pay the full amount of principal and interest on the bonds. If the tax increment is insufficient to pay the full amount of principal and interest at maturity, the bonds will be deemed satisfied and paid in full. Total principal and interest remaining on the bonds is $928,628 payable through 2013. For the current year, principal and interest paid was $349,960. Total incremental property tax and economic activity taxes generated during the current year were $283,305 and $871,499, respectively.

During 1999, the City Hospital issued $2,230,000 (Series A & B) in revenue bonds to fund expenses relating to the construction of the independent living facility. These revenue bonds are payable solely from net patient service revenue derived from the operations of the City Hospital and are payable through 2030. Annual principal and interest payments on the bonds are expected to require less than 1 percent of net patient service revenues. The total principal and interest remaining to be paid on the bonds is $2,993,770 Principal and interest paid for the current year and total customer net revenues were $159,301 and $2,968,553, respectively.

During 1983, the City Hospital issued $5,020,000 (Series B – R2) in revenue bonds to fund expenses relating to the refunding of prior hospital revenue bonds and constructing and equipping a nursing home facility. These revenue bond are payable solely from net patient service revenue derived from the operations of the City Hospital and are payable through 2013. Annual principal and interest payments on the bonds are expected to require less than 1 percent of net patient service revenues. The total principal and interest remaining to be paid on the bonds is $139,116. Principal and interest paid for the current year and total customer net revenues were $122,189 and $2,968,553, respectively.

During 1997, the City Hospital issued $ 844,000 (Series C-R1) in revenue bonds to fund expenses relating to the construction of the residential care facility. These revenue bonds are payable solely from net patient service revenue derived from the operations of the City Hospital and are payable through 2026. Annual principal and interest payments on the bonds are expected to require less than 1 percent of net patient service revenues. The total principal and interest remaining to be paid on the bonds is $928,257. Principal and interest paid for the current year and total customer net revenues were $64,417 and $2,968,553, respectively.

During 2007, the City Hospital issued $8,000,000 (Series A & B) in revenue bonds to fund expenses relating to the Outpatient Services Building. These revenue bonds are payable solely from net patient service revenue derived from the operations of the City Hospital and are payable through 2038. Annual principal and interest payments on the bonds are expected to require less than 2 percent of net patient service revenues. The total principal and interest remaining to be paid on the bonds is $7,970,953 and $5,323,751 as of September 30, 2038, respectively. Principal is not due on the revenue bonds until 2011 and interest paid for the current year and total net operating revenues were $302,500 and $2,968,553, respectively.

During 2009, the City Hospital issued $2,000,000 (Series 2009) in revenue bonds to pay for construction through a temporary loan from the Department of Agriculture Rural Development until the bonds are issued final upon project completion. These revenue bonds are payable solely from net patient service revenue derived from the operations of the City Hospital and are payable through 2040. Annual principal and interest payments on the bonds are expected to require less than one percent of net patient service revenues. The total principal and interest remaining to be paid on the bonds is $3,233,282. Principal and interest paid for the current year and total customer net revenues were none and $2,968,553, respectively.

Note 5. Long-Term Debt (Continued)

Reserve accounts on debt: The Sewerage System and Waterworks Refunding revenue bond ordinances require that the systems be accounted for in separate accounts within the respective enterprise funds. They also require that after sufficient current assets have been set aside to operate the system, all remaining monies held in the funds be segregated and restricted in separate special reserves. The ordinance also contains a requirement for a minimum bond coverage. Additionally, the bond ordinances authorizing the hospital revenue bonds require that certain funds from the City Hospital's operations be set aside for future debt service requirements, major repairs and other contingencies. The funds are managed by the City in an agency fund.

These special reserves and accounts consist of cash and investments and are reported in the basic financial statements as restricted assets.

	Water	Pollution Control	Business-Type Activities Total	City Hospital	Reporting Entity Total
Reserve account	$ 276,500	$ 345,000	$ 621,500	$ 2,001,412	$ 2,622,912

Under the terms of the hospital bond ordinance, $250,000 of investments are restricted in the General Fund as a reserve to be used to retire City Hospital revenue bonds should other City Hospital monies not be available. Interest earnings on this amount are restricted until bond payments are made, at which time these amounts can be released for use in the General Fund. The bonds are secured by the revenue of the City Hospital and Convalescent Center, a mortgage on the facility, and the funds in the Hospital Agency Fund. The bonds are subject to redemption by the City in whole or in part at par plus accrued interest.

Capital leases: In the current year and in prior years, the City entered into various cancellable leases as lessee to finance the purchase of vehicles and equipment. The leases are accounted for as noncancellable capital leases.

Summary of principal and interest maturities:

Annual debt service requirements to service all outstanding indebtedness as of September 30, 2010, are as follows:

Governmental Activities:

Year ending September 30:	2001 Leasehold Refunding Bonds Principal	2001 Leasehold Refunding Bonds Interest	Neighborhood Improvement District Bonds Principal	Neighborhood Improvement District Bonds Interest	Wal-Mart/Elms TIF 2003 Refunding Bonds Principal	Wal-Mart/Elms TIF 2003 Refunding Bonds Interest
2011	$ 245,000	$ 69,890	$ 140,000	$ 8,400	$ 330,000	$ 31,860
2012	265,000	57,875	-	-	350,000	17,138
2013	275,000	44,375	-	-	195,000	4,630
2014	285,000	30,375	-	-	-	-
2015	475,000	20,715	-	-	-	-
Total	$ 1,545,000	$ 223,230	$ 140,000	$ 8,400	$ 875,000	$ 53,628

Year ending September 30:	2007 Fire Truck Capital Lease Principal	2007 Fire Truck Capital Lease Interest
2011	$ 71,939	$ 5,120
2012	74,823	2,235
Total	$ 146,762	$ 7,355

Note 5. Long-Term Debt (Continued)

Business-Type Activities:

Year ending September 30:	1992 Sewer Bonds MDNR Principal	1992 Sewer Bonds MDNR Interest	1992 Sewerage System Revenue Bonds Principal	1992 Sewerage System Revenue Bonds Interest	1998 Waterworks Refunding Bonds Principal	1998 Waterworks Refunding Bonds Interest
2011	$ -	$ -	$ 218,750	$ 41,674	$ 250,000	$ 137,175
2012	-	-	233,750	27,346	260,000	124,170
2013	345,000	-	183,750	12,036	275,000	110,527
2014	-	-	-	-	290,000	96,120
2015	-	-	-	-	320,000	231,001
2016-2019	-	-	-	-	1,370,000	150,282
Total	$ 345,000	$ -	$ 636,250	$ 81,056	$ 2,765,000	$ 849,275

Year ending September 30:	Golf Course Capital Lease Principal	Golf Course Capital Lease Interest	2007 Golf Equipment Capital Lease Principal	2007 Golf Equipment Capital Lease Interest
2011	$ 44,177	$ 17,114	$ 52,353	$ 2,726
2012	46,717	14,573	9,135	44
2013	49,404	11,887	-	-
2014	52,244	9,046	-	-
2015	55,249	6,042	-	-
2016-2019	49,833	2,865	-	-
Total	$ 297,624	$ 61,527	$ 61,488	$ 2,770

Component Unit:

Year ending September 30:	Long-Term Debt Principal	Long-Term Debt Interest	Capital Lease Obligations Principal	Capital Lease Obligations Interest
2011	$ 360,862	$ 460,912	$ 247,253	$ 39,040
2012	312,278	519,696	259,741	26,552
2013	308,749	506,304	245,916	13,441
2014	322,553	490,880	93,665	5,147
2015	336,981	478,073	56,618	906
2016-2020	1,925,447	2,149,821	-	-
2021-2025	2,398,700	1,676,567	-	-
2026-2030	2,636,674	1,113,240	-	-
2031-2035	2,452,159	560,858	-	-
2036-2039	1,490,068	86,413	-	-
Total	$ 12,544,471	$ 8,042,764	$ 903,193	$ 85,086

Note 5. Long-Term Debt (Continued)

Capital leases shown in long-term debt for the City and the discretely presented component unit include leases for movable equipment at varying rates of imputed interest from 4 percent to 9 percent, maturing through 2020 and collateralized by the lease equipment. Property and equipment as of September 30, 2010 include the following assets under capital lease:

Movable equipment	$ 1,637,338
Less accumulated depreciation	541,857
	$ 1,095,481

Note 6. Interfund Balances and Transfers

The following is a schedule of transfers included in the basic financial statements of the City:

	Transfers In	Transfers Out
Governmental activities:		
General	$ 770,264	$ 1,265,038
Parks and Recreation Fund	29,268	36,000
Capital Improvements Fund	-	505,944
Community Development Block Grant Fund	510,507	29,810
Nonmajor governmental funds	1,277,902	1,389,991
Total governmental activities	2,587,941	3,226,783
Business-type activities:		
Water	-	199,385
Pollution control	4,527	99,592
Golf	859,425	14,527
Nonmajor enterprise funds	123,190	34,796
Total business-type activities	987,142	348,300
Total	$ 3,575,083	$ 3,575,083

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 funds as debt service payments become due; (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Individual interfund receivables and payables were as follows:

	Due From	Due To
Governmental activities:		
General Fund	$ 304,357	$ -
Community Development Block Grant Fund	-	59,857
Nonmajor governmental funds	-	68,971
Business-type activities:		
Golf Fund	-	175,529
	$ 304,357	$ 304,357

Note 6. Interfund Balances and Transfers (Continued)

Interfund advances as of September 30, 2010, were as follows:

	Advance Receivables	Advance Payables
Business-type activities:		
Pollution control	$ 20,000	$ -
Golf	-	20,000
Total business-type activities	$ 20,000	$ 20,000

These interfund balances are a result of both operating transfers and temporary capital project funding. Advances are long-term interfund receivables/payables that are not expected to be fully paid within one year.

Note 7. Employee Retirement Systems

Plan description: The City of Excelsior Springs, Missouri participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri.

LAGERS is a defined benefit pension plan which provides retirement, disability and death benefits to plan members and beneficiaries. LAGERS was created and is governed by statute, Section RSMO. 70.600 – 70.755. As such, it is the system's 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 401a and it is tax exempt.

LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to LAGERS, P.O. Box 1665, Jefferson City, Missouri 65102 or by calling 1.800.477.4334.

Funding status: The City of Excelsior Spring's full-time employees do not contribute to the pension plan. The political subdivision is required to contribute an actuarially determined rate; the current rate is 3.5 percent (general), 3.5 percent (police) and 5.8 percent (fire) of annual covered payroll. The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the political subdivision are established by state statute.

As of February 28, 2010, the most recent actuarial valuation date, the plan was 94 percent funded. The actuarial accrued liability for benefits was $8,677,474 and the actuarial value of assets was $8,158,302, resulting in an unfunded actuarial accrued liability (UAAL) of $519,172. The covered payroll (annual payroll of active employees covered by the plan) was $4,412,392 and the ratio of the UAAL to the covered payroll was 12 percent.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Note 7. Employee Retirement Systems (Continued)

Annual pension cost: For 2010, the City's annual pension cost of $185,607 was equal to the required and the actual contributions. The required contribution was determined as a part of the February 28, 2007 and/or February 29, 2008 annual actuarial valuation using the entry age actuarial cost method.

The annual required contribution (ARC) was determined as part of the February 28, 2007 and February 29, 2008 annual actuarial valuations using the entry age actuarial cost method. The actuarial assumptions included (a) a rate of return on the investment of present and future assets of 7.5 percent per year, compounded annually, (b) projected salary increases of 4.0 percent per year, compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0.0 percent to 6.0 percent per year, depending on age and division, attributable to seniority/merit, (d) pre-retirement mortality based on the RP-2000 Combined Healthy Table set back 0 years for men and 0 years for women and (e) post-retirement mortality based on the 1971 Group Annuity Mortality Table projected to 2000 setback 1 year for men and 7 years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volality in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period as of February 28, 2007 was 15 years for the General division, 15 years for the Police division and 15 years for the Fire division. The amortization period as of February 29, 2008 was 15 years for the General division, 15 years for the Police division and 15 years for the Fire division.

	Three-Year Trend Information		
Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
09/30/2008	$ 187,064	100%	$ -
09/30/2009	206,627	100	-
09/30/2010	185,607	100	-

Note 8. Other Postemployment Benefits

Plan Description: The City sponsors a single-employer health care plan that provides medical, dental and vision benefits to all active and retired employees and their eligible dependents. Police and fire retirees must have completed five years of service as well as be at least 55 years old for normal retirement or have completed 5 years of service as well as be at least 50 years old for early retirement. All other employees must have completed five years of service as well as be at least 60 years old for normal retirement or have completed 5 years of service as well as be at least 55 years old for early retirement. Retirees and their dependents are allowed to remain on the plan until they are Medicare eligible at age 65. The plan does not issue a stand-alone financial report.

Note 8. Other Postemployment Benefits (Continued)

Funding policy: Management develops the health insurance plan contributions based on expected claims. The current funding policy of the City is to pay health claims as they occur. Retirees pay the full premium.

The required contribution is based on projected pay-as-you-go financing. For fiscal year 2009, the City contributed $0. Retiree and active members receiving benefits have required monthly contributions of:

	Individual	Family	Two-Party
Medical Plan A	$ 419.88	$ 1,087.46	N/A
Medical Plan B	418.12	1,082.90	N/A
Medical Plan C	446.40	1,156.17	N/A
Dental	29.20	84.47	55.33
Vision	3.64	9.24	N/A

Annual OPEB Cost and Net OPEB Obligation: The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance to the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. The following table shows the components of the City's annual OPEB cost for the year, the amount actuarially contributed to the plan and changes in the City's annual OPEB obligation:

Annual required contribution	$ 39,900
Interest on net OPEB obligation	1,597
Adjustment to annual required contribution	-
Annual OPEB cost (expense)	41,497
Contributions and payments made	-
Increase in net OPEB obligation	41,497
Net OPEB obligation - September 30, 2009	39,900
Net OPEB obligation - September 30, 2010	$ 81,397

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligations for 2010 and the two preceding years follows. Fiscal year ended September 30, 2009 was the adoption year of GASB Statement No. 45.

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
September 30, 2008	N/A	N/A	N/A
September 30, 2009	$ 39,900	- %	$ 39,900
September 30, 2010	41,497	-	81,397

Note 8. Other Postemployment Benefits (Continued)

Funded status and funding progress: As of October 1, 2008, the most recent valuation date, the plan was zero percent funded. The actuarial accrued liability for benefits was $304,400 and the actuarial value of assets is none resulting in an unfunded actuarial accrued liability (UAAL) of $304,400. The results of the October 1, 2008 valuation were rolled forward to September 30, 2010. The covered payroll (annual payroll of active employees covered by the plan) was $4,182,418 and the ratio of the UAAL to the covered payroll was 7 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 healthcare cost trend. Amounts determined regarding the funded status of the plan and 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 only the initial year trend information.

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 included in 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.

In the October 1, 2008 actuarial valuation, projected unit credit method was used. The actuarial assumptions included a 4 percent annual discount rate, a healthcare cost trend rate of 8.90 percent initially decreasing each year until reaching the ultimate trend rate of 4.50 percent, a dental/vision cost trend rate of 5 percent, and an annual salary increase of 4 percent due to inflation. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at October 1, 2008 was 30 years.

Note 9. Contingencies

Legal matters: There are a number of claims and/or lawsuits to which the City is, or may be, a party as a result of certain law enforcement activities, injuries and various other matters and complaints arising in the ordinary course of City activities. The City's management and legal counsel anticipate that the potential claims against the City, if any, which are not covered by insurance, resulting from such matters would not materially affect the financial position of the City.

Construction projects: The Hall of Waters Terrace rehabilitation project and the Animal Shelter design and construction project were in process at year-end. Total costs related to the two projects are expected to be $1,100,510, of which $440,371 had been expended through September 30, 2010.

Professional malpractice insurance: The City Hospital is insured for medical malpractice claims under a commercial claims-made policy. City Hospital management does not believe there are any unreported claims as of September 30, 2010 for which the City Hospital could be ultimately responsible if it did not renew its commercial claims-made policy.

Hospital net patient service revenues: The City Hospital is reimbursed for cost reimbursable items at a tentative rate with final settlement determined after submission of annual cost reports by the City Hospital and audits by the Medicare Fiscal Intermediary and the Medicaid Program. Estimated settlements have been reflected in the accompanying financial statements.

Note 10. Risk Management

The City is exposed to various risks of litigation and casualties. The City is insured for automobile liability, general liability, property damage, health claims and workers' compensation through a commercial carrier. Claims did not exceed coverage for the year ended September 30, 2010, and for each of the past three fiscal years.

Note 11. Net Patient Service Revenue

The City Hospital has agreements with third-party payers that provide for payments to the City Hospital at amounts different from its established rates. These payment arrangements include:

Medicare: Inpatient acute care services and outpatient services and defined capital assets related to Medicare Program beneficiaries are paid on a cost reimbursement methodology. The Hospital is reimbursed for certain services at a tentative rate with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the Medicare Administrative Contractor. Estimated settlements have been reflected in the accompanying financial statements.

Medicaid: Inpatient and long-term care services rendered to Medicaid Program beneficiaries are reimbursed based upon a prospectively established per diem rate. Medicaid outpatient reimbursement is based on a prospective percentage payment rate determined from the fourth, fifth and sixth prior cost reports regressed forward.

Approximately 54 percent of net patient service revenues are from participation in Medicare and state-sponsored Medicaid programs for the year ended September 30, 2010.

The City Hospital has also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations and preferred provider organizations. The basis for payment to the City Hospital under these agreements includes prospectively determined rates per discharge, discounts from established charges and prospectively determined daily rates.

Note 12. Concentration of Credit Risk

The City Hospital is located in Excelsior Springs, Missouri. The City Hospital grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payer agreements. The mix of receivables from patients and third-party payers as of September 30, 2010 was:

Medicare	$	797,247
Medicaid		212,882
Other third-party payers		665,453
Patients		1,468,349
		3,143,931
Less allowances for uncollectible accounts		863,216
	$	2,280,715

Note 13. Subsequent Events

In December 2010, the City issued Tax Exempt Certificates and Refunding Certificates of Participation, Series 2010A, Taxable Build America Certificates of Participation, Series 2010B and Taxable Build America Certificates of Participation Series 2010D in the amount of $2,260,000, $13,130,000 and $20,205,000, respectively, for the purpose of refunding the outstanding 1998 bonds, funding the water system improvements, and funding the sewer system improvements. Payments of principal and interest (ranging from 2.0 percent to 7.8 percent) are payable through fiscal year 2031.

Note 14. Governmental Accounting Standards Board (GASB) Statements

The City implemented the following GASB statements during the year ended September 30, 2010:

- GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*. This Statement provides guidance regarding how to identify, account for, and report intangible assets. The new standard characterizes an intangible asset as an asset that lacks physical substance, is nonfinancial in nature, and has an initial useful life extending beyond a single reporting period. This standard provides that intangible assets be classified as capital assets (except for those explicitly excluded from the scope of the new standard, such as capital leases). Relevant authoritative guidance for capital assets should be applied to these intangible assets. The adoption of this Statement had no effect on the City.
- GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*. This Statement will improve how state and local governments report information about derivative instruments in their financial statements. The Statement specifically requires governments to measure most derivative instruments at fair value in their financial statements that are prepared using the economic resources measurement focus and the accrual basis of accounting. The guidance in this Statement also addresses hedge accounting requirements. The adoption of this Statement had no effect on the City.
- GASB Statement No. 58, *Accounting and Financial Reporting for Chapter 9 Bankruptcies*. This Statement provides guidance for governments that have petitioned for protection from creditors by filing for bankruptcy under Chapter 9 of the United States Bankruptcy Code. It establishes requirements for recognizing and measuring the effects of the bankruptcy process on assets and liabilities, and for classifying changes in those items and related costs. The adoption of this Statement had no effect on the City.

Note 14. Governmental Accounting Standards Board (GASB) Statements (Continued)

The GASB has issued several statements not yet implemented by the City of Excelsior Springs, Missouri. The statements which might impact the City are as follows:

- GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, issued March 2009, will be effective for the City beginning with its year ending September 30, 2011. This Statement is intended to improve the usefulness of information provided to financial report users about fund balances by providing clearer, more structured fund balance classifications, and by clarifying the definitions of existing governmental fund types. Fund balance information is among the most widely and frequently used information in state and local government financial reports. The GASB developed this standard to address the diversity of practice and the resulting lack of consistency that had evolved in fund balance reporting. To reduce confusion, the new standard establishes a hierarchy of fund balance classification based primarily on the extent to which a government is bound to observe spending constraints.
- GASB Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, an amendment of GASB Statement No. 43 and No. 45, issued January 2010, will be effective for the City beginning with its year ending September 30, 2012. This Statement addresses issues related to measurement of OPEB obligations by certain employers participating in agent multiple-employer OPEB plans.
- GASB Statement No. 59, *Financial Instruments Omnibus*, issued June 2010, will be effective for the City beginning with its year ending September 30, 2011. This Statement is intended to update and improve existing standards regarding financial reporting of certain financial instruments and external investment pools. Specifically, this Statement provides financial reporting guidance by emphasizing the applicability of SEC requirements to certain external investment pools, addressing the applicability of GASB 53, *Accounting and Financial Reporting for Derivative Instruments*, and applying the reporting provisions for interest-earning investment contracts of GASB 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*.
- GASB Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*, issued November 2010, will be effective for the City beginning with its year ending September 30, 2013. This Statement is intended to improve financial reporting by addressing issues related to service concession arrangement (SCAs), which are a type of public-private or public-public partnership. Specifically, this Statement improves financial reporting by establishing recognition, measurement and disclosure requirements for SCAs for both transferors and governmental operators, requiring governments to account for and report SCAs in the same manner, which improves the comparability of financial statements. This Statement also improves the decision usefulness of financial reporting by requiring that specific relevant disclosures be made by transferors and governmental operators about SCAs.

Note 14. Governmental Accounting Standards Board (GASB) Statements (Continued)

- GASB Statement No. 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*, issued November 2010, will be effective for the City beginning with its year ending September 30, 2013. This Statement is intended to improve financial reporting for a governmental financial reporting entity by improving guidance for including, presenting and disclosing information about component units and equity interest transactions of a financial reporting entity. The amendments to the criteria for including component units allow users of financial statements to better assess the accountability of elected officials by ensuring that the financial reporting entity includes only organizations for which the elected officials are financially accountable or that are determined by the government to be misleading to exclude. The amendments to the criteria for blending also improve the focus of a financial reporting entity on the primary government by ensuring that the primary government includes only those component units that are so intertwined with the primary government that they are essentially the same as the primary government, and by clarifying which component units have that characteristic.

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

City of Excelsior Springs, Missouri

Required Supplementary Information
Missouri Local Government Employees Retirement System

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Entry Age Actuarial Accrued Liability	(b-a) Unfunded Accrued Liability (UAL)	(a/b) Funded Ratio	(c) Annual Covered Payroll	[(b-a)/c] UAL as a Percentage of Covered Payroll
02/29/2008	$ 9,986,141	$ 8,090,199	$ (1,895,942)	12344.00%	$ 3,848,382	49.27%
02/28/2009	7,774,174	8,054,684	280,510	96.52	4,026,922	6.97
02/28/2010	**8,158,302**	**8,677,474**	**519,172**	**94.02**	**4,412,392**	**11.77**

Note: The above assets and actuarial liability do not include the assets and present value of benefits associated with the Benefit Reserve Fund and the Casualty Reserve Fund. The actuarial assumptions were changed in conjunction with the February 28, 2006 annual actuarial valuations. For a complete description of the actuarial assumptions used in the annual valuations, please contact the LAGERS office in Jefferson City.

The information presented in the required supplementary schedules was determined as part of the actuarial valuation at the dates indicated. Additional information as of the latest actuarial valuation follows:

The required contribution was determined as part of the February 28, 2007 and February 29, 2008 annual actuarial valuations using the entry age actuarial cost method. The actuarial assumptions included (a) a rate of return on the investment of present and future assets of 7.5 percent per year, compounded annually, (b) projected salary increases of 4.0 percent per year, compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0 percent to 6.0 percent per year depending on age and division, attributable to seniority/merit, (d) preretirement mortality based on the RP-2000 Combined Healthy Table set back 0 years for men and 0 years for women and (e) postretirement mortality based on the 1971 Group Annuity Mortality Table set back 1 year for men and 7 years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period as of February 28, 2007 and February 29, 2008 was 15 years.

City of Excelsior Springs, Missouri

Required Supplementary Information
Other Postemployment Benefit Plan

SCHEDULE OF FUNDING PROGRESS

Fiscal Year Ended	Actuarial Valuation Date	Actuarial Value of Net Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded (Over funded) AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
2009	10/1/08	$ -	$ 304,400	$ 304,400	- %	$ 4,172,000	7%
2010	**10/1/09**	**-**	**304,400**	**304,400**	**-**	**4,182,418**	**7**

The information presented in the required supplementary schedule was determined as part of the actuarial valuation date as of October 1, 2008. Additional information 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 percent annual discount rate, b) a healthcare cost trend rate of 8.90 percent initially, decreasing each year until reaching the ultimate trend rate of 4.50 percent, c) a dental/vision cost trend rate of 5 percent and c) an annual salary increase of 4 percent, due to inflation.
d. The amortization method is level percentage of projected payroll on an open basis over 30 years.

City of Excelsior Springs, Missouri

Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2010

	Special Revenue Funds	Debt Service Funds	Capital Projects Fund, Capital Equipment	Total Nonmajor Governmental Funds
Assets				
Cash and cash equivalents	$ 2,107,692	$ -	$ 10,819	$ 2,118,511
Investments	1,400,000	-	-	1,400,000
Receivables, net of allowance for uncollectibles:				
Property taxes	64,384	-	-	64,384
Franchise taxes	10,823	-	-	10,823
Other	2,288	-	-	2,288
Due from other governments	292,933	-	-	292,933
Restricted cash and cash equivalents	-	754,006	-	754,006
Total assets	$ 3,878,120	$ 754,006	$ 10,819	$ 4,642,945
Liabilities and Fund Balance				
Liabilities:				
Accounts payable and accrued expenses	$ 65,454	$ -	$ -	$ 65,454
Due to other funds	68,971	-	-	68,971
Deferred revenue	62,928	-	-	62,928
Total liabilities	197,353	-	-	197,353
Fund balance:				
Reserved for debt service	-	754,006	-	754,006
Unreserved	3,680,767	-	10,819	3,691,586
Total fund balance	3,680,767	754,006	10,819	4,445,592
Total liabilities and fund balance	$ 3,878,120	$ 754,006	$ 10,819	$ 4,642,945

City of Excelsior Springs, Missouri

Combining Balance Sheet
Nonmajor Special Revenue Funds
September 30, 2010

	Neighborhood Improvement District	Transportation Trust	E-911 Phone Tax	Capital Improvements E-911 Tax	Tax Increment Financing- Paradise Playhouse
Assets					
Cash and cash equivalents	$ 34,525	$ 441,803	$ 367,446	$ 30,175	$ -
Investments	-	500,000	-	-	-
Receivables, net of allowance for uncollectibles:					
Property taxes	-	-	-	-	5,098
Franchise taxes	-	-	10,823	-	-
Other	1,139	190	-	-	-
Due from other governments	-	86,240	-	-	-
Total assets	$ 35,664	$ 1,028,233	$ 378,269	$ 30,175	$ 5,098
Liabilities and Fund Balance (Deficit)					
Liabilities:					
Accounts payable and accrued expenses	$ -	$ 41,952	$ 2,292	$ 4	$ -
Due to other funds	-	-	-	-	-
Deferred revenue	-	-	-	-	5,098
Total liabilities	-	41,952	2,292	4	5,098
Fund balance (deficit), unreserved	35,664	986,281	375,977	30,171	-
Total liabilities and fund balance (deficit)	$ 35,664	$ 1,028,233	$ 378,269	$ 30,175	$ 5,098

Tax Increment Financing- Vintage Development	Public Safety Sales Tax	Elms Hotel Event Fees	Equitable Sharing	Tax Increment Financing- Elms Hotel	Construction Services	Tax Increment Financing- Wal-Mart	Total
$ 5,629	$ 549,188	$ 35,052	$ 44,897	$ -	$ -	$ 598,977	$ 2,107,692
-	400,000	-	-	-	-	500,000	1,400,000
21,733	-	-	-	2	-	37,551	64,384
-	-	-	-	-	-	-	10,823
-	152	-	-	-	-	807	2,288
4,774	86,240	-	-	-	-	115,679	292,933
$ 32,136	$ 1,035,580	$ 35,052	$ 44,897	$ 2	$ -	$ 1,253,014	$ 3,878,120
$ 1,018	$ 2,466	$ 4,207	$ -	$ 10,427	$ 3,088	$ -	$ 65,454
-	-	-	-	39,554	29,417	-	68,971
20,277	-	-	-	2	-	37,551	62,928
21,295	2,466	4,207	-	49,983	32,505	37,551	197,353
10,841	1,033,114	30,845	44,897	(49,981)	(32,505)	1,215,463	3,680,767
$ 32,136	$ 1,035,580	$ 35,052	$ 44,897	$ 2	$ -	$ 1,253,014	$ 3,878,120

City of Excelsior Springs, Missouri

Combining Balance Sheet
Nonmajor Debt Service Funds
September 30, 2010

	Debt Service	Tax Increment Financing-Wal-Mart/Elms	Total
Assets, restricted cash and cash equivalents	$ 404,658	$ 349,348	$ 754,006
Liabilities and Fund Balance			
Liabilities, accounts payable	$ -	$ -	$ -
Fund balance, reserved for debt service	404,658	349,348	754,006
Total liabilities and fund balance	$ 404,658	$ 349,348	$ 754,006

City of Excelsior Springs, Missouri

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds Year Ended September 30, 2010

	Special Revenue Funds	Debt Service Funds	Capital Projects Fund, Capital Equipment	Total Nonmajor Governmental Funds
Revenues:				
Taxes	$ 2,903,650	$ -	$ -	$ 2,903,650
Intergovernmental revenues	23,468	-	-	23,468
Special assessment fees	128,860	-	-	128,860
Investment earnings	20,928	317	22	21,267
Miscellaneous	184,861	-	3,049	187,910
Total revenues	3,261,767	317	3,071	3,265,155
Expenditures:				
Current:				
General government	75,079	-	-	75,079
Public safety	117,138	-	335	117,473
Public works	990,273	-	-	990,273
Community betterment	1,167,921	-	-	1,167,921
Capital outlay	74,800	-	-	74,800
Debt service:				
Principal	-	684,166	-	684,166
Interest	-	146,026	-	146,026
Trustee fees	-	4,537	-	4,537
Total expenditures	2,425,211	834,729	335	3,260,275
Excess of revenues over (under) expenditures	836,556	(834,412)	2,736	4,880
Other financing sources (uses):				
Proceeds from sale of capital assets	32,000	-	-	32,000
Transfers in	415,911	861,991	-	1,277,902
Transfers out	(1,389,991)	-	-	(1,389,991)
Total other financing sources (uses)	(942,080)	861,991	-	(80,089)
Net change in fund balances	(105,524)	27,579	2,736	(75,209)
Fund balances, beginning	3,786,291	726,427	8,083	4,520,801
Fund balances, ending	$ 3,680,767	$ 754,006	$ 10,819	$ 4,445,592

City of Excelsior Springs, Missouri

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficit)
Nonmajor Special Revenue Funds
Year Ended September 30, 2010

	Neighborhood Improvement District	Transportation Trust	E-911 Phone Tax	Capital Improvements E-911 Tax	Tax Increment Financing-Paradise Playhouse
Revenues:					
Taxes	$ -	$ 719,435	$ 132,831	$ -	$ 31,272
Intergovernmental revenues	-	-	-	-	-
Special assessment fees	83,583	-	-	-	-
Investment earnings	21	7,960	3,122	237	-
Miscellaneous	-	-	-	-	-
Total revenues	83,604	727,395	135,953	237	31,272
Expenditures:					
Current:					
General government	-	4,115	1,389	-	-
Public safety	-	-	36,974	111	-
Public works	-	473,368	-	-	-
Community betterment	-	-	-	-	31,302
Capital outlay	-	-	1,797	3,748	-
Total expenditures	-	477,483	40,160	3,859	31,302
Excess of revenues over (under) expenditures	83,604	249,912	95,793	(3,622)	(30)
Other financing sources (uses):					
Proceeds from sale of capital assets	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	(88,423)	(358,576)	(146,107)	-	-
Total other financing (uses)	(88,423)	(358,576)	(146,107)	-	-
Net change in fund balance	(4,819)	(108,664)	(50,314)	(3,622)	(30)
Fund balances, beginning	40,483	1,094,945	426,291	33,793	30
Fund balances (deficit), ending	$ 35,664	$ 986,281	$ 375,977	$ 30,171	$ -

Tax Increment Financing- Vintage Development	Public Safety Sales Tax	Elms Hotel Event Fees	Equitable Sharing	Tax Increment Financing- Elms Hotel	Construction Services	Tax Increment Financing- Wal-Mart	Total
$ 146,067	$ 719,228	$ -	$ -	$ 13	$ -	$ 1,154,804	$ 2,903,650
-	-	-	23,468	-	-	-	23,468
-	-	45,277	-	-	-	-	128,860
-	5,607	305	-	-	-	3,676	20,928
-	-	-	-	-	184,861	-	184,861
146,067	724,835	45,582	23,468	13	184,861	1,158,480	3,261,767
-	2,708	66,867	-	-	-	-	75,079
-	64,690	-	15,363	-	-	-	117,138
-	-	-	-	-	516,905	-	990,273
143,721	-	-	-	21,034	-	971,864	1,167,921
-	69,255	-	-	-	-	-	74,800
143,721	136,653	66,867	15,363	21,034	516,905	971,864	2,425,211
2,346	588,182	(21,285)	8,105	(21,021)	(332,044)	186,616	836,556
-	32,000	-	-	-	-	-	32,000
-	-	-	-	-	415,911	-	415,911
-	(393,674)	-	-	-	(25,000)	(378,211)	(1,389,991)
-	(361,674)	-	-	-	390,911	(378,211)	(942,080)
2,346	226,508	(21,285)	8,105	(21,021)	58,867	(191,595)	(105,524)
8,495	806,606	52,130	36,792	(28,960)	(91,372)	1,407,058	3,786,291
$ 10,841	$ 1,033,114	$ 30,845	$ 44,897	$ (49,981)	$ (32,505)	$ 1,215,463	$ 3,680,767

City of Excelsior Springs, Missouri

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Debt Service Funds
Year Ended September 30, 2010

	Debt Service	Tax Increment Financing- Wal-Mart/Elms	Total
Revenues, investment earnings	$ 317	$ -	$ 317
Expenditures, debt service:			
Principal	379,166	305,000	684,166
Interest	101,066	44,960	146,026
Trustee fees	1,487	3,050	4,537
Total expenditures	481,719	353,010	834,729
Excess of revenues (under) expenditures	(481,402)	(353,010)	(834,412)
Other financing sources, transfers in	483,780	378,211	861,991
Net change in fund balance	2,378	25,201	27,579
Fund balances, beginning	402,280	324,147	726,427
Fund balances, ending	$ 404,658	$ 349,348	$ 754,006

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City of Excelsior Springs, Missouri

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Deficit) - Nonmajor Special Revenue Funds - Budget to Actual
Year Ended September 30, 2010

	Neighborhood Improvement District		Transportation Trust	
	Budget	Actual	Budget	Actual
Revenues:				
Taxes	$ -	$ -	$ 698,483	$ 719,435
Licenses, permits and fees	-	-	-	-
Intergovernmental revenues	-	-	-	-
Special assessment fees	80,000	83,583	-	-
Investment earnings	20	21	10,000	7,960
Miscellaneous	-	-	-	-
Total revenues	80,020	83,604	708,483	727,395
Expenditures:				
Current:				
General government	-	-	4,500	4,115
Public safety	-	-	-	-
Public works	-	-	665,735	473,368
Community betterment	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	-	-	670,235	477,483
Excess of revenues over (under) expenditures	80,020	83,604	38,248	249,912
Other financing sources (uses):				
Proceeds from sale of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(88,423)	(88,423)	(1,347,525)	(358,576)
Total other financing (uses)	(88,423)	(88,423)	(1,347,525)	(358,576)
Net change in fund balance (deficit)	$ (8,403)	(4,819)	$ (1,309,277)	(108,664)
Fund balances (deficit), beginning		40,483		1,094,945
Fund balances (deficit), ending		$ 35,664		$ 986,281

(Continued)

E-911 Phone Tax		Capital Improvements E-911 Tax		Tax Increment Financing - Paradise Playhouse	
Budget	Actual	Budget	Actual	Budget	Actual
$ 140,000	$ 132,831	$ -	$ -	$ 31,272	$ 31,272
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2,500	3,122	200	237	-	-
-	-	-	-	-	-
142,500	135,953	200	237	31,272	31,272
1,800	1,389	-	-	-	-
38,000	36,974	300	111	-	-
-	-	-	-	-	-
-	-	-	-	31,302	31,302
3,000	1,797	7,500	3,748	-	-
42,800	40,160	7,800	3,859	31,302	31,302
99,700	95,793	(7,600)	(3,622)	(30)	(30)
-	-	-	-	-	-
-	-	-	-	-	-
(146,107)	(146,107)	-	-	-	-
(146,107)	(146,107)	-	-	-	-
$ (46,407)	(50,314)	$ (7,600)	(3,622)	$ (30)	(30)
	426,291		33,793		30
	$ 375,977		$ 30,171		$ -

City of Excelsior Springs, Missouri

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Deficit) - Nonmajor Special Revenue Funds - Budget to Actual (Continued)
Year Ended September 30, 2010

	Tax Increment Financing - Vintage Development		Public Safety Sales Tax	
	Budget	Actual	Budget	Actual
Revenues:				
Taxes	$ 140,753	$ 146,067	$ 744,483	$ 719,228
Licenses, permits and fees	-	-	-	-
Intergovernmental revenues	-	-	-	-
Special assessment fees	-	-	-	-
Investment earnings	-	-	5,200	5,607
Miscellaneous	-	-	-	-
Total revenues	140,753	146,067	749,683	724,835
Expenditures:				
Current:				
General government	-	-	12,000	2,708
Public safety	-	-	76,000	64,690
Public works	-	-	-	-
Community betterment	149,248	143,721	-	-
Capital outlay	-	-	70,000	69,255
Total expenditures	149,248	143,721	158,000	136,653
Excess of revenues over (under) expenditures	(8,495)	2,346	591,683	588,182
Other financing sources (uses):				
Proceeds from sale of capital assets	-	-	-	32,000
Transfers in	-	-	-	-
Transfers out	-	-	(417,059)	(393,674)
Total other financing (uses)	-	-	(417,059)	(361,674)
Net change in fund balance (deficit)	$ (8,495)	2,346	$ 174,624	226,508
Fund balances (deficit), beginning		8,495		806,606
Fund balances (deficit), ending		$ 10,841		$ 1,033,114

(Continued)

Elms Hotel Event Fees		Equitable Sharing		Tax Increment Financing - Elms Hotel	
Budget	Actual	Budget	Actual	Budget	Actual
$ -	$ -	$ -	$ -	$ 3,507	$ 13
-	-	-	-	-	-
-	-	30,000	23,468	-	-
43,400	45,277	-	-	-	-
300	305	-	-	-	-
-	-	-	-	-	-
43,700	45,582	30,000	23,468	3,507	13
68,534	66,867	-	-	-	-
-	-	38,000	15,363	-	-
-	-	-	-	-	-
-	-	-	-	10,000	21,034
-	-	-	-	-	-
68,534	66,867	38,000	15,363	10,000	21,034
(24,834)	(21,285)	(8,000)	8,105	(6,493)	(21,021)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
$ (24,834)	(21,285)	$ (8,000)	8,105	$ (6,493)	(21,021)
	52,130		36,792		(28,960)
	$ 30,845		$ 44,897		$ (49,981)

City of Excelsior Springs, Missouri

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Deficit) - Nonmajor Special Revenue Funds - Budget to Actual (Continued)
Year Ended September 30, 2010

	Construction Services		Tax Increment Financing - Wal-Mart	
	Budget	Actual	Budget	Actual
Revenues:				
Taxes	$ -	$ -	$ 1,183,305	$ 1,154,804
Licenses, permits and fees	4,000	-	-	-
Intergovernmental revenues	60,000	-	-	-
Special assessment fees	-	-	-	-
Investment earnings	-	-	4,000	3,676
Miscellaneous	231,900	184,861	-	-
Total revenues	295,900	184,861	1,187,305	1,158,480
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	613,206	516,905	-	-
Community betterment	-	-	974,363	971,864
Capital outlay	-	-	-	-
Total expenditures	613,206	516,905	974,363	971,864
Excess of revenues over (under) expenditures	(317,306)	(332,044)	212,942	186,616
Other financing sources (uses):				
Proceeds from sale of capital assets	-	-	-	-
Transfers in	347,265	415,911	-	-
Transfers out	(26,100)	(25,000)	(378,211)	(378,211)
Total other financing (uses)	321,165	390,911	(378,211)	(378,211)
Net change in fund balance (deficit)	$ 3,859	58,867	$ (165,269)	(191,595)
Fund balances (deficit), beginning		(91,372)		1,407,058
Fund balances (deficit), ending		$ (32,505)		$ 1,215,463

City of Excelsior Springs, Missouri

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Debt Service Funds - Budget to Actual
Year Ended September 30, 2010

	Debt Service		Tax Increment Financing - Wal-Mart/Elms	
	Budget	Actual	Budget	Actual
Revenues, investment earnings	$ (500)	$ 317	$ 1	$ -
Expenditures, debt service:				
Principal	379,166	379,166	305,000	305,000
Interest	101,067	101,066	44,960	44,960
Trustee fees	4,750	1,487	3,750	3,050
Total expenditures	484,983	481,719	353,710	353,010
Excess of revenues (under) expenditures	(485,483)	(481,402)	(353,709)	(353,010)
Other financing sources, transfers in	484,983	483,780	378,211	378,211
Net change in fund balance	$ (500)	2,378	$ 24,502	25,201
Fund balances, beginning		402,280		324,147
Fund balances, ending		$ 404,658		$ 349,348

City of Excelsior Springs, Missouri

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Projects Fund - Budget to Actual
Year Ended September 30, 2010

	Capital Equipment	
	Budget	Actual
Revenues:		
Investment earnings	$ 25	$ 22
Miscellaneous	4,000	3,049
Total revenues	4,025	3,071
Expenditures, current, public safety	2,000	335
Net change in fund balance	$ 2,025	2,736
Fund balances, beginning		8,083
Fund balances, ending		$ 10,819

City of Excelsior Springs, Missouri

Combining Statement of Net Assets
Nonmajor Enterprise Funds
September 30, 2010

Assets	Airport	Refuse	Total
Current assets:			
Cash and cash equivalents	$ 1,772	$ 237,134	$ 238,906
Accounts receivable, net of allowance for uncollectibles	1,800	70,326	72,126
Inventory	5,858	-	5,858
Total current assets	9,430	307,460	316,890
Noncurrent assets:			
Land	50,000	-	50,000
Buildings and improvements	48,624	-	48,624
Operating equipment	52,247	-	52,247
Total capital assets	150,871	-	150,871
Less accumulated depreciation	39,109	-	39,109
Total noncurrent assets	111,762	-	111,762
Total assets	$ 121,192	$ 307,460	$ 428,652
Liabilities and Fund Equity			
Current liabilities, accounts payable and accrued expenses	$ 7,605	$ 8,259	$ 15,864
Net assets:			
Invested in capital assets, net of related debt	111,762	-	111,762
Unrestricted	1,825	299,201	301,026
Total net assets	113,587	299,201	412,788
Total liabilities and net assets	$ 121,192	$ 307,460	$ 428,652

City of Excelsior Springs, Missouri

Combining Statement of Revenues, Expenses and Changes in Fund Net Assets (Deficit)
Nonmajor Enterprise Funds
Year Ended September 30, 2010

	Airport	Refuse	Total
Operating revenues:			
Charges for services	$ 3,444	$ 711,345	$ 714,789
Rental income	20,630	-	20,630
Other	1,000	13,537	14,537
Total operating revenues	25,074	724,882	749,956
Operating expenses:			
Personnel services	-	5,242	5,242
Contractual and professional services	-	648,552	648,552
Utilities	4,084	6,780	10,864
Maintenance and repairs	4,226	-	4,226
Cost of goods sold	3,311	-	3,311
Insurance	2,185	-	2,185
Supplies and materials (administrative)	2,835	6,710	9,545
Depreciation	317	-	317
Total operating expenses	16,958	667,284	684,242
Operating income	8,116	57,598	65,714
Nonoperating revenue, investment earnings	-	1,734	1,734
Income before transfers	8,116	59,332	67,448
Transfers in	123,190	-	123,190
Transfers out	-	(34,796)	(34,796)
	123,190	(34,796)	88,394
Change in net assets	131,306	24,536	155,842
Total net assets (deficit), beginning	(17,719)	274,665	256,946
Total net assets, ending	$ 113,587	$ 299,201	$ 412,788

City of Excelsior Springs, Missouri

Combining Statement of Cash Flows
Nonmajor Enterprise Funds
Year Ended September 30, 2010

	Airport	Refuse	Total
Cash flows from operating activities:			
Cash collected from customers	$ 23,274	$ 729,302	$ 752,576
Cash paid to suppliers for goods and services	(15,134)	(707,543)	(722,677)
Cash paid to employees for services	-	(5,242)	(5,242)
Net cash provided by operating activities	8,140	16,517	24,657
Cash flows from noncapital financing activities:			
Transfers in	123,190	-	123,190
Transfers out	-	(34,796)	(34,796)
Interfund payments	(77,311)	-	(77,311)
Net cash provided by (used in) noncapital financing activities	45,879	(34,796)	11,083
Cash flows from capital and related financing activities, acquisition and construction of capital assets	(52,247)	-	(52,247)
Cash flows from investing activities, interest income	-	1,734	1,734
Net increase (decrease) in cash and cash equivalents	1,772	(16,545)	(14,773)
Cash and cash equivalents:			
Beginning	-	253,679	253,679
Ending	$ 1,772	$ 237,134	$ 238,906
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	$ 8,116	$ 57,598	$ 65,714
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	317	-	317
(Increase) decrease in accounts receivable	(1,800)	4,420	2,620
(Increase) in inventory	(5,858)	-	(5,858)
Increase (decrease) in accounts payable and accrued expenses	7,365	(45,501)	(38,136)
Net cash provided by operating activities	$ 8,140	$ 16,517	$ 24,657

City of Excelsior Springs, Missouri

Combining Statement of Assets and Liabilities - Agency Funds
September 30, 2010

Assets	Hospital	Payroll	Road District	Total
Cash and cash equivalents	$ 5,776,776	$ 71,002	$ 595,061	$ 6,442,839
Taxes receivable	238,598	-	-	238,598
Total assets	$ 6,015,374	$ 71,002	$ 595,061	$ 6,681,437
Liabilities				
Accounts payable	$ -	$ 71,002	$ 11,617	$ 82,619
Due to component unit	6,015,374	-	-	6,015,374
Due to other governments	-	-	583,444	583,444
Total liabilities	$ 6,015,374	$ 71,002	$ 595,061	$ 6,681,437

City of Excelsior Springs, Missouri

Statement of Changes in Assets and Liabilities - Agency Funds
Year Ended September 30, 2010

	Balance September 30, 2009	Additions	Deletions	Balance September 30, 2010
Hospital Fund				
Assets:				
Cash and cash equivalents	$ 3,836,664	$ 2,974,921	$ 1,034,809	$ 5,776,776
Taxes receivable	229,593	224,189	215,184	238,598
Total assets	$ 4,066,257	$ 3,199,110	$ 1,249,993	$ 6,015,374
Liabilities, due to component unit	$ 4,066,257	$ 3,199,110	$ 1,249,993	$ 6,015,374
Payroll Fund				
Assets, cash and cash equivalents	$ 86,758	$ 6,635,432	$ 6,651,188	$ 71,002
Liabilities, accounts payable	$ 86,758	$ 8,329,546	$ 8,345,302	$ 71,002
Road District Fund				
Assets, cash and cash equivalents	$ 425,527	$ 248,720	$ 79,186	$ 595,061
Liabilities:				
Accounts payable	$ -	$ 11,617	$ -	$ 11,617
Due to other governments	425,527	237,103	79,186	583,444
Total liabilities	$ 425,527	$ 248,720	$ 79,186	$ 595,061
Total Agency Funds				
Assets:				
Cash and cash equivalents	$ 4,348,949	$ 9,859,073	$ 7,765,183	$ 6,442,839
Taxes receivable	229,593	224,189	215,184	238,598
Total assets	$ 4,578,542	$ 10,083,262	$ 7,980,367	$ 6,681,437
Liabilities:				
Accounts payable	$ 86,758	$ 8,341,163	$ 8,345,302	$ 82,619
Due to component unit	4,066,257	3,199,110	1,249,993	6,015,374
Due to other governments	425,527	237,103	79,186	583,444
Total liabilities	$ 4,578,542	$ 11,777,376	$ 9,674,481	$ 6,681,437

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City of Excelsior 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.	92 - 97
Revenue Capacity	
These schedules contain information to help the reader assess the City's most significant local revenue sources, the	98 - 103
Debt Capacity	
These schedules present information to help the reader assess the affordability of the City's current level of outstanding debt and the City's ability to issue additional debt	104 - 107
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.	108 - 109
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	110 - 116

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual report for the relevant year. The City implemented GASB 34 in fiscal year 2003: schedules presenting government-wide information include information beginning in that year.

City of Excelsior Springs, Missouri

Net Assets by Component
Last Eight Fiscal Years
(accrual basis of accounting)
(Unaudited)

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
Governmental Activities:				[a]				
Invested in capital assets, net of related debt	(3,067,523)	(1,264,482)	(102,176)	8,215,502	8,920,357	9,600,400	11,453,475	12,241,755
Restricted	3,168,513	2,673,855	3,565,220	3,915,524	4,443,656	5,066,289	5,375,415	5,493,852
Unrestricted	3,378,258	3,419,935	2,568,358	2,889,439	3,035,103	4,607,991	4,580,245	4,070,307
Total governmental activities net assets	3,479,248	4,829,308	6,031,402	15,020,465	16,399,116	19,274,680	21,409,135	21,805,914
Business-type activities:								
Invested in capital assets, net of related debt	5,359,584	5,423,336	5,455,222	5,502,722	5,752,386	6,876,597	6,951,927	7,033,568
Restricted	1,607,783	1,255,000	1,172,000	1,101,621	1,004,472	896,282	797,019	621,500
Unrestricted	1,692,813	1,714,642	1,793,565	1,915,682	2,090,881	1,675,923	2,144,788	3,703,362
Total business-type activities net assets	8,660,180	8,392,978	8,420,787	8,520,025	8,847,739	9,448,802	9,893,734	11,358,430
Primary government:								
Invested in capital assets, net of related debt	2,292,061	4,158,854	5,353,046	13,718,224	14,672,743	16,476,997	18,405,402	19,275,323
Restricted	4,776,296	3,928,855	4,737,220	5,017,145	5,448,128	5,962,571	6,172,434	6,115,352
Unrestricted	8,154,554	7,348,790	7,305,578	4,805,121	5,125,984	6,283,914	6,725,033	7,773,669
Total primary government net assets	15,222,911	15,436,499	17,395,844	23,540,490	25,246,855	28,723,482	31,302,869	33,164,344

GASB Statement No. 34 Implemented in Fiscal Year 2003.
[a] As restated for the addition of governmental infrastructure assets.

City of Excelsior Springs, Missouri

Changes in Net Assets
Last Eight Fiscal Years
(accrual basis of accounting)
(Unaudited)

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
Expenses:								
Governmental activities:								
General government	$ 734,877	$ 790,958	$ 741,077	$ 939,821	$ 999,410	$ 966,831	$ 1,264,010	$ 1,128,823
Public Safety	3,876,293	3,791,455	4,007,447	4,569,672	4,450,412	4,048,900	4,853,975	5,361,872
Transportation	151,273	155,612	118,869	108,254	97,584	134,436	143,769	143,981
Public works	1,290,783	1,522,617	864,625	1,067,169	1,428,481	1,767,511	1,549,922	1,929,547
Health and Welfare	47,711	48,715	51,643	52,971	53,196	49,318	52,943	51,887
Recreational Activities	457,585	418,771	383,466	311,201	511,358	504,097	459,717	528,013
Community Betterment	653,759	980,721	908,513	967,437	1,287,102	1,089,998	1,731,000	1,728,610
Interest on long-term debt	449,855	469,131	396,908	346,140	230,991	195,191	176,710	137,029
Total governmental activities expenses	7,662,136	8,177,980	7,472,548	8,362,665	9,058,534	8,756,282	10,232,046	11,009,762
Business-type activities:								
Water	1,758,746	1,820,589	1,724,911	1,690,883	1,707,102	1,666,996	1,678,836	1,660,959
Sewer	1,067,643	968,257	929,790	978,084	973,446	877,837	1,127,120	1,204,401
Golf	815,495	736,727	735,904	780,348	773,545	849,698	851,479	792,062
Airport	2,956	2,955	3,087	3,087	3,087	7,211	9,595	16,958
Refuse	281,996	314,480	321,202	352,558	376,787	439,794	537,746	667,284
Total business-type activities expenses	3,926,836	3,843,008	3,714,894	3,804,960	3,833,967	3,841,536	4,204,776	4,341,664
Total primary government expenses	11,588,972	12,020,988	11,187,442	12,167,625	12,892,501	12,597,818	14,436,822	15,351,426
Program revenue:								
Governmental activities:								
Charges for services:								
General government	174,783	153,283	156,743	153,400	154,677	158,180	108,035	121,535
Public Safety	861,701	807,716	907,474	845,597	798,748	1,080,352	1,216,136	1,396,007
Transportation	38,229	31,350	31,265	30,264	26,156	31,802	30,213	33,036
Public works	145,483	6,828	4,807	74,217	15,638	355,916	52,566	159,468
Health and Welfare	-	-	-	-	-	-	-	-
Recreational Activities	31,707	35,762	23,910	32,080	31,919	23,720	36,965	50,018
Community Betterment	237,340	101,089	188,463	175,159	156,780	78,710	130,182	53,766
Operating grants and contributions:								
Public Safety	9,553	-	-	23,523	19,187	-	90,704	437,247
Transportation	41,109	52,583	36,319	35,852	29,057	56,385	55,079	56,004
Public works	-	191,911	553,718	535,311	590,406	553,271	1,388,218	477,368
Health and Welfare	15,125	17,875	13,750	19,250	12,375	21,323	17,875	16,500
Recreational Activities	-	-	-	20,377	17,220	-	5,619	29,268
Community Betterment	69,632	30,379	37,323	200,934	13,111	73,723	464,910	499,170
Capital grants and contributions, community betterment	6,703	-	-	-	-	28,391	2,267	-
Total governmental activities program revenue	1,631,365	1,428,776	1,953,772	2,145,964	1,865,274	2,461,773	3,598,769	3,329,387

City of Excelsior Springs, Missouri

Changes in Net Assets
Last Eight Fiscal Years
(accrual basis of accounting)
(Unaudited)

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
Business-type activities:								
Charges for services:								
Water	1,659,038	1,813,949	1,824,642	1,945,385	2,075,336	2,210,436	2,425,643	2,514,840
Sewer	933,475	938,682	910,652	963,116	1,055,082	1,087,548	1,125,837	1,198,899
Golf	762,814	674,806	667,310	719,440	720,394	774,704	736,047	603,071
Airport	6,600	6,003	4,800	9,600	1,200	22,055	18,985	25,074
Refuse	353,441	359,919	370,127	407,217	461,351	527,077	565,680	724,882
Operating grants and contributions:								
Water	-	-	12,721	-	-	31,011	-	-
Sewer	-	-	136,115	-	-	-	-	-
Golf	-	-	1,248	-	15,250	-	-	16,483
Total business-type activities program revenue	3,715,368	3,793,359	3,927,615	4,044,758	4,328,613	4,652,831	4,872,192	5,083,249
Total primary government program revenues	5,346,733	5,222,135	5,881,387	6,190,722	6,193,887	7,114,604	8,470,961	8,412,636
Net (expense) revenue:								
Governmental activities	(6,030,771)	(6,749,204)	(5,518,776)	(6,216,701)	(7,193,260)	(6,294,509)	(6,633,277)	(7,680,375)
Business-type activities	(211,468)	(49,649)	212,721	239,798	494,646	811,295	667,416	741,585
Total primary government net expense	(6,242,239)	(6,798,853)	(5,306,055)	(5,976,903)	(6,698,614)	(5,483,214)	(5,965,861)	(6,938,790)
General revenues and other changes in net assets:								
Governmental activities:								
Taxes:								
Property taxes, levied for general purposes	1,515,980	1,401,668	1,550,778	1,607,557	1,722,677	1,873,053	1,924,393	1,880,348
General sales and use tax	4,062,233	3,858,746	3,383,671	4,687,813	4,788,957	4,820,222	4,696,840	4,917,024
Franchise tax	1,018,137	1,121,139	1,070,849	1,047,889	1,101,815	1,481,454	1,256,515	1,530,424
Cigarette tax	106,606	103,656	104,224	108,050	124,716	131,389	128,419	117,079
Railroad and Utility/Financial Institution Tax	29,926	40,674	76,421	54,581	66,088	63,722	51,582	52,715
Interest and investment earnings	115,442	120,513	175,527	269,903	313,854	289,426	179,924	148,491
Miscellaneous	174,561	112,378	43,004	145,955	85,070	166,436	164,471	48,620
Gain on sale of capital assets	-	-	-	-	-	13,416	46,318	21,295
Transfers	326,263	317,659	316,396	341,985	368,734	330,955	319,270	(638,842)
Total governmental activities	7,349,148	7,076,433	6,720,870	8,263,733	8,571,911	9,170,073	8,767,732	8,077,154
Business-type activities:								
Investment earnings	121,629	100,106	131,484	184,517	201,802	120,723	96,786	84,269
Miscellaneous	30,336	-	-	16,908	-	-	-	-
Transfers	(326,263)	(317,659)	(316,396)	(341,985)	(368,734)	(330,955)	(319,270)	638,842
Total business-type activities	(174,298)	(217,553)	(184,912)	(140,560)	(166,932)	(210,232)	(222,484)	723,111
Total primary government	7,174,850	6,858,880	6,535,958	8,123,173	8,404,979	8,959,841	8,545,248	8,800,265
Changes in net assets:								
Governmental activities	1,318,377	327,229	1,202,094	2,047,032	1,378,651	2,875,564	2,134,455	396,779
Business-type activities	(385,766)	(267,202)	27,809	99,238	327,714	601,063	444,932	1,464,696
Total primary government	$ 932,611	$ 60,027	$ 1,229,903	$ 2,146,270	$ 1,706,365	$ 3,476,627	$ 2,579,387	$ 1,861,475

City of Excelsior Springs, Missouri

Program Revenues by Function/Program
Last Eight Fiscal Years
(accrual basis of accounting)
(Unaudited)

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
Governmental activities:								
General government	174,783	153,283	156,743	153,400	154,677	158,180	108,035	121,535
Public Safety	871,254	807,716	907,474	869,120	817,935	1,080,352	1,306,840	1,833,254
Transportation	79,338	83,933	67,584	66,116	55,213	88,187	85,292	89,040
Public works	145,483	198,739	558,525	609,528	606,044	909,187	1,440,784	636,836
Health and Welfare	15,125	17,875	13,750	19,250	12,375	21,323	17,875	16,500
Recreational Activities	31,707	35,762	23,910	32,080	49,139	23,720	42,584	79,286
Community Betterment	306,972	131,468	225,786	376,093	169,891	180,824	597,359	552,936
Total governmental activities	1,624,662	1,428,776	1,953,772	2,125,587	1,865,274	2,461,773	3,598,769	3,329,387
Business-type activities:								
Water	1,659,038	1,813,949	1,837,363	1,945,385	2,075,336	2,241,447	2,425,643	2,514,840
Sewer	933,475	938,682	1,046,767	963,116	1,055,082	1,087,548	1,125,837	1,198,899
Golf	762,814	674,806	668,558	719,440	735,644	774,704	736,047	619,554
Airport	6,600	6,003	4,800	9,600	1,200	22,055	18,985	25,074
Refuse	353,441	359,919	370,127	407,217	461,351	527,077	565,680	724,882
Total business-type activities	3,715,368	3,793,359	3,927,615	4,044,758	4,328,613	4,652,831	4,872,192	5,083,249
Total government	5,340,030	5,222,135	5,881,387	6,170,345	6,193,887	7,114,604	8,470,961	8,412,636

City of Excelsior Springs, Missouri

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

	Fiscal Year:									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Fund										
Reserved	$ 377,405	$ 239,895	$ 647,012	$ 413,830	$ 440,488	$ 488,887	$ 680,901	$ 523,908	$ 605,457	$ 701,994
Unreserved	427,960	598,823	383,634	736,347	823,990	620,343	552,332	1,417,833	1,539,571	1,933,780
Unreserved, designated for board use	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	339,246
Total General Fund	2,005,365	2,038,718	2,230,646	2,350,177	2,464,478	2,309,230	2,433,233	3,141,741	3,345,028	2,975,020
All Other Governmental Funds:										
Reserved	150,293	59,591	675,491	728,935	729,062	745,330	762,406	806,977	814,435	819,006
Unreserved, reported in:										
Special revenue funds	2,613,234	2,712,534	3,212,851	2,887,648	3,050,866	4,035,096	4,627,324	6,235,984	6,369,183	6,341,362
Debt Service funds	1,004,130	652,579	-	-	-	-	-	-		
Capital project funds	9,446	344,372	682,655	420,829	379,927	228,041	144,585	5,243	8,083	10,819
Total all other governmental funds	$ 3,777,103	$ 3,769,076	$ 4,570,997	$ 4,037,412	$ 4,159,855	$ 5,008,467	$ 5,534,315	$ 7,048,204	$ 7,191,701	$ 7,171,187

Source: City financial statements.

City of Excelsior Springs, Missouri

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Revenues:										
Taxes	5,912,888	5,899,451	6,249,723	6,039,868	6,185,943	7,446,196	7,804,253	8,273,864	8,022,859	8,370,338
Special Assessments	-	69,000	37,079	62,322	95,539	149,320	69,343	96,071	116,814	137,445
Intergovernmental	1,002,529	1,022,737	880,494	781,976	641,110	885,109	695,535	728,967	2,000,132	1,522,091
Licenses and permits	163,547	159,634	197,005	192,821	198,599	246,662	198,893	187,445	156,292	167,034
Charges for services	849,272	709,153	652,079	630,232	670,407	604,883	533,340	1,100,585	689,044	739,316
Fines and forfeitures	224,336	228,104	262,168	187,345	243,367	239,717	270,671	253,044	449,262	583,827
Use of money and property	285,988	174,995	159,375	120,513	175,527	239,838	313,854	289,426	179,924	148,491
Other	164,482	158,878	86,001	174,892	143,387	255,987	182,562	358,073	377,003	366,736
Total revenues	8,603,042	8,421,952	8,523,924	8,189,969	8,353,879	10,067,712	10,068,451	11,287,475	11,991,330	12,035,278
Expenditures										
General government	1,164,066	1,181,660	681,847	701,629	702,222	884,157	942,909	911,771	1,152,687	1,565,011
Public Safety	3,408,842	3,468,957	4,092,510	3,642,582	3,571,854	4,422,419	4,614,695	4,263,484	4,618,281	5,006,361
Transportation	-	-	127,438	97,723	66,095	69,496	65,968	102,727	103,722	101,124
Public works	1,249,332	2,021,746	1,433,314	1,782,543	1,483,860	1,639,902	1,329,229	1,374,117	2,276,913	1,820,677
Health and Welfare	-	-	47,144	48,148	48,661	52,971	53,196	49,318	52,943	51,887
Recreational Activities	353,090	327,054	348,798	423,553	431,884	412,602	480,314	467,305	514,928	482,231
Community Betterment	1,144,854	768,493	707,236	968,736	888,899	962,414	1,284,475	1,083,373	1,723,383	1,688,209
Capital outlay	386,276	219,326	158,434	291,772	225,935	169,941	9,291	310,385	723,525	268,729
Debt service:										
Principal	285,000	3,257,000	466,076	687,020	734,708	842,496	1,120,388	670,249	661,500	684,166
Bond issuance costs	-	-	-	131,488	-	-	-	-	-	-
Interest	564,906	738,508	459,204	342,532	283,780	259,935	233,626	206,205	182,252	150,563
Total expenditures	8,556,366	11,982,744	8,522,001	9,117,726	8,437,898	9,716,333	10,134,091	9,438,934	12,010,134	11,818,958
Excess of revenues (under) expenditures	46,676	(3,560,792)	1,923	(927,757)	(84,019)	351,379	(65,640)	1,848,541	(18,804)	216,320
Other financing sources (uses):										
Transfers in	2,274,102	2,960,383	2,837,642	2,974,512	2,569,781	3,197,878	2,913,768	2,392,131	2,595,875	2,587,941
Transfers out	(2,125,366)	(2,481,398)	(2,364,043)	(2,656,853)	(2,253,385)	(2,855,893)	(2,545,034)	(2,061,176)	(2,276,605)	(3,226,783)
Issuance of long-term debt	-	3,045,000	392,946	-	-	-	346,365	-	-	-
Proceeds of refunding bonds	-	-	-	3,490,000	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	(3,336,258)	-	-	-	-	-	-
Premium (discount) on long-term debt	-	-	-	-	-	-	-	-	-	-
Other	63,217	62,133	41,562	-	-	-	-	-	-	-
Proceeds from sale of property	-	-	83,818	42,302	4,367	-	392	42,901	46,318	32,000
Total other financing sources (uses)	211,953	3,586,118	991,925	513,703	320,763	341,985	715,491	373,856	365,588	(606,842)
Net changes in fund balance	258,629	25,326	993,848	(414,054)	236,744	693,364	649,851	2,222,397	346,784	(390,522)
Debt service as a percentage of noncapital expenditures	10.40%	33.97%	11.06%	13.15%	12.40%	12.88%	14.20%	9.91%	7.39%	7.85%

Source: City financial statements.

City of Excelsior Springs, Missouri

Tax Revenues by Source, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(Unaudited)

Fiscal Year	Property	General Sales and Use	Franchise	Cigarette	Railroad, Utility and Financial Institution	Total
2001	1,294,270	3,378,937	1,102,213	106,467	54,286	5,936,174
2002	1,328,099	3,302,288	1,009,936	105,889	56,599	5,802,812
2003	1,501,661	3,489,755	1,018,137	106,606	44,244	6,160,403
2004	1,470,668	3,192,962	1,116,674	103,656	40,674	5,924,634
2005	1,550,778	3,276,977	1,070,849	104,224	76,421	6,079,250
2006	1,607,557	4,398,026	1,037,522	108,050	54,581	7,205,737
2007	1,722,677	4,788,957	1,101,815	124,716	66,088	7,804,253
2008	1,873,053	4,820,222	1,481,454	131,389	63,722	8,369,840
2009	1,924,393	4,696,840	1,256,515	128,419	51,582	8,057,749
2010	1,880,348	4,917,024	1,530,424	117,079	52,715	8,497,590
Change 2001-2010	45.28%	45.52%	38.85%	9.97%	-2.89%	43.15%

Source: City records.

City of Excelsior Springs, Missouri

Principal Sales Tax Industries
Calendar Years 2009 and 2000
(Unaudited)

Industry	Percentage of Total City Sales Tax Revenues: Calendar Year 2009	Calendar Year 2000
Miscellaneous Retail	39.92 %	35.5 %
Food Stores	17.15	26.0
Eating And Drinking Places	10.27	6.1
Communication	4.47	3.5
Automotive Dealers And Gasoline Ser	1.94	3.3
Building Matl, Hdwe, Gdn Supply, Mo	1.78	N/A
Business Services	1.67	0.0
Hotels, Rooming Houses, Camps/Other	0.82	N/A
Miscellaneous Services	0.36	0.2
General Mechandise Stores	0.29	1.1
Automotive Repair, Services And Gar	0.24	0.6
Personal Services	N/A	0.0
	78.9 %	76.3 %

Source: Missouri Department of Revenue Report of Sales Tax by Standard Industry Codes and City Sales Tax records.

City of Excelsior Springs, Missouri

Assessed and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(Unaudited)

Tax Year	Real Estate			Personal Property	Railroad and Utility {a}	Total Taxable Assessed Value	Percent Growth	Total Direct Tax Rate	Actual Taxable Value	Value as a Percentage of Actual Value
	Residential	Commercial	Agricultural							
2001	51,013,710	16,488,630	196,650	39,665,849	4,309,474	111,674,313	15.51%	1.0500	455,325,578	24.53%
2002	52,001,420	16,218,185	221,234	39,974,755	4,662,834	113,078,428	1.26%	1.0500	461,924,106	24.48%
2003	57,524,030	17,162,996	193,220	41,300,207	4,507,916	120,688,369	6.73%	1.0407	497,241,962	24.27%
2004	58,775,700	20,544,524	192,240	42,551,953	4,797,592	126,862,009	5.12%	1.0500	519,087,214	24.44%
2005	64,277,720	23,195,330	194,530	41,680,360	4,868,556	134,216,496	5.80%	1.0532	553,928,638	24.23%
2006	66,425,730	23,652,740	225,720	41,762,911	4,911,349	136,978,450	2.06%	1.0532	567,307,159	24.15%
2007	70,942,690	20,251,280	258,680	38,921,637	5,183,905	135,558,192	-1.04%	1.0532	572,967,553	23.66%
2008	72,109,900	23,411,180	829,940	35,531,416	4,687,063	136,569,499	0.75%	1.0712	581,919,923	23.47%
2009	71,746,210	28,351,490	1,213,940	32,227,527	4,656,639	138,195,806	1.19%	1.0910	588,537,374	23.48%
2010	72,000,090	28,578,500	1,162,620	29,170,555	4,788,531	135,700,296	-1.81%	1.1485	581,303,935	23.34%

Source: City tax-billing records and county aggregate valuations.

{a} Billed and collected by the county.

City of Excelsior Springs, Missouri

Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(Unaudited)

Tax Year Levied	City Direct Rates				Overlapping Rates				Total Direct and Overlapping Rate	
	General Fund	Parks	Recreation	Hospital	School District	Clay County	Ray County	State	Clay County	Ray County
2001	0.5700	0.1600	0.1600	0.1600	4.0185	0.6495	1.5358	0.0300	5.7480	6.6343
2002	0.5700	0.1600	0.1600	0.1600	4.6185	0.6495	1.5358	0.0300	6.3480	7.2343
2003	0.5649	0.1586	0.1586	0.1586	4.6185	0.6402	1.4703	0.0300	6.3294	7.1595
2004	0.5700	0.1600	0.1600	0.1600	4.5132	0.6955	1.4703	0.0300	6.2887	7.0635
2005	0.5720	0.1604	0.1604	0.1604	4.6673	0.6884	1.5003	0.0300	6.4389	7.2508
2006	0.5720	0.1604	0.1604	0.1604	4.7673	0.6024	1.5003	0.0300	6.4529	7.3508
2007	0.5720	0.1604	0.1604	0.1604	4.7673	0.9260	1.5003	0.0300	6.7765	7.3508
2008	0.5819	0.1631	0.1631	0.1631	4.8592	0.9263	1.3784	0.0300	6.8867	7.3388
2009	0.5927	0.1661	0.1661	0.1661	5.0285	1.1519	1.3784	0.0300	7.3014	7.5279
2010	0.6229	0.1752	0.1752	0.1752	5.1500	1.1582	1.3942	0.0300	7.4867	7.7227

Source: City billing records, tax rate summaries prepared by county clerks.

Notes:

Overlapping rates are those of local and county governments that apply to property owners within the City.

City of Excelsior Springs, Missouri

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

	2010			2001		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
American Italian Pasta Company	9,784,810	1	7.08%	3,496,601	2	3.62%
Wal Mart Stores Inc	4,014,555	2	2.90%	1,930,042	3	2.00%
Waller Truck Company	2,566,460	3	1.86%	204,350	35	0.21%
Robert Bosch Tool Corporation	1,913,781	4	1.38%	-	N/A *	0.00%
Bloch Family 2005 Partnership	1,350,530	5	0.98%	1,325,760	6 *	1.37%
Elms Resort & Spa	1,325,297	6	0.96%	1,287,263	7	1.33%
Rexam Consumer Plastics, Inc	1,024,170	7	0.74%	1,483,882	4	1.53%
Excelsior Properties	1,005,380	8	0.73%	258,320	26	0.27%
Ford Motor Company	951,519	9	0.69%	3,806,959	1	3.94%
Crown Hill Assoc, LLC	874,500	10	0.63%	601,760	9	0.62%
Clay-Ray Plastics, Inc	666,210	11	0.48%	116,290	49	0.12%
Y Junction, LLC	643,970	12	0.47%	337,280	15	0.35%
Mediacom Southeast LLC	640,176	13	0.46%	331,780	17	0.34%
C & G Storage, LLC	621,270	14	0.45%	403,620	11	0.42%
Dial Corporation	569,631	15	0.41%	-	N/A *	0.00%
Apple Bus Company	553,040	16	0.40%	-	N/A *	0.00%
Southern Union Company	550,940	17	0.40%	714,560	8	0.74%
Intier Automotive Seating	544,502	18	0.39%	499,597	10	0.52%
Hwang, Jesse J & Esther E	516,290	19	0.37%	346,320	14	0.36%
Jesse James & Crown Hill-Exc	504,160	20	0.36%	-	N/A *	0.00%

SOURCE: City Tax Billing Records.

* Taxpayer was not located in Excelsior Springs in 2001.

City of Excelsior Springs, Missouri

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

Fiscal Year Ended September 30:	Tax Year	Taxes Levied for the Tax Year	Collected Within the Fiscal Year of the Levy		Collected in Subsequent Years	Total Collections to Date		
			Amount	Percentage of Levy		Amount	Percentage of Levy	
2001	2000	977,685	952,409	97.41%	25,102	977,511	99.98%	{a}
2002	2001	1,158,922	1,100,431	94.95%	58,810	1,159,241	100.03%	{a}
2003	2002	1,248,709	1,124,139	90.02%	124,630	1,248,769	100.00%	{a}
2004	2003	1,308,361	1,170,639	89.47%	137,385	1,308,024	99.97%	{a}
2005	2004	1,380,537	1,250,345	90.57%	128,836	1,379,181	99.90%	{a}
2006	2005	1,422,693	1,297,619	91.21%	118,906	1,416,525	99.57%	{a}
2007	2006	1,410,769	1,332,219	94.43%	69,412	1,401,631	99.35%	{a}
2008	2007	1,492,912	1,387,574	92.94%	91,132	1,478,706	99.05%	
2009	2008	1,575,920	1,422,085	90.24%	117,829	1,539,914	97.72%	
2010	2009	1,608,210	1,551,456	96.47%	-	1,551,456	96.47%	

SOURCE: City Tax Billing Records.

{a} Remaining balance written off.

City of Excelsior Springs, Missouri

Ratios of Net General Bonded Debt Outstanding by Type
Last Ten Fiscal Years
(Unaudited)

	Governmental Activities			Business-Type Activities						
Fiscal Year	Capital Leases	Revenue Bonds	Neighborhood Improvement District Bonds	Loan Payable	Certificates of Participation	Lease Purchase Agreement	Revenue Bonds	Total Primary Government	Percentage of Personal Income	Per Capita
2001	532,699	6,857,164	705,000	1,055,000	395,000	-	6,640,000	16,184,863	3.38%	1,461
2002	6,167	6,860,000	660,000	995,000	-	929,836	6,347,500	15,798,503	3.38%	1,415
2003	345,924	6,436,164	615,000	930,000	-	901,590	6,040,000	15,268,678	2.95%	1,366
2004	273,904	6,255,000	545,000	860,000	-	516,575	5,720,000	14,170,479	2.70%	1,255
2005	199,196	5,655,000	485,000	787,500	-	484,987	5,381,667	12,993,350	2.39%	1,139
2006	121,700	4,950,000	425,000	710,000	-	451,584	5,024,167	11,682,451	2.04%	993
2007	387,677	3,975,000	360,000	627,500	-	617,742	4,651,667	10,619,586	1.81%	890
2008	282,428	3,480,000	290,000	540,000	-	536,402	4,257,917	9,386,747	1.55%	772
2009	215,928	2,960,000	215,000	445,000	-	450,286	3,840,417	8,126,631	1.24%	646
2010	146,762	2,420,000	140,000	345,000	-	359,112	3,401,250	6,812,124	N/A	N/A

City of Excelsior Springs, Missouri

Direct and Overlapping Governmental Activities Debt
For the Year Ended September 30, 2010
(Unaudited)

Governmental Unit		Debt Outstanding	Estimated Percentage Applicable		Estimated Share of Overlapping Debt
Clay County	[1]	none	n/a		-
Ray County	[1]	none	n/a		-
Excelsior Springs School District	[1]	28,715,000	66.67%	[2]	19,144,291
Subtotal, overlapping debt		28,715,000			19,144,291
City Direct Debt		-	100.00%		-
Total direct and overlapping debt		28,715,000			$ 19,144,291

Sources:

[1] Outstanding G.O. debt obtained from the Ray County Clerk's Office, the Clay County Auditor's Office, the Excelsior Springs School District Administrative Office, and the Excelsior Springs Hospital Financial Statements.

[2] Assessed value (used to determine the estimated percentage applicable) obtained from the Missouri Department of Elementary and Secondary Education website.

City of Excelsior Springs, Missouri

Legal Debt Margin Information
Last Ten Fiscal Years
(dollars in thousands)
(Unaudited)

Legal Debt Margin Calculation for Fiscal Year 2010	
Assessed value	$ 138,196
Debt limit (20% of assessed value)	27,639
Debt applicable to limit:	
General obligation bonds	-
Less amount set aside for repayment of general obligation debt	-
Total net debt applicable to limit	-
Legal debt margin	$ 27,639

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Debt limit	22,335	22,616	24,138	25,372	26,843	27,396	27,396	27,112	27,314	27,639
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	22,335	22,616	24,138	25,372	26,843	27,396	27,396	27,112	27,314	27,639
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

City of Excelsior Springs, Missouri

Pledged-Revenue Coverage
Last Ten Fiscal Years
(dollars in thousands)
(Unaudited)

Facilities Authority Revenue Bonds

Fiscal Year	Facility Lease Payments {a}	Less Operating Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage
2001	235,003	2,398	232,605	50,000	182,605	1.00
2002 {b}	253,635	3,238	250,397	80,000	170,397	1.00
2003	264,033	2,200	261,833	135,000	126,833	1.00
2004	270,595	2,200	268,395	145,000	123,395	1.00
2005	281,270	2,200	279,070	160,000	119,070	1.00
2006	290,930	2,275	288,655	175,000	113,655	1.00
2007	317,778	6,025	311,753	205,000	106,753	1.00
2008	319,280	5,275	314,005	215,000	99,005	1.00
2009	325,615	5,575	320,040	230,000	90,040	1.00
2010	318,299	3,025	315,274	235,000	80,274	1.00

Water Revenue Bonds

Fiscal Year	Utility Service Charges	Less Operating Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage
1997	1,332,367	789,406	542,961	130,000	42,294	3.15
1999	1,599,381	746,692	852,689	315,000	130,308	1.91
2000	1,692,491	563,174	1,129,317	111,250	148,522	4.35
2001	1,620,995	1,391,025	229,970	160,000	225,758	0.60
2002	1,629,420	1,099,304	530,116	170,000	222,508	1.35
2003	1,692,782	1,058,504	634,278	175,000	214,217	1.63
2004	1,813,949	1,140,537	673,412	180,000	206,067	1.74
2005	1,824,642	1,054,617	770,025	190,000	197,972	1.98
2006	1,945,385	1,075,320	870,065	200,000	186,575	2.25
2007	2,075,336	1,098,945	976,391	205,000	179,406	2.54
2008	2,210,436	1,077,166	1,133,270	215,000	170,776	2.94
2009	2,448,269	1,081,461	1,366,808	225,000	160,710	3.54
2010	2,542,576	1,073,112	1,469,464	235,000	144,549	3.87

Pollution Control Revenue Bonds

Fiscal Year	Utility Service Charges	Less Operating Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage
1997	782,974	398,479	384,495	136,250	313,336	0.86
1999	843,593	421,833	421,760	102,500	256,995	1.17
2000	866,886	563,174	303,712	111,250	259,772	0.82
2001	858,516	401,948	456,568	153,702	269,952	1.08
2002	895,462	404,735	490,727	122,500	268,548	1.25
2003	933,660	571,610	362,050	132,500	270,431	0.90
2004	938,192	479,048	459,144	141,250	260,043	1.14
2005	910,652	452,796	457,856	147,500	257,182	1.13
2006	963,116	517,455	445,661	157,500	108,515	1.68
2007	1,055,082	629,772	425,310	167,500	77,029	1.74
2008	1,087,548	654,017	433,531	178,750	87,349	1.63
2009	1,198,937	678,175	520,762	192,500	67,629	2.00
2010	1,253,696	740,818	512,878	204,167	51,226	2.01

{a} The Facilities Authority Revenue Bonds were issued by the City's blended component unit. These bonds do not have a dedicated revenue source, but are funded by transfers from the General Fund which represent lease payments on the Police Department and Fire Department buildings.

{b} The Facilities Authority Revenue Bonds were refunded on December 1, 2001(during fiscal year 2002). All payments subsequent to 2001 represent

City of Excelsior Springs, Missouri

Demographic and Economic Statistics
Last Ten Fiscal Years
(Unaudited)

Fiscal Year Ended September 30	Population	Total Personal Income (In thousands)	Median Household Income	Per Capita Income	Median Age	School Enrollment	Unemployment Rate		
							Clay County	State of Missouri	United States
	{a}	{b}	{c}	{d}	{c}	{e}	{f}	{g}	{h}
2001	11,075	5,821,157	43,210	18,815	35.0	2,985	3.30%	4.3%	4.7%
2002	11,165	6,065,586	41,807	19,100	36.0	2,990	4.30%	4.9%	5.4%
2003	11,179	6,275,481	46,311	19,544	36.1	2,968	4.90%	5.5%	5.8%
2004	11,292	6,374,504	46,426	20,040	36.7	2,974	5.00%	5.7%	5.1%
2005	11,408	6,956,207	47,643	20,979	36.4	2,944	4.40%	4.9%	4.8%
2006	11,765	7,410,451	48,625	21,411	36.1	2,927	5.60%	4.8%	4.4%
2007	11,932	7,826,151	49,301	22,415	37.7	2,864	4.40%	5.2%	4.5%
2008	12,157	8,101,508	49,660	23,418	39.2	2,848	5.40%	6.3%	6.0%
2009	12,575	***	52,037	23,123	35.7	2,779	8.70%	9.5%	9.5%
2010	12,253	***	***	24,661	35.0	2,783	8.50%	9.1%	9.2%

*** Not yet available.

Sources:

{a} http://www.marc.org/metrodataline/xls/population/Population_Estimates_as_of_July_1.xls
{b} Clay County Data obtained from Bureau of Economic Analysis Table CA1-3 (www.bea.gov).
{c} Information obtained from the Mid-America Regional Council website (www.metrodataline.org).
{d} Amounts for 2000 are the result of the census, all other years are inflation-adjusted.
{e} School district.
{f} Clay County unemployment rate, not seasonally adjusted (www.bls.gov).
{g} State of Missouri unemployment rate, not seasonally adjusted (www.bls.gov).
{h} National unemployment rate, not seasonally adjusted (www.bls.gov).

City of Excelsior Springs, Missouri

Principal Employers
Current Year and Nine Years Ago
(Unaudited)

	2010			2001		
Employer	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
	{a}		{b}			{b}
Excelsior Springs School District	364	1	8.67%	312	2	7.15%
Wal-Mart	301 {c}	2	7.17%	240	3	5.50%
American Italian Pasta Company	255	3	6.07%	245	2	5.62%
Excelsior Springs Hospital	256 {c}	4	6.10%	206	4	4.72%
Waller Truck Company, Inc.	241	5	5.74%	***	n/a	n/a
Excelsior Springs Job Corps Center	213	6	5.07%	160	7	3.67%
Magna Intier Auto Interiors	218	7	5.19%	190	5	4.36%
Robert Bosch Tool Corporation	180	8	4.29%	131	9	3.00%
Gilmore Group	132	9	3.14%	170	6	3.90%
City of Excelsior Springs	112	10	2.67%	101	9	2.32%

** Information not available.
*** Business was not located in Excelsior Springs on September 30, 2000.

Sources:
{a} Number of employees obtained from respective businesses via telephone.
{b} Total city employment for 2001 obtained from www.metrodataline.org (Mid-America Regional Council). Total city employment for 2010 estimated.
{c} Includes full-time and part-time employees.

City of Excelsior Springs, Missouri

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

Functions/Program		2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Government:											
Municipal Court		1	1	1	1	1	1	1	1	1	1
City Manager		2	2	2	2	2	2	2	2	2	2
Finance		5	3	4	4	4	4	4	4	4	4
Human Resources		0	0	0	0	0	0	0	1	1	1
Building Maintenance		1	1	1	1	1	1	1	1	1	1
Community Development		0	2	2	2	2	2	1	1	1	1
Planning & Zoning		2	1	1	1	1	1	1	1	0	1
Inspections		3	3	3	3	2	2	2	3	3	3
Senior Center		1	1	1	1	1	1	1	1	1	1
Police:											
Officers		18	22	21	20	20	22	22	22	23	22
Civilians		8	10	9	10	9	10	10	11	11	12
Fire:											
Firefighters and Officers		16	19	17	17	18	18	17	19	20	19
Civilians		1	1	1	0	0	0	1	1	1	1
Street Maintenance		8	5	7		6	5	5	5	5	5
Water:					7						
Administration		2	2	2	2	2	2	2	2	1	1
Transmission/Purification		7	6	5	7	7	7	7	7	8	8
Sewer:											
Administration		0	0	0	0	0					
Transmission/Treatment		5	5	6	6	5	6	6	6	8	11
Construction Services:											
Administration		1	1	1	1	1	1	1	1	1	1
Maintenance		9	12	11	9	10	10	10	10	8	7
Parks and Recreation		4	3	4	4	4	4	4	4	4	4
Transportation:											
Dispatch		1	1	1	1	1	1	1	1	1	1
Drivers		1	0	0	0	0	0	0	1	1	1
Golf:											
Maintenance	{a}	3	3	2	2	2	2	2	2	2	2
Pro Shop	{a}	1	1	1	1	1	1	1	1	1	1
Food and Beverage Sales	{a}	1	3	2	2	2	2	1	1	1	1
Total		101	108	105	104	102	105	103	109	110	112

{a} Prior to Fiscal Year 2002 the golf course was operated by an independent contractor and the City provided only the employees who maintained the course.

City of Excelsior Springs, Missouri

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

Function/Program		2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Police:											
Calls for service		9,757	9,749	10,807	10,862	11,126	11,014	11,316	9,386	9,231	7,982
Adult and Juvenile arrests		**	993	993	934	1,069	1,147	1,033	812	826	888
Speeding citations only		295	200	212	220	330	348	333	362	390	442
Traffic citations		1,448	1,275	1,384	1,989	3,277	3,014	2,596	2,195	2,439	2,819
Police Reports		4,277	3,626	3,803	3,864	3,120	2,879	2,638	2,359	2,285	2,317
DWI's - Municipal		82	115	62	53	89	75	70	39	98	77
Red Light Camera violations	{d}	-	-	-	-	-	-	-	-	4,039	3,110
Fire and EMS:											
Total ambulance runs		2,069	1,795	1,704	1,935	2,007	1,912	1,655	1,857	1,823	1,600
Total fire runs		586	602	479	518	518	522	430	441	602	345
Property loss		**	275,330	117,400	255,300	454,200	385,300	151,000	1,807,650	739,600	359,000
Building Inspections:											
Total building permits	{a}	415	389	448	437	396	960	421	319	284	333
Total value all permits		10,213,634	8,137,417	11,581,011	13,773,364	17,696,379	18,356,342	10,218,099	8,580,231	4,500,323	4,347,173
Public service:											
Garbage collected (ton)	{b}	**	**	**	**	3,832	3,810	3,330	3,360	2,324	1,865
Recycle collected (ton)	{b}	**	**	**	**	60.99	55.17	67.00	84.60	371.60	309.00
Parks and Recreation:											
Recreation program participation:											
Youth		697	776	862	833	998	1,177	1,255	1,400	1,113	1,249
Adult		356	299	338	308	256	178	282	400	354	436
Exercise programs		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	220
Youth art programs		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	208
Golf course:											
Golf rounds played	{c}	9,829	13,726	18,155	17,387	13,898	21,262	20,107	20,475	18,870	18,712
Golf memberships	{c}	273	272	274	232	204	237	256	256	263	262

Notes:

** Information not available.

{a} Building permits issued include both new construction and permits for remodeling/repairs. The dramatic jump in building permits issued during fiscal year 2006 was caused by repairs related to two different hail storms.

{b} Garbage service is provided by contract. Only 2005 thru 2008 statistics are available for this service.

{c} Prior to Fiscal Year 2002 the golf course was operated by an independent contractor. The golf rounds played for 2002 through 2006 include member rounds; however, the golf rounds played prior to 2002 do not include member rounds.

{d} Traffic enforcement cameras became operable in July 2009.

City of Excelsior Springs, Missouri

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

Function/Program		2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Police:											
Stations		1	1	1	1	1	1	1	1	1	1
Animal control shelters		1	1	1	1	1	1	1	1	1	1
Fire Stations		2	2	2	1	1	1	1	1	1	1
Parks and Recreation:											
Acreage		220	220	220	220	220	220	220	220	225	225
Parks		12	12	12	12	12	12	12	12	13	13
Baseball/Softball Diamonds	{a}	4	4	4	4	4	4	4	4	4	4
Soccer/Football Fields	{a}	5	5	5	5	5	5	5	5	5	5
Basketball Courts	{a}	4	4	4	4	4	4	4	4	4	4
Tennis Courts	{a}	4	4	4	4	1	1	1	1	1	1
Skate Parks		-	-	-	-	1	1	1	1	1	1
Parks with Playground Equipment		7	7	7	7	7	7	7	7	8	8
Golf courses		1	1	1	1	1	1	1	1	1	1
Picnic Shelters		8	8	8	9	9	9	9	9	11	11
Community Centers		1	1	1	1	1	1	1	1	1	1
Street Department											
Miles of Streets		103	107	110	113	115	117	117	117	117	117
Street Lights		999	1,002	1,005	1,006	1,007	1,007	1,007	1,007	1,007	1,007
Water:											
Wells		5	5	6	6	6	6	6	6	6	6
Water Storage Tanks/Towers		9	9	9	9	9	9	9	9	9	9
Miles of Water Main		271	272	273	274	275	276	276	276	276	276
Storage Capacity (MGPD)		5.80	5.80	5.80	5.80	5.80	5.80	5.80	5.80	5.80	5.80
Average Daily Consumption (MGPD)		1.23	1.28	1.22	1.24	1.22	1.55	1.55	1.55	1.55	1.55
Peak Consumption (MGPD)		1.31	1.27	1.91	1.50	1.55	2.00	2.00	2.00	2.00	2.00
Wastewater:											
Sanitary Sewers (miles)		95.32	106.74	118.16	129.50	141.00	141.00	141.00	141.00	141.00	141.00
Storm Sewers (miles)		42	42	42	42	42	42	42	42	42	42
Treatment Plants		1	1	1	1	1	1	1	1	1	1

{a} Includes facilities owned by the school district and used for recreation programs.

City of Excelsior Springs, Missouri

Building Permits Issued (New Construction and Substantial Remodels Only)
Last Six Fiscal Years
(Unaudited)

	Residential		Commercial		Total	
Calendar Year	Number of Permits	Dollar Value	Number of Permits	Dollar Value	Number of Permits	Dollar Value
2005	51	6,123,944	5	6,991,425	56	13,115,369
2006	36	4,481,901	8	5,177,821	44	9,659,722
2007	30	366,257	7	5,422,168	37	5,788,425
2008	9	1,164,424	6	3,858,877	15	5,023,301
2009	6	732,935	10	2,970,807	16	3,703,742
2010	3	411,350	13	2,009,688	16	2,421,038

City of Excelsior Springs, Missouri

Top 10 Water Users
Fiscal Year Ending September 30, 2010
(Unaudited)

Business Name	Type of Business	Percentage of Total Usage
City of Lawson	Neighboring City	11.4%
Ray County Public Water District No. 1	Neighboring Water District	10.3%
Clay County Public Water District No. 3	Neighboring Water District	10.3%
American Italian Pasta Company	Pasta manufacturer	5.8%
Liberty Carbon Service	Carbon regeneration	4.7%
Excelsior Springs Job Corps	Education	1.5%
Gilmour Manufacturing	Garden hose and sprinkler manufacturer	1.4%
REXAM (Precise Technology)	Consumer packaging manufacturer	1.0%
The Elms Hotel	Hotel	0.8%

City of Excelsior Springs, Missouri

Water System Historical Customer information
Last Two Fiscal Years
(Unaudited)

	Fiscal Year Ended September 30,	
	2009	2010
Total number of customers		
Residential	3,952	4,098
Commercial	419	418
Percent outside customers		
Residential	4.20%	4.17%
Commercial	1.90%	2.39%
Percent billed greater than 30,000 gallons		
Residential	0.40%	0.47%
Commercial	13.60%	12.60%
Average annual customers		
Residential < 30,000 gallons	3,771	3,908
Residential > 30,000 gallons	15	19
Outside Residential < 30,000 gallons	165	170
Outside Residential > 30,000 gallons	1	1
Commercial < 30,000 gallons	355	358
Commercial > 30,000 gallons	56	50
Outside Commercial < 30,000 gallons	7	7
Outside Commercial > 30,000 gallons	1	3
Total average annual customers	4,371	4,516
Annual consumption (1,000 gal)		
Retail		
Residential < 30,000 gallons	192,840	189,177
Residential > 30,000 gallons	24,503	27,434
Outside Residential < 30,000 gallons	8,257	8,179
Outside Residential > 30,000 gallons	396	292
Commercial < 30,000 gallons	15,547	16,708
Commercial > 30,000 gallons	137,607	136,357
Outside Commercial < 30,000 gallons	346	304
Outside Commercial > 30,000 gallons	5,326	6,422
Tank water	1,081	977
Subtotal retail consumption (1,000 gal)	385,903	385,850
Wholesale		
Mosby	5,506	5,668
Prathersville	3,200	3,386
Clay County Public Water District # 3	61,092	61,078
City of Lawson	64,143	66,919
Ray County Public Water District # 1	61,705	59,980
Subtotal	195,646	197,031
Total annual consumption (1,000 gal)	581,549	582,881

City of Excelsior Springs, Missouri

Sewer System Historical Customer information
Last Two Fiscal Years
(Unaudited)

	Fiscal Year Ended September 30,	
	2009	2010
AVERAGE ANNUAL CUSTOMERS		
Residential	3,983	3,948
Outside Residential	11	10
Commercial	392	391
Outside Commercial	4	3
Total Average Annual Customers	4,390	4,352
ANNUAL CONSUMPTION (1,000 GALLONS)		
Residential	200,922	202,525
Outside Residential	87	79
Commercial	143,519	141,538
Outside Commercial	3,008	3,613
Total Annual Consumption (1,000 Gallons)	347,536	347,755