

City of Excelsior Springs, Missouri

Comprehensive Annual Financial Report

Year Ended September 30, 2007

City of Excelsior Springs, Missouri

Comprehensive Annual Financial Report

Year Ended September 30, 2007

Prepared by:
Finance Department

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January 31, 2008

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, 2007, is hereby submitted to fulfill those requirements. This report was prepared by the Finance Department in close cooperation with the external auditor, McGladrey & Pullen, LLP, Certified Public Accountants.

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, LLP, Certified Public Accountants, have issued an unqualified ("clean") opinion on the City of Excelsior Springs' financial statements for the year ended September 30, 2007. 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 complement 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 4.4 percent in September 2007, which is slightly below the state and national average of approximately 5.1 percent and 4.6 percent, respectively. During the past ten years the Clay County unemployment rate has varied from a low of 2.0 percent to a high of 5.5 percent.

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 10.3 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 this same ten-year period, charges for service revenues have decreased by approximately 26 percent. Although some of this decrease can be attributed to the reduced scope of services offered (e.g., the reduction in transportation services offered by the OMNI system), the main factor in this decrease is a 26 percent decrease in the amounts collected for ambulance service from private insurance companies, Medicare, and Medicaid. As the cost of providing services has increased while charges for services have declined, tax revenues have increased to fill the gap.

During the past ten years, the government's total tax revenues have increased by approximately \$3,072,000, or 65 percent. The largest single contributor in this increase was general sales and use tax which increased by approximately \$1,920,000, or 70 percent. Property tax revenues also increased by approximately \$790,000, or 79.1 percent, during this ten-year period. The increase in property tax revenues was driven primarily by the growth in assessed value.

Long-term financial planning

The unreserved, undesignated fund balance in the general fund (10.1 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 32 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).

Late in fiscal year 2005 the City of Excelsior Springs completed its first citizen survey. This survey provided useful information to the City on how well our citizens believe we are doing and provided guidance for staff in determining where we should concentrate our efforts in the near future. We anticipate updating this survey during fiscal year 2008.

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 has issued updated water quality standards for those entities discharging wastewater into "full-body contact" streams the City anticipates that the current wastewater treatment plant will not qualify for permit renewal without substantial work. As a result, the City has completed a wastewater facility study and has begun expansion of the wastewater treatment facility.

On October 24, 2006, Missouri Governor Matt Blunt announced that the City of Excelsior Springs was one of ten cities selected to participate in the state's DREAM (Downtown Revitalization and Economic Assistance for Missouri) Initiative. The DREAM Initiative is a program based on the collaboration of three agencies, the Missouri Department of Economic Development, the Missouri Development Finance Board and the Missouri Housing Development Commission which allows the City of Excelsior Springs to have access to the technical and financial assistance necessary to accomplish the City's continued downtown revitalization plans. This program was designed as a three-year program.

Awards and Acknowledgements

The Government Finance Officers Association (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, 2006. This was the first year that the government received this prestigious award. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized CAFR. This report satisfied both generally accepted accounting principles (GAAP) and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR 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,



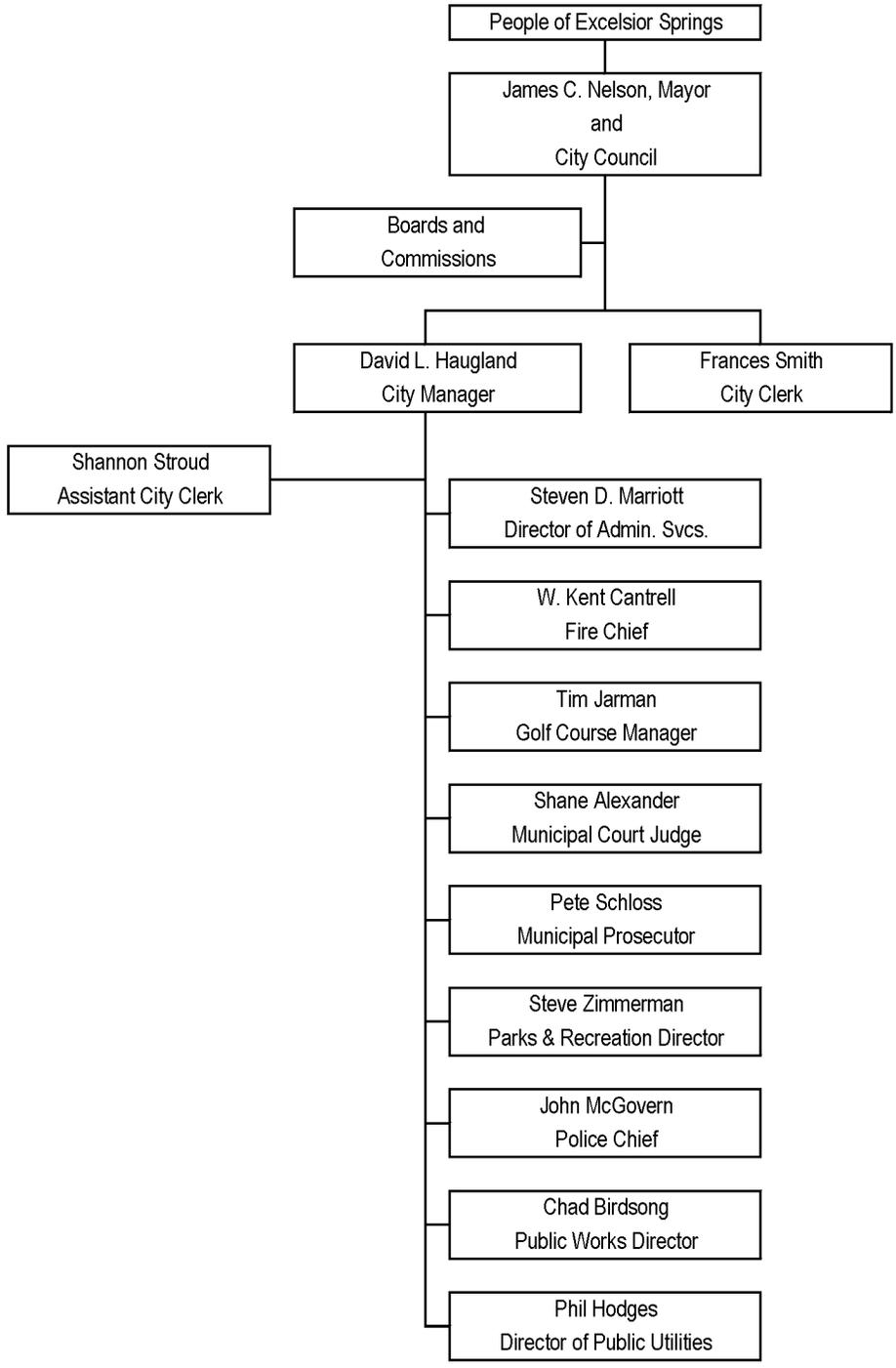
Steven D. Marriott, CPA,
Director of Administrative Services

City of Excelsior Springs, Missouri

Organizational Chart

Year Ended September 30, 2007

City of Excelsior Springs, Missouri



City of Excelsior Springs, Missouri

Principal Officials
September 30, 2007

Elected Officials

Mayor	James C. Nelson
Mayor Pro Tem	Chad Taylor
Councilman	Ken Fousek
Councilman	R.D. "Sonny" Parker
Councilwoman	Carolyn Schutte

Appointed Officials

City Manager	David L. Haugland
City Clerk	Frances Smith
Deputy City Clerk	Sherry Marcell
Director of Administrative Services	Steven D. Marriott
Fire Chief	W. Kent Cantrell
Golf Course Manager	Tim Jarmin
Municipal Court Judge	Shane Alexander
Municipal Prosecutor	Pete Schloss
Parks and Recreation Director	Steve Zimmerman
Police Chief	John McGovern
Public Works Director	Chad Birdsong
Director of Public Utilities	Phil Hodges

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, 2006

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.



Oliver S. Cox

President

Jeffrey R. Emery

Executive Director

McGladrey & Pullen

Certified Public Accountants

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, 2007, 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 49 percent 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, 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 provides a reasonable basis for our opinions.

As discussed in Note 12 to the basic financial statements, the City implemented retroactive reporting of major general infrastructure capital assets in accordance with Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. As a result, governmental activities net assets has been restated by \$6,942,031.

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, 2007, and the respective changes in financial position and cash flows, where applicable, thereof, and the respective budgetary comparison for the General Fund, Construction Services Fund, Parks and Recreation Fund, Capital Improvements Fund and Tax Increment Financing-Wal-Mart/Elms 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 January 25, 2008, 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.

The Management's Discussion and Analysis on pages 3 through 15 and the Pension Plan Schedule of Funding Progress and Schedule of Employer Contributions on page 66 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
January 25, 2008

City of Excelsior Springs, Missouri

Management's Discussion and Analysis For Fiscal Year Ended September 30, 2007

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, 2007. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

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 \$25,246,855. Of this amount, \$5,128,389 may be used to meet the government's ongoing obligations to citizens and creditors. For fiscal year 2006, assets exceeded liabilities by \$23,540,490 of which \$4,646,057 was unrestricted.
- The government's total net assets increased by \$1,706,365 and \$2,146,270 for fiscal years ended September 30, 2007 and 2006, 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 \$7,967,548, an increase of \$649,851. Approximately \$5,324,241 of this amount is available for spending at the government's discretion. Total governmental funds combined ending fund balances in fiscal year 2006 were \$7,317,697.
- At the end of the current fiscal year, the unreserved fund balance for the General Fund was \$1,752,332 or 29 percent of total General Fund expenditures.
- The City of Excelsior Springs total debt (excluding compensated absences) decreased by \$1,062,865 (9 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.

City of Excelsior Springs, Missouri

Management's Discussion and Analysis For Fiscal Year Ended September 30, 2007

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, Construction Services Special Revenue Fund, Parks and Recreation Special Revenue Fund, Capital Improvements Special Revenue Fund and Tax Increment Financing – Wal-Mart/Elms Special Revenue Fund, which are considered to be major funds. Data from the other 14 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 20-30 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.

City of Excelsior Springs, Missouri

**Management's Discussion and Analysis
For Fiscal Year Ended September 30, 2007**

The basic proprietary fund financial statements can be found on pages 31-38 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 39 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 40-65 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 67-85 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 \$25,246,855 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	
	2007	2006	2007	2006	2007	2006
Current and other assets	\$ 9,539,636	\$ 8,670,653	\$ 3,636,046	\$ 3,425,045	\$ 13,175,682	\$ 12,095,698
Capital assets	13,643,034	13,695,068	11,646,002	11,841,445	25,289,036	25,536,513
Total assets	23,182,670	22,365,721	15,282,048	15,266,490	38,464,718	37,632,211
Long-term liabilities outstanding	4,052,429	4,561,312	5,334,320	5,707,926	9,386,749	10,269,238
Other liabilities	2,731,125	2,783,944	1,099,989	1,038,539	3,831,114	3,822,483
Total liabilities	6,783,554	7,345,256	6,434,309	6,746,465	13,217,863	14,091,721
Net assets:						
Invested in capital assets, net of related debt	8,920,357	8,215,502	5,749,093	5,661,787	14,669,450	13,877,289
Restricted	4,443,656	3,915,523	1,005,360	1,101,621	5,449,016	5,017,144
Unrestricted	3,035,103	2,889,440	2,093,286	1,756,617	5,128,389	4,646,057
Total net assets	\$ 16,399,116	\$ 15,020,465	\$ 8,847,739	\$ 8,520,025	\$ 25,246,855	\$ 23,540,490

City of Excelsior Springs, Missouri

Management's Discussion and Analysis For Fiscal Year Ended September 30, 2007

A portion of the City of Excelsior Springs' net assets (22 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$5,128,389 or 20 percent) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, 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. In 2006, governmental activities liabilities exceeded the net book value of capital assets. This situation is related to the fact the City of Excelsior Springs had not yet capitalized infrastructure assets purchased or constructed prior to October 1, 2002.

There was an increase of \$528,133 in restricted net assets reported in connection with the City of Excelsior Springs' governmental activities. This increase was caused primarily by an increase in the monies held for transportation trust projects, parks and recreation projects and an increase in public safety sales tax funds on hand.

There was a decrease of \$96,261 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 \$1,706,365 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 change in net assets is as follows:

City of Excelsior Springs' Changes in Net Assets						
	Governmental Activities 2007	Business-Type Activities 2007	2007 Total	Governmental Activities 2006	Business-Type Activities 2006	2006 Total
Revenues:						
Program revenues:						
Charges for services	\$ 1,183,918	\$ 4,313,363	\$ 5,497,281	\$ 1,400,031	\$ 4,044,758	\$ 5,444,789
Operating grants and contributions	681,356	-	681,356	835,253	-	835,253
Capital grants and contributions	-	15,250	15,250	-	16,908	16,908
General revenues:						
Property taxes	1,722,677	-	1,722,677	1,607,557	-	1,607,557
General sales and use tax	4,788,957	-	4,788,957	4,628,119	-	4,628,119
Franchise tax	1,101,815	-	1,101,815	1,047,889	-	1,047,889
Cigarette tax	124,716	-	124,716	108,050	-	108,050
Railroad and utility/financial institution tax	66,088	-	66,088	54,581	-	54,581
Investment earnings	313,854	201,802	515,656	239,838	184,517	424,355
Miscellaneous	85,070	-	85,070	146,394	-	146,394
Total revenues	10,068,451	4,530,415	14,598,866	10,067,712	4,246,183	14,313,895

City of Excelsior Springs, Missouri

Management's Discussion and Analysis
For Fiscal Year Ended September 30, 2007

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

	Governmental Activities 2007	Business-Type Activities 2007	2007 Total	Governmental Activities 2006	Business-Type Activities 2006	2006 Total
Expenses:						
General government	999,410	-	999,410	939,821	-	939,821
Public safety	4,450,412	-	4,450,412	4,569,672	-	4,569,672
Transportation	97,584	-	97,584	108,254	-	108,254
Public works	1,428,481	-	1,428,481	1,067,169	-	1,067,169
Health and welfare	53,196	-	53,196	52,971	-	52,971
Recreational activities	511,358	-	511,358	311,201	-	311,201
Community betterment	1,287,102	-	1,287,102	967,437	-	967,437
Interest and fiscal charges	230,991	-	230,991	346,140	-	346,140
Water	-	1,707,102	1,707,102	-	1,690,883	1,690,883
Sewer	-	973,446	973,446	-	978,084	978,084
Golf	-	773,545	773,545	-	780,348	780,348
Airport	-	3,087	3,087	-	3,087	3,087
Refuse	-	376,787	376,787	-	352,558	352,558
Total expenses	9,058,534	3,833,967	12,892,501	8,362,665	3,804,960	12,167,625
Excess before transfers	1,009,917	696,448	1,706,365	1,705,047	441,223	2,146,270
Transfers	368,734	(368,734)	-	341,985	(341,985)	-
Change in net assets	1,378,651	327,714	1,706,365	2,047,032	99,238	2,146,270
Net assets, beginning, as restated	15,020,465	8,520,025	23,540,490	12,973,433	8,420,787	21,394,220
Net assets, ending	\$ 16,399,116	\$ 8,847,739	\$ 25,246,855	\$ 15,020,465	\$ 8,520,025	\$ 23,540,490

Governmental activities. Governmental activities increased the City of Excelsior Springs' net assets by \$1,378,651, accounting for 81 percent of the increase in the government's net assets. Key elements of this increase are as follows:

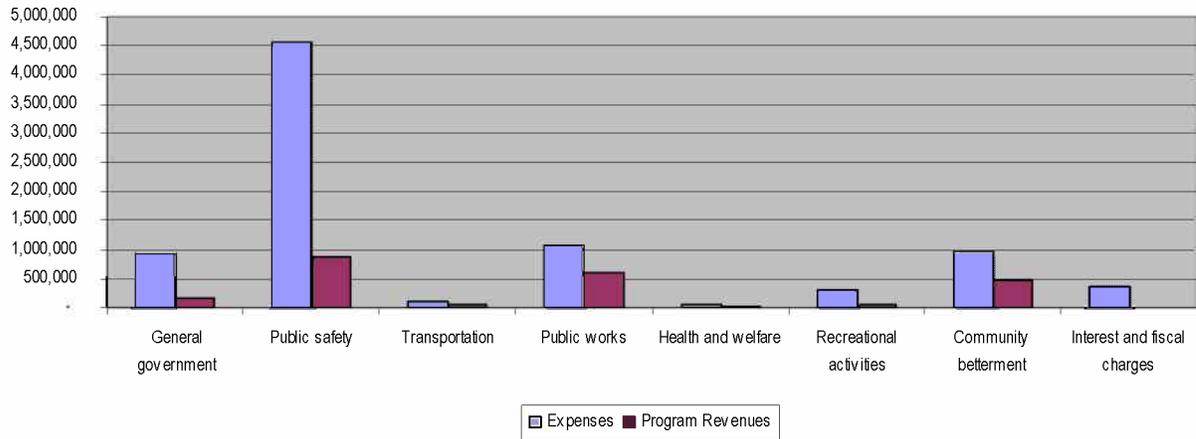
- Operating grants and contributions decreased by \$153,897 (18.5 percent) during the year. Most of this decrease is attributable to a one-time fire department grant funding received from FEMA during the prior fiscal year.
- Property tax revenues increased by \$115,120 (7.2 percent) during the year. This increase was caused by new construction.
- Sales and use tax revenues increased by \$160,838 (3.5 percent) during the year. Expansion of the Wal-Mart store and conversion into a super center was the largest contributor to this increase.
- Investment earnings increased by \$74,016 (30.9 percent) during the year. This increase was caused by improved interest rates and larger investment account balances.
- General government expenditures increased by \$59,589 (6.3 percent) during the fiscal year. The largest single factor in this increase was a \$28,361 increase in legal fees incurred during the year.
- Public safety expenditures decreased \$119,260 (2.6 percent) during the fiscal year. This decrease is primarily related to the one-time purchase of firefighting equipment completed during the prior fiscal year and funded by a FEMA grant.
- Community betterment expenditures increased by \$319,665 (33 percent) during the fiscal year. This increase was caused by increased surplus payments and payments to developer from the Tax Increment Financing funds.

City of Excelsior Springs, Missouri

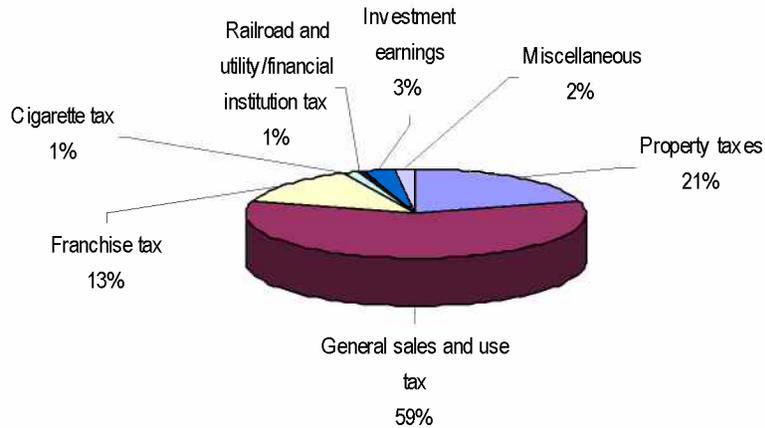
Management's Discussion and Analysis
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- Public works expenditures increased by \$361,312 (33.9 percent) during the fiscal year. This increase is attributable primarily to increased depreciation expense related to the addition of infrastructure constructed before October 2002.

Expenses and Program Revenues - Governmental Activities



Revenues by Source - Governmental Activities



City of Excelsior Springs, Missouri

Management's Discussion and Analysis For Fiscal Year Ended September 30, 2007

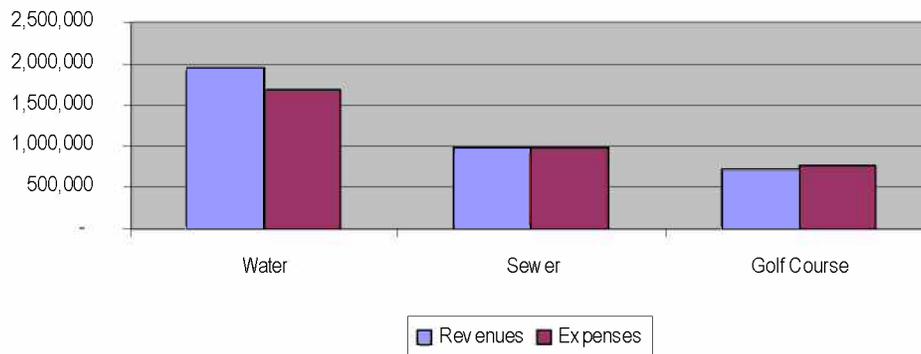
Business-type activities. Business-type activities increased the City of Excelsior Springs' net assets by \$327,714, accounting for 19 percent of the increase in the government's net assets. Key elements of this increase are as follows:

- Charges for services for business-type activities increased by \$268,605 (6.6 percent). This increase was driven by a \$129,951 (6.7 percent) increase in water revenues, a \$91,966 (9.6 percent) increase in sewer revenues and a \$54,134 (13.3 percent) increase in refuse revenues, partially offset by a decrease in airport revenues. The increase in water, sewer and refuse revenues was caused by a rate increase enacted at the end of the prior fiscal year, along with an additional refuse rate increase enacted during the current fiscal year as the contract rate with the provided increased.
- Operating expenses for business-type activities increased by \$29,007 (0.8 percent). Increases in water, golf course and refuse expenses offset by decreased sewer expenses accounted for all of this increase.
- Interest income for business-type activities increased by \$17,285 (9.4 percent), primarily due to higher interest rates.

In 2006, the business-type activities increased the City of Excelsior Springs' net assets by \$99,238, accounting for 4.6 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 \$267,227 (7.1 percent). This increase was driven by a \$120,743 (6.6 percent) increase in water revenues, a \$66,743 (6.4 percent) decrease in sewer revenues and a \$52,130 (7.8 percent) increase in golf course revenues.
- Operating expenses for business-type activities increased by \$90,066 (2.4 percent). Increases in sewer, golf course and refuse expenses offset by decreased water expenses accounted for all of this increase.
- Interest income for business-type activities increased by \$53,033 (40 percent), primarily due to higher interest rates.

Program Revenues and Expenses - Business-Type Activities



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.

City of Excelsior Springs, Missouri

Management's Discussion and Analysis For Fiscal Year Ended September 30, 2007

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 \$7,967,548, an increase of \$649,851 in comparison with the prior year. Approximately \$6,524,000 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 \$1,752,332; however, the City Council has designated \$1,200,000 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 9 percent of General Fund expenditures, while the total fund balance represents 40 percent of that same amount.

The fund balance of the City of Excelsior Springs' General Fund increased by \$124,003 during the current fiscal year. Key factors in this growth are as follows:

- Total revenues increased by \$208,729 (4 percent). This increase was caused primarily by a \$222,878 increase in tax revenues; a \$30,546 decrease in licenses, permits and fees; a \$73,237 decrease in charges for services; a \$36,794 increase in investment earnings; and a \$36,483 decrease in other revenues offset by other immaterial increases and decreases.
- Total expenditures increased by \$320,179 (5.6 percent). This increase was caused by a \$5,514 increase in general government expenditures; a \$368,567 increase in public safety expenditures; and a \$3,811 increase in community betterment expenditures. These increases were driven by increased salary and benefit costs, increased fuel prices during the year and by the purchase of a fire apparatus.
- Other financing sources increased by \$390,699. This increase was caused by a \$346,365 capital lease issuance.

The Construction Services Fund has a total fund balance of \$(47,816). Funding sources for the Construction Services Fund include intergovernmental revenues and operating transfers in. The fund balance of the Construction Services Fund decreased by \$108,471 during the fiscal year. Key factors in this decrease are as follows:

- Total revenues decreased by \$112,159 (87 percent). This decrease was caused primarily by a \$57,400 decrease in intergovernmental revenues and a \$37,536 decrease in other revenues. The decrease in intergovernmental revenues was caused primarily by a reduced scope of work on capital projects (and thus related billings).
- Total expenditures decreased by \$385,298 (32 percent). This decrease was caused primarily by reduced materials costs due to the reduced scope of work on capital projects.
- Operating transfers in decreased by \$335,719 (33 percent). The largest single factor in this decrease was a \$270,913 decrease, or 44.5 percent, in operating transfers from the transportation trust fund as the City reduced the scope of the annual overlay program due to the increased cost of asphalt.

City of Excelsior Springs, Missouri

Management's Discussion and Analysis For Fiscal Year Ended September 30, 2007

The Parks and Recreation Fund has a total fund balance of \$399,769. 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 \$77,793 during the fiscal year. Key factors of this increase are as follows:

- Total revenues increased by \$50,095 (9 percent). The largest factor in this increase was a \$45,431 (9 percent) increase in tax revenues driven primarily by a \$40,601 increase in property tax revenues due to higher assessed values.
- Total expenditures increased by \$65,200 (16 percent). Some of the factors in this increase include a \$21,936 (9 percent) increase in salary and benefit expenditures, a \$13,474 increase in professional service expenditures and a \$29,906 increase in materials expenditures.
- Operating transfers out decreased by \$45,014 (58 percent).

The Capital Improvements Fund has a total fund balance of \$1,447,758. 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 increased by \$375,175 during the fiscal year. Key factors of this increase include the following:

- Total revenues increased by \$55,213 (8 percent). The largest factor in this increase was a \$41,888 (7 percent) increase in sales and use tax revenues.
- Total expenditures decreased by \$185,729 (46 percent). This decrease occurred because management made a conscious decision to reduce the scope of capital improvement projects during the year.
- Operating transfers out decreased by \$71,837 (29 percent).

The Tax Increment Financing – Wal-Mart/Elms Fund has a total fund balance of \$804,763. Funding sources for the Tax Increment Financing – Wal-Mart/Elms Fund include payments in lieu of taxes (PILOTS) and economic activity taxes (EATS). The fund balance of the Tax Increment Financing – Wal-Mart/Elms Fund increased by \$175,700 during the fiscal year. Key factors of this increase include the following:

- Total revenues increased by \$294,861 (36 percent). The largest factor in this increase was a \$279,660 (49 percent) increase in economic activity taxes which is related to the fact the newly converted Wal-Mart Super Center opened part of the way through fiscal year 2006.
- Operating transfers in decreased by \$201,894 (100 percent). This decrease occurred because the related project fund was closed out during fiscal year 2006 and its balance transferred into this fund.
- Total expenditures increased by \$279,834 (89 percent). This increase occurred because surpluses accumulated during the prior fiscal year were higher than those accumulated previously and were distributed to the taxing entities.
- Operating transfers out increased by \$9,212 (3 percent).

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 \$905,493, \$1,810,352 and (\$748,694), respectively. The increase/decline in net assets for these funds was \$203,528, \$134,275 and (\$54,000), 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.

City of Excelsior Springs, Missouri

Management's Discussion and Analysis For Fiscal Year Ended September 30, 2007

General Fund Budgetary Highlights

General Fund Revenue: The original 2007 revenue budget was \$6,185,920 including operating transfers of \$956,639. The amended 2007 revenue budget was \$6,542,562 including operating transfers of \$890,385 and lease proceeds of \$346,365. Actual revenue, including operating transfers was \$6,653,361 and included the following variances:

Taxes, including property tax, franchise fees, sales and use tax and other miscellaneous taxes comprise 54 percent of the total General Fund revenue. In total, General Fund tax revenues exceeded the original budget by approximately 9 percent. Some elements of this difference are the following:

- Although property tax collections grew by 4.3 percent over fiscal year 2006, they fell short of the original budget by 1 percent.
- Sales and use tax collections exceeded the original budget by 15.2 percent and grew by 6.2 percent over fiscal year 2006. This increase was driven in part by the fact that one of the City's tax increment financing district was dissolved as the related debt was repaid. In addition, this was the first full year the newly converted Wal-Mart Super Center was open.
- Total franchise fees exceeded the original budget by 4.9 percent and grew by 6.2 percent from fiscal year 2006. Cable franchise fees exceeded the original budget by 14.4 percent and grew by 11.3 percent from fiscal year 2006. Electric franchise fees grew by 11.9 percent from fiscal year 2006 and the amount collected exceeded the original and amended budget by 6.9 percent and 1.2 percent, respectively. Telephone franchise fees grew by 3.0 percent from fiscal year 2006 and the amount collected exceeded the amended budget by 5.1 percent. Gas franchise fees decreased by 6.3 percent from fiscal year 2006; however, the amount collected exceeded the amended budget by 1.4 percent.
- Cigarette taxes exceeded the original budget and the revised budget by 20.4 percent and 1.9 percent, respectively, and grew by 15.4 percent over fiscal year 2006.
- Licenses and permits exceeded the original budget by 7.5 percent and fell by 13 percent from fiscal year 2006. The primary driving force behind this decrease was the large number of building permits issued during fiscal year 2006 related to repair of buildings damaged by two hailstorms.
- Charges for services fell short of the original budget by 26.4 percent and fell by 13 percent from fiscal year 2006. A decrease in net ambulance billings is the driving force behind this decline, with actual ambulance billings declining by 20.8 percent from fiscal year 2006 although amounts received exceeded the original budget by 3.4 percent.
- Fines and forfeitures exceeded the original budget by 18.7 percent and grew by 13 percent from fiscal year 2006. This increase was caused by increased enforcement activities.
- Investment earnings fell short of the original budget by 4.3 percent and grew by 47.1 percent over fiscal year 2006.
- Other revenues exceeded the original budget by 8 percent and fell by 18 percent over fiscal year 2006.
- Proceeds from capital leases exceeded the original budget by \$346,365 as the purchase of a fire apparatus was accelerated.

City of Excelsior Springs, Missouri

Management's Discussion and Analysis For Fiscal Year Ended September 30, 2007

General Fund Expenditures: The original 2007 expenditure budget was \$6,369,225 including operating transfers of \$443,702. The amended 2007 expenditure budget was \$6,772,153 including operating transfers of \$447,724. Actual expenditures, including operating transfers, were \$6,529,358 and grew by 5.6 percent over fiscal year 2006. Salary and benefit expenditures increased by \$199,729, or 4.9 percent, over fiscal year 2006. Other details of the changes are as follows:

- General government expenditures exceeded the original budget by 1.1 percent and grew by .7 percent over fiscal year 2006. Some elements of this difference are:
 - City manager and City council expenditures exceeded the original budget by 18.6 percent and grew by 2.5 percent over fiscal year 2006. The largest single factor in this increase was an increase in legal fees paid.
 - Finance department expenditures fell short of the original budget by 6.8 percent although they grew by 5.8 percent over fiscal year 2006. The largest single factor in this increase was related to increased personnel expenditures.
 - Building operations expenditures fell short of the original budget by 13.6 percent and fell by 15.4 percent over fiscal year 2006. This decrease was caused by reduced utility bills relating primarily to the fact that the Hall of Waters spa operated only three months during the fiscal year while it operated 12 months during fiscal year 2006.
- Public works expenditures fell short of the original budget by 19 percent and fell by 14 percent from fiscal year 2006. The largest single factor in this difference was the decision to defer equipment purchases which were included in the original budget.
- Public safety expenditures exceeded the original budget by 5.8 percent and grew by 8.9 percent over fiscal year 2006. Some elements of this difference are:
 - Police department expenditures exceeded the original budget by 0.4 percent and grew by 5.3 percent over fiscal year 2006. The largest single factor in this increase was an 8 percent increase in salary and benefit expenditures.
 - Municipal court expenditures exceeded the original budget by 9.1 percent and fell by 10.3 percent over fiscal year 2006. The largest single factor in this decrease was related to the decreased cost of providing housing and medical services for prisoners.
 - Fire department expenditures exceeded the original budget by 12.1 percent and grew by 16.3 percent over fiscal year 2006. This increase was caused by increased personnel expenditures and increased capital purchases.

Although community betterment expenditures increased by 0.9 percent from fiscal year 2006, they fell short of the original budget and the amended budget by 2.1 percent and 3.7 percent, respectively. The increase in community betterment expenditures was caused by a 2.2 percent increase in community development expenditures, a 0.4 percent increase in senior center expenditures and a 0.8 percent decrease in transportation expenditures.

City of Excelsior Springs, Missouri

Management's Discussion and Analysis
For Fiscal Year Ended September 30, 2007

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 \$25,289,036 (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 percent (a 0.4 percent decrease for governmental activities and a 1.7 percent decrease for business-type activities).

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	
	2007	Restated 2006	2007	2006	2007	2006
Land	\$ 1,523,144	\$ 1,523,144	\$ 1,036,813	\$ 1,036,813	\$ 2,559,957	\$ 2,559,957
Land improvements	-	-	390,608	433,063	390,608	433,063
Construction-in-progress	314,209	-	257,669	449,625	571,878	449,625
Buildings and improvements	1,321,087	1,461,354	3,010,951	3,240,991	4,332,038	4,702,345
Operating equipment	566,052	631,155	332,021	92,375	898,073	723,530
Furniture and office equipment	21,744	52,798	22,547	24,290	44,291	77,088
Vehicles	886,725	1,001,206	226,725	318,562	1,113,450	1,319,768
Infrastructure	9,010,073	9,025,411	6,368,668	6,245,726	15,378,741	15,271,137
	\$ 13,643,034	\$ 13,695,068	\$ 11,646,002	\$ 11,841,445	\$ 25,289,036	\$ 25,536,513

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 \$1,005,419, \$8,986,667 and \$627,500, respectively, for a total of \$10,619,586. Of this amount, \$360,000 is special assessment debt for which the government is liable in the event of default by the property owners subject to the assessment and \$8,986,667 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.

	City of Excelsior Springs' Outstanding Debt					
	Capital Leases, General Obligation Bonds, Revenue Bonds and Long-Term Debt					
	Governmental Activities		Business-Type Activities		Total	
2007	2006	2007	2006	2007	2006	
Capital leases	\$ 387,677	\$ 121,700	\$ 617,742	\$ 451,584	\$ 1,005,419	\$ 573,284
Special assessment debt with governmental commitment	360,000	425,000	-	-	360,000	425,000
Revenue bonds	3,975,000	4,950,000	4,651,667	5,024,167	8,626,667	9,974,167
Long-term loans payable	-	-	627,500	710,000	627,500	710,000
	\$ 4,722,677	\$ 5,496,700	\$ 5,896,909	\$ 6,185,751	\$ 10,619,586	\$ 11,682,451

The City of Excelsior Springs' total debt decreased by \$1,062,865 (9 percent) during the current fiscal year. This decrease resulted from \$1,652,309 in principal payments and the City entering into two capital leases totaling \$589,444.

City of Excelsior Springs, Missouri

Management's Discussion and Analysis For Fiscal Year Ended September 30, 2007

The City of Excelsior Springs maintains an "Aaa" rating from Moody'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 \$12.4 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 4.4 percent, which is 1.1 percent less than it was one year ago. This compares unfavorably to the state's average unemployment rate of 5.1 percent and the national average of 4.6 percent.
- Inflationary trends in the region compare favorably to national indices.

These factors were considered in preparing the City of Excelsior Springs' budget for the 2008 fiscal year.

- During the fiscal year, the unreserved fund balance of the General Fund declined to \$1,752,332. The City of Excelsior Springs appropriated \$126,137 of the existing fund balance for spending in the 2008 fiscal year.
- Water, sewer and refuse rate increases of 8 percent were included in the 2008 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 Office of the Finance Director, City of Excelsior Springs, 201 East Broadway, Excelsior Springs, Missouri 64024

City of Excelsior Springs, Missouri

Statement of Net Assets
September 30, 2007

Assets	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Hospital
Current assets:				
Cash and cash equivalents	\$ 3,557,220	\$ 1,404,588	\$ 4,961,808	\$ 1,615,136
Investments	1,417,474	1,490,231	2,907,705	-
Receivables, net of allowance for uncollectibles of \$1,229,257:				
Property taxes	1,292,991	-	1,292,991	-
Franchise taxes	125,564	-	125,564	-
Utility accounts	-	456,730	456,730	-
Patient accounts	-	-	-	2,285,539
Other	219,565	-	219,565	35,631
Accrued interest	-	7,714	7,714	-
Due from other governmental units	645,032	-	645,032	-
Prepaid items	139,197	-	139,197	332,113
Internal balances	731,870	(731,870)	-	-
Deferred charges	8,567	3,293	11,860	-
Supplies	-	-	-	317,644
Total current assets	8,137,480	2,630,686	10,768,166	4,586,063
Noncurrent assets:				
Nondepreciable:				
Land	1,523,144	1,036,813	2,559,957	-
Construction-in-progress	314,209	257,669	571,878	984,762
Depreciable:				
Land improvements	39,831	809,585	849,416	813,471
Buildings and improvements	4,244,024	5,107,018	9,351,042	5,496,275
Operating equipment	1,420,383	984,885	2,405,268	4,854,194
Furniture and office equipment	162,837	131,704	294,541	5,734,530
Vehicles	2,572,877	646,806	3,219,683	-
Infrastructure	44,481,006	14,884,758	59,365,764	-
Less accumulated depreciation	(41,115,277)	(12,213,236)	(53,328,513)	(12,387,060)
Total capital assets	13,643,034	11,646,002	25,289,036	5,496,172
Restricted cash and cash equivalents	1,152,156	736,118	1,888,274	-
Restricted investments	250,000	269,242	519,242	-
Cash and deposits held under bond indenture, due from primary government agency fund	-	-	-	1,891,709
Other	-	-	-	371,393
Total noncurrent assets	15,045,190	12,651,362	27,696,552	7,759,274
Total assets	\$ 23,182,670	\$ 15,282,048	\$ 38,464,718	\$ 12,345,337

See Notes to Basic Financial Statements.

Liabilities	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Hospital
Current liabilities:				
Accounts payable and accrued expenses	\$ 335,012	\$ 84,206	\$ 419,218	\$ 1,326,871
Unearned revenue	1,228,509	-	1,228,509	-
Customer deposits	-	270,114	270,114	-
Accrued interest	91,832	78,322	170,154	14,252
Current portion of long-term obligations:				
Loans payable	-	87,500	87,500	-
Capital lease obligations	105,248	81,339	186,587	245,331
Revenue bonds payable	565,000	393,750	958,750	188,129
Compensated absences	405,524	104,758	510,282	414,626
Total current liabilities	2,731,125	1,099,989	3,831,114	2,189,209
Noncurrent liabilities:				
Noncurrent portion of long-term obligations:				
Loans payable	-	540,000	540,000	-
Capital lease obligations	282,429	536,403	818,832	121,073
Revenue bonds payable	3,770,000	4,257,917	8,027,917	3,643,722
Total noncurrent liabilities	4,052,429	5,334,320	9,386,749	3,764,795
Total liabilities	6,783,554	6,434,309	13,217,863	5,954,004
Net assets:				
Invested in capital assets, net of related debt	8,920,357	5,749,093	14,669,450	1,297,917
Restricted for:				
Renewal and replacement	-	971,500	971,500	-
Lease purchase agreement	-	33,860	33,860	-
Debt service	1,012,406	-	1,012,406	671,948
Other purposes	270,396	-	270,396	82,791
Parks and recreation	399,769	-	399,769	-
Transportation trust	1,090,044	-	1,090,044	-
Capital improvements	144,585	-	144,585	721,865
Tax increment financing projects	823,469	-	823,469	-
E-911 system	294,034	-	294,034	-
Public safety	408,953	-	408,953	-
Unrestricted	3,035,103	2,093,286	5,128,389	3,616,812
Total net assets	16,399,116	8,847,739	25,246,855	6,391,333
Total liabilities and net assets	\$ 23,182,670	\$ 15,282,048	\$ 38,464,718	\$ 12,345,337

City of Excelsior Springs, Missouri

Statement of Activities
Year Ending September 30, 2007

Functions/Programs	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental activities:				
General government	\$ (999,410)	\$ 154,677	\$ -	\$ -
Public safety	(4,450,412)	798,748	19,187	-
Transportation	(97,584)	26,156	29,057	-
Public works	(1,428,481)	15,638	590,406	-
Health and welfare	(53,196)	-	12,375	-
Recreational activities	(511,358)	31,919	17,220	-
Community betterment	(1,287,102)	156,780	13,111	-
Interest and fiscal charges	(230,991)	-	-	-
Total governmental activities	(9,058,534)	1,183,918	681,356	-
Business-type activities:				
Water	(1,707,102)	2,075,336	-	-
Sewer	(973,446)	1,055,082	-	-
Golf	(773,545)	720,394	-	15,250
Airport	(3,087)	1,200	-	-
Refuse	(376,787)	461,351	-	-
Total business-type activities	(3,833,967)	4,313,363	-	15,250
Total primary government	(12,892,501)	5,497,281	681,356	15,250
Component unit - hospital	\$ (17,940,682)	\$ 17,639,306	\$ 369,384	\$ -

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

Transfers

Total general revenues and transfers

- Changes in net assets
- Net assets, beginning, as restated
- 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
\$ (844,733)	\$ -	\$ (844,733)	\$ -
(3,632,477)	-	(3,632,477)	-
(42,371)	-	(42,371)	-
(822,437)	-	(822,437)	-
(40,821)	-	(40,821)	-
(462,219)	-	(462,219)	-
(1,117,211)	-	(1,117,211)	-
(230,991)	-	(230,991)	-
(7,193,260)	-	(7,193,260)	-
-	368,234	368,234	-
-	81,636	81,636	-
-	(37,901)	(37,901)	-
-	(1,887)	(1,887)	-
-	84,564	84,564	-
-	494,646	494,646	-
(7,193,260)	494,646	(6,698,614)	-
-	-	-	68,008
1,722,677	-	1,722,677	236,000
4,788,957	-	4,788,957	-
1,101,815	-	1,101,815	-
124,716	-	124,716	-
66,088	-	66,088	-
313,854	201,802	515,656	173,501
85,070	-	85,070	-
368,734	(368,734)	-	-
8,571,911	(166,932)	8,404,979	409,501
1,378,651	327,714	1,706,365	477,509
15,020,465	8,520,025	23,540,490	5,913,824
\$ 16,399,116	\$ 8,847,739	\$ 25,246,855	\$ 6,391,333

City of Excelsior Springs, Missouri

**Balance Sheet
Governmental Funds
September 30, 2007**

	Governmental Fund Types	
	General	Construction Services
Assets		
Cash and cash equivalents	\$ 132,895	\$ 848
Investments	1,170,414	-
Receivables, net of allowance for uncollectibles of \$204,858:		
Property taxes	779,761	-
Franchise taxes	125,564	-
Other	217,725	-
Due from other governments	257,775	-
Due from other funds	-	-
Prepaid items	139,197	-
Restricted cash and cash equivalents	389,750	-
Restricted investments	250,000	-
Total assets	\$ 3,463,081	\$ 848
Liabilities and Fund Balance		
Liabilities:		
Accounts payable and accrued expenses	\$ 289,761	\$ 2,485
Due to other funds	-	46,179
Deferred revenue	740,087	-
Total liabilities	1,029,848	48,664
Fund balance:		
Reserved for police programs	29,679	-
Reserved for court	21,176	-
Reserved for construction	160,940	-
Reserved for ambulance	58,601	-
Reserved for encumbrances	21,308	-
Reserved for debt service	250,000	-
Reserved for prepaid items	139,197	-
Unreserved, designated for board use	1,200,000	-
Unreserved, reported in:		
General Fund	552,332	-
Special revenue funds	-	(47,816)
Capital Projects Fund	-	-
Total fund balance (deficit)	2,433,233	(47,816)
Total liabilities and fund balance (deficit)	\$ 3,463,081	\$ 848

See Notes to Basic Financial Statements.

Governmental Fund Types

Parks and Recreation	Capital Improvements	Tax Increment Financing- Wal-Mart/Elms	Other Governmental Funds	Total Governmental Funds
\$ 392,712	\$ 344,662	\$ 747,474	\$ 1,938,629	\$ 3,557,220
-	247,060	-	-	1,417,474
448,733	-	50,348	14,149	1,292,991
-	-	-	-	125,564
-	1,840	-	-	219,565
155	91,262	57,289	238,551	645,032
-	778,049	-	-	778,049
-	-	-	-	139,197
-	-	-	762,406	1,152,156
-	-	-	-	250,000
<u>\$ 841,600</u>	<u>\$ 1,462,873</u>	<u>\$ 855,111</u>	<u>\$ 2,953,735</u>	<u>\$ 9,577,248</u>
\$ 15,520	\$ 15,115	\$ -	\$ 12,131	\$ 335,012
-	-	-	-	46,179
426,311	-	50,348	11,763	1,228,509
<u>441,831</u>	<u>15,115</u>	<u>50,348</u>	<u>23,894</u>	<u>1,609,700</u>
-	-	-	-	29,679
-	-	-	-	21,176
-	-	-	-	160,940
-	-	-	-	58,601
-	-	-	-	21,308
-	-	-	762,406	1,012,406
-	-	-	-	139,197
-	-	-	-	1,200,000
-	-	-	-	552,332
399,769	1,447,758	804,763	2,022,850	4,627,324
-	-	-	144,585	144,585
<u>399,769</u>	<u>1,447,758</u>	<u>804,763</u>	<u>2,929,841</u>	<u>7,967,548</u>
<u>\$ 841,600</u>	<u>\$ 1,462,873</u>	<u>\$ 855,111</u>	<u>\$ 2,953,735</u>	<u>\$ 9,577,248</u>

City of Excelsior Springs, Missouri

Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities
September 30, 2007

Total governmental fund balances		\$	7,967,548
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds			13,643,034
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	\$	(405,524)	
Accrued interest on long-term debt		(91,832)	
Capital leases payable		(387,677)	
Bonds payable		(4,335,000)	
Deferred charges		8,567	(5,211,466)
Net assets of governmental activities			<u>\$ 16,399,116</u>

See Notes to Basic Financial Statements.

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City of Excelsior Springs, Missouri

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
Year Ended September 30, 2007

	General	Construction Services
Revenues:		
Taxes	\$ 3,564,788	\$ -
Licenses, permits and fees	198,893	-
Intergovernmental	644,219	14,179
Charges for services	503,449	-
Fines and forfeitures	270,671	-
Special assessment fees	275	-
Investment earnings	114,865	-
Other	169,618	2,803
Total revenues	5,466,778	16,982
Expenditures:		
Current:		
General government:		
Administration	12,561	-
City manager/council	323,012	-
Finance administration	325,401	-
Building operations	93,702	-
Public works, street operations	364,649	814,703
Public safety:		
Police department	2,265,197	-
Municipal courts	238,465	-
Fire department	2,018,882	-
Recreational activities, parks and recreation	-	-
Community betterment:		
Transportation activities	65,968	-
Community development	325,037	-
Senior center	53,196	-
Capital outlay	-	4,699
Debt service:		
Principal	-	-
Interest	-	-
Trustee fees	-	-
Total expenditures	6,086,070	819,402
Excess of revenues over (under) expenditures	(619,292)	(802,420)
Other financing sources (uses):		
Issuance of capital lease	346,365	-
Proceeds from sale of capital assets	392	-
Transfers in	839,826	703,949
Transfers out	(443,288)	(10,000)
Total other financing sources (uses)	743,295	693,949
Net change in fund balance	124,003	(108,471)
Fund balances, beginning	2,309,230	60,655
Fund balances (deficit), ending	\$ 2,433,233	\$ (47,816)

See Notes to Basic Financial Statements.

	Parks and Recreation	Capital Improvements	Tax Increment Financing- Wal-Mart/Elms	Other Governmental Funds	Total Governmental Funds
\$	531,825	\$ 720,497	\$ 1,086,022	\$ 1,901,121	\$ 7,804,253
	-	-	-	-	198,893
	-	-	-	37,137	695,535
	29,891	-	-	-	533,340
	-	-	-	-	270,671
	-	-	-	69,068	69,343
	26,737	49,781	37,223	85,248	313,854
	4,029	6,112	-	-	182,562
	592,482	776,390	1,123,245	2,092,574	10,068,451
	-	98,283	-	89,950	200,794
	-	-	-	-	323,012
	-	-	-	-	325,401
	-	-	-	-	93,702
	-	122,076	-	27,801	1,329,229
	-	-	-	92,151	2,357,348
	-	-	-	-	238,465
	-	-	-	-	2,018,882
	480,314	-	-	-	480,314
	-	122	595,400	-	661,490
	-	-	-	363,916	688,953
	-	-	-	-	53,196
	1,765	-	-	2,827	9,291
	-	-	-	1,120,388	1,120,388
	-	-	-	223,829	223,829
	-	-	-	9,797	9,797
	482,079	220,481	595,400	1,930,659	10,134,091
	110,403	555,909	527,845	161,915	(65,640)
	-	-	-	-	346,365
	-	-	-	-	392
	-	-	-	1,369,993	2,913,768
	(32,610)	(180,734)	(352,145)	(1,526,257)	(2,545,034)
	(32,610)	(180,734)	(352,145)	(156,264)	715,491
	77,793	375,175	175,700	5,651	649,851
	321,976	1,072,583	629,063	2,924,190	7,317,697
\$	399,769	\$ 1,447,758	\$ 804,763	\$ 2,929,841	\$ 7,967,548

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, 2007**

Total net change in fund balances - governmental funds	\$	649,851
<p>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:</p>		
Depreciation		(605,546)
Capital outlays		595,822
<p>The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, donations and disposals) is to increase/decrease net assets:</p>		
Loss on sale of capital assets		(41,918)
Proceeds on sale of capital assets		(392)
<p>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</p>		
		4,176
<p>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:</p>		
Issuance of capital lease		(346,365)
Repayment of principal of long-term debt		1,120,388
Interest		11,202
Amortization of deferred charges		(8,567)
Change in net assets of governmental activities	\$	1,378,651

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, 2007

	General Fund			Variance With Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Taxes	\$ 3,268,581	\$ 3,484,256	\$ 3,564,788	\$ 80,532
Licenses, permits and fees	184,950	189,850	198,893	9,043
Intergovernmental	571,500	653,685	644,219	(9,466)
Charges for services	684,150	424,423	503,449	79,026
Fines and forfeitures	228,000	260,800	270,671	9,871
Special assessment fees	-	-	275	275
Investment earnings	120,000	147,451	114,865	(32,586)
Other	157,100	141,505	169,618	28,113
Total revenues	5,214,281	5,301,970	5,466,778	164,808
Expenditures:				
Current:				
General government	746,155	792,332	754,676	37,656
Public works	448,229	396,287	364,649	31,638
Public safety	4,277,244	4,674,752	4,522,544	152,208
Community betterment	453,895	461,058	444,201	16,857
Total expenditures	5,925,523	6,324,429	6,086,070	238,359
Excess of revenues over (under) expenditures	(711,242)	(1,022,459)	(619,292)	403,167
Other financing sources (uses):				
Transfers in	956,639	890,385	839,826	(50,559)
Transfers out	(443,702)	(447,724)	(443,288)	4,436
Issuance of capital lease	-	346,365	346,365	-
Proceeds on sale of capital assets	15,000	3,842	392	(3,450)
Total other financing sources (uses)	527,937	792,868	743,295	(49,573)
Net change in fund balance	\$ (183,305)	\$ (229,591)	124,003	\$ 353,594
Fund balances, beginning			2,309,230	
Fund balances, ending			<u>\$ 2,433,233</u>	

See Notes to Basic Financial Statements.

City of Excelsior Springs, Missouri

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 Construction Services Fund
 Year Ended September 30, 2007

	Construction Services Fund			Variance With
	Original Budget	Final Budget	Actual	Final Budget Positive (Negative)
Revenues:				
Licenses, permits and fees	\$ 4,000	\$ -	\$ -	\$ -
Intergovernmental	25,000	-	14,179	14,179
Other	4,800	14,379	2,803	(11,576)
Total revenues	33,800	14,379	16,982	2,603
Expenditures:				
Current, public works	894,968	854,987	814,703	40,284
Capital outlay	25,500	7,000	4,699	2,301
Total expenditures	920,468	861,987	819,402	42,585
Excess of revenues over (under) expenditures	(886,668)	(847,608)	(802,420)	45,188
Other financing sources (uses):				
Transfers in	950,300	765,876	703,949	(61,927)
Transfers out	(26,100)	(25,000)	(10,000)	15,000
Total other financing sources (uses)	924,200	740,876	693,949	(46,927)
Net change in fund balance	\$ 37,532	\$ (106,732)	(108,471)	\$ (1,739)
Fund balances, beginning			60,655	
Fund balances, ending			<u>\$ (47,816)</u>	

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, 2007**

	Parks and Recreation Fund			Variance With Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Taxes	\$ 498,467	\$ 531,613	\$ 531,825	\$ 212
Charges for services	24,000	24,000	29,891	5,891
Investment earnings	12,000	22,510	26,737	4,227
Other	1,220	2,061	4,029	1,968
Total revenues	535,687	580,184	592,482	12,298
Expenditures:				
Current, recreational activities	417,004	450,483	480,314	(29,831)
Capital outlay	55,000	-	1,765	(1,765)
Total expenditures	472,004	450,483	482,079	(31,596)
Excess of revenues over (under) expenditures	63,683	129,701	110,403	(19,298)
Other financing sources (uses):				
Transfers in	30,000	-	-	-
Other	5,000	-	-	-
Transfers out	(97,000)	(64,839)	(32,610)	32,229
Total other financing sources (uses)	(62,000)	(64,839)	(32,610)	32,229
Net change in fund balance	\$ 1,683	\$ 64,862	77,793	\$ 12,931
Fund balances, beginning			321,976	
Fund balances, ending			<u>\$ 399,769</u>	

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, 2007

	Capital Improvements Fund			Variance With Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Taxes	\$ 626,000	\$ 660,877	\$ 720,497	\$ 59,620
Investment earnings	15,000	38,000	49,781	11,781
Other	-	6,112	6,112	-
Total revenues	641,000	704,989	776,390	71,401
Expenditures:				
Current:				
General government	115,000	97,902	98,283	(381)
Public works	60,000	130,531	122,076	8,455
Community betterment	-	-	122	(122)
Total expenditures	175,000	228,433	220,481	7,952
Excess of revenues over (under) expenditures	466,000	476,556	555,909	79,353
Other financing (uses), transfers out	(517,485)	(215,000)	(180,734)	34,266
Net change in fund balance	\$ (51,485)	\$ 261,556	375,175	\$ 113,619
Fund balances, beginning			1,072,583	
Fund balances, ending			<u>\$ 1,447,758</u>	

See Notes to Basic Financial Statements.

City of Excelsior Springs, Missouri

**Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Tax Increment Financing - Wal-Mart/Elms Fund
Year Ended September 30, 2007**

	Tax Increment Financing - Wal-Mart/Elms Fund			Variance With Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Taxes	\$ 773,750	\$ 1,057,129	\$ 1,086,022	\$ 28,893
Investment earnings	22,000	35,000	37,223	2,223
Total revenues	795,750	1,092,129	1,123,245	31,116
Expenditures, community betterment	337,500	595,400	595,400	-
Excess of revenues over (under) expenditures	458,250	496,729	527,845	31,116
Other financing (uses), transfers out	(344,728)	(384,483)	(352,145)	32,338
Net change in fund balance	\$ 113,522	\$ 112,246	175,700	\$ 63,454
Fund balances, beginning			629,063	
Fund balances, ending			<u>\$ 804,763</u>	

See Notes to Basic Financial Statements.

City of Excelsior Springs, Missouri

Statement of Net Assets
Enterprise Funds
September 30, 2007

Assets	<u>Water</u>	<u>Pollution Control</u>
Current assets:		
Cash and cash equivalents	\$ 671,613	\$ 554,932
Investments	403,214	1,087,017
Accounts receivable, utility accounts net of allowance for uncollectibles of \$22,581	254,955	150,817
Accrued interest receivable	1,261	6,453
Deferred charges	-	3,293
Total current assets	<u>1,331,043</u>	<u>1,802,512</u>
Noncurrent assets:		
Restricted cash	74,758	627,500
Restricted investments	269,242	-
Total restricted assets	<u>344,000</u>	<u>627,500</u>
Advances to other funds	-	50,000
Capital assets:		
Land	131,849	799,000
Construction-in-progress	167,593	90,076
Land improvements	-	-
Buildings and improvements	4,754,843	9,280
Operating equipment	192,727	170,570
Furniture and office equipment	51,200	72,437
Vehicles	244,723	399,833
Infrastructure	6,591,799	8,292,959
Total capital assets	<u>12,134,734</u>	<u>9,834,155</u>
Less accumulated depreciation	5,533,326	5,629,406
Net capital assets	<u>6,601,408</u>	<u>4,204,749</u>
Total noncurrent assets	<u>6,945,408</u>	<u>4,882,249</u>
Total assets	<u>\$ 8,276,451</u>	<u>\$ 6,684,761</u>

(Continued)

Golf	Nonmajor Enterprise Funds	Total Enterprise Funds
\$ -	\$ 178,043	\$ 1,404,588
-	-	1,490,231
-	50,958	456,730
-	-	7,714
-	-	3,293
-	229,001	3,362,556
33,860	-	736,118
-	-	269,242
33,860	-	1,005,360
-	-	50,000
55,964	50,000	1,036,813
-	-	257,669
809,585	-	809,585
294,271	48,624	5,107,018
621,588	-	984,885
8,067	-	131,704
2,250	-	646,806
-	-	14,884,758
1,791,725	98,624	23,859,238
1,012,347	38,157	12,213,236
779,378	60,467	11,646,002
813,238	60,467	12,701,362
\$ 813,238	\$ 289,468	\$ 16,063,918

City of Excelsior Springs, Missouri

Statement of Net Assets (Continued)
Enterprise Funds
September 30, 2007

Liabilities and Fund Equity (Deficit)	Water	Pollution Control
Current liabilities:		
Due to other funds	\$ -	\$ -
Accounts payable and accrued expenses	50,747	13,604
Compensated absences	28,524	28,556
Customer deposits and bonds	270,114	-
Accrued interest	76,165	-
Current portion of:		
Loans payable	-	87,500
Capital lease obligations	-	-
Revenue bonds payable	215,000	178,750
Total current liabilities	<u>640,550</u>	<u>308,410</u>
Noncurrent liabilities:		
Advances from other funds	-	-
Loans payable	-	540,000
Capital lease obligations	-	-
Revenue bonds payable	3,225,000	1,032,917
Total noncurrent liabilities	<u>3,225,000</u>	<u>1,572,917</u>
Total liabilities	<u>3,865,550</u>	<u>1,881,327</u>
Net assets (deficit):		
Invested in capital assets, net of related debt	3,161,408	2,365,582
Restricted for renewal and replacement	344,000	627,500
Restricted for lease purchase agreement	-	-
Unrestricted	905,493	1,810,352
Total net assets (deficit)	<u>4,410,901</u>	<u>4,803,434</u>
Total liabilities and net assets (deficit)	<u>\$ 8,276,451</u>	<u>\$ 6,684,761</u>

See Notes to Basic Financial Statements.

	Golf	Nonmajor Enterprise Funds	Total Enterprise Funds
\$	629,450	\$ 102,420	\$ 731,870
	19,409	446	84,206
	47,678	-	104,758
	-	-	270,114
	2,157	-	78,322
	-	-	87,500
	81,339	-	81,339
	-	-	393,750
	<u>780,033</u>	<u>102,866</u>	<u>1,831,859</u>
	50,000	-	50,000
	-	-	540,000
	536,403	-	536,403
	-	-	4,257,917
	<u>586,403</u>	<u>-</u>	<u>5,384,320</u>
	<u>1,366,436</u>	<u>102,866</u>	<u>7,216,179</u>
	161,636	60,467	5,749,093
	-	-	971,500
	33,860	-	33,860
	<u>(748,694)</u>	<u>126,135</u>	<u>2,093,286</u>
	<u>(553,198)</u>	<u>186,602</u>	<u>8,847,739</u>
\$	<u>813,238</u>	<u>\$ 289,468</u>	<u>\$ 16,063,918</u>

City of Excelsior Springs, Missouri

Statement of Revenues, Expenses and Changes in Fund Net Assets (Deficit)
Enterprise Funds
Year Ended September 30, 2007

	Water	Pollution Control
Operating revenues:		
Charges for services	\$ 2,038,958	\$ 1,053,097
Rental income	32,317	1,804
Other	4,061	181
Total operating revenues	2,075,336	1,055,082
Operating expenses:		
Personnel services	501,897	345,814
Contractual and professional services	110,509	83,032
Utilities	152,424	108,921
Maintenance and repairs	42,142	31,393
Cost of goods sold	-	-
Insurance	30,363	10,722
Supplies and materials (administrative)	261,610	49,890
Depreciation	428,751	263,845
Amortization	-	2,800
Total operating expenses	1,527,696	896,417
Operating income (loss)	547,640	158,665
Nonoperating revenue (expense):		
Gain on sale of capital assets	-	-
Investment earnings	56,116	134,072
Interest expense	(179,406)	(77,029)
Total nonoperating revenue (expense)	(123,290)	57,043
Income (loss) before transfers	424,350	215,708
Transfers in	193	10,232
Transfers out	(221,015)	(91,665)
Change in net assets	203,528	134,275
Total net assets (deficit), beginning	4,207,373	4,669,159
Total net assets (deficit), ending	\$ 4,410,901	\$ 4,803,434

See Notes to Basic Financial Statements.

Golf	Nonmajor Enterprise Funds	Total Enterprise Funds
\$ 720,394	\$ 459,593	\$ 4,272,042
-	1,200	35,321
-	1,758	6,000
<u>720,394</u>	<u>462,551</u>	<u>4,313,363</u>
316,627	-	1,164,338
1,490	370,713	565,744
30,782	-	292,127
83,158	-	156,693
100,618	-	100,618
5,938	2,770	49,793
115,169	6,074	432,743
89,501	317	782,414
-	-	2,800
<u>743,283</u>	<u>379,874</u>	<u>3,547,270</u>
<u>(22,889)</u>	<u>82,677</u>	<u>766,093</u>
15,250	-	15,250
3,646	7,968	201,802
<u>(30,262)</u>	<u>-</u>	<u>(286,697)</u>
<u>(11,366)</u>	<u>7,968</u>	<u>(69,645)</u>
<u>(34,255)</u>	<u>90,645</u>	<u>696,448</u>
-	-	10,425
<u>(19,745)</u>	<u>(46,734)</u>	<u>(379,159)</u>
<u>(19,745)</u>	<u>(46,734)</u>	<u>(368,734)</u>
<u>(54,000)</u>	<u>43,911</u>	<u>327,714</u>
<u>(499,198)</u>	<u>142,691</u>	<u>8,520,025</u>
<u>\$ (553,198)</u>	<u>\$ 186,602</u>	<u>\$ 8,847,739</u>

City of Excelsior Springs, Missouri

Statement of Cash Flows - Enterprise Funds
Year Ended September 30, 2007

	Water	Pollution Control
Cash flows from operating activities:		
Cash collected from customers	\$ 2,052,129	\$ 1,036,507
Cash paid to suppliers for goods and services	(585,841)	(307,461)
Cash paid to employees for services	(518,871)	(341,741)
Net cash provided by operating activities	947,417	387,305
Cash flows from noncapital financing activities:		
Decrease in advances to other funds	-	10,000
Decrease in advances from other funds	-	-
Interfund proceeds	299,953	48,012
Interfund payments	-	-
Transfers in	193	10,232
Transfers out	(221,015)	(91,665)
Net cash provided by (used in) noncapital financing activities	79,131	(23,421)
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(188,643)	(134,578)
Proceeds from debt	-	-
Principal payments on revenue bonds and capital leases	(205,000)	(250,000)
Proceeds from sale of capital assets	-	-
Interest paid	(180,280)	(77,029)
Net cash (used in) capital and related financing activities	(573,923)	(461,607)
Cash flows from investing activities:		
Purchase of investments	(944,485)	(3,348,259)
Interest	54,855	127,619
Proceeds from sales and maturities of investments	853,248	3,436,492
Net cash provided by (used in) investing activities	(36,382)	215,852
Net increase in cash and cash equivalents	416,243	118,129
Cash and cash equivalents:		
Beginning	330,128	1,064,303
Ending	\$ 746,371	\$ 1,182,432
Reconciliation of operating income (loss) to net cash provided by operating activities:		
Operating income (loss)	\$ 547,640	\$ 158,665
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation and amortization	428,751	266,645
(Increase) in accounts receivable	(34,537)	(18,575)
Increase (decrease) in accounts payable and accrued expenses	11,207	(23,503)
Increase (decrease) in compensated absences	(16,974)	4,073
Increase in customer deposits and bonds	11,330	-
Net cash provided by operating activities	\$ 947,417	\$ 387,305
Schedule of noncash items,		
capital and related financing activities, trade credit received for purchase of new capital asset	\$ -	\$ 5,520

See Notes to Basic Financial Statements.

Golf	Nonmajor Enterprise Funds	Total Enterprise Funds
\$ 720,394	\$ 448,392	\$ 4,257,422
(338,893)	(406,793)	(1,638,988)
(301,739)	-	(1,162,351)
79,762	41,599	1,456,083
-	-	10,000
(10,000)	-	(10,000)
71,280	1,570	420,815
-	-	-
-	-	10,425
(19,745)	(46,734)	(379,159)
41,535	(45,164)	52,081
(258,230)	-	(581,451)
243,079	-	243,079
(76,921)	-	(531,921)
15,250	-	15,250
(30,269)	-	(287,578)
(107,091)	-	(1,142,621)
-	-	(4,292,744)
3,646	7,968	194,088
-	-	4,289,740
3,646	7,968	191,084
17,852	4,403	556,627
16,008	173,640	1,584,079
\$ 33,860	\$ 178,043	\$ 2,140,706
\$ (22,889)	\$ 82,677	\$ 766,093
89,501	317	785,214
-	(14,159)	(67,271)
(1,738)	(27,236)	(41,270)
14,888	-	1,987
-	-	11,330
\$ 79,762	\$ 41,599	\$ 1,456,083
\$ -	\$ -	\$ 5,520

City of Excelsior Springs, Missouri

Statement of Assets and Liabilities - Agency Funds
September 30, 2007

Assets

Cash and cash equivalents	\$	3,069,880
Taxes receivable		226,515
	\$	<u>3,296,395</u>

Liabilities

Accounts payable	\$	(54,279)
Unearned revenue		216,155
Due to component unit		2,999,481
Due to other governments		135,038
	\$	<u>3,296,395</u>

See Notes to Basic Financial Statements.

City of Excelsior Springs, Missouri

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. 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.

Construction Services Fund: A Special Revenue Fund, accounts for construction projects of the City.

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.

Tax Increment Financing-Wal-Mart/Elms Fund: A Special Revenue Fund, accounts for the receipts and disbursements of the Wal-Mart/Elms TIF District.

The Construction Services Fund is shown as a major fund for public interest purposes.

City of Excelsior Springs, Missouri

Notes to Basic Financial Statements

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, Community Development Block Grant Fund, Transportation Trust Fund, Tax Increment Financing-Price Chopper 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 and the Elms Hotel Events Fees 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, Tax Increment Financing Price Chopper 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 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.

City of Excelsior Springs, Missouri

Notes to Basic Financial Statements

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. 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.

City of Excelsior Springs, Missouri

Notes to Basic Financial Statements

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 2007 levy plus any uncollected amounts from the 2006 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 funds of the primary government. All appropriations are legally controlled at the department level for the individual funds. On September 18, 2006, the City Council formally approved the original adopted budget and on September 17, 2007, 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 then the budget must be amended or the City Council must pass a resolution authorizing the expenditures in excess of the budget.

City of Excelsior Springs, Missouri

Notes to Basic Financial Statements

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, Construction Services Fund, Parks and Recreation Fund, Capital Improvements Fund and Tax Increment Financing – Wal-Mart/Elms 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.

Expenditures exceeded the final budget by \$31,596 and \$653 of the Special Revenue Parks and Recreation Fund and the Debt Service Tax Increment Financing – Wal-Mart/Elms Fund, respectively.

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.

City of Excelsior Springs, Missouri

Notes to Basic Financial Statements

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 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.

City of Excelsior Springs, Missouri

Notes to Basic Financial 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 Construction Services Fund, Special Revenue Fund, of \$47,816 and a deficit net assets balance in the Golf Fund of \$553,198 and the Airport Fund of \$41,953, both enterprise funds.

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.

Post employment benefits: In addition to the pension benefits described in Note 7, the City offers post-retirement health care benefits to all employees who retire from the City. The premium is paid fully by the retiree either monthly or quarterly at the retiree's discretion for the next period's coverage. There is no associated cost to the City under this program.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the City provides health care benefits to eligible former employees and eligible dependents. Certain requirements are outlined by the Federal government for this coverage. The premium is paid by the insured either monthly or quarterly at the insured's discretion for the next period's coverage. This program is offered for a duration of 18 months after the termination date. There is no associated cost to the City under this program.

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 \$43,129 and \$213,523 for 2007 and 2006, respectively.

City of Excelsior Springs, Missouri

Notes to Basic Financial Statements

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

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.

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 \$1,012,406 for debt service, \$399,769 for parks and recreation, \$1,090,044 for transportation trust, \$144,585 for capital improvements, \$823,469 for tax increment financing projects, \$294,034 for E-911 system and \$408,953 for public safety. Net assets restricted for purposes other than enabling legislation consist of \$270,397 restricted for other purposes.

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, 2007, the City had the following investments:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 to 5	6 - 10	More Than 10
U.S. Government Securities	\$ 3,426,947	\$ 3,025,947	\$ 401,000	\$ -	\$ -

Interest Rate Risk: As a means of limiting its exposure to fair value losses arising from interest rates, the City's investment policy limits its investment portfolio to maturities of less than three years. All of the investments owned by the City as of September 30, 2007 have maturity dates of less than three years.

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, 2007, the City's investments consisted of U.S. Government Securities and were rated Aaa and AAA by Moody's Investor Service and Standard & Poor's, respectively.

City of Excelsior Springs, Missouri

Notes to Basic Financial Statements

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 probability safety of their capital, as well as the probable income to be derived.

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, 2007, 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, 2007, none of the City's bank balance of \$7,203,495, which excludes the Hospital agency fund, was exposed to custodial credit risk.

The bank balance of deposits for the Excelsior Springs City Hospital was \$2,904,787. 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, 2007.

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.

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, 2006, on which the fiscal year 2007 levy was based, was \$123,777,036 and \$127,281,176 for the General Fund and other funds, respectively. The assessed value of railroad and utility properties as of January 1, 2006 was \$5,183,905 and \$5,183,905 for the General Fund and other funds, respectively. During the year ended September 30, 2007, the City collected 98.80 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, 2007 are as follows:

Fund	Levy
General	\$ 0.5720
Parks/recreation	0.3208
Total primary government	0.8928
Component unit - City Hospital	0.1604
Total reporting entity	\$ 1.0532

City of Excelsior Springs, Missouri

Notes to Basic Financial Statements

Note 4. Capital Assets

The following is a summary of changes in capital assets for the year ended September 30, 2007:

	As restated, 2006 Balance	Additions	Retirements	2007 Balance
Governmental activities				
Capital assets, not being depreciated:				
Land	\$ 1,523,144	\$ -	\$ -	\$ 1,523,144
Construction-in-progress	-	314,209	-	314,209
Total capital assets, not being depreciated	1,523,144	314,209	-	1,837,353
Capital assets, being depreciated:				
Land improvements	39,831	-	-	39,831
Buildings and improvements	4,244,024	-	-	4,244,024
Operating equipment	1,427,900	19,483	27,000	1,420,383
Furniture and office equipment	191,647	-	28,810	162,837
Vehicles	2,524,765	67,321	19,209	2,572,877
Infrastructure	44,286,197	194,809	-	44,481,006
Total capital assets, being depreciated	52,714,364	281,613	75,019	52,920,958
Less accumulated depreciation for:				
Land improvements	39,831	-	-	39,831
Buildings and improvements	2,782,670	140,267	-	2,922,937
Operating equipment	796,745	71,086	13,500	854,331
Furniture and office equipment	138,849	2,244	-	141,093
Vehicles	1,523,559	181,802	19,209	1,686,152
Infrastructure	35,260,786	210,147	-	35,470,933
Total accumulated depreciation	40,542,440	605,546	32,709	41,115,277
Total capital assets, being depreciated, net	12,171,924	(323,933)	42,310	11,805,681
Governmental activities capital assets, net	\$ 13,695,068	\$ (9,724)	\$ 42,310	\$ 13,643,034

City of Excelsior Springs, Missouri

Notes to Basic Financial Statements

Note 4. Capital Assets (Continued)

	2006 Balance	Additions	Retirements	2007 Balance
Business-Type Activities				
Capital assets, not being depreciated:				
Land	\$ 1,036,813	\$ -	\$ -	\$ 1,036,813
Construction-in-progress	449,625	257,669	449,625	257,669
Total capital assets, not being depreciated	1,486,438	257,669	449,625	1,294,482
Capital assets, being depreciated:				
Land improvements	809,585	-	-	809,585
Buildings and improvements	5,107,018	-	-	5,107,018
Operating equipment	799,747	317,998	132,860	984,885
Furniture and office equipment	125,897	5,807	-	131,704
Vehicles	646,806	-	-	646,806
Infrastructure	14,429,636	455,122	-	14,884,758
Total capital assets, being depreciated	21,918,689	778,927	132,860	22,564,756
Less accumulated depreciation for:				
Land improvements	376,522	42,455	-	418,977
Buildings and improvements	1,866,027	230,040	-	2,096,067
Operating equipment	707,372	78,352	132,860	652,864
Furniture and office equipment	101,607	7,550	-	109,157
Vehicles	328,244	91,837	-	420,081
Infrastructure	8,183,910	332,180	-	8,516,090
Total accumulated depreciation	11,563,682	782,414	132,860	12,213,236
Total capital assets, being depreciated, net	10,355,007	(3,487)	-	10,351,520
Business-type activities capital assets, net	\$ 11,841,445	\$ 254,182	\$ 449,625	\$ 11,646,002

City of Excelsior Springs, Missouri

Notes to Basic Financial Statements

Note 4. Capital Assets (Continued)

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

Governmental Activities			
General government		\$	23,504
Public safety			232,032
Transportation			31,616
Public works			286,723
Recreation activities			29,044
Community betterment			2,627
Total depreciation expense, governmental activities		<u>\$</u>	<u>605,546</u>
Business-Type Activities			
Water		\$	428,751
Pollution control			263,845
Golf			89,501
Airport			317
Total depreciation expense, business-type activities		<u>\$</u>	<u>782,414</u>

Activity for the Hospital for the year ended September 30, 2007 was as follows:

	2006 Balance	Additions	Retirements	Transfers	2007 Balance
Component Unit: Hospital					
Capital assets, not being depreciated, construction-in-progress	\$ 70,492	\$ 914,270	\$ -	\$ -	\$ 984,762
Capital assets, being depreciated:					
Land improvements	810,669	2,802	-	-	813,471
Buildings and improvements	5,465,077	31,198	-	-	5,496,275
Operating equipment	4,569,266	289,016	22,479	18,391	4,854,194
Furniture and office equipment	5,619,515	138,116	4,710	(18,391)	5,734,530
Total capital assets, being depreciated, Hospital	<u>16,464,527</u>	<u>461,132</u>	<u>27,189</u>	<u>-</u>	<u>16,898,470</u>
Less accumulated depreciation for:					
Land improvements	385,099	25,480	3	-	410,576
Buildings and improvements	3,578,158	157,920	-	-	3,736,078
Operating equipment	3,119,489	229,033	21,737	-	3,326,785
Furniture and office equipment	4,513,375	405,695	5,449	-	4,913,621
Total accumulated depreciation	<u>11,596,121</u>	<u>818,128</u>	<u>27,189</u>	<u>-</u>	<u>12,387,060</u>
Total capital assets, being depreciated, Hospital, net	<u>4,868,406</u>	<u>(356,996)</u>	<u>-</u>	<u>-</u>	<u>4,511,410</u>
Hospital capital assets, net	<u>\$ 4,938,898</u>	<u>\$ 557,274</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,496,172</u>

City of Excelsior Springs, Missouri

Notes to Basic Financial Statements

Note 5. Long-Term Debt

Long-term liability balances and activity for the year ended September 30, 2007 were as follows:

	Balance September 30, 2006	Additions	Retirements	Balance September 30, 2007	Amounts Due Within One Year
Governmental Activities:					
Capital leases	\$ 121,700	\$ 346,365	\$ 80,388	\$ 387,677	\$ 105,248
Revenue bonds	4,950,000	-	975,000	3,975,000	495,000
Neighborhood improvement district bonds	425,000	-	65,000	360,000	70,000
Compensated absences	409,700	405,524	409,700	405,524	405,524
Governmental activities, long-term liabilities	\$ 5,906,400	\$ 751,889	\$ 1,530,088	\$ 5,128,201	\$ 1,075,772
Business-type activities:					
Long-term loans payable	\$ 710,000	\$ -	\$ 82,500	\$ 627,500	\$ 87,500
Lease purchase agreement	451,584	243,079	76,921	617,742	81,339
Revenue bonds	5,024,167	-	372,500	4,651,667	393,750
Compensated absences	102,771	104,758	102,771	104,758	104,758
Business-type activities, long-term liabilities	\$ 6,288,522	\$ 347,837	\$ 634,692	\$ 6,001,667	\$ 667,347
Component unit:					
Revenue bonds	\$ 3,337,679	\$ 680,000	\$ 185,828	\$ 3,831,851	\$ 188,129
Capital lease	604,143	-	237,739	366,404	245,331
Compensated absences	368,199	414,626	368,199	414,626	414,626
Component unit, long-term liabilities	\$ 4,310,021	\$ 1,094,626	\$ 791,766	\$ 4,612,881	\$ 848,086

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

City of Excelsior Springs, Missouri

Notes to Basic Financial Statements

Note 5. Long-Term Debt (Continued)

Long-term debt payable as of September 30, 2007, is comprised of the following individual issues:

	Balance September 30, 2006	Additions	Retirements	Balance September 30, 2007
Governmental activities:				
Capital leases:				
Purchase of 2003 fire truck due in bi-annual payments of principal and interest of \$42,076; interest at 5.79%	\$ 121,700	\$ -	\$ 80,388	\$ 41,312
Purchase of 2007 fire truck due in bi-annual payments of principal and interest of \$77,059; interest at 3.97%	-	346,365	-	346,365
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%	2,430,000	-	205,000	2,225,000
\$970,000 of refunding bonds, due in annual installments of \$75,000 to \$320,000 through November 1, 2008; interest at 2.60% to 4.00%	505,000	-	505,000	-
\$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%	2,015,000	-	265,000	1,750,000
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%	425,000	-	65,000	360,000
Total governmental activities	\$ 5,496,700	\$ 346,365	\$ 1,120,388	\$ 4,722,677

City of Excelsior Springs, Missouri

Notes to Basic Financial Statements

Note 5. Long-Term Debt (Continued)

	Balance September 30, 2006	Additions	Retirements	Balance September 30, 2007
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	\$ 710,000	\$ -	\$ 82,500	\$ 627,500
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%	451,584	-	35,325	416,259
\$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%	-	243,079	41,596	201,483
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%	1,379,167	-	167,500	1,211,667
\$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%	3,645,000	-	205,000	3,440,000
Total business-type activities	\$ 6,185,751	\$ 243,079	\$ 531,921	\$ 5,896,909

City of Excelsior Springs, Missouri

Notes to Basic Financial Statements

Note 5. Long-Term Debt (Continued)

	Balance September 30, 2006	Additions	Retirements	Balance September 30, 2007
Component Unit:				
Revenue bonds:				
Hospital revenue bonds, Series B-R2, payable in monthly installments of \$10,183, including interest at 5%	\$ 568,498	\$ -	\$ 96,331	\$ 472,167
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	705,469	-	32,235	673,234
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	1,370,495	-	39,917	1,330,578
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 Interest	693,217	-	17,345	675,872
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	-	680,000	-	680,000
Capital leases	604,143	-	237,739	366,404
Total component unit	\$ 3,941,822	\$ 680,000	\$ 423,567	\$ 4,198,255

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.

City of Excelsior Springs, Missouri

Notes to Basic Financial Statements

Note 5. Long-Term Debt (Continued)

Prior Year Defeasances: In prior years, the City defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. As of September 30, 2007, \$74,000 of bonds outstanding are considered defeased.

Sewerage system revenue bonds: In prior years, the City issued \$2,870,000 in Sewerage System Revenue Bonds. 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, 2007, \$627,500 has been advanced from the Missouri Department of Natural Resources to the City.

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	\$ 344,000	\$ 627,500	\$ 971,500	\$ 1,891,709	\$ 2,863,209

Under the terms of the hospital bond ordinance, \$250,000 of treasury notes 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.

City of Excelsior Springs, Missouri

Notes to Basic Financial Statements

Note 5. Long-Term Debt (Continued)

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 in accordance with Statement of Financial Accounting Standards No. 13, *Accounting for Leases*.

Summary of principal and interest maturities:

Annual debt service requirements to service all outstanding indebtedness as of September 30, 2007, are as follows:

Governmental Activities:

Year ending September 30:	2001 Leasehold Refunding Bonds		Neighborhood Improvement District Bonds		Wal-Mart/Elms TIF 2003 Refunding Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2008	\$ 215,000	\$ 99,005	\$ 70,000	\$ 21,600	\$ 280,000	\$ 66,202
2009	230,000	90,040	75,000	17,400	290,000	56,432
2010	235,000	80,274	75,000	12,900	305,000	44,960
2011	245,000	69,890	140,000	8,400	330,000	31,860
2012	265,000	57,875	-	-	350,000	17,138
2013-2016	1,035,000	95,465	-	-	195,000	4,630
Total	\$ 2,225,000	\$ 492,549	\$ 360,000	\$ 60,300	\$ 1,750,000	\$ 221,222

Year ending September 30:	2003 Fire Truck Capital Lease		2007 Fire Truck Capital Lease	
	Principal	Interest	Principal	Interest
2008	\$ 41,312	\$ 764	\$ 63,936	\$ 13,122
2009	-	-	66,500	10,559
2010	-	-	69,166	7,893
2011	-	-	71,939	5,120
2012	-	-	74,824	2,235
Total	\$ 41,312	\$ 764	\$ 346,365	\$ 38,929

City of Excelsior Springs, Missouri

Notes to Basic Financial Statements

Note 5. Long-Term Debt (Continued)

Business-type Activities:

Year ending September 30:	1992 Sewer Bonds MDNR		1992 Sewerage System Revenue Bonds		1998 Waterworks Refunding Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2008	\$ 87,500	\$ -	\$ 178,750	\$ 82,028	\$ 215,000	\$ 170,776
2009	540,000	-	190,000	70,740	225,000	160,710
2010	-	-	200,000	58,295	235,000	149,543
2011	-	-	215,000	45,195	250,000	137,175
2012	-	-	230,000	31,112	260,000	124,170
2013-2017	-	-	197,917	16,048	1,525,000	398,798
2018-2021	-	-	-	-	730,000	38,850
Total	\$ 627,500	\$ -	\$ 1,211,667	\$ 303,418	\$ 3,440,000	\$ 1,180,022

Year ending September 30:	Golf Course Capital Lease		2007 Golf Equipment Capital Lease	
	Principal	Interest	Principal	Interest
2008	\$ 37,356	\$ 23,934	\$ 43,983	\$ 11,095
2009	39,504	21,786	46,613	8,466
2010	41,775	19,516	49,399	5,680
2011	44,177	17,114	52,352	2,726
2012	46,717	14,573	9,136	44
2013-2016	206,730	29,841	-	-
Total	\$ 416,259	\$ 126,764	\$ 201,483	\$ 28,011

Component unit:

Year ending September 30:	Long-Term Debt		Capital Lease Obligations	
	Principal	Interest	Principal	Interest
2008	\$ 198,997	\$ 159,975	\$ 234,463	\$ 10,275
2009	180,316	154,330	116,269	2,597
2010	189,668	144,978	15,672	161
2011	199,508	135,138	-	-
2012	112,924	126,408	-	-
2013-2016	504,656	555,974	-	-
2017-2021	653,293	408,957	-	-
2022-2026	734,236	218,171	-	-
2027-2030	378,253	41,082	-	-
Total	\$ 3,151,851	\$ 1,945,013	\$ 366,404	\$ 13,033

City of Excelsior Springs, Missouri

Notes to Basic Financial Statements

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 5 percent to 8 percent, maturing through 2020 and collateralized by the lease equipment. Property and equipment as of September 30, 2007 and 2006, include the following assets under capital lease:

	2007	2006
Movable equipment	\$ 1,465,012	\$ 1,538,803
Less accumulated depreciation	857,371	750,700
	<u>\$ 607,641</u>	<u>\$ 788,103</u>

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	\$ 839,826	\$ 443,288
Construction Services Fund	703,949	10,000
Parks and Recreation Fund	-	32,610
Capital Improvements Fund	-	180,734
Tax Increment Financing - Wal-Mart/Elms Fund	-	352,145
Nonmajor governmental funds	1,369,993	1,526,257
Total governmental activities	<u>2,913,768</u>	<u>2,545,034</u>
Business-type activities:		
Water	193	221,015
Pollution control	10,232	91,665
Golf	-	19,745
Nonmajor enterprise funds	-	46,734
Total business-type activities	<u>10,425</u>	<u>379,159</u>
Total	<u>\$ 2,924,193</u>	<u>\$ 2,924,193</u>

City of Excelsior Springs, Missouri

Notes to Basic Financial Statements

Note 6. Interfund Balances and Transfers (Continued)

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:		
Construction Services Fund	\$ -	\$ 46,179
Capital Improvements Fund	778,049	-
Nonmajor governmental funds	-	-
Business-type activities:		
Golf Fund	-	629,450
Nonmajor enterprise funds	-	102,420
	<u>\$ 778,049</u>	<u>\$ 778,049</u>

Interfund advances as of September 30, 2007, were as follows:

	Advance Receivables	Advance Payables
Business-type activities:		
Pollution control	\$ 50,000	\$ -
Golf	-	50,000
Total business-type activities	<u>\$ 50,000</u>	<u>\$ 50,000</u>

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.

City of Excelsior Springs, Missouri

Notes to Basic Financial Statements

Note 7. Employee Retirement Systems (Continued)

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 to an actuarially determined rate; the current rate is 5.3 percent (general), 5.3 percent (police) and 8.5 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.

Annual pension cost: For 2007, the political subdivision's annual pension cost of \$233,082 was equal to the required and actual contributions. The required contribution was determined as part of the February 28, 2005 and/or February 28, 2006 annual actuarial valuation using the entry age actuarial cost method.

The actuarial assumptions as of February 28, 2007 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 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 was 15 years.

Fiscal Year Ending	Three-Year Trend Information		
	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
09/30/2005	\$ 68,160	100%	-
09/30/2006	112,776	100	-
09/30/2007	233,082	100	-

Note 8. 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.

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, 2007 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.

City of Excelsior Springs, Missouri

Notes to Basic Financial Statements

Note 8. Contingencies (Continued)

Hospital building expansion project: Groundbreaking for the expansion of the Outpatient Services Building addition occurred during 2007. The project is expected to be completed in the fall of 2008. The approximate 27,500 square foot outpatient expansion will house a new outpatient clinic, rehabilitation services department, pharmacy, administrative offices and wellness clinic. Additionally, the emergency, admitting and laboratory departments are to be renovated as part of the project, along with the addition of approximately 80 parking spaces being added. Total cost of the project is estimated to be \$8,920,000 and will be funded through a USDA Rural Development loan.

Note 9. 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. The City has held sufficient coverage for the year ended September 30, 2007, and for each of the past three fiscal years.

Note 10. 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 rendered to Medicare Program beneficiaries are paid at prospectively determined rates. These rates vary according to a patient classification system that is based on clinical, diagnostic and other factors. Inpatient swingbed services are paid at prospectively determined rates that are based on the patient's acuity. On November 8, 2004, the City Hospital was designated as a Critical Access Hospital (CAH). Under this designation, the Hospital is 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 Medical Fiscal Intermediary. 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 57 percent and 59 percent of net patient service revenues are from participation in Medicare and state-sponsored Medicaid programs for the years ended September 30, 2007 and 2006, respectively.

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.

City of Excelsior Springs, Missouri

Notes to Basic Financial Statements

Note 11. 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, 2007 and 2006 was:

	2007		2006
Medicare	\$ 798,864	\$	890,660
Medicaid	208,112		235,099
Other third-party payers	699,130		877,604
Patients	1,581,251		1,337,603
	<u>3,287,357</u>		<u>3,340,966</u>
Less allowances for uncollectible accounts	1,001,818		919,370
	<u>\$ 2,285,539</u>	\$	<u>2,421,596</u>

Note 12. Governmental Accounting Standards Board (GASB) Statements

The City implemented the following statements during the year ended September 30, 2007:

The City implemented GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, retroactive reporting of major general governmental infrastructure assets as of October 1, 2006. As a result, governmental activities net assets was restated \$6,942,031 to report infrastructure.

The GASB had 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. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, issued April 2004, will be effective for the City beginning with its year ending September 30, 2008. This Statement establishes uniform financial reporting standards for other postemployment benefit plans (OPEB plans) and supercedes existing guidance.

GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, issued June 2004, will be effective for the City beginning with its year ending September 30, 2009. This Statement establishes standards for the measurement, recognition and display of other postemployment benefits expenses and related liabilities or assets, note disclosures and, if applicable, required supplementary information in the financial reports.

GASB Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, issued September 2006, is effective for the City beginning with its year ending September 30, 2008. This Statement establishes accounting and financial reporting standards for transactions in which a government receives, or is entitled to, resources in exchange for future cash flows generated by collecting specific receivables or specific future revenues. It also provides disclosure requirements for a government that pledges or commits future cash flows from a specific revenue source. In addition, this Statement establishes accounting and financial reporting standards for intra-entity transfers of assets and future revenues.

City of Excelsior Springs, Missouri

Notes to Basic Financial Statements

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

GASB Statement No. 49, *Accounting for Financial Reporting for Pollution Remediation Obligations*, issued November 2006, will be effective for the City beginning with its year ending September 30, 2009. This Statement addresses accounting and financial reporting standards for pollution (including contamination) remediation obligations, which are obligations to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities, such as site assessments and cleanups. This standard requires the government to estimate the components of expected pollution remediation outlays and determine whether the outlays for those components should be accrued as a liability or, if appropriate, capitalized when goods and services are acquired.

GASB Statement No. 50, *Pension Disclosures*, an amendment of GASB Statement Nos. 25 and No. 27, issued May 2007, will be effective for the City beginning with its year ending September 30, 2008. This Statement more closely aligns the financial reporting requirements for pensions with those for other postemployment benefits (OPEB) and, in doing so, enhances information disclosed in notes to the financial statements or presented as required supplementary information (RSI) by pension plans and by employers that provide pension benefits.

GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, issued July 2007, will be effective for the City beginning with its year ending September 30, 2010. 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. Examples of intangible assets include easements, computer software, water rights, timber rights, patents and trademarks. 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.

GASB Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments*, issued November 2007, will be effective for the City beginning with its year ending September 30, 2009. This Statement establishes consistent standards for the reporting of land and other real estate held as investments. Endowments were previously required to report their land and other real estate held for investment purposes at historical cost. However, such investments are reported at fair value by similar entities, such as pension plans. The Statement requires endowments to report land and other real estate investments at fair value. The changes in the fair value are to be reported as investment income.

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 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
02/28/2005	\$ 7,908,094	\$ 5,853,556	\$ (2,054,538)	135.10%	\$ 3,685,931	55.74%
02/28/2006	8,568,208	7,341,282	(1,226,926)	116.71	3,561,707	34.45
02/28/2007	9,328,383	8,149,827	(1,178,556)	114.46	3,911,032	30.13

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.

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Fiscal Year Ended	Annual Required Contributions (ARC) (a)	Total Contributions (b)	Percentage of ARC Contributed (b/a)
9/30/05	\$ 68,160	\$ 68,160	100%
9/30/06	112,776	112,776	100
9/30/07	233,082	233,082	100

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, 2005 and/or February 28, 2006 annual actuarial valuation 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% per year, compounded annually, (b) projected salary increases of 4% per year, compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0% to 6.0% 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 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 was 15 years.

City of Excelsior Springs, Missouri

Combining Balance Sheet
 Nonmajor Governmental Funds
 September 30, 2007

	Special Revenue Funds	Debt Service Funds	Capital Projects Fund, Capital Equipment	Total Nonmajor Governmental Funds
Assets				
Cash and cash equivalents	\$ 1,794,044	\$ -	\$ 144,585	\$ 1,938,629
Receivables, net of allowance for uncollectibles, property taxes	14,149	-	-	14,149
Due from other governments	238,551	-	-	238,551
Restricted cash and cash equivalents	-	762,406	-	762,406
Total assets	\$ 2,046,744	\$ 762,406	\$ 144,585	\$ 2,953,735
Liabilities and Fund Balance				
Liabilities:				
Accounts payable and accrued expenses	\$ 12,131	\$ -	\$ -	\$ 12,131
Deferred revenue	11,763	-	-	11,763
Total liabilities	23,894	-	-	23,894
Fund balance:				
Reserved for debt service	-	762,406	-	762,406
Unreserved	2,022,850	-	144,585	2,167,435
Total fund balance	2,022,850	762,406	144,585	2,929,841
Total liabilities and fund balance	\$ 2,046,744	\$ 762,406	\$ 144,585	\$ 2,953,735

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City of Excelsior Springs, Missouri

Combining Balance Sheet
 Nonmajor Special Revenue Funds
 September 30, 2007

	Neighborhood Improvement District	Community Development Block Grant	Transportation Trust	Tax Increment Financing- Price Chopper
Assets				
Cash and cash equivalents	\$ 39,826	\$ 2,065	\$ 1,003,576	\$ -
Receivables, net of allowance for uncollectibles, property taxes	1,898	-	-	-
Due from other governments	-	42,539	86,468	11,579
Total assets	\$ 41,724	\$ 44,604	\$ 1,090,044	\$ 11,579
Liabilities and Fund Balance				
Liabilities:				
Accounts payable and accrued expenses	\$ -	\$ 2,645	\$ -	\$ -
Deferred revenue	-	-	-	-
Total liabilities	-	2,645	-	-
Fund balance, unreserved	41,724	41,959	1,090,044	11,579
Total liabilities and fund balance	\$ 41,724	\$ 44,604	\$ 1,090,044	\$ 11,579

E-911 Phone Tax	Capital Improvements E-911 Tax	Tax Increment Financing- Paradise Playhouse	Tax Increment Financing- Vintage Development	Public Safety Sales Tax	Elms Hotel Event Fees	Total
\$ 292,233	\$ 76,581	\$ 788	\$ 2,964	\$ 322,460	\$ 53,551	\$ 1,794,044
-	-	4,675	7,576	-	-	14,149
8,585	-	104	2,783	86,493	-	238,551
<u>\$ 300,818</u>	<u>\$ 76,581</u>	<u>\$ 5,567</u>	<u>\$ 13,323</u>	<u>\$ 408,953</u>	<u>\$ 53,551</u>	<u>\$ 2,046,744</u>
\$ 6,784	\$ -	\$ -	\$ -	\$ -	\$ 2,702	\$ 12,131
-	-	4,675	7,088	-	-	11,763
<u>6,784</u>	<u>-</u>	<u>4,675</u>	<u>7,088</u>	<u>-</u>	<u>2,702</u>	<u>23,894</u>
294,034	76,581	892	6,235	408,953	50,849	2,022,850
<u>\$ 300,818</u>	<u>\$ 76,581</u>	<u>\$ 5,567</u>	<u>\$ 13,323</u>	<u>\$ 408,953</u>	<u>\$ 53,551</u>	<u>\$ 2,046,744</u>

City of Excelsior Springs, Missouri

Combining Balance Sheet
Nonmajor Debt Service Funds
September 30, 2007

	Debt Service	Tax Increment Financing- Wal-Mart/Elms	Total
Assets, restricted cash and cash equivalents	<u>\$ 446,875</u>	<u>\$ 315,531</u>	<u>\$ 762,406</u>
Liabilities and Fund Balance			
Fund balance, reserved for debt service	<u>\$ 446,875</u>	<u>\$ 315,531</u>	<u>\$ 762,406</u>

City of Excelsior Springs, Missouri

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances - Nonmajor Governmental Funds
Year Ended September 30, 2007

	Special Revenue Funds	Debt Service Funds	Capital Projects Fund, Capital Equipment	Total Nonmajor Governmental Funds
Revenues:				
Taxes	\$ 1,901,121	\$ -	\$ -	\$ 1,901,121
Intergovernmental revenues	37,137	-	-	37,137
Special assessment fees	69,068	-	-	69,068
Investment earnings	76,422	7,430	1,396	85,248
Total revenues	2,083,748	7,430	1,396	2,092,574
Expenditures:				
Current:				
General government	89,950	-	-	89,950
Public safety	92,151	-	-	92,151
Public works	27,801	-	-	27,801
Community betterment	363,216	-	700	363,916
Capital outlay	2,827	-	-	2,827
Debt service:				
Principal	-	1,120,388	-	1,120,388
Interest	-	223,829	-	223,829
Trustee fees	-	9,797	-	9,797
Total expenditures	575,945	1,354,014	700	1,930,659
Excess of revenues over (under) expenditures	1,507,803	(1,346,584)	696	161,915
Other financing sources (uses):				
Transfers in	6,333	1,363,660	-	1,369,993
Transfers out	(1,442,105)	-	(84,152)	(1,526,257)
Total other financing sources (uses)	(1,435,772)	1,363,660	(84,152)	(156,264)
Net change in fund balances	72,031	17,076	(83,456)	5,651
Fund balances, beginning	1,950,819	745,330	228,041	2,924,190
Fund balances, ending	\$ 2,022,850	\$ 762,406	\$ 144,585	\$ 2,929,841

City of Excelsior Springs, Missouri

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances - Nonmajor Special Revenue Funds
Year Ended September 30, 2007

	Neighborhood Improvement District	Community Development Block Grant	Transportation Trust	Tax Increment Financing- Price Chopper
Revenues:				
Taxes	\$ -	\$ -	\$ 686,726	\$ 280,278
Intergovernmental revenues	-	28,147	-	-
Special assessment fees	69,068	-	-	-
Investment earnings	129	-	40,196	9,355
Total revenue	69,197	28,147	726,922	289,633
Expenditures:				
Current:				
General government	-	-	5,819	-
Public safety	-	17,887	-	-
Public works	-	25,100	-	-
Community betterment	-	24,266	-	217,130
Capital outlay	-	-	-	-
Total expenditures	-	67,253	5,819	217,130
Excess of revenue over (under) expenditures	69,197	(39,106)	721,103	72,503
Other financing sources (uses):				
Transfers in	-	6,333	-	-
Transfers out	(91,023)	-	(345,488)	(519,399)
Total other financing sources (uses)	(91,023)	6,333	(345,488)	(519,399)
Net change in fund balance	(21,826)	(32,773)	375,615	(446,896)
Fund balances, beginning	63,550	74,732	714,429	458,475
Fund balances, ending	\$ 41,724	\$ 41,959	\$ 1,090,044	\$ 11,579

E-911 Phone Tax	Capital Improvements E-911 Tax	Tax Increment Financing- Paradise Playhouse	Tax Increment Financing- Vintage Development	Public Safety Sales Tax	Elms Hotel Event Fees	Total
\$ 85,315	\$ -	\$ 30,082	\$ 77,670	\$ 687,154	\$ 53,896	\$ 1,901,121
-	-	-	-	8,990	-	37,137
-	-	-	-	-	-	69,068
12,320	3,407	-	-	9,516	1,499	76,422
97,635	3,407	30,082	77,670	705,660	55,395	2,083,748
1,963	-	-	-	1,268	80,900	89,950
31,236	571	-	-	42,457	-	92,151
-	-	-	-	-	2,701	27,801
-	-	30,099	91,721	-	-	363,216
1,898	929	-	-	-	-	2,827
35,097	1,500	30,099	91,721	43,725	83,601	575,945
62,538	1,907	(17)	(14,051)	661,935	(28,206)	1,507,803
-	-	-	-	-	-	6,333
(34,820)	-	-	-	(451,375)	-	(1,442,105)
(34,820)	-	-	-	(451,375)	-	(1,435,772)
27,718	1,907	(17)	(14,051)	210,560	(28,206)	72,031
266,316	74,674	909	20,286	198,393	79,055	1,950,819
\$ 294,034	\$ 76,581	\$ 892	\$ 6,235	\$ 408,953	\$ 50,849	\$ 2,022,850

City of Excelsior Springs, Missouri

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances - Nonmajor Debt Service Funds
Year Ended September 30, 2007

	Debt Service	Tax Increment Financing- Price Chopper	Tax Increment Financing- Wal-Mart/Elms	Total
Revenues, investment earnings	\$ 6,575	\$ -	\$ 855	\$ 7,430
Expenditures, debt service:				
Principal	350,388	505,000	265,000	1,120,388
Interest	136,200	12,248	75,381	223,829
Trustee fees	7,297	1,250	1,250	9,797
Total expenditures	493,885	518,498	341,631	1,354,014
Excess of revenues (under) expenditures	(487,310)	(518,498)	(340,776)	(1,346,584)
Other financing sources, transfers in	492,116	519,399	352,145	1,363,660
Net change in fund balance	4,806	901	11,369	17,076
Fund balances (deficit), beginning	442,069	(901)	304,162	745,330
Fund balances, ending	\$ 446,875	\$ -	\$ 315,531	\$ 762,406

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City of Excelsior Springs, Missouri

Combining Schedule of Revenues, Expenditures and
 Changes in Fund Balances - Nonmajor Special Revenue Funds -
 Budget to Actual
 Year Ended September 30, 2007

	Neighborhood Improvement District		Community Development Block Grant	
	Budget	Actual	Budget	Actual
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	-	-	31,844	28,147
Special assessment fees	59,672	69,068	-	-
Investment earnings	-	129	-	-
Total revenues	59,672	69,197	31,844	28,147
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	17,887	17,887
Public works	-	-	40,159	25,100
Community betterment	-	-	24,266	24,266
Capital outlay	-	-	-	-
Total expenditures	-	-	82,312	67,253
Excess of revenues over (under) expenditures	59,672	69,197	(50,468)	(39,106)
Other financing sources (uses):				
Transfers in	-	-	1,122	6,333
Transfers out	(91,272)	(91,023)	-	-
Total other financing sources (uses)	(91,272)	(91,023)	1,122	6,333
Net change in fund balance	\$ (31,600)	(21,826)	\$ (49,346)	(32,773)
Fund balances, beginning		63,550		74,732
Fund balances, ending		<u>\$ 41,724</u>		<u>\$ 41,959</u>

(Continued)

Transportation Trust		Tax Increment				E-911 Phone Tax	
Budget	Actual	Financing - Price Chopper		Budget	Actual	Budget	Actual
\$ 642,801	\$ 686,726	\$ 268,699	\$ 280,278	\$ 90,000	\$ 85,315		
-	-	-	-	-	-		
-	-	-	-	-	-		
30,000	40,196	9,354	9,355	10,000	12,320		
672,801	726,922	278,053	289,633	100,000	97,635		
6,450	5,819	-	-	2,100	1,963		
-	-	-	-	32,095	31,236		
-	-	-	-	-	-		
-	-	217,131	217,130	-	-		
-	-	-	-	3,000	1,898		
6,450	5,819	217,131	217,130	37,195	35,097		
666,351	721,103	60,922	72,503	62,805	62,538		
-	-	-	-	-	-		
(345,488)	(345,488)	(519,399)	(519,399)	(34,820)	(34,820)		
(345,488)	(345,488)	(519,399)	(519,399)	(34,820)	(34,820)		
<u>\$ 320,863</u>	375,615	<u>\$ (458,477)</u>	(446,896)	<u>\$ 27,985</u>	27,718		
	714,429		458,475		266,316		
	<u>\$ 1,090,044</u>		<u>\$ 11,579</u>		<u>\$ 294,034</u>		

City of Excelsior Springs, Missouri

Combining Schedule of Revenues, Expenditures and
 Changes in Fund Balances - Nonmajor Special Revenue Funds -
 Budget to Actual (Continued)
 Year Ended September 30, 2007

	Capital Improvements E-911 Tax		Tax Increment Financing - Paradise Playhouse	
	Budget	Actual	Budget	Actual
Revenues:				
Taxes	\$ -	\$ -	\$ 29,495	\$ 30,082
Intergovernmental revenues	-	-	-	-
Special assessment fees	-	-	-	-
Investment earnings	2,900	3,407	-	-
Total revenues	2,900	3,407	29,495	30,082
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	2,825	571	-	-
Public works	-	-	-	-
Community betterment	-	-	30,099	30,099
Capital outlay	5,000	929	-	-
Total expenditures	7,825	1,500	30,099	30,099
Excess of revenues over (under) expenditures	(4,925)	1,907	(604)	(17)
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	\$ (4,925)	1,907	\$ (604)	(17)
Fund balances, beginning		74,674		909
Fund balances, ending		<u>\$ 76,581</u>		<u>\$ 892</u>

Tax Increment							
Financing - Vintage Development		Public Safety Sales Tax		Elms Hotel Event Fees			
Budget	Actual	Budget	Actual	Budget	Actual		
\$ 74,230	\$ 77,670	\$ 676,001	\$ 687,154	\$ 52,000	\$ 53,896		
-	-	-	8,990	-	-		
-	-	-	-	-	-		
-	-	7,000	9,516	1,200	1,499		
<u>74,230</u>	<u>77,670</u>	<u>683,001</u>	<u>705,660</u>	<u>53,200</u>	<u>55,395</u>		
-	-	1,200	1,268	84,100	80,900		
-	-	72,884	42,457	-	-		
-	-	-	-	-	2,701		
94,516	91,721	-	-	-	-		
-	-	-	-	-	-		
<u>94,516</u>	<u>91,721</u>	<u>74,084</u>	<u>43,725</u>	<u>84,100</u>	<u>83,601</u>		
(20,286)	(14,051)	608,917	661,935	(30,900)	(28,206)		
-	-	-	-	-	-		
-	-	(462,469)	(451,375)	-	-		
-	-	(462,469)	(451,375)	-	-		
<u>\$ (20,286)</u>	<u>(14,051)</u>	<u>\$ 146,448</u>	<u>210,560</u>	<u>\$ (30,900)</u>	<u>(28,206)</u>		
	20,286		198,393		79,055		
	<u>\$ 6,235</u>		<u>\$ 408,953</u>		<u>\$ 50,849</u>		

City of Excelsior Springs, Missouri

Combining Schedule of Revenues, Expenditures and
 Changes in Fund Balances (Deficit) - Nonmajor Debt Service Funds -
 Budget to Actual
 Year Ended September 30, 2007

	Debt Service		Tax Increment Financing - Price Chopper		Tax Increment Financing - Wal-Mart/Elms	
	Budget	Actual	Budget	Actual	Budget	Actual
Revenues, investment earnings	\$ 5,870	\$ 6,575	\$ -	\$ -	\$ 900	\$ 855
Expenditures, debt service:						
Principal	350,388	350,388	505,000	505,000	265,000	265,000
Interest	136,199	136,200	12,248	12,248	74,728	75,381
Trustee fees	7,298	7,297	1,250	1,250	1,250	1,250
Total expenditures	493,885	493,885	518,498	518,498	340,978	341,631
Excess of revenues (under) expenditures	(488,015)	(487,310)	(518,498)	(518,498)	(340,078)	(340,776)
Other financing sources, transfers in	493,206	492,116	519,398	519,399	384,482	352,145
Net change in fund balance	\$ 5,191	4,806	\$ 900	901	\$ 44,404	11,369
Fund balances (deficit), beginning		442,069		(901)		304,162
Fund balances, ending		<u>\$ 446,875</u>		<u>\$ -</u>		<u>\$ 315,531</u>

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, 2007

	Capital Equipment	
	Budget	Actual
Revenues, investment earnings	\$ 800	\$ 1,396
Expenditures, current, community betterment	700	700
Excess of revenues over expenditures	100	696
Other financing (uses), transfers out	(84,152)	(84,152)
Net change in fund balance	<u>\$ (84,052)</u>	(83,456)
Fund balances, beginning		228,041
Fund balances, ending		<u>\$ 144,585</u>

City of Excelsior Springs, Missouri

Combining Statement of Net Assets (Deficit)
 Nonmajor Enterprise Funds
 September 30, 2007

Assets	Airport	Refuse	Total
Current assets:			
Cash and cash equivalents	\$ -	\$ 178,043	\$ 178,043
Accounts receivable, net of allowance for uncollectibles	-	50,958	50,958
Total current assets	-	229,001	229,001
Noncurrent assets:			
Land	50,000	-	50,000
Buildings and improvements	48,624	-	48,624
Total capital assets	98,624	-	98,624
Less accumulated depreciation	38,157	-	38,157
Total noncurrent assets	60,467	-	60,467
Total assets	\$ 60,467	\$ 229,001	\$ 289,468
Liabilities and Fund Equity (Deficit)			
Current liabilities:			
Due to other funds	\$ 102,420	\$ -	\$ 102,420
Accounts payable and accrued expenses	-	446	446
Total current liabilities	102,420	446	102,866
Net assets (deficit):			
Invested in capital assets, net of related debt	60,467	-	60,467
Unrestricted	(102,420)	228,555	126,135
Total net assets (deficit)	(41,953)	228,555	186,602
Total liabilities and net assets (deficit)	\$ 60,467	\$ 229,001	\$ 289,468

City of Excelsior Springs, Missouri

Combining Statement of Revenues, Expenses and Changes in Fund Net Assets (Deficit)
 Nonmajor Enterprise Funds
 Year Ended September 30, 2007

	Airport	Refuse	Total
Operating revenues:			
Charges for services	\$ -	\$ 459,593	\$ 459,593
Rental income	1,200	-	1,200
Other	-	1,758	1,758
Total operating revenues	1,200	461,351	462,551
Operating expenses:			
Contractual and professional services	-	370,713	370,713
Insurance	2,770	-	2,770
Supplies and materials (administrative)	-	6,074	6,074
Depreciation	317	-	317
Total operating expenses	3,087	376,787	379,874
Operating income (loss)	(1,887)	84,564	82,677
Nonoperating revenue, investment earnings	-	7,968	7,968
Income (loss) before transfers	(1,887)	92,532	90,645
Transfers out	-	(46,734)	(46,734)
Change in net assets	(1,887)	45,798	43,911
Total net assets (deficit), beginning	(40,066)	182,757	142,691
Total net assets (deficit), ending	\$ (41,953)	\$ 228,555	\$ 186,602

City of Excelsior Springs, Missouri

Combining Statement of Cash Flows
 Nonmajor Enterprise Funds
 Year Ended September 30, 2007

	Airport	Refuse	Total
Cash flows from operating activities:			
Cash collected from customers	\$ 1,200	\$ 447,192	\$ 448,392
Cash paid to suppliers for goods and services	(2,770)	(404,023)	(406,793)
Net cash provided by (used in) operating activities	(1,570)	43,169	41,599
Cash flows from noncapital financing activities:			
Transfers out	-	(46,734)	(46,734)
Interfund proceeds	1,570	-	1,570
Net cash provided by (used in) noncapital financing activities	1,570	(46,734)	(45,164)
Cash flows from investing activities, interest income	-	7,968	7,968
Net increase in cash and cash equivalents	-	4,403	4,403
Cash and cash equivalents:			
Beginning	-	173,640	173,640
Ending	\$ -	\$ 178,043	\$ 178,043
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ (1,887)	\$ 84,564	\$ 82,677
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	317	-	317
(Increase) in accounts receivable	-	(14,159)	(14,159)
(Decrease) in accounts payable and accrued expenses	-	(27,236)	(27,236)
Net cash provided by (used in) operating activities	\$ (1,570)	\$ 43,169	\$ 41,599

City of Excelsior Springs, Missouri

Combining Statement of Assets and Liabilities - Agency Funds
September 30, 2007

Assets	Hospital	Payroll	Road District	Total
Cash and cash equivalents	\$ 2,990,421	\$ (55,579)	\$ 135,038	\$ 3,069,880
Taxes receivable	226,515	-	-	226,515
Total assets	\$ 3,216,936	\$ (55,579)	\$ 135,038	\$ 3,296,395
Liabilities				
Accounts payable	\$ 1,300	\$ (55,579)	\$ -	\$ (54,279)
Unearned revenue	216,155	-	-	216,155
Due to component unit	2,999,481	-	-	2,999,481
Due to other governments	-	-	135,038	135,038
Total liabilities	\$ 3,216,936	\$ (55,579)	\$ 135,038	\$ 3,296,395

City of Excelsior Springs, Missouri

Statement of Changes in Assets and Liabilities - Agency Funds
 Year Ended September 30, 2007

	Balance September 30, 2006	Additions	Deletions	Balance September 30, 2007
Hospital Fund				
Assets:				
Cash and cash equivalents	\$ 2,738,738	\$ 1,050,378	\$ 798,695	\$ 2,990,421
Taxes receivable	216,018	226,515	216,018	226,515
Total assets	\$ 2,954,756	\$ 1,276,893	\$ 1,014,713	\$ 3,216,936
Liabilities:				
Accounts payable	\$ 471	\$ 250,910	\$ 250,081	\$ 1,300
Unearned revenue	206,244	216,155	206,244	216,155
Due to component unit	2,748,041	809,828	558,388	2,999,481
Total liabilities	\$ 2,954,756	\$ 1,276,893	\$ 1,014,713	\$ 3,216,936
Payroll Fund				
Assets, cash and cash equivalents	\$ 37,679	\$ 6,464,758	\$ 6,558,016	\$ (55,579)
Liabilities, accounts payable	\$ 37,679	\$ 6,464,758	\$ 6,558,016	\$ (55,579)
Road District Fund				
Assets, cash and cash equivalents	\$ 83,676	\$ 160,191	\$ 108,829	\$ 135,038
Liabilities, due to other governments	\$ 83,676	\$ 160,191	\$ 108,829	\$ 135,038

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.	87 - 92
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue sources, the sales tax.	93 - 98
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 in the future.	99 - 102
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.	103 - 104
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	105 - 107

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.

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City of Excelsior Springs, Missouri

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

	Fiscal Year				
	2003	2004	2005	2006	2007
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
Restricted	3,168,513	2,673,855	3,565,220	3,915,524	4,443,656
Unrestricted	3,378,258	3,419,935	2,568,358	2,889,439	3,035,103
Total governmental activities net assets	\$ 3,479,248	\$ 4,829,308	\$ 6,031,402	\$ 15,020,465	\$ 16,399,116
Business-type activities:					
Invested in capital assets, net of related debt	\$ 5,359,584	\$ 5,423,336	\$ 5,455,222	\$ 5,502,722	\$ 5,749,093
Restricted	1,607,783	1,255,000	1,172,000	1,101,621	1,005,360
Unrestricted	1,692,813	1,714,642	1,793,565	1,915,682	2,093,286
Total business-type activities net assets	\$ 8,660,180	\$ 8,392,978	\$ 8,420,787	\$ 8,520,025	\$ 8,847,739
Primary government:					
Invested in capital assets, net of related debt	\$ 2,292,061	\$ 4,158,854	\$ 5,353,046	\$ 13,718,224	\$ 14,669,450
Restricted	4,776,296	3,928,855	4,737,220	5,017,145	5,449,016
Unrestricted	8,154,554	7,348,790	7,305,578	4,805,121	5,128,389
Total primary government net assets	\$ 15,222,911	\$ 15,436,499	\$ 17,395,844	\$ 23,540,490	\$ 25,246,855

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 Five Fiscal Years
(accrual basis of accounting)
(Unaudited)

	Fiscal Year				
	2003	2004	2005	2006	2007
Expenses:					
Governmental activities:					
General government	\$ 734,877	\$ 790,958	\$ 741,077	\$ 939,821	\$ 999,410
Public Safety	3,876,293	3,791,455	4,007,447	4,569,672	4,450,412
Transportation	151,273	155,612	118,869	106,254	97,584
Public works	1,290,783	1,522,617	864,625	1,067,169	1,428,481
Health and Welfare	47,711	48,715	51,643	52,971	53,196
Recreational Activities	457,585	418,771	383,466	311,201	511,358
Community Betterment	653,799	980,721	908,513	967,437	1,287,102
Interest on long-term debt	449,855	469,131	396,908	346,140	230,991
Total governmental activities expenses	<u>7,662,136</u>	<u>8,177,980</u>	<u>7,472,548</u>	<u>8,362,665</u>	<u>9,068,534</u>
Business-type activities:					
Water	1,758,746	1,820,589	1,724,911	1,690,883	1,707,102
Sewer	1,067,643	968,257	929,790	978,084	973,446
Golf	815,485	736,727	735,904	780,348	773,545
Airport	2,956	2,955	3,087	3,087	3,087
Refuse	281,996	314,480	321,202	352,558	376,787
Total business-type activities expenses	<u>3,926,836</u>	<u>3,843,008</u>	<u>3,714,894</u>	<u>3,804,960</u>	<u>3,833,967</u>
Total primary government expenses	<u>11,588,972</u>	<u>12,020,988</u>	<u>11,187,442</u>	<u>12,167,625</u>	<u>12,892,501</u>
Program revenue:					
Governmental activities:					
Charges for services:					
General government	174,783	153,283	156,743	153,400	154,677
Public Safety	861,701	807,716	907,474	845,597	799,748
Transportation	38,229	31,350	31,265	30,264	26,156
Public works	145,483	6,828	4,807	74,217	15,638
Health and Welfare	-	-	-	-	-
Recreational Activities	31,707	35,762	23,910	32,080	31,919
Community Betterment	237,340	101,089	188,463	175,159	156,780
Operating grants and contributions:					
Public Safety	9,553	-	-	23,523	19,187
Transportation	41,109	52,583	36,319	35,852	29,057
Public works	-	191,911	553,718	535,311	590,406
Health and Welfare	15,125	17,875	13,750	19,250	12,375
Recreational Activities	-	-	-	20,377	17,220
Community Betterment	69,632	30,379	37,323	200,934	13,111
Capital grants and contributions, community betterment	6,703	-	-	-	-
Total governmental activities program revenue	<u>1,631,365</u>	<u>1,428,776</u>	<u>1,953,772</u>	<u>2,145,964</u>	<u>1,865,274</u>
Business-type activities:					
Charges for services:					
Water	1,659,038	1,813,949	1,824,642	1,945,385	2,075,336
Sewer	933,475	938,682	910,652	963,116	1,055,082
Golf	762,814	674,806	667,310	719,440	720,394
Airport	6,600	6,003	4,800	9,600	1,200
Refuse	353,441	359,919	370,127	407,217	461,351

City of Excelsior Springs, Missouri

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

	Fiscal Year				
	2003	2004	2005	2006	2007
Capital grants and contributions:					
Water	-	-	12,721	-	-
Sewer	-	-	136,115	-	-
Golf	-	-	1,248	-	15,250
Total business-type activities program revenue	3,715,368	3,793,359	3,927,615	4,044,758	4,328,613
Total primary government program revenues	5,346,733	5,222,135	5,881,387	6,190,722	6,193,887
Net (expense) revenue:	(6,030,771)	(6,749,204)	(5,518,776)	(6,216,701)	(7,193,260)
Governmental activities	(211,468)	(49,649)	212,721	238,798	494,646
Business-type activities	(6,242,239)	(6,798,853)	(5,306,055)	(5,976,903)	(6,698,614)
Total primary government net expense					
General revenues and other changes in net assets:					
Governmental activities:					
Taxes:	1,515,980	1,401,668	1,550,778	1,607,557	1,722,677
Property taxes, levied for general purposes	-	-	-	-	-
Property taxes, levied for debt service	4,062,233	3,858,746	3,383,671	4,687,813	4,788,957
General sales and use tax	1,018,137	1,121,139	1,070,849	1,047,889	1,101,815
Franchise tax	106,606	103,656	104,224	108,050	124,716
Cigarette tax	29,926	40,674	76,421	54,581	66,088
Railroad and Utility/Financial Institution Tax	-	-	-	-	-
Grants and contributions not restricted to specific programs	115,442	120,513	175,527	269,903	313,854
Interest and investment earnings	174,561	112,378	43,004	145,955	85,070
Miscellaneous	326,263	317,659	316,396	341,985	368,734
Transfers	7,349,148	7,076,433	6,720,870	8,263,733	8,571,911
Total governmental activities	121,629	100,106	131,484	184,517	201,802
Business-type activities:	30,336	(317,659)	(316,396)	16,908	(368,734)
Investment earnings	(326,263)	(217,553)	(184,912)	(341,985)	(166,932)
Miscellaneous	(174,298)	6,858,880	6,535,958	(140,560)	(166,932)
Transfers	7,174,850			8,123,173	8,404,979
Total business-type activities					
Total primary government	1,318,377	327,229	1,202,094	2,047,032	1,378,651
Changes in net assets:	(385,766)	(267,202)	27,809	99,238	327,714
Governmental activities	\$ 932,611	\$ 60,027	\$ 1,229,903	\$ 2,146,270	\$ 1,706,365
Business-type activities					
Total primary government					

City of Excelsior Springs, Missouri

Program Revenues by Function/Program

Last Five Fiscal Years

(accrual basis of accounting)

(Unaudited)

	Fiscal Year				
	2003	2004	2005	2006	2007
Governmental activities:					
General government	\$ 174,783	\$ 153,283	\$ 156,743	\$ 153,400	\$ 154,677
Public Safety	871,254	807,716	907,474	869,120	817,935
Transportation	79,338	83,933	67,584	66,116	55,213
Public works	145,483	198,739	558,525	609,528	606,044
Health and Welfare	15,125	17,875	13,750	19,250	12,375
Recreational Activities	31,707	35,762	23,910	32,080	49,139
Community Betterment	306,972	131,468	225,786	376,093	169,891
Total governmental activities	<u>1,624,662</u>	<u>1,428,776</u>	<u>1,963,772</u>	<u>2,125,587</u>	<u>1,865,274</u>
Business-type activities:					
Water	1,659,038	1,813,949	1,837,363	1,945,385	2,075,336
Sewer	933,475	938,682	1,046,767	963,116	1,055,082
Golf	762,814	674,806	668,558	719,440	735,644
Airport	6,600	6,003	4,800	9,600	1,200
Refuse	353,441	359,919	370,127	407,217	461,351
Total business-type activities expenses	<u>3,715,368</u>	<u>3,793,359</u>	<u>3,927,615</u>	<u>4,044,758</u>	<u>4,328,613</u>
Total government	<u>\$ 5,340,030</u>	<u>\$ 5,222,135</u>	<u>\$ 5,881,387</u>	<u>\$ 6,170,345</u>	<u>\$ 6,193,887</u>

City of Excelsior Springs, Missouri

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

	Fiscal Year				
	2003	2004	2005	2006	2007
General Fund					
Reserved	\$ 647,012	\$ 413,830	\$ 440,488	\$ 488,887	\$ 680,901
Unreserved	236,299	736,347	823,990	620,343	552,332
Unreserved, designated for board use	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
Total General Fund	<u>2,083,311</u>	<u>2,350,177</u>	<u>2,464,478</u>	<u>2,309,230</u>	<u>2,433,233</u>
All Other Governmental Funds:					
Reserved	675,491	728,935	729,062	745,330	762,406
Unreserved, reported in:					
Special revenue funds	3,212,851	2,859,356	3,050,866	4,035,096	4,627,324
Debt Service funds	-	-	-	-	-
Capital project funds	682,655	420,839	379,927	228,041	144,585
Total all other governmental funds	<u>\$ 4,570,997</u>	<u>\$ 4,009,130</u>	<u>\$ 4,159,855</u>	<u>\$ 5,008,467</u>	<u>\$ 5,534,315</u>

City of Excelsior Springs, Missouri

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

	Fiscal Year				
	2003	2004	2005	2006	2007
Revenues:					
Taxes	\$ 6,249,723	\$ 6,039,868	\$ 6,185,942	\$ 7,276,152	\$ 7,804,253
Special Assessments	37,079	62,322	95,539	259,391	69,343
Intergovernmental	880,494	781,976	641,111	778,312	695,535
Licenses and permits	197,005	192,821	198,599	229,439	198,893
Charges for services	652,079	670,261	711,667	718,214	533,340
Fines and forfeitures	262,168	187,345	243,367	239,717	270,671
Use of money and property	159,375	122,296	174,633	320,685	313,854
Other	86,001	109,528	98,624	80,301	182,562
Total revenues	<u>8,523,924</u>	<u>8,166,417</u>	<u>8,349,482</u>	<u>9,902,211</u>	<u>10,068,451</u>
Expenditures					
General government	678,224	679,244	702,222	932,774	942,909
Public Safety	3,661,161	3,862,360	3,529,586	4,231,078	4,614,695
Transportation	127,438	97,723	66,095	69,496	65,968
Public works	1,282,235	1,769,881	1,483,860	1,620,722	1,329,229
Health and Welfare	47,144	48,148	48,661	53,030	53,196
Recreational Activities	348,798	426,741	431,884	412,602	480,314
Community Betterment	696,179	955,536	888,901	902,386	1,284,475
Capital outlay	755,535	456,957	264,782	391,815	9,291
Debt service:					
Principal	466,076	687,020	734,708	851,128	1,120,388
Bond issuance costs	-	131,488	-	-	223,829
Interest	459,203	342,532	283,770	251,304	9,797
Total expenditures	<u>8,521,993</u>	<u>9,457,630</u>	<u>8,434,469</u>	<u>9,716,335</u>	<u>10,134,091</u>
Excess of revenues (under) expenditures	<u>1,931</u>	<u>(1,291,213)</u>	<u>(84,987)</u>	<u>185,876</u>	<u>(65,640)</u>
Other financing sources (uses):					
Transfers in	2,690,304	3,359,512	2,569,783	3,197,880	2,913,768
Transfers out	(2,364,043)	(2,684,742)	(2,253,386)	(2,855,895)	(2,545,034)
Issuance of long-term debt	388,000	-	-	-	346,365
Proceeds of refunding bonds	-	3,670,388	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-
Premium (discount) on long-term debt	-	-	-	-	-
Capital contributions	-	-	-	-	-
Other	5,986	180,389	622	35,255	-
Proceeds from sale of property	124,340	55,978	5,152	47,462	392
Total other financing sources (uses)	<u>844,587</u>	<u>4,581,525</u>	<u>322,171</u>	<u>424,702</u>	<u>715,491</u>
Net changes in fund balance	<u>\$ 846,518</u>	<u>\$ 3,290,312</u>	<u>\$ 237,184</u>	<u>\$ 610,578</u>	<u>\$ 649,851</u>
Debt service as a percentage of noncapital expenditures	11.91%	12.90%	12.47%	12.88%	14.20%

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
1998	\$ 956,603	\$ 2,728,183	\$ 899,803	\$ 105,652	\$ 41,753	\$ 4,731,994
1999	1,017,289	2,898,534	901,788	102,621	45,830	4,966,062
2000	1,164,165	3,733,776	923,153	96,384	53,004	5,970,481
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	1,722,577	4,788,957	1,101,815	124,716	66,088	7,804,153
Change 1998-2007	80.07%	75.54%	22.45%	18.04%	58.28%	64.92%

Source: City records.

City of Excelsior Springs, Missouri

Principal Sales Tax Industries
Current Year
(Unaudited)

Industry	Percentage of Total City Sales Tax Revenues
Department Stores	32.4 %
Retail Grocers	15.0
Automotive Parts and Repairs	16.5
Eating and Drinking Establishments	8.9
Utilities, Electrical and Natural Gas	8.3
Hardware Stores and Hand Tools	7.0
Convenience Stores	3.6
Telephone, Cellular and Pager Communications	3.1
Temporary Residences (Hotels, Motels and Bed & Breakfast Establishments)	1.6
Furniture Stores	1.5
	<hr/> <hr/> <u>97.9</u>

Source: Monthly sales tax distribution reports

Note: Sales tax detail information not available for 1998.

City of Excelsior Springs, Missouri

Assessed and Estimated Actual Value of Taxable Property

Last Ten Fiscal Years

(Unaudited)

Fiscal Year	Real Estate		Railroad and Utility	Personal Property	Total Taxable Assessed Value	Percent Growth	Total Direct Tax Rate	Actual Taxable Value	Value as a Percentage of Actual Value
	Residential	Commercial							
1998	\$ 38,822,050	\$ 12,283,480	{a}	\$ 21,191,164	\$ 76,634,737	N/A	1.0100	\$ 321,286,726	23.85%
1999	39,617,319	13,669,864	4,193,420	23,520,874	81,156,727	5.90%	1.0100	336,904,084	24.09%
2000	45,698,500	16,401,671	4,163,721	25,717,798	92,139,290	13.53%	1.0100	384,031,326	23.99%
2001	46,746,417	16,026,230	4,309,474	29,439,495	96,681,516	4.93%	1.0500	400,125,940	24.16%
2002	51,013,710	16,488,630	4,309,474	39,665,849	111,674,313	15.51%	1.0500	455,325,578	24.53%
2003	52,001,420	16,218,185	4,662,834	39,974,755	113,078,428	1.26%	1.0500	461,924,106	24.48%
2004	57,524,030	17,162,986	4,507,916	41,300,207	120,688,369	6.73%	1.0407	497,241,962	24.27%
2005	58,775,700	20,544,524	4,797,592	42,551,953	126,862,009	5.12%	1.0500	519,087,214	24.44%
2006	64,277,720	23,195,330	4,868,556	41,680,360	134,216,496	5.80%	1.0532	553,928,638	24.23%
2007	66,425,730	23,652,740	4,911,349	41,762,911	136,978,450	2.06%	1.0532	567,307,159	24.15%

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				Hospital	School District	Overlapping Rates		Total Direct and Overlapping Rate		
	General Fund	Parks	Recreation				Clay County	Ray County	Clay County	Ray County	
1997	0.5900		0.1500		0.1200	4.0900	0.7300	1.4500	0.0300	5.8600	6.5600
1998	0.5900		0.1500		0.1200	4.0300	0.7300	1.4500	0.0300	5.8000	6.5200
1999	0.5700		0.1600		0.1200	4.0100	0.7300	1.4500	0.0300	5.7800	6.5000
2000	0.5700		0.1600		0.1600	4.0000	0.6400	1.4398	0.0300	5.7200	6.5198
2001	0.5700		0.1600		0.1600	4.0185	0.6495	1.5358	0.0300	5.7480	6.6343
2002	0.5700		0.1600		0.1600	4.6185	0.6495	1.5358	0.0300	6.3480	7.2343
2003	0.5649		0.1586		0.1586	4.6185	0.6402	1.4703	0.0300	6.3294	7.1595
2004	0.5700		0.1600		0.1600	4.5132	0.6955	1.4703	0.0300	6.2887	7.0635
2005	0.5720		0.1604		0.1604	4.6673	0.6884	1.5003	0.0300	6.4389	7.2508
2006	0.5720		0.1604		0.1604	4.7673	0.6024	1.5003	0.0300	6.4529	7.3508

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)

Taxpayer	2007			1998		
	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	\$ 8,116,943	1	5.93%	\$ 2,348,888	1	3.07%
Wal-Mart (Real Estate)	3,561,990	2	2.60%	1,664,000	2	2.17%
Waller Truck Company	2,776,904	3	2.03%	-	N/A *	0.00%
Bloch Family Partnership (Price Chopper)	1,350,530	4	0.99%	82,240	27	0.11%
Robert Bosch Tool Corporation (Gilmore Manufacturing)	1,329,192	5	0.97%	-	N/A *	0.00%
Ford Motor Company (Magna Lomason Corp.)	1,279,263	6	0.93%	1,551,736	3	2.02%
Elms Hotel	1,218,530	7	0.89%	640,000	7	0.84%
Wal-Mart Stores East (Personal Property)	1,064,911	8	0.78%	350,921	12	0.46%
Rexam Consumer Plastics (Precise Technology)	963,725	9	0.70%	1,341,908	4	1.75%
Crown Hill Associates (Crown Hill Shopping Center)	886,750	10	0.65%	544,000	9	0.71%
Clay-Ray Plastics	830,940	11	0.61%	95,970	47	0.13%
Gilmore Hose (Gilmore Manufacturing)	708,220	12	0.52%	523,330	10	0.68%
Dial Corporation	649,779	13	0.47%	-	N/A *	0.00%
Infier Automotive Seating (Excelsior Springs Seating Systems)	613,541	14	0.45%	460,988	11	0.60%
Colony Plaza Associates, LP	583,910	15	0.43%	334,400	16	0.44%

SOURCE: City Tax Billing Records.

* Taxpayer was not located in Excelsior Springs in 1998.

City of Excelsior Springs, Missouri

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

Fiscal Year Ended September 30:	Taxes Levied for the Tax Year		Collected Within the Fiscal Year of the Levy		Collected in Subsequent Years		Total Collections to Date	
	Tax Year	Amount	Amount	Percentage of Levy	Years	Amount	Percentage of Levy	
1998	\$ 745,560	\$ 730,272	\$ 730,272	97.95%	10,551	\$ 740,823	99.36% {a}	
1999	786,548	762,576	762,576	96.95%	14,506	777,082	98.80% {a}	
2000	893,516	875,601	875,601	97.99%	14,370	889,971	99.60% {a}	
2001	986,173	952,409	952,409	96.58%	16,993	969,402	98.30% {a}	
2002	1,147,198	1,100,431	1,100,431	95.92%	27,733	1,128,164	98.34% {a}	
2003	1,185,624	1,124,139	1,124,139	94.81%	23,408	1,147,547	96.79% {a}	
2004	1,267,970	1,170,639	1,170,639	92.32%	35,832	1,206,471	95.15%	
2005	1,296,583	1,250,345	1,250,345	96.43%	19,925	1,270,270	97.97%	
2006	1,363,457	1,297,619	1,297,619	95.17%	20,514	1,318,133	96.68%	
2007	1,397,166	1,332,219	1,332,219	95.35%	-	1,332,219	95.35%	

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)

Fiscal Year	Governmental Activities			Business-Type Activities					Total Primary Government	Percentage of Personal Income	Per Capita
	Capital Leases	Revenue Bonds	Neighborhood Improvement District Bonds	Loan Payable	Certificates of Participation	Lease Purchase Agreement	Revenue Bonds				
1998	\$ 281,572	\$ 9,005,164	\$ 685,000	\$ 1,230,000	\$ 515,000	\$ 15,959	\$ 2,725,000	\$ 14,457,695	3.49%	1,274	
1999	970,715	7,306,164	745,000	1,198,610	475,000	8,260	7,182,500	17,886,249	4.04%	1,567	
2000	757,938	7,102,164	745,000	1,112,500	435,000	-	6,488,971	16,641,573	3.87%	1,534	
2001	532,699	6,857,164	705,000	1,055,000	395,000	-	6,640,000	16,184,863	3.44%	1,486	
2002	6,167	6,860,000	660,000	995,000	-	929,836	6,347,500	15,798,503	3.42%	1,431	
2003	345,924	6,436,164	615,000	930,000	-	901,590	6,040,000	15,268,678	2.96%	1,373	
2004	273,904	6,255,000	545,000	860,000	-	516,575	5,720,000	14,170,479	2.72%	1,264	
2005	199,196	5,655,000	485,000	787,500	-	484,987	5,381,667	12,993,350	2.41%	1,147	
2006	121,700	4,950,000	425,000	710,000	-	451,584	5,024,167	11,682,451	2.09%	1,018	
2007	387,677	3,975,000	360,000	627,500	-	617,742	4,651,667	10,619,586	1.85%	912	

City of Excelsior Springs, Missouri

**Direct and Overlapping Governmental Activities Debt
For the Year Ended September 30, 2007
(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] \$ 29,600,000	44.92% [2]	\$ 13,296,320
Subtotal, overlapping debt	<u>29,600,000</u>		<u>13,296,320</u>
City Direct Debt	<u>-</u>	100.00%	<u>-</u>
Total direct and overlapping debt	<u>\$ 29,600,000</u>		<u>\$ 13,296,320</u>

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 Clay County Clerk's Office and Ray County Clerk's Office.

City of Excelsior Springs, Missouri

Legal Debt Margin Information

Last Ten Fiscal Years

(dollars in thousands)

(Unaudited)

		Legal Debt Margin Calculation for Fiscal Year 2007									
		1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Assessed value											\$ 136,978
Debt limit (20% of assessed value)											27,396
Debt applicable to limit:											
General obligation bonds											-
Less amount set aside for repayment of general obligation debt											-
Total net debt applicable to limit											\$ 27,396
Legal debt margin											
Debt limit		\$ 15,327	\$ 16,231	\$ 18,428	\$ 19,336	\$ 22,335	\$ 22,616	\$ 24,138	\$ 25,372	\$ 26,843	\$ 27,396
Total net debt applicable to limit		-	-	-	-	-	-	-	-	-	-
Legal debt margin		\$ 15,327	\$ 16,231	\$ 18,428	\$ 19,336	\$ 22,335	\$ 22,616	\$ 24,138	\$ 25,372	\$ 26,843	\$ 27,396
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	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
	(a)					
1998	\$ 859,902	\$ 1,536	\$ 858,366	\$ 655,000	\$ 203,366	1.00
1999	223,448	1,840	221,608	35,000	186,608	1.00
2000	221,870	2,039	219,831	35,000	184,831	1.00
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

Water Revenue Bonds						
Fiscal Year	Utility Service Charges	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
1998	\$ 1,572,848	\$ 750,517	\$ 822,331	\$ 140,000	\$ 33,194	4.75
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

Pollution Control Revenue Bonds						
Fiscal Year	Utility Service Charges	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
1998	\$ 786,636	\$ 464,681	\$ 321,955	\$ 201,250	\$ 366,704	0.57
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

(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 payments on the new issue.

City of Excelsior Springs, Missouri

Demographic and Economic Statistics
Last Ten Fiscal Years
(Unaudited)

Fiscal Year Ended September 30	Population {a}	Total Personal Income (In thousands) {b}	Median Household Income {c}	Per Capita Income {d}	Median Age {c}	School Enrollment {e}	Unemployment Rate {f}
1998	\$ 11,347	\$ 4,785,279	\$ 36,538	\$ 17,264	35.0	\$ 3,278	2.10%
1999	11,417	5,081,135	38,783	17,718	36.0	3,229	2.00%
2000	10,847	5,557,979	39,672	18,330	36.0	3,292	2.40%
2001	10,893	5,821,157	43,210	18,815	35.0	2,985	3.30%
2002	11,038	6,065,586	41,807	19,100	36.0	2,990	4.20%
2003	11,121	6,275,481	46,311	19,544	36.1	2,968	4.80%
2004	11,212	6,374,504	46,426	20,040	36.7	2,974	4.90%
2005	11,331	6,694,520	47,643	20,979	36.4	2,944	4.30%
2006	11,472	***	48,625	21,411	36.1	2,927	5.50%
2007	11,660	***	49,301	22,415	37.7	3,000	4.40%

*** Not yet available.

Sources:

- {a} Amounts for 2000 are the result of the census, all other years are census bureau estimates.
- {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).

City of Excelsior Springs, Missouri

Principal Employers
Current Year and Nine Years Ago
(Unaudited)

Employer	2007			1998		
	Employees {a}	Rank	Percentage of Total City Employment {b}	Employees {c}	Rank	Percentage of Total City Employment {b}
Excelsior Springs School District	350	1	5.51%	312	2	7.36%
American Italian Pasta Company	250	2	3.93%	245	4	5.78%
Excelsior Springs Hospital	244	3	3.84%	250	3	5.90%
Waller Truck Company	241	4	3.79%	***	n/a	n/a
Excelsior Springs Job Corps Center	203	5	3.19%	160	7	3.78%
Magna Intier Auto Interiors	200	6	3.15%	190	5	4.48%
REXAM (Precise Technology)	180	7	2.83%	131	9	3.09%
Gilmore Group	175	8	2.75%	170	6	4.01%
City of Excelsior Springs	103	9	1.62%	122	10	2.88%
Price Chopper	92	10	1.45%	140	8	3.30%
Orbseal	****	****	n/a	377	1	8.90%

** Information not available.

*** Business was not located in Excelsior Springs on September 30, 1998.

**** Business is no longer located in Excelsior Springs.

Sources:

{a} Number of employees obtained from respective businesses via telephone.

{b} Total city employment for 1998 obtained from www.metrodataline.org (Mid-America Regional Council). Total city employment for 2007 estimated.

{c} City Community Development Survey conducted in 1997 as reported by each employer.

City of Excelsior Springs, Missouri

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

Functions/Program	Full-Time Equivalent Employees as of September 30									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General Government:										
Municipal Court	3	3	3	1	1	1	1	1	1	1
City Manager	3	2	2	2	2	2	2	2	2	2
Finance	6	6	5	5	3	4	4	4	4	4
Building Maintenance	2	1	1	1	1	1	1	1	1	1
Community Development	0	0	0	0	2	2	2	2	2	1
Planning & Zoning	2	2	2	2	1	1	1	1	1	1
Inspections	4	4	2	3	3	3	3	2	2	2
Senior Center	1	1	1	1	1	1	1	1	1	1
Cemetery	1	1	1	0	0	0	0	0	0	0
Police:										
Officers	21	21	21	18	22	21	20	20	22	22
Civilians	7	7	6	8	10	9	10	9	10	10
Fire:										
Firefighters and Officers	14	14	14	16	19	17	17	18	18	17
Civilians	0	0	1	1	1	1	0	0	0	1
Street Maintenance	6	8	7	8	5	7	7	6	5	5
Water:										
Administration	2	2	2	2	2	2	2	2	2	2
Transmission/Purification	10	8	7	7	6	5	7	7	7	7
Sewer:										
Administration	0	0	0	0	0	0	0	0	0	0
Transmission/Treatment	5	4	4	5	5	6	6	5	6	6
Construction Services:										
Administration	0	0	0	1	1	1	1	1	1	1
Maintenance	7	7	9	9	12	11	9	10	10	10
Parks and Recreation	4	5	4	4	3	4	4	4	4	4
Transportation:										
Dispatch	2	1	1	1	1	1	1	1	1	1
Drivers	7	3	1	1	1	1	1	1	1	1
Golf:										
Maintenance	3	5	3	3	3	2	2	2	2	2
Pro Shop	0	0	0	1	1	1	1	1	1	1
Food and Beverage Sales	0	0	0	1	3	2	2	2	2	1
Total	110	105	96	101	108	105	104	102	105	103

{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	Calendar Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Police:										
Calls for service	**	**	4,027	9,757	9,749	10,807	10,862	11,126	11,014	11,316
Adult and Juvenile arrests	**	**	**	**	993	993	934	1,069	1,147	1,033
Speeding citations only	795	319	352	295	200	212	220	330	348	333
Traffic citations	2,419	1,436	1,505	1,448	1,275	1,384	1,989	3,277	3,014	2,596
Police Reports	**	**	3,938	4,277	3,626	3,803	3,864	3,120	2,879	2,638
DWI's - Municipal	69	71	136	82	115	62	53	89	75	70
Fire and EMS:										
Total ambulance runs	506	581	644	586	602	479	518	518	522	430
Total fire runs	1,850	1,964	2,082	2,069	1,795	1,704	1,935	2,007	1,912	1,655
Property loss	**	**	**	**	275,330	117,400	255,300	454,200	385,300	151,000
Building Inspections:										
Total building permits	412	425	466	415	389	448	437	396	960	421
Total value all permits	9,859,719	14,721,675	8,947,632	10,213,634	8,137,417	11,581,011	13,773,364	17,696,379	18,356,342	10,218,099
Public service:										
Garbage collected (ton)	**	**	**	**	**	**	**	3,832	3,810	3,330
Recycle collected (ton)	**	**	**	**	**	**	**	60.99	55.17	67.00
Parks and Recreation:										
Recreation program participation:										
Youth	705	685	606	697	776	862	833	998	1,177	1,255
Adult	560	692	348	356	299	338	308	256	178	282
Golf course:										
Golf rounds played	15,469	9,077	13,767	9,829	13,726	18,155	17,387	13,898	21,262	20,107
Golf memberships	384	277	293	273	272	274	232	204	237	256

Notes:

** Information not available.

{a} Building permits issued include both new construction and permits for remodeling/repairs. The dramatic increase 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 and 2006 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.

City of Excelsior Springs, Missouri

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

Function/Program	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
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	2	2	2	1	1	1	1
Parks and Recreation:										
Acreage	220	220	220	220	220	220	220	220	220	220
Parks	12	12	12	12	12	12	12	12	12	12
Baseball/Softball Diamonds	4	4	4	4	4	4	4	4	4	4
Soccer/Football Fields	5	5	5	5	5	5	5	5	5	5
Basketball Courts	4	4	4	4	4	4	4	4	4	4
Tennis Courts	4	4	4	4	4	4	4	4	4	4
Skate Parks	-	-	-	-	-	-	-	-	-	-
Parks with Playground Equipment	7	7	7	7	7	7	7	7	7	7
Golf courses	1	1	1	1	1	1	1	1	1	1
Picnic Shelters	8	8	8	8	8	8	9	9	9	9
Community Centers	1	1	1	1	1	1	1	1	1	1
Street Department	91	95	98	103	107	110	113	115	117	117
Miles of Streets	993	995	997	999	1,002	1,005	1,006	1,007	1,007	1,007
Street Lights										
Water:										
Wells	4	4	5	5	5	6	6	6	6	6
Water Storage Tanks/Towers	9	9	9	9	9	9	9	9	9	9
Miles of Water Main	268.5	269	270	271	272	273	274	275	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)	2.16	1.67	1.19	1.23	1.28	1.22	1.24	1.22	1.55	1.55
Peak Consumption (MGPD)	1.51	1.51	1.32	1.31	1.27	1.91	1.50	1.55	2.00	2.00
Wastewater:										
Sanitary Sewers (miles)	61.07	78.48	83.90	95.32	106.74	118.16	129.50	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.

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