City of Excelsior Springs, Missouri

Comprehensive Annual Financial Report
Year Ended September 30, 2011

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Comprehensive Annual Financial Report
Year Ended September 30, 2011

Prepared by:
Finance Department

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THE CITY OF Excelsior Springs MISSOURI

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February 3, 2012

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, 2011, is hereby submitted to fulfill those requirements. This report was prepared by the Finance Department in close cooperation with our external auditor, McGladrey & Pullen, LLP.

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

McGladrey & Pullen, LLP, have issued an unqualified ("clean") opinion on the City of Excelsior Springs' financial statements for the year ended September 30, 2011. 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 7.8% in September 2011, which is slightly below the state and national average of approximately 8.3% and 8.8%, respectively. During the past ten years the Clay County unemployment rate has varied from a low of 4.3% to a high of 8.7%.

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 13 percent). Much of the increase reflects a trend that has seen the salaries and benefits of police officers and firefighters growing at a faster rate than those of other categories of public-sector employees. This increase is also associated with the increased quantity and types of specialized equipment required by the public safety professions.

During the past ten years, the government's total tax revenues have increased by approximately $2,895,000, or 49.9%. The largest single contributor in this increase was general sales and use tax which increased by approximately $1,639,606, or 49.7%. Property tax revenues also increased by approximately $623,000, or 46.9 percent, during this ten-year period. Utility franchise fees increased by approximately $615,000, or 60.9 percent, during this ten-year period. The increase in sales and use tax revenues was driven by the addition of a one-half cent sales tax for public safety as well as a growth in underlying sales. The increase in property tax revenues was driven primarily by the growth in assessed value. The increase in utility franchise fees was driven by the collection of these fees on wireless telephones.

Long-term financial planning

The unassigned fund balance in the general fund (34.7 percent of total general fund revenues) falls within the policy guidelines set by the City Council and 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).

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

Major Initiatives

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

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

During the current fiscal year, the City started construction of a new animal control center, funded from the Capital Improvements Sales Tax Fund. Construction on this project will be completed during fiscal year 2012.

During the current fiscal year, the City solicited bids for the manufacture of a new fire apparatus. The City anticipates completing the purchase of this apparatus during fiscal year 2012. This purchase will be funded from the Public Safety Sales Tax Fund.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Excelsior Springs for its comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 2010. This was the fifth consecutive year that the government received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

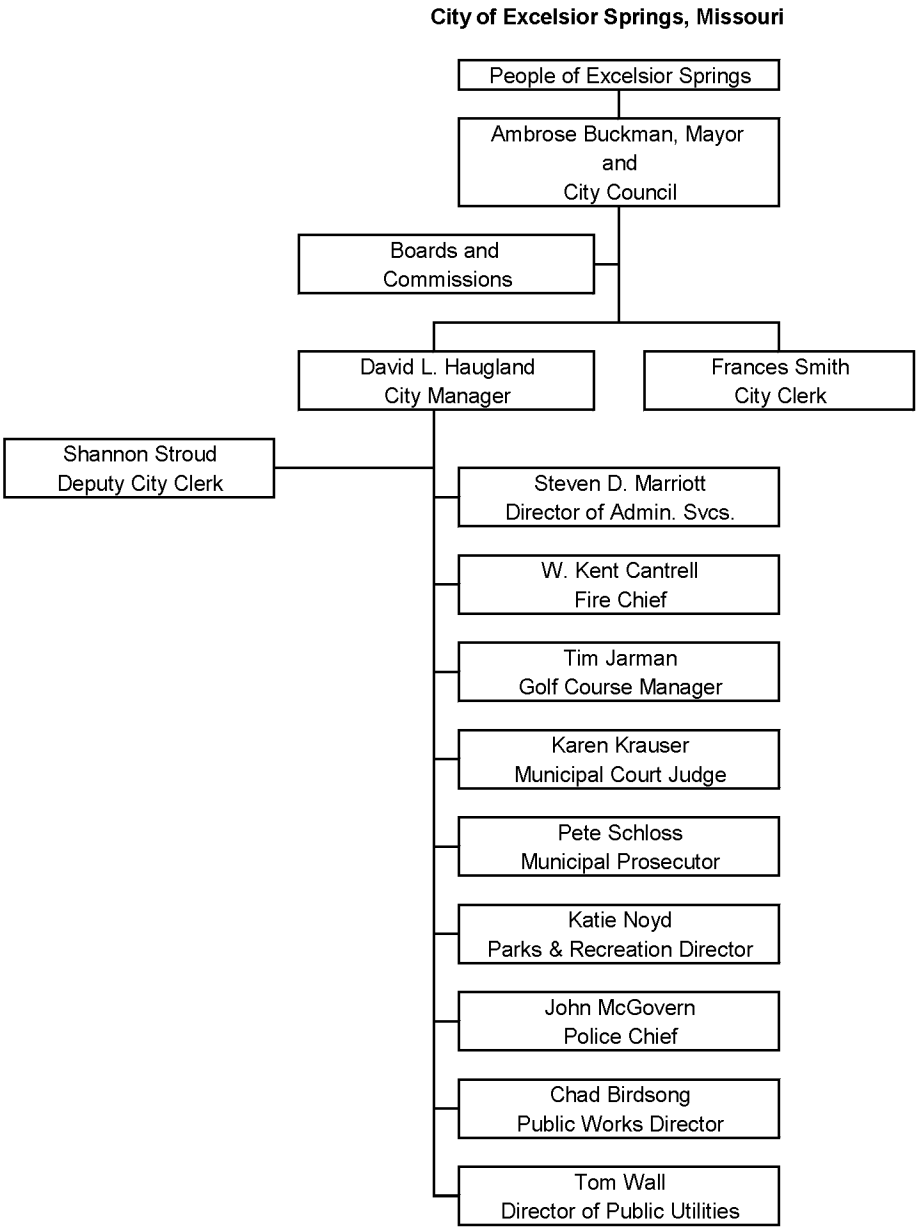
The preparation of this report would not have been possible without the efficient and dedicated service of the entire staff of the finance department and the assistance of other departments. We wish to express our appreciation to all members of the departments who assisted and contributed to the preparation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

Respectfully submitted,

Steven D. Marriott
Director of Administrative Services

City of Excelsior Springs, Missouri

Organizational Chart
Year Ended September 30, 2011



City of Excelsior Springs, Missouri

Principal Officials
September 30, 2011

Elected Officials

Mayor	Ambrose Buckman
Mayor Pro Tem	Chad Taylor
Councilman	James C. Nelson
Councilman	Brent McElwee
Councilwoman	Carolyn Schutte

Appointed Officials

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

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Excelsior Springs Missouri

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2010

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

President

Executive Director

McGladrey

Independent Auditor's Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Excelsior Springs, Missouri, as of and for the year ended September 30, 2011, 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 46 percent and 0 percent, respectively, of the assets and revenues of the aggregate remaining fund information for the Hospital's agency fund. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the City Hospital, a discretely presented component unit and Hospital agency fund, is based on the report of the other auditors.

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

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Excelsior Springs, Missouri, as of September 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof, and the respective budgetary comparison for the General Fund, Parks and Recreation Fund and Capital Improvements Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As explained in Notes 13 and 14 to the basic financial statements, the City adopted GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which changed its classifications of governmental funds' fund balances and restated the General Fund and aggregate remaining fund's beginning fund balance.

In accordance with *Government Auditing Standards,* we have also issued our report dated February 2, 2012 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.

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The Management's Discussion and Analysis on pages 3 through 15, the pension plan schedule of funding progress and schedule of employer contributions on page 67 and schedule of funding progress for other postemployment benefit plan on page 68 are not a required part of the basic financial statements but are supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Excelsior Springs, Missouri's basic financial statements. The combining and individual nonmajor fund financial statements and other schedules, listed in the table of contents as supplementary information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

McGladrey & Pullen, LLP

Kansas City, Missouri
February 2, 2012

City of Excelsior Springs, Missouri

Management's Discussion and Analysis
For Fiscal Year Ended September 30, 2011

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, 2011.

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 $36,215,432. Of this amount, $7,425,549 may be used to meet the government's ongoing obligations to citizens and creditors. For fiscal year 2010, assets exceeded liabilities by $33,164,344 of which $7,773,669 was unrestricted.
- The government's total net assets increased by $3,051,088 and $1,861,475 for fiscal years ended September 30, 2011 and 2010, 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 $11,491,240, an increase of $1,345,033. Approximately $2,414,707 of this amount is available for spending at the government's discretion. Total governmental funds combined ending fund balances in fiscal year 2010 were $10,146,207.
- At the end of the current fiscal year, the unassigned fund balance for the General Fund was $2,503,528 or 36 percent of total General Fund expenditures.
- The City of Excelsior Springs total debt (excluding compensated absences) increased by $31,796,114 (467 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, cemetery operations, recreational activities and community betterment.

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

The government-wide financial statements can be found on pages 16-19 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Excelsior Springs, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Excelsior Springs can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

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

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

The City of Excelsior Springs maintains 18 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Parks and Recreation Special Revenue Fund and Capital Improvements Special Revenue Fund, which are considered to be major funds. Data from the other 15 funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on pages 20-28 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 and sewer operations, both of which are considered major funds of the City of Excelsior Springs. Conversely, airport, refuse and golf operations are combined into a single, aggregated presentation in the proprietary fund financial statements.

The basic proprietary fund financial statements can be found on pages 29-33 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 34 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 35-66 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 69-90 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 $36,215,432 at the close of the most recent fiscal year.

A large portion of the City of Excelsior Springs' net assets (56 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	
	2011	2010	**2011**	2010	**2011**	2010
Current and other assets	**$ 13,178,539**	$ 12,100,579	**$ 37,186,447**	$ 4,949,197	**$ 50,364,986**	$ 17,049,776
Capital assets	**14,916,179**	14,948,517	**12,513,974**	11,138,930	**27,430,153**	26,087,447
Total assets	**28,094,718**	27,049,096	**49,700,421**	16,088,127	**77,795,139**	43,137,223
Long-term liabilities outstanding	**1,436,522**	1,985,679	**35,959,425**	3,555,623	**37,395,947**	5,541,302
Other liabilities	**2,831,505**	3,257,503	**1,352,255**	1,174,074	**4,183,760**	4,431,577
Total liabilities	**4,268,027**	5,243,182	**37,311,680**	4,729,697	**41,579,707**	9,972,879
Net assets:						
Invested in capital assets, net of related debt	**12,996,356**	12,241,755	**7,360,002**	7,033,568	**20,356,358**	19,275,323
Restricted	**8,196,025**	5,493,852	**237,500**	621,500	**8,433,525**	6,115,352
Unrestricted	**2,634,310**	4,070,307	**4,791,239**	3,703,362	**7,425,549**	7,773,669
Total net assets	**$ 23,826,691**	$ 21,805,914	**$ 12,388,741**	$ 11,358,430	**$ 36,215,432**	$ 33,164,344

A portion of the City of Excelsior Springs' net assets (23 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets ($7,425,549 or 21 percent) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of 2011 and 2010, the City of Excelsior Springs is able to report positive balances in all three categories of net assets for the governmental activities and business-type activities.

There was an increase of $2,702,173 in restricted net assets reported in connection with the City of Excelsior Springs' governmental activities. This increase was caused primarily by an increase in public safety sales tax funds on hand and capital project funds on hand.

There was a decrease of $384,000 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 $3,051,088 during the current fiscal year. The changes in net assets are highlighted in the following table, which shows the City's revenue and expenses for the fiscal year. These two main components are subtracted to yield the change in net assets.

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

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

City of Excelsior Springs' Changes in Net Assets

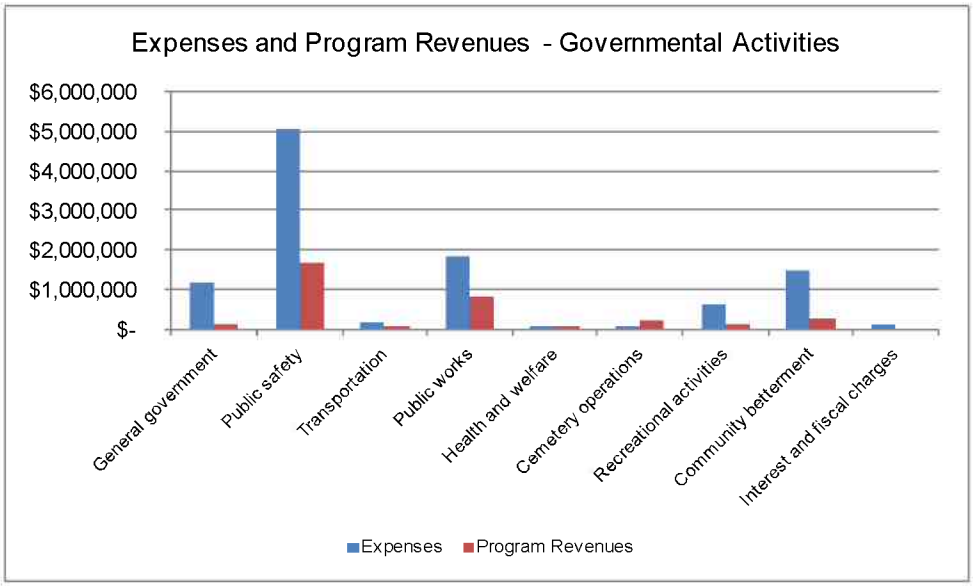
	Governmental Activities 2011	**Business-Type Activities 2011**	**2011 Total**	Governmental Activities 2010	Business-Type Activities 2010	2010 Total
Revenues:						
Program revenues:						
Charges for services	**$ 2,226,935**	**$ 5,765,995**	**$ 7,992,930**	$ 1,813,830	$ 5,066,766	$ 6,880,596
Operating grants and contributions	**1,123,580**	**12,577**	**1,136,157**	1,515,557	16,483	1,532,040
Capital grants and contributions	**-**	**15,300**	**15,300**	-	-	-
General revenues:						
Property taxes	**1,955,284**	**-**	**1,955,284**	1,880,348	-	1,880,348
General sales and use tax	**4,998,485**	**-**	**4,998,485**	4,917,024	-	4,917,024
Franchise tax	**1,625,117**	**-**	**1,625,117**	1,530,424	-	1,530,424
Cigarette tax	**116,058**	**-**	**116,058**	117,079	-	117,079
Railroad and utility/financial institution tax	**60,219**	**-**	**60,219**	52,715	-	52,715
Investment earnings	**157,789**	**125,120**	**282,909**	148,491	84,269	232,760
Miscellaneous	**73,369**	**-**	**73,369**	48,620	-	48,620
Gain on sale of capital assets	**-**	**-**	**-**	21,295	-	21,295
Total revenues	**12,336,836**	**5,918,992**	**18,255,828**	12,045,383	5,167,518	17,212,901

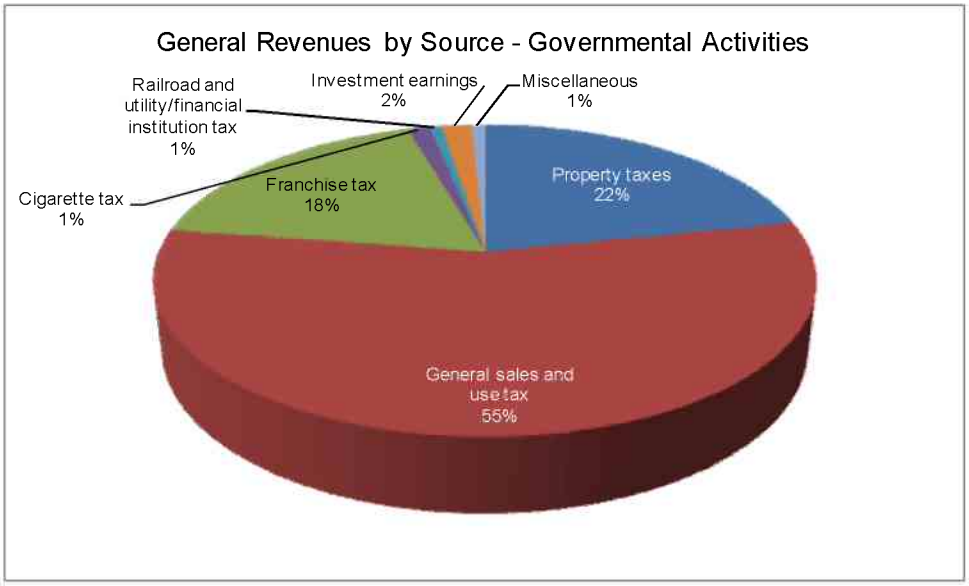
City of Excelsior Springs' Changes in Net Assets (Continued)

	Governmental Activities 2011	Business-Type Activities 2011	2011 Total	Governmental Activities 2010	Business-Type Activities 2010	2010 Total
Expenses:						
General government	1,161,049	-	1,161,049	1,128,823	-	1,128,823
Public safety	5,055,440	-	5,055,440	5,361,872	-	5,361,872
Transportation	152,676	-	152,676	143,981	-	143,981
Public works	1,840,211	-	1,840,211	1,929,547	-	1,929,547
Health and welfare	55,520	-	55,520	51,887	-	51,887
Cemetery operations	17,810	-	17,810	-	-	-
Recreational activities	634,316	-	634,316	528,013	-	528,013
Community betterment	1,508,422	-	1,508,422	1,728,610	-	1,728,610
Interest and fiscal charges	102,165	-	102,165	137,029	-	137,029
Water	-	1,892,942	1,892,942	-	1,660,959	1,660,959
Sewer	-	1,330,063	1,330,063	-	1,204,401	1,204,401
Golf	-	765,508	765,508	-	792,062	792,062
Airport	-	50,282	50,282	-	16,958	16,958
Refuse	-	638,336	638,336	-	667,284	667,284
Total expenses	10,527,609	4,677,131	15,204,740	11,009,762	4,341,664	15,351,426
Excess before transfers	1,809,227	1,241,861	3,051,088	1,035,621	825,854	1,861,475
Transfers	211,550	(211,550)	-	(638,842)	638,842	-
Change in net assets	2,020,777	1,030,311	3,051,088	396,779	1,464,696	1,861,475
Net assets, beginning	21,805,914	11,358,430	33,164,344	21,409,135	9,893,734	31,302,869
Net assets, ending	$ 23,826,691	$ 12,388,741	$ 36,215,432	$ 21,805,914	$ 11,358,430	$ 33,164,344

Governmental activities. Governmental activities increased the City of Excelsior Springs' net assets by $2,020,777, accounting for 66 percent of the increase in the government's net assets. Key elements of this increase are as follows:

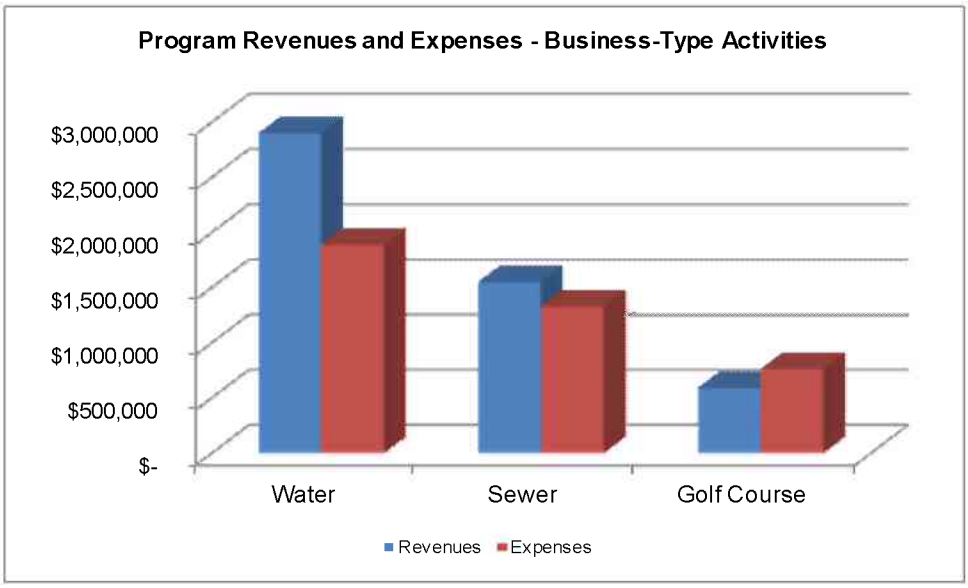
- Charges for services increased by $413,105 (23 percent) during the fiscal year. This increase was caused by an increase in the amounts billed for capital projects as well as an increase in the number of Park and Recreation program participants.
- Operating grants and contribution revenues decreased by $391,977 (26 percent) during the fiscal year. This decrease was caused by a decrease in federal grant monies received for street and bridge rehabilitation projects as well as a decrease in federal grant monies received for law enforcement activities.
- Franchise tax revenues increased by $94,693 (6 percent) during the fiscal year. This increase was driven by increased electric franchise taxes received during the current year due to increased usage and to electric rate increases which occurred during the year.
- Public safety expenses decreased by $306,432 (6 percent) during the fiscal year. This decrease is primarily related to decreased grant expenses associated with the Clay County Drug Task Force and decreased expenses associated with the operation of traffic enforcement cameras.
- Community betterment expenses decreased by $220,188 (13 percent) during the fiscal year. This decrease is attributable primarily to decreased expenses related to Community Development Block Grant (CDBG) programs.


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


General Revenues by Source - Governmental Activities
Railroad and utility/financial institution tax 1%
Investment earnings 2%
Miscellaneous 1%
Cigarette tax 1%
Franchise tax 18%
Property taxes 22%
General sales and use tax 55%

Business-type activities. Business-type activities increased the City of Excelsior Springs' net assets by $1,030,311, accounting for 34 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 $699,229 (14 percent). This increase was driven by a $373,122 (15 percent) increase in water revenues and a $356,315 (30 percent) increase in sewer revenues. The increases in water and sewer revenues were caused by rate increases of 15 percent and 33 percent, respectively.
- Interest income for business-type activities increased by $40,851 (48 percent), primarily due to increased cash balances due to the deposit of bond proceeds.



Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, the City of Excelsior Springs' governmental funds reported combined ending fund balances of $11,491,240, an increase of $1,345,033 in comparison with the prior year. Approximately $2,414,707 is unassigned.

The General Fund is the chief operating fund of the City of Excelsior Springs. At the end of the current fiscal year, the unassigned fund balance of the General Fund was $2,503,528. As a measure of the General Fund's liquidity, it may be useful to compare both the unassigned fund balance and the total fund balance to total fund expenditures. The unassigned fund balance represents 36 percent of General Fund expenditures, while the total fund balance represents 50 percent of that same amount.

The fund balance of the City of Excelsior Springs' General Fund increased by $478,715 during the current fiscal year. Key factors in this growth are as follows:

- Total revenues increased by $467,141 (7 percent). This increase was caused primarily by a $199,160 increase in tax revenues, a $355,137 increase in intergovernmental revenues, an $83,404 increase in charges for services, a $70,306 decrease in fines and forfeitures and an $84,482 decrease in other revenues.
- Total expenditures increased by $143,016 (2 percent). This increase was caused by a $30,538 (2.9 percent) decrease in general government expenditures, a $23,752 (2.5 percent) decrease in public works expenditures, a $41,896 (0.9 percent) increase in public safety expenditures and a $129,795 (441 percent) increase in capital outlay expenditures. The decrease in general government expenditures was driven by consulting fees associated with the DREAM initiative which were paid during the prior fiscal year. The increase in public safety expenditures was driven by increases in salary and benefit expenditures related to pay increases given during the year. The increase in capital outlay expenditures was due to the purchase of a vibratory compactor, one truck and one police cruiser.
- Other financing sources decreased by $333,844 (28.1 percent). This decrease was driven by a decrease in transfers from the Transportation Trust Fund as the current year's street overlay program was not begun until after year-end.
- Other financing uses decreased by $825,679 (59.9 percent). This decrease was caused by the City Council making a conscious decision to forgive amounts owed to the General Fund by the Golf Course and Airport Funds during the prior fiscal year.

The Parks and Recreation Fund has a total fund balance of $521,056. Funding sources for the Parks and Recreation Fund include property tax revenues and program revenue. The fund balance of the Parks and Recreation Fund decreased by $53,250 during the fiscal year. Key factors of this decrease are as follows:

- Total revenues increased by $64,018 (10.2 percent) from the prior fiscal year. The largest factor in this increase was the receipt of $32,692 in grant proceeds related to the Siloam Mountain walk trail.
- Total expenditures increased by $221,419 (45 percent). This increase was caused by a $42,800 increase in personnel costs related to an increase in the number of part-time employees used, a $32,809 increase in operational costs, a $44,879 increase in administrative costs, and a $99,584 increase in capital outlay expenditures. All of these increases were driven by a change in the Park Board philosophy which resulted in an increase in the programs offered, etc.

The Capital Improvements Fund has a total fund balance of $2,189,720. 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 $34,906 during the fiscal year. Key factors of this increase include the following:

- Total revenues increased by $47,082 (6 percent). This increase was caused by an increase in sales and use tax revenues.
- Total expenditures increased by $220,045 (69 percent). This increase occurred because of a $353,395 (305 percent) increase in capital outlay expenditures offset by a decrease in other expenditures. The increase in capital outlay expenditures was driven by construction of a new animal shelter facility.
- Transfers out decreased by $263,165 (52 percent). This decrease is related to match provided on the Hall of Waters Terrace project during the prior fiscal year.

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 and the Pollution Control (Sewer) Fund at the end of the current fiscal year amounted to $3,444,858 and $1,407,131, respectively. The increase in net assets for these funds was $897,187 and $203,559, respectively. Other factors concerning the finances of these two funds have already been addressed in the discussion of the City of Excelsior Springs' business-type activities.

General Fund Budgetary Highlights

General Fund Revenue: This budgetary analysis does not include those funds consolidated with the General Fund. The original 2011 revenue budget was $7,017,624 including transfers of $736,430 and proceeds from the sale of capital assets of $5,000. The amended 2011 revenue budget was $7,264,939 including transfers of $753,529 and proceeds from the sale of capital assets of $11,500. Actual revenue, including transfers and proceeds from the sale of capital assets was $7,473,740 and included the following variances:

Taxes, including property tax, franchise fees, sales and use tax and other miscellaneous taxes comprise 58 percent of the total General Fund revenue. In total, General Fund tax revenues exceeded the original and amended budget by approximately 9 percent and 1.5 percent, respectively. Some elements of this difference include the following:

- Property tax collections grew by 3 percent over fiscal year 2010 and exceeded the original and amended budget by 3.9 percent and 0.3 percent, respectively.
- Sales and use tax collections grew by 4.5 percent over fiscal year 2010 and exceeded the original and amended budget by 6 percent and 1.6 percent, respectively.
- Total franchise fees grew by 6.2 percent over fiscal year 2010 and exceeded the original and amended budget by 15.7 percent and 2.8 percent, respectively. Electric franchise fees increased by $85,561 (12.4 percent) over fiscal year 2010 primarily due to increases in electric rates and increased usage as the summer was unusually warm. All other franchise fees were fairly consistent.
- Licenses and permit revenues exceeded the original budget by 1.2 percent, fell short of the amended budget by 4.5 percent and decreased by 2.7 percent from fiscal year 2010.

- Charges for services exceeded the original and amended budget by 3.4 percent and 23.2 percent, respectively, and grew by 12 percent from fiscal year 2010. These differences are attributable to changes in net ambulance billings due in part to an increase in the number of ambulance calls.
- Fines and forfeitures exceeded the original and amended budget by 1.4 percent and 2.5 percent, respectively, and decreased by 12 percent from fiscal year 2010. Traffic enforcement cameras were added late in fiscal year 2009 and the revenues from these cameras has begun to decline as is typical.
- Investment earnings fell short of the original and amended budget by 9.6 percent and 0.03 percent, respectively, and decreased by 3.6 percent from fiscal year 2010. The continued decline in interest rates is the driving force in this decrease.
- Other revenues exceeded the original and amended budget by 45.8 percent and 1.3 percent, respectively, and grew by 24 percent from fiscal year 2010.

General Fund Expenditures: This budgetary analysis does not include those funds consolidated with the General Fund. The original 2011 expenditure budget was $7,017,583 including transfers of $414,900. The amended 2011 expenditure budget was $7,256,838 including transfers of $440,515. Actual expenditures, including transfers, were $6,939,957 and declined by 8.3 percent from fiscal year 2010. Salary and benefit expenditures increased by $127,383, or 2.8 percent, from fiscal year 2010. Other details of the changes are as follows:

- General government expenditures exceeded the original budget by 0.3 percent and declined by 1.3 percent from fiscal year 2010. Some elements of this difference are:
  - ✓ City manager and City council expenditures exceeded the original budget by 4.7 percent and decreased by 14 percent from fiscal year 2010. The largest factor in this decrease was a 99 percent decrease in professional fees as $42,510 was expended in the prior fiscal year on the DREAM program, while those expenditures were not replicated in the current year.
  - ✓ Finance department expenditures fell short of the original budget by 2.4 percent although they grew by 5 percent over fiscal year 2010. The largest factor in this increase was a 5 percent increase in personnel expenditures.
  - ✓ Human Resources expenditures fell short of the original budget by 0.5 percent and increased by 5 percent over fiscal year 2010. The largest factor in this increase was a 4 percent increase in personnel expenditures.
  - ✓ Building operations expenditures exceeded the original budget by 3 percent and grew by 27 percent from fiscal year 2010. The largest factor in this increase was a 23 percent increase in building maintenance expenditures.
- Public works expenditures exceeded the original budget by 1.2 percent and increased by 5.5 percent over fiscal year 2010. Some of the factors of this increase include a 46 percent increase in operational and maintenance expenditures.
- Public safety expenditures fell short of the original budget by 1 percent although they grew by 1 percent from fiscal year 2010. Some elements of this difference are:
  - ✓ Police department expenditures fell short of the original budget by 4 percent and decreased by 2 percent over fiscal year 2010. The largest factor in this decrease was a 16.2 percent decrease in operational expenditures driven by a decrease in payments to the subcontractor that operates the City's traffic enforcement cameras.

- ✓ Municipal court expenditures exceeded the original budget by 1 percent and grew by 21 percent from fiscal year 2010. The largest single factor in this increase was a 9.9 percent increase in personnel expenditures related to employing two court clerks for part of the current fiscal year.
- ✓ Fire department expenditures exceeded the original budget by 4 percent and grew by 3 percent from fiscal year 2010. The largest factor in this increase was a 2.7 percent increase in personnel expenditures.

- Community betterment expenditures increased by 6 percent from fiscal year 2010 and fell short of the original budget and the amended budget by 10.5 percent and 10.7 percent, respectively. The increase in community betterment expenditures was caused by a 4.5 percent increase in community development department expenditures, a 7 percent increase in senior center expenditures and an 8.6 percent increase in transportation expenditures.
- Capital outlay expenditures increased by 431 percent from fiscal year 2010 and fell short of the original budget and the amended budget by 3 percent and 6 percent, respectively. The increase in capital outlay expenditures was driven by the purchase of a vibratory roller and a truck for the street department.

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 $27,430,153 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system improvements, machinery and equipment, and infrastructure assets. The total increase in the City of Excelsior Springs' investment in capital assets for the current fiscal year was 5.1 percent (business-type capital assets increased by 12.3 percent while governmental capital assets decreased by 0.2 percent).

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

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

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	**2011**	2010	**2011**	2010
Land	**$ 1,566,614**	$ 1,523,144	**$ 1,136,537**	$ 1,036,813	**$ 2,703,151**	$ 2,559,957
Land improvements	**-**	-	**220,792**	263,246	**220,792**	263,246
Construction-in-progress	**875,869**	653,522	**2,211,224**	74,712	**3,087,093**	728,234
Buildings and improvements	**1,008,836**	937,146	**2,101,610**	2,328,553	**3,110,446**	3,265,699
Operating equipment	**972,183**	1,048,363	**110,037**	215,379	**1,082,220**	1,263,742
Furniture and office equipment	**152,981**	71,440	**25,474**	15,649	**178,455**	87,089
Vehicles	**830,436**	777,536	**132,969**	126,659	**963,405**	904,195
Infrastructure	**9,509,260**	9,937,366	**6,575,331**	7,077,919	**16,084,591**	17,015,285
	$ 14,916,179	$ 14,948,517	**$ 12,513,974**	$ 11,138,930	**$ 27,430,153**	$ 26,087,447

Long-term debt. At the end of the current fiscal year, the City of Excelsior Springs had total capital leases, bonded debt, certificates of participation and long-term loans payable outstanding of $337,405, $2,243,333, $35,790,000 and $237,500, respectively, for a total of $38,608,238. Of this amount, $2,243,333 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, certificates of participation and long-term loans payable.

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

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	**2011**	2010	**2011**	2010
Capital leases	**$ 74,823**	$ 146,762	**$ 262,582**	$ 359,112	**$ 337,405**	$ 505,874
Special assessment debt with governmental commitment	**-**	140,000	**-**	-	**-**	140,000
Revenue bonds	**1,845,000**	2,420,000	**398,333**	3,401,250	**2,243,333**	5,821,250
Certificates of participation	**-**	-	**35,790,000**	-	**35,790,000**	-
Long-term loans payable	**-**	-	**237,500**	345,000	**237,500**	345,000
	$ 1,919,823	$ 2,706,762	**$ 36,688,415**	$ 4,105,362	**$ 38,608,238**	$ 6,812,124

The City of Excelsior Springs' total debt increased by $31,796,114 (467 percent) during the current fiscal year. This increase resulted from the issuance of certificates of participation during the year of $2,305,000, $13,280,000, $20,205,000 and scheduled principal payments.

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

State statutes limit the amount of general obligation debt a governmental entity may issue up to 10 percent of its total assessed valuation. The current debt limitation for the City of Excelsior Springs is $27.140 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 7.8 percent, which is 0.7 percent lower than it was one year ago. This compares favorably to the state's average unemployment rate of 8.3 percent and the national average of 8.8 percent.
- Inflationary trends in the region compare favorably to national indices.
- Real estate values and related assessed values have experienced a slight decline over the past year, although the decline in this area is not as substantial as the declines seen in other parts of the nation.

These factors were considered in preparing the City of Excelsior Springs' budget for the 2012 fiscal year:

- During the fiscal year, the unassigned fund balance of the General Fund increased to $2,503,528. The City of Excelsior Springs passed a balanced budget for the 2012 fiscal year.
- Water and sewer rate increases of 12.8 percent and 28.1 percent, respectively were included in the 2011 budget.
- Construction of a new wastewater plant is expected to start during fiscal year 2012 and continue into fiscal year 2013.

Requests for Information

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

City of Excelsior Springs, Missouri

Statement of Net Assets
September 30, 2011

	Primary Government			Component Unit
Assets	Governmental Activities	Business-Type Activities	Total	Hospital
Current assets:				
Cash and cash equivalents	$ 5,448,631	$ 2,389,704	$ 7,838,335	$ 4,867,903
Investments	3,385,000	2,085,000	5,470,000	-
Receivables, net of allowance for uncollectibles of $219,304:				
Property taxes	1,391,101	-	1,391,101	-
Franchise taxes	170,958	-	170,958	-
Utility accounts	-	636,796	636,796	-
Patient accounts	-	-	-	2,580,954
Other	217,824	-	217,824	665,528
Due from other governmental units	690,858	-	690,858	-
Inventory	-	2,500	2,500	-
Prepaid items	164,422	12,030	176,452	456,037
Assets held for sale	23,000	-	23,000	-
Internal balances	356,052	(356,052)	-	-
Supplies	-	-	-	423,106
Total current assets	11,847,846	4,769,978	16,617,824	8,993,528
Noncurrent assets:				
Nondepreciable:				
Land	1,566,614	1,136,537	2,703,151	-
Construction-in-progress	875,869	2,211,224	3,087,093	-
Depreciable:				
Land improvements	39,831	809,585	849,416	1,318,881
Buildings and improvements	4,433,797	5,107,018	9,540,815	15,120,671
Operating equipment	2,189,867	1,170,872	3,360,739	6,856,870
Furniture and office equipment	340,559	141,704	482,263	7,142,661
Vehicles	2,769,896	831,934	3,601,830	-
Infrastructure	46,269,168	16,872,788	63,141,956	-
Less accumulated depreciation	(43,569,422)	(15,767,688)	(59,337,110)	(15,493,146)
Total capital assets	14,916,179	12,513,974	27,430,153	14,945,937
Restricted cash and cash equivalents	931,485	31,899,702	32,831,187	-
Restricted investments	399,208	-	399,208	-
Cash and deposits held under bond indenture, due from primary government agency fund	-	-	-	1,020,814
Bond issuance costs	-	516,767	516,767	-
Other	-	-	-	122,163
Total noncurrent assets	16,246,872	44,930,443	61,177,315	16,088,914
Total assets	$ 28,094,718	$ 49,700,421	$ 77,795,139	$ 25,082,442

See Notes to Basic Financial Statements.

	Primary Government			Component Unit
Liabilities	Governmental Activities	Business-Type Activities	Total	Hospital
Current liabilities:				
Accounts payable and accrued expenses	$ 341,310	$ 159,208	$ 500,518	$ 723,461
Unearned revenue	1,345,989	-	1,345,989	-
Customer deposits	-	296,098	296,098	-
Accrued interest	35,244	199,177	234,421	63,804
Current portion of long-term obligations:				
Compensated absences	419,139	87,337	506,476	491,962
Capital lease obligations	74,823	55,852	130,675	507,423
Revenue bonds payable	615,000	214,583	829,583	260,877
Certificates of participation	-	340,000	340,000	-
Total current liabilities	2,831,505	1,352,255	4,183,760	2,047,527
Noncurrent liabilities:				
Noncurrent portion of long-term obligations:				
Other postemployment benefits obligation	86,126	20,474	106,600	-
LAGERS pension obligation	120,396	29,310	149,706	-
Capital lease obligations	-	206,730	206,730	703,172
Loans payable	-	237,500	237,500	-
Revenue bonds payable	1,230,000	183,750	1,413,750	11,341,554
Certificates of participation	-	35,281,661	35,281,661	-
Total noncurrent liabilities	1,436,522	35,959,425	37,395,947	12,044,726
Total liabilities	4,268,027	37,311,680	41,579,707	14,092,253
Net assets:				
Invested in capital assets, net of related debt	12,996,356	7,360,002	20,356,358	2,132,911
Restricted for:				
Renewal and replacement	-	237,500	237,500	-
Debt service	1,020,607	-	1,020,607	736,584
Parks and recreation	521,056	-	521,056	-
Capital projects	3,816,203	-	3,816,203	150,972
Planning and development	1,197,748	-	1,197,748	-
Public safety	1,640,411	-	1,640,411	-
Other	-	-	-	120,932
Unrestricted	2,634,310	4,791,239	7,425,549	7,848,790
Total net assets	23,826,691	12,388,741	36,215,432	10,990,189
Total liabilities and net assets	$ 28,094,718	$ 49,700,421	$ 77,795,139	$ 25,082,442

City of Excelsior Springs, Missouri

Statement of Activities
Year Ended September 30, 2011

Functions/Programs	Expenses	Program Revenues: Charges for Services and Sales	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary Government				
Governmental activities:				
General government	$ (1,161,049)	$ 115,858	$ -	$ -
Public safety	(5,055,440)	1,406,395	274,758	-
Transportation	(152,676)	30,767	61,309	-
Public works	(1,840,211)	333,091	492,908	-
Health and welfare	(55,520)	-	16,500	-
Cemetery operations	(17,810)	10,095	208,596	-
Recreational activities	(634,316)	127,279	-	-
Community betterment	(1,508,422)	203,450	69,509	-
Interest and fiscal charges	(102,165)	-	-	-
Total governmental activities	(10,527,609)	2,226,935	1,123,580	-
Business-type activities:				
Water	(1,892,942)	2,887,962	-	15,300
Sewer	(1,330,063)	1,555,214	-	-
Golf	(765,508)	583,241	12,577	-
Airport	(50,282)	33,729	-	-
Refuse	(638,336)	705,849	-	-
Total business-type activities	(4,677,131)	5,765,995	12,577	15,300
Total primary government	$ (15,204,740)	$ 7,992,930	$ 1,136,157	$ 15,300
Component unit - hospital	$ (22,477,061)	$ 22,798,257	$ 162,107	$ 9,192

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

Net assets, ending

See Notes to Basic Financial Statements.

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			Component Unit
Governmental Activities	Business-Type Activities	Total	Hospital
$ (1,045,191)	$ -	$ (1,045,191)	$ -
(3,374,287)	-	(3,374,287)	-
(60,600)	-	(60,600)	-
(1,014,212)	-	(1,014,212)	-
(39,020)	-	(39,020)	-
200,881	-	200,881	-
(507,037)	-	(507,037)	-
(1,235,463)	-	(1,235,463)	-
(102,165)	-	(102,165)	-
(7,177,094)	-	(7,177,094)	-
-	1,010,320	1,010,320	-
-	225,151	225,151	-
-	(169,690)	(169,690)	-
-	(16,553)	(16,553)	-
-	67,513	67,513	-
-	1,116,741	1,116,741	-
(7,177,094)	1,116,741	(6,060,353)	-
-	-	-	492,495
1,955,284	-	1,955,284	262,756
4,998,485	-	4,998,485	-
1,625,117	-	1,625,117	-
116,058	-	116,058	-
60,219	-	60,219	-
157,789	125,120	282,909	-
73,369	-	73,369	80,665
211,550	(211,550)	-	-
9,197,871	(86,430)	9,111,441	343,421
2,020,777	1,030,311	3,051,088	835,916
21,805,914	11,358,430	33,164,344	10,154,273
$ 23,826,691	$ 12,388,741	$ 36,215,432	$ 10,990,189

City of Excelsior Springs, Missouri

Balance Sheet
Governmental Funds
September 30, 2011

Assets	General	Parks and Recreation
Cash and cash equivalents	$ 541,776	$ 502,239
Investments	1,495,000	-
Receivables, net of allowance for uncollectibles of $194,962:		
Property taxes	858,926	475,914
Franchise taxes	160,498	-
Other	213,990	3,713
Due from other governments	290,992	571
Prepaid items	164,422	-
Assets held for sale	-	-
Advances to other funds	444,873	-
Restricted cash and cash equivalents	124,916	-
Restricted investments	250,000	-
Total assets	$ 4,545,393	$ 982,437
Liabilities and Fund Balance		
Liabilities:		
Accounts payable and accrued expenses	$ 224,683	$ 4,624
Deferred revenue	832,971	456,757
Advances from other funds	-	-
Total liabilities	1,057,654	461,381
Fund balance (deficit):		
Nonspendable	609,295	-
Restricted	374,916	521,056
Assigned	-	-
Unassigned	2,503,528	-
Total fund balance	3,487,739	521,056
Total liabilities and fund balance	$ 4,545,393	$ 982,437

See Notes to Basic Financial Statements.

Capital Improvements	Nonmajor Governmental Funds	Total Governmental Funds
$ 1,122,731	$ 3,281,885	$ 5,448,631
990,000	900,000	3,385,000
-	56,261	1,391,101
-	10,460	170,958
121	-	217,824
93,903	305,392	690,858
-	-	164,422
23,000	-	23,000
-	-	444,873
-	806,569	931,485
-	149,208	399,208
$ 2,229,755	$ 5,509,775	$ 13,267,360
$ 40,035	$ 71,968	$ 341,310
-	56,261	1,345,989
-	88,821	88,821
40,035	217,050	1,776,120
23,000	156,349	788,644
2,166,720	5,168,577	8,231,269
-	56,620	56,620
-	(88,821)	2,414,707
2,189,720	5,292,725	11,491,240
$ 2,229,755	$ 5,509,775	$ 13,267,360

City of Excelsior Springs, Missouri

Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities
September 30, 2011

Total governmental fund balances			$	11,491,240
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds				14,916,179
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	$	(419,139)		
Accrued interest on long-term debt		(35,244)		
Other postemployment benefits obligation		(86,126)		
LAGERS pension obligation		(120,396)		
Capital leases payable		(74,823)		
Bonds payable		(1,845,000)		(2,580,728)
Net assets of governmental activities			$	23,826,691

See Notes to Basic Financial Statements.

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City of Excelsior Springs, Missouri

Statement of Revenues, Expenditures and Changes in Fund Balances (Deficit) - Governmental Funds
Year Ended September 30, 2011

	General	Parks and Recreation
Revenues:		
Taxes	$ 4,347,796	$ 569,810
Licenses, permits and fees	162,592	-
Intergovernmental	914,710	-
Charges for services	779,284	68,032
Fines and forfeitures	513,521	-
Special assessment fees	116,249	2,393
Investment earnings	99,224	11,048
Other	277,928	42,295
Total revenues	7,211,304	693,578
Expenditures:		
Current:		
General government:		
Administration	65,278	-
City manager/council	367,416	-
Finance administration	415,980	-
Human resources	57,175	-
Building operations	116,044	-
Public works, street operations	922,105	-
Public safety:		
Police department	2,524,598	-
Municipal courts	160,286	-
Fire department	1,771,668	-
Cemetery operations	-	-
Recreational activities, parks and recreation	-	599,528
Community betterment:		
Transportation activities	109,819	-
Community development	307,037	-
Senior center	55,520	-
Capital outlay	159,212	115,419
Debt service:		
Principal	-	-
Interest	-	-
Trustee fees	-	-
Total expenditures	7,032,138	714,947
Excess of revenues over (under) expenditures	179,166	(21,369)
Other financing sources (uses):		
Proceeds from sale of capital assets	11,500	-
Contribution of assets	-	-
Transfers in	840,831	-
Transfers out	(552,782)	(31,881)
Total other financing sources (uses)	299,549	(31,881)
Net change in fund balance	478,715	(53,250)
Fund balances, beginning, as restated	3,009,024	574,306
Fund balances, ending	$ 3,487,739	$ 521,056

See Notes to Basic Financial Statements.

Capital Improvements	Nonmajor Governmental Funds	Total Governmental Funds
$ 795,093	$ 2,985,873	$ 8,698,572
-	-	162,592
-	335,683	1,250,393
-	10,095	857,411
-	-	513,521
-	46,711	165,353
21,538	25,979	157,789
1,848	538	322,609
818,479	3,404,879	12,128,240
-	2,365	67,643
-	-	367,416
-	-	415,980
-	-	57,175
12,307	-	128,351
-	211,925	1,134,030
345	240,899	2,765,842
-	-	160,286
14,352	-	1,786,020
-	17,810	17,810
569	-	600,097
-	-	109,819
44,117	1,151,437	1,502,591
-	-	55,520
469,104	404,003	1,147,738
-	786,939	786,939
-	115,270	115,270
-	4,826	4,826
540,794	2,935,474	11,223,353
277,685	469,405	904,887
-	8,500	20,000
-	208,596	208,596
-	1,112,407	1,953,238
(242,779)	(914,246)	(1,741,688)
(242,779)	415,257	440,146
34,906	884,662	1,345,033
2,154,814	4,408,063	10,146,207
$ 2,189,720	$ 5,292,725	$ 11,491,240

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, 2011

Total net change in fund balances - governmental funds	$	1,345,033
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are shown in the statement of net assets and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities. This is the amount by which capital outlays exceed depreciation in the period:		
Depreciation		(1,119,381)
Capital outlays		1,145,089
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, donations and disposals) is to increase/decrease net assets:		
Loss on disposal of capital assets		(38,046)
Proceeds from sale of capital assets		(20,000)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:		
Change in compensated absences		43,878
Change in other postemployment benefits obligation		(20,270)
Change in LAGERS pension obligation		(120,396)
The issuance of long-term debt (e.g., bonds, loans, leases) provides current resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. In the statement of activities, interest is accrued on outstanding bonds, whereas in the governmental funds an interest expenditure is reported when due. The following is the detail of the net effect of these differences in the treatment of long-term debt and related items:		
Repayment of principal of long-term debt		786,939
Interest		17,931
Change in net assets of governmental activities	$	2,020,777

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, 2011

	General Fund			
	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
Taxes	$ 3,991,121	$ 4,282,939	$ 4,347,796	$ 64,857
Licenses, permits and fees	160,650	170,219	162,592	(7,627)
Intergovernmental	584,773	569,558	578,763	9,205
Charges for services	753,650	632,450	779,284	146,834
Fines and forfeitures	506,500	501,154	513,521	12,367
Investment earnings	109,500	99,029	99,000	(29)
Other	170,000	244,561	225,773	(18,788)
Total revenues	6,276,194	6,499,910	6,706,729	206,819
Expenditures:				
Current:				
General government	970,080	1,022,661	973,082	49,579
Public works	447,549	477,550	452,697	24,853
Public safety	4,496,384	4,620,039	4,456,552	163,487
Community betterment	527,697	529,061	472,376	56,685
Capital outlay	160,973	167,012	156,255	10,757
Total expenditures	6,602,683	6,816,323	6,510,962	305,361
Excess of revenues over (under) expenditures	(326,489)	(316,413)	195,767	512,180
Other financing sources (uses):				
Proceeds from sale of capital assets	5,000	11,500	11,500	-
Transfers in	736,430	753,529	755,511	1,982
Transfers out	(414,900)	(440,515)	(428,995)	11,520
Total other financing sources	326,530	324,514	338,016	13,502
Net change in fund balance	$ 41	$ 8,101	533,783	$ 525,682

Reconciliation to GAAP Basis:	
Activities reported within the Construction Services Fund, Neighborhood Improvement District Fund and Elms Hotel Event Fees Fund (sub-funds of the General Fund):	
Total Revenue	504,575
Total Expenditures	(521,176)
Total other financing sources (uses)	(38,467)
Total reconciling items	(55,068)
Net change in fund balance	478,715
Fund balances, beginning	3,009,024
Fund balances, ending	$ 3,487,739

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, 2011

	Parks and Recreation Fund			
	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
Taxes	$ 537,000	$ 566,556	$ 569,810	$ 3,254
Charges for services	25,000	53,000	68,032	15,032
Special assessment fees	-	-	2,393	2,393
Investment earnings	4,500	9,100	11,048	1,948
Other	8,900	9,277	42,295	33,018
Total revenues	575,400	637,933	693,578	55,645
Expenditures:				
Current, recreational activities	463,208	611,831	599,528	12,303
Capital outlay	25,000	103,000	115,419	(12,419)
Total expenditures	488,208	714,831	714,947	(116)
Excess of revenues over (under) expenditures	87,192	(76,898)	(21,369)	55,529
Other financing (uses), transfers out	(45,000)	(40,000)	(31,881)	8,119
Net change in fund balance	$ 42,192	$ (116,898)	(53,250)	$ 63,648
Fund balances, beginning			574,306	
Fund balances, ending			$ 521,056	

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, 2011

	Capital Improvements Fund			
	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
Taxes	$ 690,000	$ 725,136	$ 795,093	$ 69,957
Investment earnings	14,000	18,957	21,538	2,581
Other	-	-	1,848	1,848
Total revenues	704,000	744,093	818,479	74,386
Expenditures:				
Current:				
General government	174,000	74,428	12,307	62,121
Public safety	57,000	224,785	14,697	210,088
Public works	-	125,000	-	125,000
Recreational activities	-	73,825	569	73,256
Community betterment	-	5,000	44,117	(39,117)
Capital outlay	400,000	529,616	469,104	60,512
Total expenditures	631,000	1,032,654	540,794	491,860
Excess of revenues over (under) expenditures	73,000	(288,561)	277,685	566,246
Other financing (uses), transfers out	(125,000)	(258,619)	(242,779)	15,840
Net change in fund balance	$ (52,000)	$ (547,180)	34,906	$ 582,086
Fund balances, beginning			2,154,814	
Fund balances, ending			$ 2,189,720	

See Notes to Basic Financial Statements.

City of Excelsior Springs, Missouri

Statement of Net Assets
Enterprise Funds
September 30, 2011

Assets	Water	Pollution Control	Nonmajor Enterprise Funds	Total Enterprise Funds
Current assets:				
Cash and cash equivalents	$ 1,145,549	$ 1,115,047	$ 129,108	$ 2,389,704
Investments	1,935,000	-	150,000	2,085,000
Accounts receivable, utility accounts net of allowance for uncollectibles of $24,342	321,273	242,061	73,462	636,796
Inventory	-	-	2,500	2,500
Prepaids	2,850	-	9,180	12,030
Total current assets	3,404,672	1,357,108	364,250	5,126,030
Noncurrent assets:				
Restricted cash	13,277,562	18,622,140	-	31,899,702
Advances to other funds	-	10,000	-	10,000
Bond issuance costs	236,404	280,363	-	516,767
Capital assets:				
Land	131,849	799,000	205,688	1,136,537
Construction-in-progress	549,404	1,661,820	-	2,211,224
Land improvements	-	-	809,585	809,585
Buildings and improvements	4,754,843	9,280	342,895	5,107,018
Operating equipment	243,303	219,184	708,385	1,170,872
Furniture and office equipment	56,200	77,437	8,067	141,704
Vehicles	393,105	436,579	2,250	831,934
Infrastructure	7,221,179	9,651,609	-	16,872,788
Total capital assets	13,349,883	12,854,909	2,076,870	28,281,662
Less accumulated depreciation	7,239,717	7,019,705	1,508,266	15,767,688
Net capital assets	6,110,166	5,835,204	568,604	12,513,974
Total noncurrent assets	19,624,132	24,747,707	568,604	44,940,443
Total assets	$ 23,028,804	$ 26,104,815	$ 932,854	$ 50,066,473

See Notes to Basic Financial Statements.

Liabilities and Fund Equity (Deficit)	Water	Pollution Control	Nonmajor Enterprise Funds	Total Enterprise Funds
Current liabilities:				
Accounts payable and accrued expenses	$ 57,078	$ 89,582	$ 12,548	$ 159,208
Compensated absences	38,296	13,567	35,474	87,337
Customer deposits and bonds, restricted	296,098	-	-	296,098
Accrued interest	81,187	116,687	1,303	199,177
Current portion of:				
Capital lease obligations	-	-	55,852	55,852
Revenue bonds payable	-	214,583	-	214,583
Certificates of participation	340,000	-	-	340,000
Total current liabilities	812,659	434,419	105,177	1,352,255
Noncurrent liabilities:				
Advances from other funds	-	-	366,052	366,052
Other postemployment benefits obligation	8,533	8,021	3,920	20,474
LAGERS pension obligation	11,124	12,483	5,703	29,310
Capital lease obligations	-	-	206,730	206,730
Loans payable	-	237,500	-	237,500
Revenue bonds payable	-	183,750	-	183,750
Certificates of participation	15,187,825	20,093,836	-	35,281,661
Total noncurrent liabilities	15,207,482	20,535,590	582,405	36,325,477
Total liabilities	16,020,141	20,970,009	687,582	37,677,732
Net assets (deficit):				
Invested in capital assets, net of related debt	3,563,805	3,490,175	306,022	7,360,002
Restricted for renewal and replacement	-	237,500	-	237,500
Unrestricted	3,444,858	1,407,131	(60,750)	4,791,239
Total net assets	7,008,663	5,134,806	245,272	12,388,741
Total liabilities and net assets	$ 23,028,804	$ 26,104,815	$ 932,854	$ 50,066,473

City of Excelsior Springs, Missouri

Statement of Revenues, Expenses and Changes in Fund Net Assets (Deficit)
Enterprise Funds
Year Ended September 30, 2011

	Water	Pollution Control	Nonmajor Enterprise Funds	Total Enterprise Funds
Operating revenues:				
Charges for services	$ 2,820,840	$ 1,544,622	$ 1,265,612	$ 5,631,074
Rental income	43,351	6,820	21,000	71,171
Other	23,771	3,772	48,784	76,327
Total operating revenues	2,887,962	1,555,214	1,335,396	5,778,572
Operating expenses:				
Personnel services	514,529	536,849	337,341	1,388,719
Contractual and professional services	4,258	15,994	608,090	628,342
Utilities	169,152	179,382	46,279	394,813
Maintenance and repairs	390,434	66,837	97,002	554,273
Cost of goods sold	-	-	94,148	94,148
Insurance	24,677	34,478	7,915	67,070
Supplies and materials (administrative)	218,405	67,427	128,136	413,968
Depreciation	459,641	366,019	124,678	950,338
Total operating expenses	1,781,096	1,266,986	1,443,589	4,491,671
Operating income (loss)	1,106,866	288,228	(108,193)	1,286,901
Nonoperating revenue (expense):				
Investment earnings	58,506	64,740	1,874	125,120
Gain on disposal of capital assets	15,300	-	-	15,300
Interest expense	(111,846)	(63,077)	(10,537)	(185,460)
Total nonoperating revenue (expense)	(38,040)	1,663	(8,663)	(45,040)
Income (loss) before transfers	1,068,826	289,891	(116,856)	1,241,861
Transfers in	-	6,436	119,971	126,407
Transfers out	(171,639)	(92,768)	(73,550)	(337,957)
	(171,639)	(86,332)	46,421	(211,550)
Change in net assets	897,187	203,559	(70,435)	1,030,311
Total net assets, beginning	6,111,476	4,931,247	315,707	11,358,430
Total net assets, ending	$ 7,008,663	$ 5,134,806	$ 245,272	$ 12,388,741

See Notes to Basic Financial Statements.

City of Excelsior Springs, Missouri

Statement of Cash Flows - Enterprise Funds
Year Ended September 30, 2011

	Water	Pollution Control	Nonmajor Enterprise Funds	Total Enterprise Funds
Cash flows from operating activities:				
Cash collected from customers	$ 2,864,068	$ 1,508,628	$ 1,321,483	$ 5,694,179
Cash from other operating revenue	-	-	12,577	12,577
Cash paid to suppliers for goods and services	(849,003)	(289,842)	(997,430)	(2,136,275)
Cash paid to employees for services	(498,590)	(521,365)	(337,972)	(1,357,927)
Net cash provided by (used in) operating activities	1,516,475	697,421	(1,342)	2,212,554
Cash flows from noncapital financing activities:				
Decrease in advances to other funds	-	10,000	-	10,000
Increase in advances from other funds	-	-	346,052	346,052
Interfund payments	-	-	(175,529)	(175,529)
Transfers in	-	6,436	119,971	126,407
Transfers out	(171,639)	(92,768)	(73,550)	(337,957)
Net cash provided by (used in) noncapital financing activities	(171,639)	(76,332)	216,944	(31,027)
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(116,703)	(918,125)	(87,799)	(1,122,627)
Proceeds from disposal of capital assets	15,300	-	-	15,300
Proceeds from certificates of participation, net of bond issue costs of $539,784	15,276,513	19,798,791	-	35,075,304
Principal payments on revenue bonds and capital leases	(2,765,000)	(345,417)	(96,530)	(3,206,947)
Interest paid	(547,278)	(662,749)	(10,660)	(1,220,687)
Net cash provided by (used in) capital and related financing activities	11,862,832	17,872,500	(194,989)	29,540,343
Cash flows from investing activities:				
Purchase of investments	(3,385,000)	-	(300,000)	(3,685,000)
Interest	60,419	64,740	1,874	127,033
Proceeds from sales and maturities of investments	3,395,000	-	150,000	3,545,000
Net cash provided by (used in) investing activities	70,419	64,740	(148,126)	(12,967)
Net increase (decrease) in cash and cash equivalents	13,278,087	18,558,329	(127,513)	31,708,903
Cash and cash equivalents:				
Beginning	1,145,024	1,178,858	256,621	2,580,503
Ending	$ 14,423,111	$ 19,737,187	$ 129,108	$ 34,289,406
Displayed as:				
Cash and cash equivalents	$ 1,145,549	$ 1,115,047	$ 129,108	$ 2,389,704
Restricted cash	13,277,562	18,622,140	-	31,899,702
	$ 14,423,111	$ 19,737,187	$ 129,108	$ 34,289,406

(Continued)

City of Excelsior Springs, Missouri

Statement of Cash Flows - Enterprise Funds (Continued)
Year Ended September 30, 2011

	Water	Pollution Control	Nonmajor Enterprise Funds	Total Enterprise Funds
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	$ 1,106,866	$ 288,228	$ (108,193)	$ 1,286,901
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	459,641	366,019	124,678	950,338
(Increase) in accounts receivable	(31,135)	(46,586)	(1,336)	(79,057)
Decrease in inventory	-	-	3,358	3,358
Decrease in prepaids	-	21,683	-	21,683
Increase (decrease) in accounts payable and accrued expenses	(42,077)	52,593	(19,218)	(8,702)
Increase in other postemployment benefits obligation	1,872	2,101	960	4,933
Increase in LAGERS pension obligation	11,124	12,483	5,703	29,310
Increase (decrease) in compensated absences	2,943	900	(7,294)	(3,451)
Increase in customer deposits and bonds	7,241	-	-	7,241
Net cash provided by (used in) operating activities	$ 1,516,475	$ 697,421	$ (1,342)	$ 2,212,554
Schedule of noncash items, capital and related financing activities, capitalized interest	$ 471,714	$ 731,041	$ -	$ 1,202,755

See Notes to Basic Financial Statements.

City of Excelsior Springs, Missouri

Statement of Assets and Liabilities - Agency Funds
September 30, 2011

Assets		
Cash and cash equivalents	$	6,564,751
Taxes receivable		245,257
	$	6,810,008
Liabilities		
Accounts payable	$	97,861
Due to component unit		6,149,629
Due to other governments		562,518
	$	6,810,008

See Notes to Basic Financial Statements.

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

Reporting entity:

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

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

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

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

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

Basis of presentation:

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

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

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

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

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

Governmental Fund Types: Governmental fund types are those funds through which most governmental functions typically are financed. The acquisition, use and balances of the City's expendable resources and the related liabilities are accounted for through governmental funds. The City reports the following major governmental funds:

General Fund: The General Fund is used to account for and report all financial resources not accounted for and reported in another fund.

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

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

The Parks and Recreation Fund and Capital Improvements Fund are presented as major funds for public interest purposes.

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

Special Revenue Funds: Accounts for and reports the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The nonmajor special revenue funds account for the activities of the Transportation Trust Fund, E-911 Phone Tax Fund, Capital Improvements E-911 Tax Fund, Tax Increment Financing-Paradise Playhouse Fund, Tax Increment Financing-Vintage Development Fund, Public Safety Sales Tax Fund, Equitable Sharing Fund, Tax Increment Financing-Elms Hotel Fund, Tax Increment Financing-Wal-Mart Fund, Community Development Block Grant Fund and the Tax Increment Financing – Vintage Development II Fund.

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

Debt Service Funds: Accounts for and reports financial resources that are restricted, committed or assigned to expenditure for principal and interest. The nonmajor debt service funds are the Debt Service Fund and Tax Increment Financing Wal-Mart/Elms Fund.

Capital Projects Fund: Accounts for and reports financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The nonmajor capital projects fund is the Capital Equipment Fund.

Permanent Fund: Accounts for and reports resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the City's programs. The nonmajor permanent fund is the Cemetery 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) guidance, issued on or before November 30, 1989, except for guidance which conflicts with or contradicts GASB pronouncements. The City has elected not to follow FASB guidance issued subsequent to November 30, 1989.

The following are the City's major enterprise funds:

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

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

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.

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

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

Measurement focus and basis of accounting:

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

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

Property taxes are recognized as a receivable at the time they become an enforceable legal claim. The current taxes receivable represent the 2011 levy plus any uncollected amounts from the 2010 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.

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

Summary of significant accounting policies:

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

Budgets and budgetary accounting: The City Council annually adopts budgets for the General Fund, special revenue funds, debt service funds and Capital Projects Fund of the primary government. All appropriations are legally controlled at the department level for the individual funds. On September 20, 2010, the City Council formally approved the original adopted budget and on September 8, 2011, approved the revised budget reflected in the financial statements.

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

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

The budgets are integrated into the accounting system, and the budgetary data, as presented in the financial statements for all funds with annual budgets, compare the expenditures with the amended budgets. All budgets are presented on the modified accrual basis of accounting. Accordingly, the Budgetary Comparison Statement for the General Fund, Parks and Recreation Fund and Capital Improvements Fund presents actual expenditures in accordance with the accounting principles generally accepted in the United States of America on a basis consistent with the legally adopted budgets as amended. All annual appropriations lapse at fiscal year-end. Encumbrances are reappropriated for the ensuing year's budget. The Parks and Recreation Fund, Tax Increment Financing-Vintage Development Fund, Tax Increment Financing – Elms Hotel Fund and Tax Increment Financing – Wal-Mart Fund exceeded the final budget of expenditures by $116, $2,702, $2 and $2, 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.

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

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 the government-wide and the 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.

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. Capitalized interest was $471,714 in the Water Fund and $731,041 in the Pollution Control Fund.

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

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

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

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

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

For governmental activities and proprietary fund types, these accumulations are recorded as expenses and liabilities 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.

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

Deficit fund balances: The City has a deficit fund balance in the Tax Increment Financing-Elms Hotel Fund of $88,721, the Tax Increment Financing-Vintage Development II Fund of $100, both special revenue funds and a net deficit balance in the Golf Fund of $164,928, an enterprise fund.

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

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

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

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

Charity care: The City Hospital provides care without charge or at amounts less than its established rates to patients meeting certain criteria under its charity care policy. Charity care is not included in net patient service revenue. Charges excluded from revenue under the City Hospital's charity care policy were $191,893 for 2011.

Fund balance: In the governmental fund financial statements, fund balances are classified as follows:

Nonspendable: Amounts which cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted: Amounts restricted to specific purposes when constraints placed on the use of the resources are either externally imposed by creditors, grantors or state or federal laws or imposed by law through constitutional provisions or enabling legislation.

Committed: Amounts which can be used only for specific purposes pursuant to constraints formally imposed by the City Council through ordinance or resolution approved prior to year-end. Those committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same action it employed to commit those amounts.

Assigned: Amounts constrained by the City's intent to use them for a specific purpose. The authority to assign fund balance has been delegated to the Director of Administrative Services.

Unassigned: All amounts not included in other spendable classifications. The General Fund is the only fund that would report a positive amount in unassigned fund balance.

When an expenditure is incurred in governmental funds which can be paid using either restricted or unrestricted resources, the City's procedure is to pay the expenditure from restricted fund balance and then from less-restrictive classifications – committed, assigned and then unassigned fund balances.

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

Net assets: Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets invested in capital assets, net of related debt, excludes unspent debt proceeds. Unspent debt proceeds for the Water and Pollution Control enterprise funds were $12,981,464 and $18,384,640, respectively. 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 $1,020,607 for debt service, $521,056 for parks and recreation, $3,688,912 for capital projects, $1,197,748 for tax increment financing projects and $1,505,588 for public safety.

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, 2011, the City had the following investments:

		Investment Maturities (in Years)			
Investment Type	Fair Value	Less Than 1	1 - 5	6 - 10	More Than 10
U.S. Government Agencies	$ 5,720,000	$ -	$ 5,720,000	$ -	$ -

As of September 30, 2011, the City has $149,208 in Mutual funds which are not subject to interest rate risk.

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

Credit Risk: Missouri State Statutes authorize the City, with certain restrictions, to deposit funds in open accounts, time deposits and certificates of deposit. Statutes also required that collateral pledged have a fair market value equal to 100 percent of the funds on deposit, less insured amounts. Collateral securities must be held by the City or a disinterested third party and must be of the kind prescribed by state statutes and approved by the State. The City may purchase any investments allowed by the State Treasurer. These include (a) obligations of the United States government or any agency or instrumentality thereof maturing and becoming payable not more than three years from the date of purchase or (b) repurchase agreements maturing and becoming payable within 90 days secured by U.S. Treasury obligations or obligations of U.S. government agencies or instrumentalities of any maturity, as provided by law.

As of September 30, 2011, the City's investments consisted of Federal Home Loan Mortgage Corporation Notes, Federal National Mortgage Association Notes, Federal Home Loan Bank Notes and Federal Farm Credit Bank Notes, all of which were rated Aaa by Moody's Investor Service and Standard & Poor's.

Note 2. Deposits and Investments (Continued)

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

Concentration of Credit Risk: The City's investment policy is to diversify its investment portfolio to eliminate the risk of loss resulting from over concentration of assets in a specific maturity, a specific issuer or a specific class of securities. As of September 30, 2011 the City's investments are invested in FHLMC, FNMA, FHLB and FFCB, which represents 7, 25, 42 and 26 percent, respectively, of total investments.

Custodial Credit Risk: Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The custodial risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investments or collateral securities that are in possession of another party. As of September 30, 2011, 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, 2011, none of the City's bank balance of $39,456,138, which excludes the Hospital agency fund, was exposed to custodial credit risk.

The bank balance of deposits for the Excelsior Springs City Hospital, including the Hospital agency fund, was $6,420,910. 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, 2011.

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

Deposits and cash on hand	$	47,383,481
Investments		5,720,000
	$	53,103,481
Cash and cash equivalents	$	7,838,335
Investments		5,470,000
Restricted cash and cash equivalents		32,831,187
Restricted investments		399,208
Cash and cash equivalents, fiduciary funds		6,564,751
	$	53,103,481

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 receivable when levied, net of estimated uncollectible amounts.

Note 3. Property Taxes (Continued)

Assessed values are established by County Assessors subject to review by the County's Board of Equalization and State Tax Commission. The assessed value for property, excluding railroad and utility properties located in the City as of January 1, 2010, on which the fiscal year 2011 levy was based, was $128,922,979 and $125,413,919 for the General Fund and other funds, respectively. The assessed value of railroad and utility properties as of January 1, 2010 was $4,768,784 and $4,768,784 for the General Fund and other funds, respectively. During the year ended September 30, 2011, the City collected 99 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, 2011 are as follows:

Fund	Levy
General	$ 0.6229
Parks/recreation	0.3504
Total primary government	0.9733
Component unit - City Hospital	0.1752
Total reporting entity	$ 1.1485

Note 4. Capital Assets

The following is a summary of changes in capital assets for the year ended September 30, 2011:

	2010 Balance	Additions	Retirements	2011 Balance
Governmental activities				
Capital assets, not being depreciated:				
Land	$ 1,523,144	$ 43,470	$ -	$ 1,566,614
Construction-in-progress	653,522	440,486	218,139	875,869
Total capital assets, not being depreciated	2,176,666	483,956	218,139	2,442,483
Capital assets, being depreciated:				
Land improvements	39,831	-	-	39,831
Buildings and improvements	4,244,024	189,773	-	4,433,797
Operating equipment	2,107,994	109,073	27,200	2,189,867
Furniture and office equipment	235,437	105,122	-	340,559
Vehicles	2,651,337	267,171	148,612	2,769,896
Infrastructure	46,110,380	158,788	-	46,269,168
Total capital assets, being depreciated	55,389,003	829,927	175,812	56,043,118
Less accumulated depreciation for:				
Land improvements	39,831	-	-	39,831
Buildings and improvements	3,306,878	118,083	-	3,424,961
Operating equipment	1,059,631	185,253	27,200	1,217,684
Furniture and office equipment	163,997	23,581	-	187,578
Vehicles	1,873,801	205,570	139,911	1,939,460
Infrastructure	36,173,014	586,894	-	36,759,908
Total accumulated depreciation	42,617,152	1,119,381	167,111	43,569,422
Total capital assets, being depreciated, net	12,771,851	(289,454)	8,701	12,473,696
Governmental activities capital assets, net	$ 14,948,517	$ 194,502	$ 226,840	$ 14,916,179

Note 4. Capital Assets (Continued)

	2010 Balance	Additions	Retirements	2011 Balance
Business-Type Activities				
Capital assets, not being depreciated:				
Land	$ 1,036,813	$ 99,724	$ -	$ 1,136,537
Construction-in-progress	74,712	2,160,087	23,575	2,211,224
Total capital assets, not being depreciated	1,111,525	2,259,811	23,575	3,347,761
Capital assets, being depreciated:				
Land improvements	809,585	-	-	809,585
Buildings and improvements	5,107,018	-	-	5,107,018
Operating equipment	1,153,069	17,803	-	1,170,872
Furniture and office equipment	131,704	10,000	-	141,704
Vehicles	796,661	61,343	26,070	831,934
Infrastructure	16,872,788	-	-	16,872,788
Total capital assets, being depreciated	24,870,825	89,146	26,070	24,933,901
Less accumulated depreciation for:				
Land improvements	546,339	42,454	-	588,793
Buildings and improvements	2,778,465	226,943	-	3,005,408
Operating equipment	937,690	123,145	-	1,060,835
Furniture and office equipment	116,055	175	-	116,230
Vehicles	670,002	55,033	26,070	698,965
Infrastructure	9,794,869	502,588	-	10,297,457
Total accumulated depreciation	14,843,420	950,338	26,070	15,767,688
Total capital assets, being depreciated, net	10,027,405	(861,192)	-	9,166,213
Business-type activities capital assets, net	$ 11,138,930	$ 1,398,619	$ 23,575	$ 12,513,974

Note 4. Capital Assets (Continued)

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

Governmental Activities		
General government	$	8,097
Public safety		305,246
Transportation		42,857
Public works		706,181
Recreation activities		51,169
Community betterment		5,831
Total depreciation expense, governmental activities	$	1,119,381
Business-Type Activities		
Water	$	459,641
Pollution control		366,019
Golf		121,168
Airport		3,510
Total depreciation expense, business-type activities	$	950,338

Activity for the Hospital for the year ended September 30, 2011 was as follows:

	2010 Balance	Additions	Retirements	Transfers	2011 Balance
Component Unit: Hospital					
Capital assets, not being depreciated, construction-in-progress	$ 23,194	$ 159,131	$ -	$ (182,325)	$ -
Capital assets, being depreciated:					
Land and improvements	1,254,298	64,583	-	-	1,318,881
Buildings and improvements	15,044,392	52,888	(3,815)	27,206	15,120,671
Operating equipment	6,395,320	408,179	(1,198)	54,569	6,856,870
Furniture and office equipment	6,101,675	1,014,885	(74,449)	100,550	7,142,661
Total capital assets, being depreciated, Hospital	28,795,685	1,540,535	(79,462)	182,325	30,439,083
Less accumulated depreciation for:					
Land and improvements	(567,586)	(73,108)	-	-	(640,694)
Buildings and improvements	(4,887,149)	(686,665)	-	-	(5,573,814)
Operating equipment	(3,845,443)	(455,145)	1,198	-	(4,299,390)
Furniture and office equipment	(4,507,664)	(545,766)	74,182	-	(4,979,248)
Total accumulated depreciation	(13,807,842)	(1,760,684)	75,380	-	(15,493,146)
Total capital assets, being depreciated, Hospital, net	14,987,843	(220,149)	(4,082)	182,325	14,945,937
Hospital capital assets, net	$ 15,011,037	$ (61,018)	$ (4,082)	$ -	$ 14,945,937

Note 5. Long-Term Debt

Long-term liability balances and activity for the year ended September 30, 2011 were as follows:

	Balance September 30, 2010	Additions	Retirements	Balance September 30, 2011	Amounts Due Within One Year
Governmental activities:					
Capital leases	$ 146,762	$ -	$ 71,939	$ 74,823	$ 74,823
Revenue bonds	2,420,000	-	575,000	1,845,000	615,000
Neighborhood improvement district bonds	140,000	-	140,000	-	-
Compensated absences	463,017	419,139	463,017	419,139	419,139
Other postemployment benefits obligation	65,856	20,270	-	86,126	-
LAGERS pension obligation	-	120,396	-	120,396	-
Governmental activities, long-term liabilities	$ 3,235,635	$ 559,805	$ 1,249,956	$ 2,545,484	$ 1,108,962
Business-type activities:					
Long-term loans payable	$ 345,000	$ -	$ 107,500	$ 237,500	$ -
Lease purchase agreement	359,112	-	96,530	262,582	55,852
Revenue bonds	3,401,250	-	3,002,917	398,333	214,583
Certificates of participation	-	35,790,000	-	35,790,000	340,000
Premiums (discounts)	-	(174,912)	(6,573)	(168,339)	-
Compensated absences	90,788	87,337	90,788	87,337	87,337
Other postemployment benefits obligation	15,541	4,933	-	20,474	-
LAGERS pension obligation	-	29,310	-	29,310	-
Business-type activities, long-term liabilities	$ 4,211,691	$ 35,736,668	$ 3,291,162	$ 36,657,197	$ 697,772
Component unit:					
Revenue bonds	$ 12,544,471	$ -	$ 942,040	$ 11,602,431	$ 260,877
Capital lease	903,193	749,843	442,441	1,210,595	507,423
Compensated absences	500,073	491,962	500,073	491,962	491,962
Component unit, long-term liabilities	$ 13,947,737	$ 1,241,805	$ 1,884,554	$ 13,304,988	$ 1,260,262

The General Fund has generally been the fund to liquidate the liability for compensated absences, net pension obligations and other postemployment benefits obligations for the governmental activities.

Note 5. Long-Term Debt (Continued)

Long-term debt payable as of September 30, 2011, is comprised of the following individual issues:

	Balance September 30, 2010	Additions	Retirements	Balance September 30, 2011
Governmental activities:				
Capital leases:				
Purchase of 2007 fire truck due in bi-annual payments of principal and interest of $77,059; interest at 3.97%	$ 146,762	$ -	$ 71,939	$ 74,823
Revenue bonds:				
$3,045,000 Facilities Authority Leasehold Refunding Revenue Bonds Series 2001, due in annual installments of $135,000 to $295,000 through December 15, 2015; interest at 2.30% to 5.05%	1,545,000	-	245,000	1,300,000
$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%	875,000	-	330,000	545,000
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%	140,000	-	140,000	-
Total governmental activities	$ 2,706,762	$ -	$ 786,939	$ 1,919,823

Note 5. Long-Term Debt (Continued)

	Balance September 30, 2010	Additions	Retirements	Balance September 30, 2011
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	$ 345,000	$ -	$ 107,500	$ 237,500
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%	297,624	-	44,177	253,447
$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%	61,488	-	52,353	9,135
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%	636,250	-	237,917	398,333
$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%	2,765,000	-	2,765,000	-
Certificates of participation:				
$2,305,000 2010 Water Series A certificates of participation, due in annual installments of $305,000 to $360,000 starting on starting on September 1, 2012 through September 1, 2018; interest at 2.00% to 4.00%	-	2,305,000	-	2,305,000
$13,280,000 2010 Water Series B certificates of participation, due in annual installments of $35,000 to $4,045,000 starting on starting on September 1, 2012 through September 1, 2028; interest at 2.50% to 7.60%	-	13,280,000	-	13,280,000
$20,205,000 2010 Sewer Series D certificates of participation, due in annual installments of $290,000 to $9,800,000 starting on March 1, 2013 through March 1, 2031; interest at 3.125% to 7.80%	-	20,205,000	-	20,205,000
Total business-type activities	$ 4,105,362	$ 35,790,000	$ 3,206,947	$ 36,688,415

Note 5. Long-Term Debt (Continued)

	Balance September 30, 2010	Additions	Retirements	Balance September 30, 2011
Component Unit:				
Revenue bonds:				
Hospital revenue bonds, Series B-R2, payable in monthly installments of $10,183 through March 2013, including interest at 5%	$ 134,352	$ -	$ 134,352	$ -
Hospital revenue bonds, Series C-R1; maturing April 2026; 5.75% interest; interest payments of $4,045 payable monthly through March 1999, then principal and interest of $5,113 thereafter	597,645	-	597,645	-
Hospital Revenue Bonds, Series 1999, maturing October 2030; 5.125% interest; interest payments annually through October 2002, annual principal and interest payments of $100,734 thereafter; collateralized by a deed of trust on the Independent Living Facility	1,222,674	-	41,343	1,181,331
Hospital Revenue Bonds, Series 1999, maturing October 2030; 5.0% interest; interest payments annually through October 2002, annual principal and interest payments of $50,348 thereafter; collateralized by a deed of trust on the Independent Living Facility	618,847	-	17,573	601,274
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	7,970,953	-	146,874	7,824,079
Hospital Revenue Bonds, Series 2009, maturing October 1, 2040; 4.5% interest; interest only through September 30, 2013, monthly principal and interest thereafter	2,000,000	-	4,253	1,995,747
Capital leases	903,193	749,843	442,441	1,210,595
Total component unit	$ 13,447,664	$ 749,843	$ 1,384,481	$ 12,813,026

General obligation debt limit: The state constitution permits a city, by vote of two thirds of the voting electorate, to incur general obligation indebtedness for “city purposes” not to exceed 10 percent of the assessed value of taxable tangible property and to incur additional general obligation indebtedness not exceeding, in the aggregate, an additional 10 percent of the assessed value of taxable tangible property, for the purpose of acquiring rights-of-way, construction, extending and improving streets and avenues and/or sanitary or storm sewer systems, and purchasing or constructing waterworks and electric or other light plants, provided that the total general obligation indebtedness of the City does not exceed 20 percent of the assessed valuation of taxable property.

Note 5. Long-Term Debt (Continued)

During 1992, the City issued $2,870,000 in Sewerage System Revenue Bonds through the State Revolving Fund to fund expenses related to the extension and improvements of the sewer system. These revenue bonds under Missouri law are payable solely from net revenues derived from operation of the sewer system. Annual principal and interest payments on the bonds are expected to require less than 36 percent of net revenues. These bonds are not general obligations of the City. Total principal and interest remaining on the bonds is $437,715 payable through 2013. For the current year, principal and interest paid and net revenues generated were $282,184 and $714,424, respectively. 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, 2011, the balance of the advances from the Missouri Department of Natural Resources to the City is $237,500. The revenue bonds contain certain covenants. The covenants require that net revenues available for debt service provide for a minimum debt service coverage ratio of 1.10.

During 1998, the City issued $4,875,000 in Waterworks System Improvement and Refunding Revenue Bonds to fund expenses related to extending and improving the waterworks system. These revenue bonds under Missouri law are payable solely from waterworks system net revenues. Annual principal and interest payments on the bonds are expected to require less than 49 percent of net revenues. These bonds are not general obligations of the City. Total principal and interest remaining on the bonds is none. For the current year, principal and interest paid and net revenues generated were $2,861,842 and $1,598,377, respectively. The difference was paid from the net assets in the Water Fund.

During 1999, the City issued $565,000 in Neighborhood Improvement District Bonds to fund expenses related to construction of the Elms Public Improvement Project. These neighborhood improvement district bonds under Missouri law are payable solely from special assessments against those properties within the district which in this case is limited to the Elms Hotel. Special assessments were projected to produce $851,873 or 100 percent of the debt service requirements for the life of the bonds. Total principal and interest remaining on the bonds is none. For the current year, principal and interest paid and special assessment revenues were $148,400 and $149,289, respectively.

During 2001, the Excelsior Springs Facilities Authority, a blended component unit, issued $3,045,000 in Leasehold Refunding Revenue Bonds to fund the advance repayment of a series of 1994 Leasehold Refunding and Improvement Revenue bonds. These leasehold refunding revenue bonds under Missouri law are payable solely from rental payments derived by the Corporation from the lease of the Fire and Police facilities. The rental payments were projected to produce $4,196,625 or 100 percent of the debt service requirements for the life of the bonds. These bonds are not general obligations of the City. It is not considered a default if there are insufficient rental payments to pay the full amount of principal and interest on the bonds. If the rental payments are insufficient to pay the full amount of principal and interest at maturity, the bonds will be deemed satisfied and paid in full. Total principal and interest remaining on the bonds is $1,453,340 payable through 2016. For the current year, principal and interest paid and rental payments generated were $314,890 and $317,165, respectively.

Note 5. Long-Term Debt (Continued)

During 2003, the City issued $2,520,000 in Tax Increment Refunding Revenue bonds to fund the advance repayment of a series of 1997 Tax Increment Revenue bonds. These tax increment refunding revenue bonds under Missouri law are payable solely from property tax and economic activity tax increments with respect to the financed project. Combined, incremental property taxes and economic activity taxes were projected to produce $4,841,703 or 55 percent of the debt service requirements for the life of the bonds. These bonds are not general obligations of the City. It is not considered a default if there is insufficient tax increment to pay the full amount of principal and interest on the bonds. If the tax increment is insufficient to pay the full amount of principal and interest at maturity, the bonds will be deemed satisfied and paid in full. Total principal and interest remaining on the bonds is $566,768 payable through 2013. For the current year, principal and interest paid was $361,860. Total incremental property tax and economic activity taxes generated during the current year were $289,158 and $845,471, respectively.

During 2011, the City issued $13,280,000 (Series 2010B) in Certificates of Participation to fund water system improvements. These certificates are payable solely from basic payments from the lease of the property. Payments under the lease, if appropriated by the City for the maximum renewal term, are intended to be sufficient, together with other funds available for such purpose, to pay the debt service requirements for the life of the certificates. Total principal and interest remaining on the certificates is $23,844,000 payable through 2028. For the current year, principal and interest paid and lease revenues were $609,878 and $609,878, respectively.

During 2011, the City issued $20,205,000 (Series 2010D) in Certificates of Participation to fund sewer system improvements. These certificates are payable solely from basic payments from the lease of the property. Payments under the lease, if appropriated by the City for the maximum renewal term, are intended to be sufficient, together with other funds available for such purpose, to pay the debt service requirements for the life of the certificates. Total principal and interest remaining on the certificates is $38,851,000 payable through 2031. For the current year, principal and interest paid and lease revenues were $945,161 and $945,161, respectively.

During 2011, the City issued $2,305,000 (Series 2010A) in Certificates of Participation. The proceeds of this issue were used to complete a current refunding of the 1998 Waterworks Refunding Bonds. Neither the economic gain/loss nor the increase/decrease in future debt service payments is known since the debt refunded had variable interest rates. These certificates are payable solely from basic payments from the lease of the property. Payments under the lease, if appropriated by the City for the maximum renewal term, are intended to be sufficient, together with other funds available for such purpose, to pay the debt service requirements for the life of the certificates. Total principal and interest remaining on the certificates is $2,623,000 payable through 2018. For the current year, principal and interest paid and lease revenues were $47,739 and $47,739, respectively.

Component unit

During 1999, the City Hospital issued $2,230,000 (Series A & B) in revenue bonds to fund expenses relating to the construction of the independent living facility. These revenue bonds are payable solely from net patient service revenue derived from the operations of the City Hospital and are payable through 2030. Annual principal and interest payments on the bonds are expected to require less than 1 percent of net patient service revenues. The total principal and interest remaining to be paid on the bonds is $2,726,097. Principal and interest paid for the current year and total customer net revenues were $121,256 and $1,043,893, respectively.

Note 5. Long-Term Debt (Continued)

During 1983, the City Hospital issued $5,020,000 (Series B–R2) in revenue bonds to fund expenses relating to the refunding of prior hospital revenue bonds and constructing and equipping a nursing home facility. These revenue bond are payable solely from net patient service revenue derived from the operations of the City Hospital and are payable through 2013. Annual principal and interest payments on the bonds are expected to require less than 1 percent of net patient service revenues. The total principal and interest remaining to be paid on the bonds is none. Principal and interest paid for the current year and total customer net revenues were $134,352 and $1,043,893 respectively.

During 1997, the City Hospital issued $ 844,000 (Series C–R1) in revenue bonds to fund expenses relating to the construction of the residential care facility. These revenue bonds are payable solely from net patient service revenue derived from the operations of the City Hospital and are payable through 2026. Annual principal and interest payments on the bonds are expected to require less than 1 percent of net patient service revenues. The total principal and interest remaining to be paid on the bonds is none. Principal and interest paid for the current year and total customer net revenues were $615,598 and $1,043,893 respectively.

During 2007, the City Hospital issued $8,000,000 (Series A & B) in revenue bonds to fund expenses relating to the Outpatient Services Building. These revenue bonds are payable solely from net patient service revenue derived from the operations of the City Hospital and are payable through 2038. Annual principal and interest payments on the bonds are expected to require less than 2 percent of net patient service revenues. The total principal and interest remaining to be paid on the bonds is $7,824,079 and $5,035,243 as of September 30, 2038, respectively. Principal is not due on the revenue bonds until 2011 and interest paid for the current year and total net operating revenues were $460,285 and $1,043,893, respectively.

During 2009, the City Hospital issued $2,000,000 (Series 2009) in revenue bonds to pay for construction through a temporary loan from the Department of Agriculture Rural Development until the bonds are issued final upon project completion. These revenue bonds are payable solely from net patient service revenue derived from the operations of the City Hospital and are payable through 2040. Annual principal and interest payments on the bonds are expected to require less than one percent of net patient service revenues. The total principal and interest remaining to be paid on the bonds is $3,196,661. Principal and interest paid for the current year and total customer net revenues were $172,440 and $1,043,893, respectively.

Reserve accounts on debt: The Sewerage System revenue bond ordinance requires that the system be accounted for in a separate account within the enterprise fund. It also requires that after sufficient current assets have been set aside to operate the system, all remaining monies held in the fund 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.

	Pollution Control	Business-Type Activities Total	City Hospital	Reporting Entity Total
Reserve account	$ 237,500	$ 237,500	$ 950,796	$ 1,188,296

Note 5. Long-Term Debt (Continued)

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

Capital leases: In prior years, the City entered into various cancellable leases as lessee to finance the purchase of vehicles and equipment.

Summary of principal and interest maturities:

Annual debt service requirements to service all outstanding indebtedness as of September 30, 2011, are as follows:

Governmental Activities:

Year ending	2001 Leasehold Refunding Bonds		Wal-Mart/Elms TIF 2003 Refunding Bonds		2007 Fire Truck Capital Lease	
September 30:	Principal	Interest	Principal	Interest	Principal	Interest
2012	$ 265,000	$ 57,875	$ 350,000	$ 17,138	$ 74,823	$ 2,235
2013	275,000	44,375	195,000	4,630	-	-
2014	285,000	30,375	-	-	-	-
2015	295,000	16,170	-	-	-	-
2016	180,000	4,545	-	-	-	-
Total	$ 1,300,000	$ 153,340	$ 545,000	$ 21,768	$ 74,823	$ 2,235

Note 5. Long-Term Debt (Continued)

Business-Type Activities:

Year ending September 30:	1992 Sewer Bonds MDNR Principal	1992 Sewer Bonds MDNR Interest	1992 Sewerage System Revenue Bonds Principal	1992 Sewerage System Revenue Bonds Interest	Golf Course Capital Lease Principal	Golf Course Capital Lease Interest
2012	$ -	$ -	$ 214,583	$ 27,346	$ 46,717	$ 14,573
2013	-	-	183,750	12,036	49,404	11,887
2014	237,500	-	-	-	52,244	9,046
2015	-	-	-	-	55,249	6,042
2016	-	-	-	-	49,833	2,865
Total	$ 237,500	$ -	$ 398,333	$ 39,382	$ 253,447	$ 44,413

Year ending September 30:	2007 Golf Equipment Capital Lease Principal	2007 Golf Equipment Capital Lease Interest	2010 Water Series A Certificates of Participation Principal	2010 Water Series A Certificates of Participation Interest	2010 Water Series B Certificates of Participation Principal	2010 Water Series B Certificates of Participation Interest
2012	$ 9,135	$ 44	$ 305,000	$ 70,725	$ 35,000	$ 903,523
2013	-	-	310,000	64,625	35,000	902,648
2014	-	-	320,000	56,875	35,000	901,554
2015	-	-	330,000	47,275	235,000	900,241
2016	-	-	335,000	37,375	245,000	890,136
2017-2021	-	-	705,000	41,306	4,065,000	4,003,749
2022-2026	-	-	-	-	5,870,000	2,061,800
2027-2031	-	-	-	-	2,760,000	-
Total	$ 9,135	$ 44	$ 2,305,000	$ 318,181	$ 13,280,000	$ 10,563,651

Year ending September 30:	2010 Sewer Series D Certificates of Participation Principal	2010 Sewer Series D Certificates of Participation Interest
2012	$ -	$ 945,161
2013	290,000	1,400,239
2014	530,000	1,381,239
2015	570,000	1,359,046
2016	615,000	1,331,801
2017-2021	3,940,000	6,050,473
2022-2026	5,805,000	4,433,040
2027-2031	8,455,000	1,745,055
Total	$ 20,205,000	$ 18,646,054

Note 5. Long-Term Debt (Continued)

Component Unit:

Year ending September 30:	Long-Term Debt Principal	Long-Term Debt Interest	Capital Lease Obligations Principal	Capital Lease Obligations Interest
2012	$ 260,876	$ 481,232	$ 507,424	$ 274,235
2013	279,352	475,347	503,643	271,168
2014	291,900	462,799	140,378	51,860
2015	305,017	449,682	59,150	906
2016	317,476	437,223	-	-
2017-2021	1,819,461	1,954,034	-	-
2022-2026	2,269,359	1,504,136	-	-
2027-2031	2,533,248	957,096	-	-
2032-2036	2,585,575	432,460	-	-
2037-2039	940,167	23,746	-	-
Total	$ 11,602,431	$ 7,177,755	$ 1,210,595	$ 598,169

Capital leases shown in long-term debt for the City and the discretely presented component unit include leases for movable equipment at varying rates of imputed interest from 4 percent to 9 percent, maturing through 2015 and collateralized by the lease equipment. Property and equipment as of September 30, 2011 include the following assets under capital lease:

Movable equipment	$ 2,204,452
Less accumulated depreciation	874,121
	$ 1,330,331

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	$ 840,831	$ 552,782
Parks and Recreation Fund	-	31,881
Capital Improvements Fund	-	242,779
Nonmajor governmental funds	1,112,407	914,246
Total governmental activities	1,953,238	1,741,688
Business-type activities:		
Water	-	171,639
Pollution control	6,436	92,768
Nonmajor enterprise funds	119,971	73,550
Total business-type activities	126,407	337,957
Total	$ 2,079,645	$ 2,079,645

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.

Note 6. Interfund Balances and Transfers (Continued)

Interfund advances as of September 30, 2011, were as follows:

	Advance Receivables	Advance Payables
Governmental activities:		
General Fund	$ 444,873	$ -
Nonmajor governmental funds	-	88,821
Business-type activities:		
Pollution control	10,000	-
Nonmajor enterprise funds	-	366,052
	$ 454,873	$ 454,873

Advances are long-term interfund receivables/payables that are not expected to be fully paid within one year.

Note 7. Employee Retirement Systems

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

LAGERS is a defined benefit pension plan which provides retirement, disability and death benefits to plan members and beneficiaries. LAGERS was created and is governed by statute, Section RSMO. 70.600 – 70.755. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401a and it is tax exempt.

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

Funding status: The City of Excelsior Spring's full-time employees do not contribute to the pension plan. The political subdivision is required to contribute an actuarially determined rate; the current rate is 4.5 percent (general), 4.5 percent (police) and 6.8 percent (fire) of annual covered payroll. The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the political subdivision are established by state statute.

As of February 28, 2011, the most recent actuarial valuation date, the plan was 91 percent funded. The actuarial accrued liability for benefits was $9,564,899 and the actuarial value of assets was $8,657,972, resulting in an unfunded actuarial accrued liability (UAAL) of $906,927. The covered payroll (annual payroll of active employees covered by the plan) was $4,434,533 and the ratio of the UAAL to the covered payroll was 20 percent.

Note 7. Employee Retirement Systems (Continued)

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

Annual pension cost: The City's annual pension cost and net pension obligation for the current year were as follows:

Annual required contribution/Annual pension cost	$	361,609
Actual contributions		211,903
Increase in LAGERS pension obligation		149,706
Net LAGERS pension obligation, beginning of year		-
Net LAGERS pension obligation, end of year	$	149,706

The annual required contribution (ARC) was determined as part of the February 29, 2008 and February 28, 2009 annual actuarial valuations using the entry age actuarial cost method. The actuarial assumptions as of February 28, 2011 included (a) a rate of return on the investment of present and future assets of 7.25 percent per year, compounded annually, (b) projected salary increases of 3.5 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 75 percent of the RP-2000 Combined Healthy Table set back 0 years for men and 0 years for women and (e) post-retirement mortality based on 105 percent of the 1994 Group Annuity Mortality Table set back 0 years for men and 0 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 29, 2008 was 15 years for the General division, 15 years for the Police division and 15 years for the Fire division. The amortization period as of February 28, 2009 was 30 years for the General division, 30 years for the Police division and 30 years for the Fire division.

	Three-Year Trend Information				
Fiscal Year Ending		Annual Pension Cost (APC)	Percentage of APC Contributed		Net Pension Obligation
09/30/2009	$	206,627	100%	$	-
09/30/2010		185,607	100		-
09/30/2011		361,609	59		149,706

Note 8. Other Postemployment Benefits

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

Note 8. Other Postemployment Benefits (Continued)

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

The required contribution is based on projected pay-as-you-go financing. For fiscal year 2011, the City contributed $20,097. Retiree and active members receiving benefits have required monthly contributions of:

	Individual	Family	Two-Party
Medical Plan A	$ 419.88	$ 1,087.46	N/A
Medical Plan B	418.12	1,082.90	N/A
Medical Plan C	446.40	1,156.18	N/A
Dental	29.20	84.47	55.33
Vision	3.64	9.24	N/A

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

Annual required contribution	$ 44,900
Interest on net OPEB obligation	1,796
Adjustment to annual required contribution	(1,396)
Annual OPEB cost (expense)	45,300
Contributions and payments made	20,097
Increase in net OPEB obligation	25,203
Net OPEB obligation - September 30, 2010	81,397
Net OPEB obligation - September 30, 2011	$ 106,600

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

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
September 30, 2009	$ 39,900	- %	$ 39,900
September 30, 2010	41,497	-	81,397
September 30, 2011	45,300	44.4	106,600

Note 8. Other Postemployment Benefits (Continued)

Funded status and funding progress: As of September 30, 2011, the most recent valuation date, the plan was zero percent funded. The actuarial accrued liability for benefits was $377,200 and the actuarial value of assets is none resulting in an unfunded actuarial accrued liability (UAAL) of $377,200. The covered payroll (annual payroll of active employees covered by the plan) was $4,304,174 and the ratio of the UAAL to the covered payroll was 9 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents only the initial year trend information.

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

In the September 30, 2011 actuarial valuation, projected unit credit method was used. The actuarial assumptions included a 4 percent annual discount rate, a healthcare cost trend rate of 7.20 percent initially decreasing each year until reaching the ultimate trend rate of 4.70 percent, a dental/vision cost trend rate of 5 percent initially with an ultimate rate of 4.7 percent, and an annual salary increase of 4 percent due to inflation. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at September 30, 2011 was 30 years.

Note 9. Commitments and Contingencies

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

Construction projects: The Hall of Waters Terrace rehabilitation project, the Animal Shelter design and construction project, the East Valley Park electrical improvements project and the Wornall Street culvert replacement project were in process at year-end. Total costs related to these projects are expected to be $1,277,480, of which $875,869 had been expended through September 30, 2011. In January 2012, the City approved an approximate $12.4 million contract for construction of the new sewer plant.

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, 2011 for which the City Hospital could be ultimately responsible if it did not renew its commercial claims-made policy.

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

Note 10. Risk Management

The City is exposed to various risks of litigation and casualties. The City is insured for automobile liability, general liability, property damage, health claims and workers' compensation through a commercial carrier. Claims did not exceed coverage for the year ended September 30, 2011, and for each of the past three fiscal years.

Note 11. Net Patient Service Revenue

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

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

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

Approximately 54 percent of net patient service revenues are from participation in Medicare and state-sponsored Medicaid programs for the year ended September 30, 2011.

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

Note 12. Concentration of Credit Risk

The City Hospital is located in Excelsior Springs, Missouri. The City Hospital grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payer agreements. The mix of receivables from patients and third-party payers as of September 30, 2011 was:

Medicare	$	967,188
Medicaid		263,222
Other third-party payers		728,490
Patients		1,523,732
		3,482,632
Less allowances for uncollectible accounts		901,678
	$	2,580,954

Note 13. Restatement

Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, was implemented during the year ended September 30, 2011. The effect of fund type reclassification was as follows:

	General	Nonmajor Governmental
Fund balance September 30, 2010, as previously reported	$ 2,975,020	$ 4,445,592
Change in fund type classification per implementation of GASB Statement No. 54	34,004	(34,004)
Reclassification of previously reported major fund to nonmajor - CDBG	-	(3,525)
Fund balance October 1, 2010, as restated	$ 3,009,024	$ 4,408,063

Note 14. Fund Balances

In fiscal year 2011, the City adopted GASB Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions*. The statement establishes criteria for classifying fund balances into specifically defined classifications and clarifies definitions for governmental fund types. The details for the City's fund balance are as follows:

Fund Balances:	General	Parks and Recreation	Capital Improvements	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:					
Prepaids	$ 164,422	$ -	$ -	$ -	$ 164,422
Assets held for sale	-	-	23,000	-	23,000
Advances	444,873	-	-	-	444,873
Perpetual maintenance fund	-	-	-	156,349	156,349
Total Nonspendable	609,295	-	23,000	156,349	788,644
Restricted:					
Debt service	256,423	-	-	799,428	1,055,851
Capital projects	44,011	-	2,166,720	1,605,472	3,816,203
Parks and recreation	-	521,056	-	-	521,056
Planning and development	-	-	-	1,197,748	1,197,748
Public safety	74,482	-	-	1,565,929	1,640,411
Total Restricted	374,916	521,056	2,166,720	5,168,577	8,231,269
Assigned:					
Capital projects	-	-	-	11,362	11,362
Cemetery maintenance	-	-	-	45,258	45,258
Total Assigned	-	-	-	56,620	56,620
Unassigned	2,503,528	-	-	(88,821)	2,414,707
Total Fund Balances	$ 3,487,739	$ 521,056	$ 2,189,720	$ 5,292,725	$ 11,491,240

Note 15. Governmental Accounting Standards Board (GASB) Statements

The City implemented the following GASB statements during the year ended September 30, 2011:

- GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement is intended to improve the usefulness of information provided to financial report users about fund balances by providing clearer, more structured fund balance classifications, and by clarifying the definitions of existing governmental fund types. Fund balance information is among the most widely and frequently used information in state and local government financial reports. The GASB developed this standard to address the diversity of practice and the resulting lack of consistency that had evolved in fund balance reporting. To reduce confusion, the new standard establishes a hierarchy of fund balance classification based primarily on the extent to which a government is bound to observe spending constraints. As explained in Notes 13 and 14 to the basic financial statements, the City reclassified the fund balances for all governmental funds and restated the General fund by $34,004 and aggregate remaining funds by $(34,004).
- GASB Statement No. 59, *Financial Instruments Omnibus*. This Statement is intended to update and improve existing standards regarding financial reporting of certain financial instruments and external investment pools. Specifically, this Statement provides financial reporting guidance by emphasizing the applicability of SEC requirements to certain external investment pools, addressing the applicability of GASB 53, *Accounting and Financial Reporting for Derivative Instruments*, and applying the reporting provisions for interest-earning investment contracts of GASB 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. The adoption of this Statement had no effect on the City's financial statements in the current year.

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

- GASB Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, an amendment of GASB Statements No. 43 and No. 45, issued January 2010, will be effective for the City beginning with its year ending September 30, 2012. This Statement addresses issues related to measurement of OPEB obligations by certain employers participating in agent multiple-employer OPEB plans.
- GASB Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*, issued November 2010, will be effective for the City beginning with its year ending September 30, 2013. This Statement is intended to improve financial reporting by addressing issues related to service concession arrangement (SCAs), which are a type of public-private or public-public partnership. Specifically, this Statement improves financial reporting by establishing recognition, measurement and disclosure requirements for SCAs for both transferors and governmental operators, requiring governments to account for and report SCAs in the same manner, which improves the comparability of financial statements. This Statement also improves the decision usefulness of financial reporting by requiring that specific relevant disclosures be made by transferors and governmental operators about SCAs.

Note 15. Governmental Accounting Standards Board (GASB) Statements (Continued)

- GASB Statement No. 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*, issued November 2010, will be effective for the City beginning with its year ending September 30, 2013. This Statement is intended to improve financial reporting for a governmental financial reporting entity by improving guidance for including, presenting and disclosing information about component units and equity interest transactions of a financial reporting entity. The amendments to the criteria for including component units allow users of financial statements to better assess the accountability of elected officials by ensuring that the financial reporting entity includes only organizations for which the elected officials are financially accountable or that are determined by the government to be misleading to exclude. The amendments to the criteria for blending also improve the focus of a financial reporting entity on the primary government by ensuring that the primary government includes only those component units that are so intertwined with the primary government that they are essentially the same as the primary government, and by clarifying which component units have that characteristic.
- GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, issued January 2011, will be effective for the City beginning with its year ending September 30, 2013. This Statement is intended to enhance the usefulness of the Codification of Governmental Accounting and Financial Reporting Standards by incorporating guidance that previously could only be found in certain FASB and AICPA pronouncements. This Statement incorporates into the GASB's authoritative literature the applicable guidance previously presented in the following pronouncements issued before November 30, 1989: FASB Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the AICPA's Committee on Accounting Procedure. By incorporating and maintaining this guidance in a single source, the GASB believes that GASB 62 reduces the complexity of locating and using authoritative literature needed to prepare state and local government financial reports.
- GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, issued July 2011, will be effective for the City beginning with its year ending September 30, 2013. This Statement is intended to improve financial reporting by providing citizens and other users of state and local government financial reports with information about how past transactions will continue to impact a government's financial statements in the future. This Statement provides a new statement of net position format to report all assets, deferred outflows of resources, liabilities deferred inflows of resources, and net position (which is the net residual amount of the other elements). The Statement requires that deferred outflows of resources and deferred inflows of resources be reported separately from assets and liabilities. This Statement also amends certain provisions of Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, and related pronouncements to reflect the residual measure in the statement of financial position as net position, rather than net assets.

Note 15. Governmental Accounting Standards Board (GASB) Statements (Continued)

- GASB Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions* (an amendment of GASB Statement No. 53), issued July 2011, will be effective for the City beginning with its year ending September 30, 2012. This Statement clarifies that when certain conditions are met, the use of hedge accounting should not be terminated. Those conditions are: (*a*) the collectibility of swap payments is considered to be probable, (*b*) the replacement of the counterparty or credit support provider meets the criteria of an assignment or in-substance assignment as described in the Statement, and (*c*) the counterparty or counterparty credit support provider (and not the government) has committed the act of default or termination event. When all of these conditions exist, the GASB believes that the hedging relationship continues and hedge accounting should continue to be applied.

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

City of Excelsior Springs, Missouri

Required Supplementary Information
Missouri Local Government Employees Retirement System

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Entry Age Actuarial Accrued Liability	(b-a) Unfunded Accrued Liability (UAL)	(a/b) Funded Ratio	(c) Annual Covered Payroll	[(b-a)/c] UAL as a Percentage of Covered Payroll
02/28/2009	$ 7,774,174	$ 8,054,684	$ 280,510	96.52%	$ 4,026,922	6.97%
02/28/2010	8,158,302	8,677,474	519,172	94.02	4,412,392	11.77
02/28/2011	**8,657,972**	**9,564,899**	**906,927**	**90.52**	**4,434,533**	**20.45**

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, 2011 annual actuarial valuations. For a complete description of the actuarial assumptions used in the annual valuations, please contact the LAGERS office in Jefferson City.

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

The required contribution was determined as part of the February 29, 2008 and February 28, 2009 annual actuarial valuations using the entry age actuarial cost method. The actuarial assumptions as of February 28, 2011 included (a) a rate of return on the investment of present and future assets of 7.25 percent per year, compounded annually, (b) projected salary increases of 3.5 percent per year, compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0 percent to 6.0 percent per year depending on age and division, attributable to seniority/merit, (d) preretirement mortality based on 75 percent of the RP-2000 Combined Healthy Table set back 0 years for men and 0 years for women and (e) postretirement mortality based on 105 percent of the 1994 Group Annuity Mortality Table set back 0 years for men and 0 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 29, 2008 was 15 years and the amortization period as of February 28, 2009 was 30 years.

City of Excelsior Springs, Missouri

Required Supplementary Information
Other Postemployment Benefit Plan

SCHEDULE OF FUNDING PROGRESS

Fiscal Year Ended	Actuarial Valuation Date	Actuarial Value of Net Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded (Over funded) AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
2009	10/1/08	$ -	$ 304,400	$ 304,400	- %	$ 4,172,000	7%
2010	10/1/09	-	304,400	304,400	-	4,182,418	7
2011	**9/30/11**	**-**	**377,200**	**377,200**	**-**	**4,304,174**	**9**

The information presented in the required supplementary schedule was determined as part of the actuarial valuation date as of September 30, 2011. Additional information follows:

a. The actuarial method used to determine the ARC is the projected unit credit method.
b. There are no plan assets.
c. The actuarial assumptions included: a) 4 percent annual discount rate, b) a healthcare cost trend rate of 7.20 percent initially, decreasing each year until reaching the ultimate trend rate of 4.70 percent, c) a dental/vision cost trend rate of 5 percent initially with an ultimate rate of 4.7 percent and d) an annual salary increase of 4 percent, due to inflation.
d. The amortization method is level percentage of projected payroll on an open basis over 30 years.

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City of Excelsior Springs, Missouri

Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2011

	Special Revenue Funds	Debt Service Funds	Capital Projects Fund, Capital Equipment
Assets			
Cash and cash equivalents	$ 3,222,716	$ -	$ 11,362
Investments	900,000	-	-
Receivables, net of allowance for uncollectibles:			
Property taxes	56,261	-	-
Franchise taxes	10,460	-	-
Due from other governments	305,392	-	-
Restricted cash and cash equivalents	-	799,428	-
Restricted investments	-	-	-
Total assets	$ 4,494,829	$ 799,428	$ 11,362
Liabilities and Fund Balance			
Liabilities:			
Accounts payable and accrued expenses	$ 69,419	$ -	$ -
Deferred revenue	56,261	-	-
Advances from other funds	88,821	-	-
Total liabilities	214,501	-	-
Fund balance:			
Nonspendable	-	-	-
Restricted	4,369,149	799,428	-
Assigned	-	-	11,362
Unassigned	(88,821)	-	-
Total fund balance	4,280,328	799,428	11,362
Total liabilities and fund balance	$ 4,494,829	$ 799,428	$ 11,362

Permanent Fund, Cemetery	Total Nonmajor Governmental Funds
$ 47,807	$ 3,281,885
-	900,000
-	56,261
-	10,460
-	305,392
7,141	806,569
149,208	149,208
$ 204,156	$ 5,509,775

$ 2,549	$ 71,968
-	56,261
-	88,821
2,549	217,050
156,349	156,349
-	5,168,577
45,258	56,620
-	(88,821)
201,607	5,292,725
$ 204,156	$ 5,509,775

City of Excelsior Springs, Missouri

Combining Balance Sheet
Nonmajor Special Revenue Funds
September 30, 2011

	Transportation Trust	E-911 Phone Tax	Capital Improvements E-911 Tax	Tax Increment Financing- Paradise Playhouse	Tax Increment Financing- Vintage Development
Assets					
Cash and cash equivalents	$ 968,441	$ 314,819	$ 10,271	$ -	$ 19,604
Investments	500,000	-	-	-	-
Receivables, net of allowance for uncollectibles:					
Property taxes	-	-	-	1,858	16,819
Franchise taxes	-	10,460	-	-	-
Due from other governments	88,497	-	-	-	12,155
Total assets	$ 1,556,938	$ 325,279	$ 10,271	$ 1,858	$ 48,578
Liabilities and Fund Balance (Deficit)					
Liabilities:					
Accounts payable and accrued expenses	$ 34,746	$ 2,534	$ -	$ -	$ 24,535
Deferred revenue	-	-	-	1,858	16,819
Advances from other funds	-	-	-	-	-
Total liabilities	34,746	2,534	-	1,858	41,354
Fund balance (deficit):					
Restricted	1,522,192	322,745	10,271	-	7,224
Unassigned	-	-	-	-	-
Total fund balance (deficit)	1,522,192	322,745	10,271	-	7,224
Total liabilities and fund balance (deficit)	$ 1,556,938	$ 325,279	$ 10,271	$ 1,858	$ 48,578

Public Safety Sales Tax	Equitable Sharing	Tax Increment Financing- Elms Hotel	Tax Increment Financing- Wal-Mart	Community Development Block Grant	Tax Increment Financing- Vintage Development II	Total
$ 701,950	$ 60,341	$ -	$ 1,074,281	$ 73,009	$ -	$ 3,222,716
400,000	-	-	-	-	-	900,000
-	-	-	37,584	-	-	56,261
-	-	-	-	-	-	10,460
88,497	-	-	116,243	-	-	305,392
$ 1,190,447	$ 60,341	$ -	$ 1,228,108	$ 73,009	$ -	$ 4,494,829
$ 7,604	$ -	$ -	$ -	$ -	$ -	$ 69,419
-	-	-	37,584	-	-	56,261
-	-	88,721	-	-	100	88,821
7,604	-	88,721	37,584	-	100	214,501
1,182,843	60,341	-	1,190,524	73,009	-	4,369,149
-	-	(88,721)	-	-	(100)	(88,821)
1,182,843	60,341	(88,721)	1,190,524	73,009	(100)	4,280,328
$ 1,190,447	$ 60,341	$ -	$ 1,228,108	$ 73,009	$ -	$ 4,494,829

City of Excelsior Springs, Missouri

Combining Balance Sheet
Nonmajor Debt Service Funds
September 30, 2011

	Debt Service	Tax Increment Financing-Wal-Mart/Elms	Total
Assets, restricted cash and cash equivalents	$ 436,927	$ 362,501	$ 799,428
Liabilities and Fund Balance			
Liabilities, accounts payable	$ -	$ -	$ -
Fund balance, restricted	436,927	362,501	799,428
Total liabilities and fund balance	$ 436,927	$ 362,501	$ 799,428

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City of Excelsior Springs, Missouri

Combining Statement of Revenues, Expenditures and Changes In Fund Balances - Nonmajor Governmental Funds Year Ended September 30, 2011

	Special Revenue Funds	Debt Service Funds	Capital Projects Fund, Capital Equipment
Revenues:			
Taxes	$ 2,985,873	$ -	$ -
Intergovernmental revenues	335,683	-	-
Charges for services	-	-	-
Special assessment fees	46,711	-	-
Investment earnings	25,226	22	5
Miscellaneous	-	-	538
Total revenues	3,393,493	22	543
Expenditures:			
Current:			
General government	2,365	-	-
Public safety	240,899	-	-
Public works	211,925	-	-
Cemetery operations	-	-	-
Community betterment	1,151,437	-	-
Capital outlay	404,003	-	-
Debt service:			
Principal	-	786,939	-
Interest	-	115,270	-
Trustee fees	-	4,826	-
Total expenditures	2,010,629	907,035	-
Excess of revenues over (under) expenditures	1,382,864	(907,013)	543
Other financing sources (uses):			
Proceeds from sale of capital assets	8,500	-	-
Contribution of assets	-	-	-
Transfers in	159,972	952,435	-
Transfers out	(914,246)	-	-
Total other financing sources (uses)	(745,774)	952,435	-
Net change in fund balances	637,090	45,422	543
Fund balances, beginning, as restated	3,643,238	754,006	10,819
Fund balances, ending	$ 4,280,328	$ 799,428	$ 11,362

Permanent Fund, Cemetery	Total Nonmajor Governmental Funds
$ -	$ 2,985,873
-	335,683
10,095	10,095
-	46,711
726	25,979
-	538
10,821	3,404,879
-	2,365
-	240,899
-	211,925
17,810	17,810
-	1,151,437
-	404,003
-	786,939
-	115,270
-	4,826
17,810	2,935,474
(6,989)	469,405
-	8,500
208,596	208,596
-	1,112,407
-	(914,246)
208,596	415,257
201,607	884,662
-	4,408,063
$ 201,607	$ 5,292,725

City of Excelsior Springs, Missouri

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficit)
Nonmajor Special Revenue Funds
Year Ended September 30, 2011

	Transportation Trust	E-911 Phone Tax	Capital Improvements E-911 Tax	Tax Increment Financing- Paradise Playhouse	Tax Increment Financing- Vintage Development
Revenues:					
Taxes	$ 753,454	$ 127,344	$ -	$ 32,066	$ 184,963
Intergovernmental revenues	-	-	-	-	-
Special assessment fees	-	-	-	-	-
Investment earnings	6,515	2,435	161	-	242
Total revenues	759,969	129,779	161	32,066	185,205
Expenditures:					
Current:					
General government	983	521	-	-	-
Public safety	-	33,342	2,472	-	-
Public works	211,925	-	-	-	-
Community betterment	-	-	-	32,066	188,822
Capital outlay	2,850	-	17,589	-	-
Total expenditures	215,758	33,863	20,061	32,066	188,822
Excess of revenues over (under) expenditures	544,211	95,916	(19,900)	-	(3,617)
Other financing sources (uses):					
Proceeds from sale of capital assets	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	(8,300)	(149,148)	-	-	-
Total other financing (uses)	(8,300)	(149,148)	-	-	-
Net change in fund balance	535,911	(53,232)	(19,900)	-	(3,617)
Fund balances, beginning, as restated	986,281	375,977	30,171	-	10,841
Fund balances (deficit), ending	$ 1,522,192	$ 322,745	$ 10,271	$ -	$ 7,224

Public Safety Sales Tax	Equitable Sharing	Tax Increment Financing- Elms Hotel	Tax Increment Financing- Wal-Mart	Community Development Block Grant	Tax Increment Financing- Vintage Development II	Total
$ 753,403	$ -	$ 14	$ 1,134,629	$ -	$ -	$ 2,985,873
-	37,226	-	-	298,457	-	335,683
-	-	46,711	-	-	-	46,711
5,539	-	-	10,334	-	-	25,226
758,942	37,226	46,725	1,144,963	298,457	-	3,393,493
861	-	-	-	-	-	2,365
10,152	21,782	-	-	173,151	-	240,899
-	-	-	-	-	-	211,925
-	-	85,465	793,642	51,342	100	1,151,437
226,162	-	-	-	157,402	-	404,003
237,175	21,782	85,465	793,642	381,895	100	2,010,629
521,767	15,444	(38,740)	351,321	(83,438)	(100)	1,382,864
8,500	-	-	-	-	-	8,500
-	-	-	-	159,972	-	159,972
(380,538)	-	-	(376,260)	-	-	(914,246)
(372,038)	-	-	(376,260)	159,972	-	(745,774)
149,729	15,444	(38,740)	(24,939)	76,534	(100)	637,090
1,033,114	44,897	(49,981)	1,215,463	(3,525)	-	3,643,238
$ 1,182,843	$ 60,341	$ (88,721)	$ 1,190,524	$ 73,009	$ (100)	$ 4,280,328

City of Excelsior Springs, Missouri

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Debt Service Funds
Year Ended September 30, 2011

	Debt Service	Tax Increment Financing- Wal-Mart/Elms	Total
Revenues, investment earnings	$ 19	$ 3	$ 22
Expenditures, debt service:			
Principal	456,939	330,000	786,939
Interest	83,410	31,860	115,270
Trustee fees	3,576	1,250	4,826
Total expenditures	543,925	363,110	907,035
Excess of revenues (under) expenditures	(543,906)	(363,107)	(907,013)
Other financing sources, transfers in	576,175	376,260	952,435
Net change in fund balance	32,269	13,153	45,422
Fund balances, beginning	404,658	349,348	754,006
Fund balances, ending	$ 436,927	$ 362,501	$ 799,428

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City of Excelsior Springs, Missouri

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Deficit) - General Fund Sub-Funds - Budget to Actual
Year Ended September 30, 2011

	Construction Services	
	Budget	Actual
Revenues:		
Licenses, permits and fees	$ 4,000	$ -
Intergovernmental revenues	417,750	335,947
Special assessment fees	-	-
Investment earnings	-	-
Miscellaneous	21,000	9,236
Total revenues	442,750	345,183
Expenditures:		
Current:		
General government	-	-
Public works	566,700	469,408
Community betterment	-	-
Capital outlay	2,850	2,957
Total expenditures	569,550	472,365
Excess of revenues over (under) expenditures	(126,800)	(127,182)
Other financing sources (uses):		
Transfers in	163,000	135,485
Transfers out	(26,100)	(25,000)
Total other financing (uses)	136,900	110,485
Net change in fund balance (deficit)	$ 10,100	(16,697)
Fund balances (deficit), beginning		(32,505)
Fund balances (deficit), ending		$ (49,202)

(Continued)

Neighborhood Improvement District		Elms Hotel Event Fees	
Budget	Actual	Budget	Actual
$ -	$ -	$ -	$ -
-	-	-	-
116,249	116,249	-	-
1	4	300	220
-	-	48,000	42,919
116,250	116,253	48,300	43,139
-	-	59,250	48,811
-	-	-	-
-	-	75,195	-
-	-	-	-
-	-	134,445	48,811
116,250	116,253	(86,145)	(5,672)
-	-	-	-
(148,952)	(148,952)	-	-
(148,952)	(148,952)	-	-
$ (32,702)	(32,699)	$ (86,145)	(5,672)
	35,664		30,845
	$ 2,965		$ 25,173

City of Excelsior Springs, Missouri

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Deficit) - Nonmajor Special Revenue Funds - Budget to Actual
Year Ended September 30, 2011

	Transportation Trust		E-911 Phone Tax	
	Budget	Actual	Budget	Actual
Revenues:				
Taxes	$ 700,136	$ 753,454	$ 130,000	$ 127,344
Licenses, permits and fees	-	-	-	-
Intergovernmental revenues	-	-	-	-
Special assessment fees	-	-	-	-
Investment earnings	10,000	6,515	2,400	2,435
Miscellaneous	-	-	-	-
Total revenues	710,136	759,969	132,400	129,779
Expenditures:				
Current:				
General government	2,000	983	1,400	521
Public safety	-	-	35,000	33,342
Public works	887,000	211,925	-	-
Community betterment	-	-	-	-
Capital outlay	2,850	2,850	-	-
Total expenditures	891,850	215,758	36,400	33,863
Excess of revenues over (under) expenditures	(181,714)	544,211	96,000	95,916
Other financing sources (uses):				
Proceeds from sale of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(7,000)	(8,300)	(149,148)	(149,148)
Total other financing (uses)	(7,000)	(8,300)	(149,148)	(149,148)
Net change in fund balance (deficit)	$ (188,714)	535,911	$ (53,148)	(53,232)
Fund balances (deficit), beginning		986,281		375,977
Fund balances (deficit), ending		$ 1,522,192		$ 322,745

(Continued)

Capital Improvements E-911 Tax		Tax Increment Financing - Paradise Playhouse		Tax Increment Financing - Vintage Development	
Budget	Actual	Budget	Actual	Budget	Actual
$ -	$ -	$ 34,066	$ 32,066	$ 175,037	$ 184,963
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
200	161	-	-	242	242
-	-	-	-	-	-
200	161	34,066	32,066	175,279	185,205
-	-	-	-	-	-
797	2,472	-	-	-	-
-	-	-	-	-	-
-	-	34,066	32,066	186,120	188,822
22,000	17,589	-	-	-	-
22,797	20,061	34,066	32,066	186,120	188,822
(22,597)	(19,900)	-	-	(10,841)	(3,617)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
$ (22,597)	(19,900)	$ -	-	$ (10,841)	(3,617)
	30,171		-		10,841
	$ 10,271		$ -		$ 7,224

City of Excelsior Springs, Missouri

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Deficit) - Nonmajor Special Revenue Funds - Budget to Actual (Continued)
Year Ended September 30, 2011

	Public Safety Sales Tax		Equitable Sharing	
	Budget	Actual	Budget	Actual
Revenues:				
Taxes	$ 745,136	$ 753,403	$ -	$ -
Licenses, permits and fees	-	-	-	-
Intergovernmental revenues	-	-	40,000	37,226
Special assessment fees	-	-	-	-
Investment earnings	4,300	5,539	-	-
Miscellaneous	-	-	-	-
Total revenues	749,436	758,942	40,000	37,226
Expenditures:				
Current:				
General government	1,500	861	-	-
Public safety	90,000	10,152	30,250	21,782
Public works	-	-	-	-
Community betterment	-	-	-	-
Capital outlay	179,414	226,162	-	-
Total expenditures	270,914	237,175	30,250	21,782
Excess of revenues over (under) expenditures	478,522	521,767	9,750	15,444
Other financing sources (uses):				
Proceeds from sale of capital assets	8,500	8,500	-	-
Transfers in	-	-	-	-
Transfers out	(386,460)	(380,538)	-	-
Total other financing (uses)	(377,960)	(372,038)	-	-
Net change in fund balance (deficit)	$ 100,562	149,729	$ 9,750	15,444
Fund balances (deficit), beginning		1,033,114		44,897
Fund balances (deficit), ending		$ 1,182,843		$ 60,341

(Continued)

Tax Increment Financing - Elms Hotel		Tax Increment Financing - Wal-Mart		Community Development Block Grant	
Budget	Actual	Budget	Actual	Budget	Actual
$ 2	$ 14	$ 1,169,158	$ 1,134,629	$ -	$ -
-	-	-	-	-	-
-	-	-	-	401,342	298,457
43,000	46,711	-	-	-	-
-	-	11,972	10,334	-	-
-	-	-	-	-	-
43,002	46,725	1,181,130	1,144,963	401,342	298,457
-	-	-	-	163,648	-
-	-	-	-	300,000	173,151
-	-	-	-	-	-
85,463	85,465	793,640	793,642	101,342	51,342
-	-	-	-	-	157,402
85,463	85,465	793,640	793,642	564,990	381,895
(42,461)	(38,740)	387,490	351,321	(163,648)	(83,438)
-	-	-	-	-	-
-	-	-	-	175,813	159,972
-	-	(386,360)	(376,260)	-	-
-	-	(386,360)	(376,260)	175,813	159,972
$ (42,461)	(38,740)	$ 1,130	(24,939)	$ 12,165	76,534
	(49,981)		1,215,463		(3,525)
	$ (88,721)		$ 1,190,524		$ 73,009

City of Excelsior Springs, Missouri

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Debt Service Funds - Budget to Actual
Year Ended September 30, 2011

	Debt Service		Tax Increment Financing - Wal-Mart/Elms	
	Budget	Actual	Budget	Actual
Revenues, investment earnings	$ 75	$ 19	$ 3	$ 3
Expenditures, debt service:				
Principal	456,939	456,939	330,000	330,000
Interest	83,410	83,410	31,860	31,860
Trustee fees	3,576	3,576	4,500	1,250
Total expenditures	543,925	543,925	366,360	363,110
Excess of revenues (under) expenditures	(543,850)	(543,906)	(366,357)	(363,107)
Other financing sources, transfers in	576,175	576,175	386,360	376,260
Net change in fund balance	$ 32,325	32,269	$ 20,003	13,153
Fund balances, beginning		404,658		349,348
Fund balances, ending		$ 436,927		$ 362,501

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, 2011

	Capital Equipment	
	Budget	Actual
Revenues:		
Investment earnings	$ 5	$ 5
Miscellaneous	125	538
Total revenues	130	543
Expenditures:		
Current, public safety	9,262	-
Capital outlay	1,687	-
Total expenditures	10,949	-
Net change in fund balance	$ (10,819)	543
Fund balances, beginning		10,819
Fund balances, ending		$ 11,362

City of Excelsior Springs, Missouri

Combining Statement of Net Assets
Nonmajor Enterprise Funds
September 30, 2011

Assets	Airport	Refuse	Golf	Total
Current assets:				
Cash and cash equivalents	$ -	$ 98,808	$ 30,300	$ 129,108
Investments	-	150,000	-	150,000
Accounts receivable, net of allowance for uncollectibles	4,575	68,887	-	73,462
Inventory	2,500	-	-	2,500
Prepaids	-	-	9,180	9,180
Total current assets	7,075	317,695	39,480	364,250
Noncurrent assets:				
Land	50,000	-	155,688	205,688
Land improvements	-	-	809,585	809,585
Buildings and improvements	48,624	-	294,271	342,895
Operating equipment	52,247	-	656,138	708,385
Furniture and office equipment	-	-	8,067	8,067
Vehicles	-	-	2,250	2,250
Total capital assets	150,871	-	1,925,999	2,076,870
Less accumulated depreciation	42,619	-	1,465,647	1,508,266
Total noncurrent assets	108,252	-	460,352	568,604
Total assets	$ 115,327	$ 317,695	$ 499,832	$ 932,854
Liabilities and Fund Equity				
Current liabilities:				
Accounts payable and accrued expenses	$ 3,205	$ 6,232	$ 3,111	$ 12,548
Compensated absences	-	-	35,474	35,474
Accrued interest	-	-	1,303	1,303
Capital lease obligations	-	-	55,852	55,852
Total current liabilities	3,205	6,232	95,740	105,177
Noncurrent liabilities:				
Advances from other funds	13,385	-	352,667	366,052
Other postemployment benefits obligation	-	-	3,920	3,920
LAGERS pension obligation	-	-	5,703	5,703
Capital lease obligations	-	-	206,730	206,730
Total noncurrent liabilities	13,385	-	569,020	582,405
Total liabilities	16,590	6,232	664,760	687,582
Net assets:				
Invested in capital assets, net of related debt	108,252	-	197,770	306,022
Unrestricted	(9,515)	311,463	(362,698)	(60,750)
Total net assets (deficit)	98,737	311,463	(164,928)	245,272
Total liabilities and net assets (deficit)	$ 115,327	$ 317,695	$ 499,832	$ 932,854

City of Excelsior Springs, Missouri

Combining Statement of Revenues, Expenses and Changes in Fund Net Assets (Deficit)
Nonmajor Enterprise Funds
Year Ended September 30, 2011

	Airport	Refuse	Golf	Total
Operating revenues:				
Charges for services	$ 12,729	$ 669,642	$ 583,241	$ 1,265,612
Rental income	21,000	-	-	21,000
Other	-	36,207	12,577	48,784
Total operating revenues	33,729	705,849	595,818	1,335,396
Operating expenses:				
Personnel services	-	5,799	331,542	337,341
Contractual and professional services	1,596	604,564	1,930	608,090
Utilities	5,879	8,920	31,480	46,279
Maintenance and repairs	18,687	-	78,315	97,002
Cost of goods sold	12,031	-	82,117	94,148
Insurance	2,185	-	5,730	7,915
Supplies and materials (administrative)	6,394	19,053	102,689	128,136
Depreciation	3,510	-	121,168	124,678
Total operating expenses	50,282	638,336	754,971	1,443,589
Operating income (loss)	(16,553)	67,513	(159,153)	(108,193)
Nonoperating revenue (expense):				
Investment earnings	-	1,863	11	1,874
Interest expense	-	-	(10,537)	(10,537)
Total nonoperating revenue (expense)	-	1,863	(10,526)	(8,663)
Income (loss) before transfers	(16,553)	69,376	(169,679)	(116,856)
Transfers in	1,703	-	118,268	119,971
Transfers out	-	(57,114)	(16,436)	(73,550)
	1,703	(57,114)	101,832	46,421
Change in net assets	(14,850)	12,262	(67,847)	(70,435)
Total net assets (deficit), beginning	113,587	299,201	(97,081)	315,707
Total net assets (deficit), ending	$ 98,737	$ 311,463	$ (164,928)	$ 245,272

City of Excelsior Springs, Missouri

Combining Statement of Cash Flows
Nonmajor Enterprise Funds
Year Ended September 30, 2011

	Airport	Refuse	Golf	Total
Cash flows from operating activities:				
Cash collected from customers	$ 30,954	$ 707,288	$ 583,241	$ 1,321,483
Cash from other operating revenue	-	-	12,577	12,577
Cash paid to suppliers for goods and services	(47,814)	(634,564)	(315,052)	(997,430)
Cash paid to employees for services	-	(5,799)	(332,173)	(337,972)
Net cash provided by (used in) operating activities	(16,860)	66,925	(51,407)	(1,342)
Cash flows from noncapital financing activities:				
Increase in advances from other funds	13,385	-	332,667	346,052
Interfund payments	-	-	(175,529)	(175,529)
Transfers in	1,703	-	118,268	119,971
Transfers out	-	(57,114)	(16,436)	(73,550)
Net cash provided by (used in) noncapital financing activities	15,088	(57,114)	258,970	216,944
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	-	-	(87,799)	(87,799)
Principal payments on capital leases	-	-	(96,530)	(96,530)
Interest paid	-	-	(10,660)	(10,660)
Net cash (used in) capital and related financing activities	-	-	(194,989)	(194,989)
Cash flows from investing activities:				
Purchase of investments	-	(300,000)	-	(300,000)
Interest income	-	1,863	11	1,874
Proceeds from maturity of investment	-	150,000	-	150,000
Net cash provided by (used in) investing activities	-	(148,137)	11	(148,126)
Net increase (decrease) in cash and cash equivalents	(1,772)	(138,326)	12,585	(127,513)
Cash and cash equivalents:				
Beginning	1,772	237,134	17,715	256,621
Ending	$ -	$ 98,808	$ 30,300	$ 129,108

(Continued)

City of Excelsior Springs, Missouri

Combining Statement of Cash Flows (Continued)
Nonmajor Enterprise Funds
Year Ended September 30, 2011

	Airport	Refuse	Golf	Total
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	$ (16,553)	$ 67,513	$ (159,153)	$ (108,193)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	3,510	-	121,168	124,678
(Increase) decrease in accounts receivable	(2,775)	1,439	-	(1,336)
Decrease in inventory	3,358	-	-	3,358
(Decrease) in accounts payable and accrued expenses	(4,400)	(2,027)	(12,791)	(19,218)
Increase in other postemployment benefits obligation	-	-	960	960
Increase in LAGERS pension obligation	-	-	5,703	5,703
(Decrease) in compensated absences	-	-	(7,294)	(7,294)
Net cash provided by (used in) operating activities	$ (16,860)	$ 66,925	$ (51,407)	$ (1,342)

City of Excelsior Springs, Missouri

Combining Statement of Assets and Liabilities - Agency Funds
September 30, 2011

	Hospital	Payroll	Road District	Total
Assets				
Cash and cash equivalents	$ 5,904,372	$ 97,861	$ 562,518	$ 6,564,751
Taxes receivable	245,257	-	-	245,257
Total assets	$ 6,149,629	$ 97,861	$ 562,518	$ 6,810,008
Liabilities				
Accounts payable	$ -	$ 97,861	$ -	$ 97,861
Due to component unit	6,149,629	-	-	6,149,629
Due to other governments	-	-	562,518	562,518
Total liabilities	$ 6,149,629	$ 97,861	$ 562,518	$ 6,810,008

City of Excelsior Springs, Missouri

Statement of Changes in Assets and Liabilities - Agency Funds
Year Ended September 30, 2011

	Balance September 30, 2010	Additions	Deletions	Balance September 30, 2011
Hospital Fund				
Assets:				
Cash and cash equivalents	$ 5,776,776	$ 1,573,406	$ 1,445,810	$ 5,904,372
Taxes receivable	238,598	228,379	221,720	245,257
Total assets	$ 6,015,374	$ 1,801,785	$ 1,667,530	$ 6,149,629
Liabilities, due to component unit	$ 6,015,374	$ 1,801,785	$ 1,667,530	$ 6,149,629
Payroll Fund				
Assets, cash and cash equivalents	$ 71,002	$ 6,833,086	$ 6,806,227	$ 97,861
Liabilities, accounts payable	$ 71,002	$ 6,979,073	$ 6,952,214	$ 97,861
Road District Fund				
Assets, cash and cash equivalents	$ 595,061	$ 143,503	$ 176,046	$ 562,518
Liabilities:				
Accounts payable	$ 11,617	$ 48,004	$ 59,621	$ -
Due to other governments	583,444	119,813	140,739	562,518
Total liabilities	$ 595,061	$ 167,817	$ 200,360	$ 562,518
Total Agency Funds				
Assets:				
Cash and cash equivalents	$ 6,442,839	$ 8,549,995	$ 8,428,083	$ 6,564,751
Taxes receivable	238,598	228,379	221,720	245,257
Total assets	$ 6,681,437	$ 8,778,374	$ 8,649,803	$ 6,810,008
Liabilities:				
Accounts payable	$ 82,619	$ 7,027,077	$ 7,011,835	$ 97,861
Due to component unit	6,015,374	1,801,785	1,667,530	6,149,629
Due to other governments	583,444	119,813	140,739	562,518
Total liabilities	$ 6,681,437	$ 8,948,675	$ 8,820,104	$ 6,810,008

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City of Excelsior Springs, Missouri

Statistical Section
Contents

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

Contents	Page
Financial Trends	
These schedules contain trend information to help the reader understand how the City's financial performance and well being have changed over time.	94 - 99
Revenue Capacity	
These schedules contain information to help the reader assess the City's most significant local revenue sources, the	100 - 105
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	106 - 109
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.	110 - 111
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	112 - 118

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

City of Excelsior Springs, Missouri

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

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Governmental Activities:				**[a]**					
Invested in capital assets, net of related debt	(3,067,523)	(1,264,482)	(102,176)	8,215,502	8,920,357	9,600,400	11,453,475	12,241,755	12,996,356
Restricted	3,168,513	2,673,855	3,565,220	3,915,524	4,443,656	5,066,289	5,375,415	5,493,852	8,196,025
Unrestricted	3,378,258	3,419,935	2,568,358	2,889,439	3,035,103	4,607,991	4,580,245	4,070,307	2,634,310
Total governmental activities net assets	3,479,248	4,829,308	6,031,402	15,020,465	16,399,116	19,274,680	21,409,135	21,805,914	23,826,691
Business-type activities:									
Invested in capital assets, net of related debt	5,359,584	5,423,336	5,455,222	5,502,722	5,752,386	6,876,597	6,951,927	7,033,568	7,360,002
Restricted	1,607,783	1,255,000	1,172,000	1,101,621	1,004,472	896,282	797,019	621,500	237,500
Unrestricted	1,692,813	1,714,642	1,793,565	1,915,682	2,090,881	1,675,923	2,144,788	3,703,362	4,791,239
Total business-type activities net assets	8,660,180	8,392,978	8,420,787	8,520,025	8,847,739	9,448,802	9,893,734	11,358,430	12,388,741
Primary government:									
Invested in capital assets, net of related debt	2,292,061	4,158,854	5,353,046	13,718,224	14,672,743	16,476,997	18,405,402	19,275,323	20,356,358
Restricted	4,776,296	3,928,855	4,737,220	5,017,145	5,448,128	5,962,571	6,172,434	6,115,352	8,433,525
Unrestricted	8,154,554	7,348,790	7,305,578	4,805,121	5,125,984	6,283,914	6,725,033	7,773,669	7,425,549
Total primary government net assets	15,222,911	15,436,499	17,395,844	23,540,490	25,246,855	28,723,482	31,302,869	33,164,344	36,215,432

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

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Expenses:									
Governmental activities:									
General Government	$ 734,877	$ 790,958	$ 741,077	$ 939,821	$ 999,410	$ 966,831	$ 1,264,010	$ 1,128,823	$ 1,161,049
Public Safety	3,876,293	3,791,455	4,007,447	4,569,672	4,450,412	4,048,900	4,853,975	5,361,872	5,055,440
Transportation	151,273	155,612	118,869	108,254	97,584	134,436	143,769	143,981	152,676
Public Works	1,290,783	1,522,617	864,625	1,067,169	1,428,481	1,767,511	1,549,922	1,929,547	1,840,211
Health and Welfare	47,711	48,715	51,643	52,971	53,196	49,318	52,943	51,887	55,520
Recreational Activities	457,585	418,771	383,466	311,201	511,358	504,097	459,717	528,013	634,316
Cemetery Operations	-	-	-	-	-	-	-	-	17,810
Community Betterment	653,759	980,721	908,513	967,437	1,287,102	1,089,998	1,731,000	1,728,610	1,508,422
Interest on long-term debt	449,855	469,131	396,908	346,140	230,991	195,191	176,710	137,029	102,165
Total governmental activities expenses	7,662,136	8,177,980	7,472,548	8,362,665	9,058,534	8,756,282	10,232,046	11,009,762	10,527,609
Business-type activities:									
Water	1,758,746	1,820,589	1,724,911	1,690,883	1,707,102	1,666,996	1,678,836	1,660,959	1,892,942
Sewer	1,067,643	968,257	929,790	978,084	973,446	877,837	1,127,120	1,204,401	1,330,063
Golf	815,495	736,727	735,904	780,348	773,545	849,698	851,479	792,062	765,508
Airport	2,956	2,955	3,087	3,087	3,087	7,211	9,595	16,958	50,282
Refuse	281,996	314,480	321,202	352,558	376,787	439,794	537,746	667,284	638,336
Total business-type activities expenses	3,926,836	3,843,008	3,714,894	3,804,960	3,833,967	3,841,536	4,204,776	4,341,664	4,677,131
Total primary government expenses	11,588,972	12,020,988	11,187,442	12,167,625	12,892,501	12,597,818	14,436,822	15,351,426	15,204,740
Program revenue:									
Governmental activities:									
Charges for services:									
General Government	174,783	153,283	156,743	153,400	154,677	158,180	108,035	121,535	115,858
Public Safety	861,701	807,716	907,474	845,597	798,748	1,080,352	1,216,136	1,396,007	1,406,395
Transportation	38,229	31,350	31,265	30,264	26,156	31,802	30,213	33,036	30,767
Public Works	145,483	6,828	4,807	74,217	15,638	355,916	52,566	159,468	333,091
Health and Welfare	-	-	-	-	-	-	-	-	-
Recreational Activities	31,707	35,762	23,910	32,080	31,919	23,720	36,965	50,018	127,279
Cemetery Operations	-	-	-	-	-	-	-	-	10,095
Community Betterment	237,340	101,089	188,463	175,159	156,780	78,710	130,182	53,766	203,450
Operating grants and contributions:									
Public Safety	9,553	-	-	23,523	19,187	-	90,704	437,247	274,758
Transportation	41,109	52,583	36,319	35,852	29,057	56,385	55,079	56,004	61,309
Public Works	-	191,911	553,718	535,311	590,406	553,271	1,388,218	477,368	492,908
Health and Welfare	15,125	17,875	13,750	19,250	12,375	21,323	17,875	16,500	16,500
Recreational Activities	-	-	-	20,377	17,220	-	5,619	29,268	-
Cemetery Operations	-	-	-	-	-	-	-	-	208,596
Community Betterment	69,632	30,379	37,323	200,934	13,111	73,723	464,910	499,170	69,509
Capital grants and contributions:									
Community Betterment	6,703	-	-	-	-	28,391	2,267	-	-
Cemetery Operations	-	-	-	-	-	-	-	-	-
Total governmental activities program revenue	1,624,662	1,428,776	1,953,772	2,145,964	1,865,274	2,433,382	3,596,502	3,329,387	3,350,515

City of Excelsior Springs, Missouri

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

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Business-type activities:									
Charges for services:									
Water	1,659,038	1,813,949	1,824,642	1,945,385	2,075,336	2,210,436	2,425,643	2,514,840	2,887,962
Sewer	933,475	938,682	910,652	963,116	1,055,082	1,087,548	1,125,837	1,198,899	1,555,214
Golf	762,814	674,806	667,310	719,440	720,394	774,704	736,047	603,071	583,241
Airport	6,600	6,003	4,800	9,600	1,200	22,055	18,985	25,074	33,729
Refuse	353,441	359,919	370,127	407,217	461,351	527,077	565,680	724,882	705,849
Operating/capital grants and contributions:									
Water	-	-	12,721	-	-	31,011	-	-	15,300
Sewer	-	-	136,115	-	-	-	-	-	-
Golf	-	-	1,248	-	15,250	-	-	16,483	12,577
Total business-type activities program revenue	3,715,368	3,793,359	3,927,615	4,044,758	4,328,613	4,652,831	4,872,192	5,083,249	5,793,872
Total primary government program revenues	5,340,030	5,222,135	5,881,387	6,190,722	6,193,887	7,086,213	8,468,694	8,412,636	9,144,387
Net (expense) revenue:									
Governmental activities	(6,037,474)	(6,749,204)	(5,518,776)	(6,216,701)	(7,193,260)	(6,322,900)	(6,635,544)	(7,680,375)	(7,177,094)
Business-type activities	(211,468)	(49,649)	212,721	239,798	494,646	811,295	667,416	741,585	1,116,741
Total primary government net expense	(6,248,942)	(6,798,853)	(5,306,055)	(5,976,903)	(6,698,614)	(5,511,605)	(5,968,128)	(6,938,790)	(6,060,353)
General revenues and other changes in net assets:									
Governmental activities:									
Taxes:									
Property taxes, levied for general purposes	1,515,980	1,401,668	1,550,778	1,607,557	1,722,677	1,873,053	1,924,393	1,880,348	1,955,284
General sales and use tax	4,062,233	3,858,746	3,383,671	4,687,813	4,788,957	4,820,222	4,696,840	4,917,024	4,998,485
Franchise tax	1,018,137	1,121,139	1,070,849	1,047,889	1,101,815	1,481,454	1,256,515	1,530,424	1,625,117
Cigarette tax	106,606	103,656	104,224	108,050	124,716	131,389	128,419	117,079	116,058
Railroad and Utility/Financial Institution Tax	29,926	40,674	76,421	54,581	66,088	63,722	51,582	52,715	60,219
Interest and investment earnings	115,442	120,513	175,527	269,903	313,854	289,426	179,924	148,491	157,789
Miscellaneous	174,561	112,378	43,004	145,955	85,070	166,436	164,471	48,620	73,369
Gain on sale of capital assets	-	-	-	-	-	13,416	46,318	21,295	-
Transfers	326,263	317,659	316,396	341,985	368,734	330,955	319,270	(638,842)	211,550
Total governmental activities	7,349,148	7,076,433	6,720,870	8,263,733	8,571,911	9,170,073	8,767,732	8,077,154	9,197,871
Business-type activities:									
Investment earnings	121,629	100,106	131,484	184,517	201,802	120,723	96,786	84,269	125,120
Miscellaneous	30,336	-	-	16,908	-	-	-	-	-
Transfers	(326,263)	(317,659)	(316,396)	(341,985)	(368,734)	(330,955)	(319,270)	638,842	(211,550)
Total business-type activities	(174,298)	(217,553)	(184,912)	(140,560)	(166,932)	(210,232)	(222,484)	723,111	(86,430)
Total primary government	7,174,850	6,858,880	6,535,958	8,123,173	8,404,979	8,959,841	8,545,248	8,800,265	9,111,441
Changes in net assets:									
Governmental activities	1,311,674	327,229	1,202,094	2,047,032	1,378,651	2,847,173	2,132,188	396,779	2,020,777
Business-type activities	(385,766)	(267,202)	27,809	99,238	327,714	601,063	444,932	1,464,696	1,030,311
Total primary government	$ 925,908	$ 60,027	$ 1,229,903	$ 2,146,270	$ 1,706,365	$ 3,448,236	$ 2,577,120	$ 1,861,475	$ 3,051,088

City of Excelsior Springs, Missouri

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

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Governmental activities:									
General government	174,783	153,283	156,743	153,400	154,677	158,180	108,035	121,535	115,858
Public Safety	871,254	807,716	907,474	869,120	817,935	1,080,352	1,306,840	1,833,254	1,681,153
Transportation	79,338	83,933	67,584	66,116	55,213	88,187	85,292	89,040	92,076
Public works	145,483	198,739	558,525	609,528	606,044	909,187	1,440,784	636,836	825,999
Health and Welfare	15,125	17,875	13,750	19,250	12,375	21,323	17,875	16,500	16,500
Cemetery operations	-	-	-	-	-	-	-	-	218,691
Recreational Activities	31,707	35,762	23,910	32,080	49,139	23,720	42,584	79,286	127,279
Community Betterment	306,972	131,468	225,786	376,093	169,891	152,433	595,092	552,936	272,959
Total governmental activities	1,624,662	1,428,776	1,953,772	2,125,587	1,865,274	2,433,382	3,596,502	3,329,387	3,350,515
Business-type activities:									
Water	1,659,038	1,813,949	1,837,363	1,945,385	2,075,336	2,241,447	2,425,643	2,514,840	2,903,262
Sewer	933,475	938,682	1,046,767	963,116	1,055,082	1,087,548	1,125,837	1,198,899	1,555,214
Golf	762,814	674,806	668,558	719,440	735,644	774,704	736,047	619,554	595,818
Airport	6,600	6,003	4,800	9,600	1,200	22,055	18,985	25,074	33,729
Refuse	353,441	359,919	370,127	407,217	461,351	527,077	565,680	724,882	705,849
Total business-type activities	3,715,368	3,793,359	3,927,615	4,044,758	4,328,613	4,652,831	4,872,192	5,083,249	5,793,872
Total government	5,340,030	5,222,135	5,881,387	6,170,345	6,193,887	7,086,213	8,468,694	8,412,636	9,144,387

City of Excelsior Springs, Missouri

Fund Balances, Governmental Funds
Fiscal Years 2002 thru 2011
(modified accrual basis of accounting)
(Unaudited)

	Fiscal Year:									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Fund										
Reserved	$ 239,895	$ 647,012	$ 413,830	$ 440,488	$ 488,887	$ 680,901	$ 523,908	$ 605,457	$ -	$ -
Unreserved	598,823	383,634	736,347	823,990	620,343	552,332	1,417,833	1,539,571	-	-
Unreserved, designated for board use	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	-	-
Nonspendable	-	-	-	-	-	-	-	-	473,306	609,295
Restricted	-	-	-	-	-	-	-	-	533,045	374,916
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	1,968,669	2,503,528
Total General Fund	2,038,718	2,230,646	2,350,177	2,464,478	2,309,230	2,433,233	3,141,741	3,345,028	2,975,020	3,487,739
All Other Governmental Funds:										
Reserved	59,591	675,491	728,935	729,062	745,330	762,406	806,977	814,435	-	-
Unreserved, reported in:									-	-
Permanent funds	-	-	-	-	-	-	-	-	-	-
Special revenue funds	2,712,534	3,212,851	2,887,648	3,050,866	4,035,096	4,627,324	6,235,984	6,369,183	-	-
Debt Service funds	652,579	-	-	-	-	-	-	-	-	-
Capital project funds	344,372	682,655	420,829	379,927	228,041	144,585	5,243	8,083	-	-
Nonspendable	-	-	-	-	-	-	-	-	65,000	179,349
Restricted	-	-	-	-	-	-	-	-	7,205,598	7,856,353
Assigned	-	-	-	-	-	-	-	-	-	56,620
Unassigned	-	-	-	-	-	-	-	-	(99,411)	(88,821)
Total all other governmental funds	$ 3,769,076	$ 4,570,997	$ 4,037,412	$ 4,159,855	$ 5,008,467	$ 5,534,315	$ 7,048,204	$ 7,191,701	$ 7,171,187	$ 8,003,501

Source: City financial statements.

Note: GASB 54 was adopted for Fiscal Year 2011. Fund balances for 2010 were restated for comparison purposes.

City of Excelsior Springs, Missouri

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues:										
Taxes	5,899,451	6,249,723	6,039,868	6,185,943	7,446,196	7,804,253	8,273,864	8,022,859	8,370,338	8,698,572
Special Assessments	69,000	37,079	62,322	95,539	149,320	69,343	96,071	116,814	137,445	165,353
Intergovernmental	1,022,737	880,494	781,976	641,110	885,109	695,535	728,967	2,000,132	1,522,091	1,250,393
Licenses and permits	159,634	197,005	192,821	198,599	246,662	198,893	187,445	156,292	167,034	162,592
Charges for services	709,153	652,079	630,232	670,407	604,883	533,340	1,100,585	689,044	739,316	857,411
Fines and forfeitures	228,104	262,168	187,345	243,367	239,717	270,671	253,044	449,262	583,827	513,521
Use of money and property	174,995	159,375	120,513	175,527	239,838	313,854	289,426	179,924	148,491	157,789
Other	158,878	86,001	174,892	143,387	255,987	182,562	358,073	377,003	366,736	322,609
Total revenues	8,421,952	8,523,924	8,189,969	8,353,879	10,067,712	10,068,451	11,287,475	11,991,330	12,035,278	12,128,240
Expenditures										
General government	1,181,660	681,847	701,629	702,222	884,157	942,909	911,771	1,152,687	1,565,011	1,036,565
Public Safety	3,468,957	4,092,510	3,642,582	3,571,854	4,422,419	4,614,695	4,263,484	4,618,281	5,006,361	4,712,148
Transportation	-	127,438	97,723	66,095	69,496	65,968	102,727	103,722	101,124	109,819
Public works	2,021,746	1,433,314	1,782,543	1,483,860	1,639,902	1,329,229	1,374,117	2,276,913	1,820,677	1,134,031
Health and Welfare	-	47,144	48,148	48,661	52,971	53,196	49,318	52,943	51,887	55,520
Recreational Activities	327,054	348,798	423,553	431,884	412,602	480,314	467,305	514,928	482,231	600,097
Cemetery operations	-	-	-	-	-	-	-	-	-	17,810
Community Betterment	768,493	707,236	968,736	888,899	962,414	1,284,475	1,083,373	1,723,383	1,688,209	1,502,589
Capital outlay	219,326	158,434	291,772	225,935	169,941	9,291	310,385	723,525	268,729	1,147,738
Debt service:										
Principal	3,257,000	466,076	687,020	734,708	842,496	1,120,388	670,249	661,500	684,166	786,939
Bond issuance costs	-	-	131,488	-	-	-	-	-	-	-
Interest	738,508	459,204	342,532	283,780	259,935	233,626	206,205	182,252	150,563	120,097
Total expenditures	11,982,744	8,522,001	9,117,726	8,437,898	9,716,333	10,134,091	9,438,934	12,010,134	11,818,958	11,223,353
Excess of revenues (under) expenditures	(3,560,792)	1,923	(927,757)	(84,019)	351,379	(65,640)	1,848,541	(18,804)	216,320	904,887
Other financing sources (uses):										
Transfers in	2,960,383	2,837,642	2,974,512	2,569,781	3,197,878	2,913,768	2,392,131	2,595,875	2,587,941	1,953,238
Transfers out	(2,481,398)	(2,364,043)	(2,656,853)	(2,253,385)	(2,855,893)	(2,545,034)	(2,061,176)	(2,276,605)	(3,226,783)	(1,741,688)
Issuance of long-term debt	3,045,000	392,946	-	-	-	346,365	-	-	-	-
Proceeds of refunding bonds	-	-	3,490,000	-	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	(3,336,258)	-	-	-	-	-	-	-
Premium (discount) on long-term debt	-	-	-	-	-	-	-	-	-	-
Other	62,133	41,562	-	-	-	-	-	-	-	208,596
Proceeds from sale of property	-	83,818	42,302	4,367	-	392	42,901	46,318	32,000	20,000
Total other financing sources (uses)	3,586,118	991,925	513,703	320,763	341,985	715,491	373,856	365,588	(606,842)	440,146
Net changes in fund balance	25,326	993,848	(414,054)	236,744	693,364	649,851	2,222,397	346,784	(390,522)	1,345,033
Debt service as a percentage of noncapital expenditures	33.97%	11.06%	13.15%	12.40%	12.88%	14.20%	9.91%	7.39%	7.85%	9.00%

Source: City financial statements.

City of Excelsior Springs, Missouri

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

Fiscal Year	Property	General Sales and Use	Franchise	Cigarette	Railroad, Utility and Financial Institution	Total
2002	1,328,099	3,302,288	1,009,936	105,889	56,599	5,802,812
2003	1,501,661	3,489,755	1,018,137	106,606	44,244	6,160,403
2004	1,470,668	3,192,962	1,116,674	103,656	40,674	5,924,634
2005	1,550,778	3,276,977	1,070,849	104,224	76,421	6,079,250
2006	1,607,557	4,398,026	1,037,522	108,050	54,581	7,205,737
2007	1,722,677	4,788,957	1,101,815	124,716	66,088	7,804,253
2008	1,873,053	4,820,222	1,481,454	131,389	63,722	8,369,840
2009	1,924,393	4,696,840	1,256,515	128,419	51,582	8,057,749
2010	1,880,348	4,917,024	1,530,424	117,079	52,715	8,497,590
2011	1,951,492	4,941,894	1,625,117	116,058	64,011	8,698,572
Change 2002-2011	46.94%	49.65%	60.91%	9.60%	13.10%	49.90%

Source: City records.

City of Excelsior Springs, Missouri

Principal Sales Tax Industries
Calendar Years 2011 and 2002
(Unaudited)

Industry	Percentage of Total City Sales Tax Revenues: Calendar Year 2011	Calendar Year 2002
Miscellaneous Retail	34.31 %	24.33 %
Food Stores	16.15	24.69
Eating And Drinking Places	10.31	6.84
Communication	4.04	3.81
Automotive Dealers And Gasoline Ser	2.46	4.14
Building Matl, Hdwe, Gdn Supply, Mo	3.46	0.43
Business Services	2.34	0.40
Miscellaneous Services	2.67	1.61
Automotive Repair, Services And Gar	0.50	0.50
Personal Services	0.07	0.02
	76.3 %	66.8 %

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

Note: Due to confidentiality and limited revenue payers, the dollar amount has not been disclosed.

City of Excelsior Springs, Missouri

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

Tax Year	Real Estate Residential	Real Estate Commercial	Real Estate Agricultural	Personal Property	Railroad and Utility {a}	Total Taxable Assessed Value	Percent Growth	Total Direct Tax Rate	Actual Taxable Value	Value as a Percentage of Actual Value
2002	52,001,420	16,218,185	221,234	39,974,755	4,662,834	113,078,428	1.26%	1.0500	461,924,106	24.48%
2003	57,524,030	17,162,996	193,220	41,300,207	4,507,916	120,688,369	6.73%	1.0407	497,241,962	24.27%
2004	58,775,700	20,544,524	192,240	42,551,953	4,797,592	126,862,009	5.12%	1.0500	519,087,214	24.44%
2005	64,277,720	23,195,330	194,530	41,680,360	4,868,556	134,216,496	5.80%	1.0532	553,928,638	24.23%
2006	66,425,730	23,652,740	225,720	41,762,911	4,911,349	136,978,450	2.06%	1.0532	567,307,159	24.15%
2007	70,942,690	20,251,280	258,680	38,921,637	5,183,905	135,558,192	-1.04%	1.0532	572,967,553	23.66%
2008	72,109,900	23,411,180	829,940	35,531,416	4,687,063	136,569,499	0.75%	1.0712	581,919,923	23.47%
2009	71,746,210	28,351,490	1,213,940	32,227,527	4,656,639	138,195,806	1.19%	1.0910	588,537,374	23.48%
2010	72,000,090	28,578,500	1,162,620	29,170,555	4,788,531	135,700,296	-1.81%	1.1485	581,303,935	23.34%
2011	72,414,870	30,711,650	1,101,490	29,694,489	4,901,136	138,823,635	0.45%	1.1599	591,583,234	23.47%

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

{a} Billed and collected by the county.

City of Excelsior Springs, Missouri

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

Tax Year Levied	City Direct Rates				Overlapping Rates				Total Direct and Overlapping Rate	
	General Fund	Parks	Recreation	Hospital	School District	Clay County	Ray County	State	Clay County	Ray County
2002	0.5700	0.1600	0.1600	0.1600	4.6185	0.6495	1.5358	0.0300	6.3480	7.2343
2003	0.5649	0.1586	0.1586	0.1586	4.6185	0.6402	1.4703	0.0300	6.3294	7.1595
2004	0.5700	0.1600	0.1600	0.1600	4.5132	0.6955	1.4703	0.0300	6.2887	7.0635
2005	0.5720	0.1604	0.1604	0.1604	4.6673	0.6884	1.5003	0.0300	6.4389	7.2508
2006	0.5720	0.1604	0.1604	0.1604	4.7673	0.6024	1.5003	0.0300	6.4529	7.3508
2007	0.5720	0.1604	0.1604	0.1604	4.7673	0.9260	1.5003	0.0300	6.7765	7.3508
2008	0.5819	0.1631	0.1631	0.1631	4.8592	0.9263	1.3784	0.0300	6.8867	7.3388
2009	0.5927	0.1661	0.1661	0.1661	5.0285	1.1519	1.3784	0.0300	7.3014	7.5279
2010	0.6229	0.1752	0.1752	0.1752	5.1500	1.1582	1.3942	0.0300	7.4867	7.7227
2011	0.6289	0.1770	0.1770	0.1770	5.2000	0.8953	1.5347	0.0300	7.2852	7.9246

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)

	2011			2002		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
American Italian Pasta Company	13,757,688	1	9.96%	4,540,204	2	4.02%
Wal Mart Stores Inc	3,543,371	2	2.57%	1,976,187	3	1.75%
Waller Truck Company	2,355,087	3	1.71%	1,892,181	4	1.67%
Robert Bosch Tool Corporation	1,976,186	4	1.43%	-	N/A *	0.00%
Bloch Family 2005 Partnership	1,335,070	5	0.97%	1,443,840	7	1.28%
Rexam Consumer Plastics, Inc	1,299,357	6	0.94%	1,623,859	5	1.44%
Elms Resort & Spa	1,180,480	7	0.85%	1,253,166	8	1.11%
Crown Hill Assoc, LLC	881,700	8	0.64%	626,880	10	0.55%
Excelsior Properties	771,520	9	0.56%	19,710	1012	0.02%
CHAP Land Company	738,130	10	0.53%	237,840	25	0.21%
Gilmour Hose Company	731,840	11	0.53%	1,469,737	6	1.30%
Y Junction, LLC	698,620	12	0.51%	337,280	17	0.30%
Southern Union Company	584,450	13	0.42%	561,235	12	0.50%
C & G Storage, LLC	578,210	14	0.42%	108,830	65	0.10%
Clay-Ray Plastics, Inc	562,020	15	0.41%	116,290	57	0.10%
Hwang, Jesse J & Esther E	539,680	16	0.39%	388,400	13	0.34%
Jesse James & Crown Hill-Exc	493,060	17	0.36%	-	N/A *	0.00%
Apple Bus Company	491,200	18	0.36%	-	N/A *	0.00%
Intier Automotive Seating (Ford Motor Company)	472,962	19	0.34%	10,074,665	1	8.91%
Colony Plaza Associates	471,070	20	0.34%	627,000	9	0.55%

SOURCE: City Tax Billing Records.

* Taxpayer was not located in Excelsior Springs in 2002.

City of Excelsior Springs, Missouri

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

Fiscal Year Ended September 30:	Tax Year	Taxes Levied for the Tax Year	Collected Within the Fiscal Year of the Levy		Collected in Subsequent Years	Total Collections to Date		
			Amount	Percentage of Levy		Amount	Percentage of Levy	
2002	2001	1,158,922	1,100,431	94.95%	57,802	1,158,233	99.94%	{a}
2003	2002	1,248,709	1,124,139	90.02%	123,873	1,248,012	99.94%	{a}
2004	2003	1,308,361	1,170,639	89.47%	136,918	1,307,557	99.94%	{a}
2005	2004	1,380,537	1,250,345	90.57%	128,663	1,379,008	99.89%	{a}
2006	2005	1,422,693	1,297,619	91.21%	119,261	1,416,880	99.59%	{a}
2007	2006	1,410,769	1,332,219	94.43%	70,991	1,403,210	99.46%	{a}
2008	2007	1,492,912	1,387,574	92.94%	95,381	1,482,955	99.33%	{a}
2009	2008	1,575,920	1,422,085	90.24%	126,927	1,549,012	98.29%	
2010	2009	1,608,210	1,551,456	96.47%	27,904	1,579,360	98.21%	
2011	2010	1,716,453	1,665,415	97.03%	-	1,665,415	97.03%	

SOURCE: City Tax Billing Records.

{a} Remaining balance written off.

City of Excelsior Springs, Missouri

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

	Governmental Activities			Business-Type Activities						
Fiscal Year	Capital Leases	Revenue Bonds	Neighborhood Improvement District Bonds	Loan Payable	Certificates of Participation	Lease Purchase Agreement	Revenue Bonds	Total Primary Government	Percentage of Personal Income	Per Capita
2002	6,167	6,860,000	660,000	995,000	-	929,836	6,347,500	15,798,503	3.38%	1,415
2003	345,924	6,436,164	615,000	930,000	-	901,590	6,040,000	15,268,678	2.95%	1,366
2004	273,904	6,255,000	545,000	860,000	-	516,575	5,720,000	14,170,479	2.70%	1,255
2005	199,196	5,655,000	485,000	787,500	-	484,987	5,381,667	12,993,350	2.39%	1,139
2006	121,700	4,950,000	425,000	710,000	-	451,584	5,024,167	11,682,451	2.04%	993
2007	387,677	3,975,000	360,000	627,500	-	617,742	4,651,667	10,619,586	1.81%	890
2008	282,428	3,480,000	290,000	540,000	-	536,402	4,257,917	9,386,747	1.55%	772
2009	215,928	2,960,000	215,000	445,000	-	450,286	3,840,417	8,126,631	1.24%	646
2010	146,762	2,420,000	140,000	345,000	-	359,112	3,401,250	6,812,124	N/A	556
2011	74,823	1,845,000	-	237,500	35,790,000	262,582	398,333	38,608,238	N/A	N/A

City of Excelsior Springs, Missouri

Direct and Overlapping Governmental Activities Debt
For the Year Ended September 30, 2011
(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]	27,118,050	66.67%	[2]	18,079,604
Subtotal, overlapping debt		27,118,050			18,079,604
City Direct Debt		-	100.00%		-
Total direct and overlapping debt		27,118,050			$ 18,079,604

Sources:

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

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

City of Excelsior Springs, Missouri

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

Legal Debt Margin Calculation for Fiscal Year 2011	
Assessed value	$ 135,700
Debt limit (20% of assessed value)	27,140
Debt applicable to limit:	
General obligation bonds	-
Less amount set aside for repayment of general obligation debt	-
Total net debt applicable to limit	-
Legal debt margin	$ 27,140

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Debt limit	22,616	24,138	25,372	26,843	27,396	27,396	27,112	27,314	27,639	27,140
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	22,616	24,138	25,372	26,843	27,396	27,396	27,112	27,314	27,639	27,140
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

City of Excelsior Springs, Missouri

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

Facilities Authority Revenue Bonds

Fiscal Year	Facility Lease Payments {a}	Less Operating Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage
2002	{b} 253,635	3,238	250,397	80,000	170,397	1.00
2003	264,033	2,200	261,833	135,000	126,833	1.00
2004	270,595	2,200	268,395	145,000	123,395	1.00
2005	281,270	2,200	279,070	160,000	119,070	1.00
2006	290,930	2,275	288,655	175,000	113,655	1.00
2007	317,778	6,025	311,753	205,000	106,753	1.00
2008	319,280	5,275	314,005	215,000	99,005	1.00
2009	325,615	5,575	320,040	230,000	90,040	1.00
2010	318,299	3,025	315,274	235,000	80,274	1.00
2011	317,165	2,275	314,890	245,000	69,890	1.00

Water Revenue Bonds (including 2010 BABs)

Fiscal Year	Utility Service Charges	Less Operating Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage
2002	1,629,420	1,099,304	530,116	170,000	222,508	1.35
2003	1,692,782	1,058,504	634,278	175,000	214,217	1.63
2004	1,813,949	1,140,537	673,412	180,000	206,067	1.74
2005	1,824,642	1,054,617	770,025	190,000	197,972	1.98
2006	1,945,385	1,075,320	870,065	200,000	186,575	2.25
2007	2,075,336	1,098,945	976,391	205,000	179,406	2.54
2008	2,210,436	1,077,166	1,133,270	215,000	170,776	2.94
2009	2,448,269	1,081,461	1,366,808	225,000	160,710	3.54
2010	2,542,576	1,073,112	1,469,464	235,000	144,549	3.87
2011	2,946,468	1,321,455	1,625,013	2,765,000 {c}	111,846	0.56

Pollution Control Revenue Bonds (including 2010 BABs)

Fiscal Year	Utility Service Charges	Less Operating Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage
2002	895,462	404,735	490,727	122,500	268,548	1.25
2003	933,660	571,610	362,050	132,500	270,431	0.90
2004	938,192	479,048	459,144	141,250	260,043	1.14
2005	910,652	452,796	457,856	147,500	257,182	1.13
2006	963,116	517,455	445,661	157,500	108,515	1.68
2007	1,055,082	629,772	425,310	167,500	77,029	1.74
2008	1,087,548	654,017	433,531	178,750	87,349	1.63
2009	1,198,937	678,175	520,762	192,500	67,629	2.00
2010	1,253,696	740,818	512,878	204,167	51,226	2.01
2011	1,619,954	900,967	718,987	218,750	63,077	2.55

{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.

{c} The principal reflected herein includes the refunding of $2,515,000 in revenue bonds. Without this transaction, the coverage ratio would have been 4.44.

City of Excelsior Springs, Missouri

Demographic and Economic Statistics
Last Ten Fiscal Years
(Unaudited)

Fiscal Year Ended September 30	Population	Total Personal Income (In thousands)	Median Household Income	Per Capita Income	Median Age	School Enrollment	Unemployment Rate Clay County	Unemployment Rate State of Missouri	Unemployment Rate United States
	{a}	**{b}**	**{c}**	**{d}**	**{c}**	**{e}**	**{f}**	**{g}**	**{h}**
2002	11,165	6,065,586	41,807	19,100	36.0	2,990	4.30%	4.9%	5.4%
2003	11,179	6,275,481	46,311	19,544	36.1	2,968	4.90%	5.5%	5.8%
2004	11,292	6,374,504	46,426	20,040	36.7	2,974	5.00%	5.7%	5.1%
2005	11,408	6,956,207	47,643	20,979	36.4	2,944	4.40%	4.9%	4.8%
2006	11,765	7,410,451	48,625	21,411	36.1	2,927	5.60%	4.8%	4.4%
2007	11,932	7,826,151	49,301	22,415	37.7	2,864	4.40%	5.2%	4.5%
2008	12,157	8,101,508	49,660	23,418	39.2	2,848	5.40%	6.3%	6.0%
2009	12,575	8,195,041	52,037	23,123	35.7	2,779	8.70%	9.5%	9.5%
2010	12,253	***	53,209	24,661	35.0	2,783	8.50%	9.1%	9.2%
2011	12,039 **{i}**	***	***	***	36.0	2,783	7.80%	8.3%	8.8%

*** Not yet available.

Sources:

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

City of Excelsior Springs, Missouri

Principal Employers
Current Year and Nine Years Ago
(Unaudited)

	2011			2002		
Employer	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
	{a}		**{b}**			**{b}**
Excelsior Springs School District	349	1	5.98%	312	2	7.15%
Wal-Mart	301 **{c}**	2	5.16%	240	3	5.50%
American Italian Pasta Company	255	3	4.37%	245	2	5.62%
Excelsior Springs Hospital	267 **{c}**	4	4.57%	206	4	4.72%
Waller Truck Company, Inc.	241	5	4.13%	***	n/a	n/a
Excelsior Springs Job Corps Center	213	6	3.65%	160	7	3.67%
Magna Intier Auto Interiors	218	7	3.73%	190	5	4.36%
Robert Bosch Tool Corporation	180	8	3.08%	131	9	3.00%
Gilmore Group	132	9	2.26%	170	6	3.90%
City of Excelsior Springs	114	10	1.95%	101	9	2.32%

** Information not available.
*** Business was not located in Excelsior Springs on September 30, 2002.

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

City of Excelsior Springs, Missouri

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

		Full-Time Equivalent Employees as of September 30									
		2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Functions/Program											
General Government:											
Municipal Court		1	1	1	1	1	1	1	1	1	1
City Manager		2	2	2	2	2	2	2	2	2	2
Finance		3	4	4	4	4	4	4	4	4	4
Human Resources		0	0	0	0	0	0	1	1	1	1
Building Maintenance		1	1	1	1	1	1	1	1	1	1
Community Development		2	2	2	2	2	1	1	1	1	1
Planning & Zoning		1	1	1	1	1	1	1	0	1	1
Inspections		3	3	3	2	2	2	3	3	3	3
Senior Center		1	1	1	1	1	1	1	1	1	1
Cemetery		0	0	0	0	0	0	0	0		
Police:											
Officers		22	21	20	20	22	22	22	23	22	22
Civilians		10	9	10	9	10	10	11	11	12	12
Fire:											
Firefighters and Officers		19	17	17	18	18	17	19	20	19	19
Civilians		1	1	0	0	0	1	1	1	1	1
Street Maintenance		5	7		6	5	5	5	5	5	6
Water:				7							
Administration		2	2	2	2	2	2	2	1	1	1
Transmission/Purification		6	5	7	7	7	7	7	8	8	8
Sewer:											
Administration		0	0	0	0	0	0	0	0	0	1
Transmission/Treatment		5	6	6	5	6	6	6	8	11	11
Construction Services:											
Administration		1	1	1	1	1	1	1	1	1	0
Maintenance		12	11	9	10	10	10	10	8	7	7
Parks and Recreation		3	4	4	4	4	4	4	4	4	5
Transportation:											
Dispatch		1	1	1	1	1	1	1	1	1	1
Drivers		0	0	0	0	0	0	1	1	1	1
Golf:											
Maintenance	{a}	3	2	2	2	2	2	2	2	2	2
Pro Shop	{a}	1	1	1	1	1	1	1	1	1	1
Food and Beverage Sales	{a}	3	2	2	2	2	1	1	1	1	1
Total		108	105	104	102	105	103	109	110	112	114

{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		2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Police:											
Calls for service		9,749	10,807	10,862	11,126	11,014	11,316	9,386	9,231	7,982	8,497
Adult and Juvenile arrests		993	993	934	1,069	1,147	1,033	812	826	888	1,647
Speeding citations only		200	212	220	330	348	333	362	390	442	149
Traffic citations		1,275	1,384	1,989	3,277	3,014	2,596	2,195	2,439	2,819	1,673
Police Reports		3,626	3,803	3,864	3,120	2,879	2,638	2,359	2,285	2,317	2,249
DWI's - Municipal		115	62	53	89	75	70	39	98	77	14
Red Light Camera violations	{d}	-	-	-	-	-	-	-	4,039	3,110	4,971
E 9-1-1 Calls		-	-	-	-	-	-	-	-	4,586	4,981
Fire and EMS:											
Total ambulance runs		1,795	1,704	1,935	2,007	1,912	1,655	1,857	1,823	1,600	2,071
Total fire runs		602	479	518	518	522	430	441	602	345	412
Property loss		275,330	117,400	255,300	454,200	385,300	151,000	1,807,650	739,600	359,000	208,000
Building Inspections:											
Total building permits	{a}	389	448	437	396	960	421	319	284	333	298
Total value all permits		8,137,417	11,581,011	13,773,364	17,696,379	18,356,342	10,218,099	8,580,231	4,500,323	4,347,173	6,731,372
Public service:											
Garbage collected (ton)	{b}	**	**	**	3,832	3,810	3,330	3,360	2,324	1,865	2,474
Recycle collected (ton)	{b}	**	**	**	61	55	67	85	372	309	446
Parks and Recreation:											
Recreation program participation:											
Youth		776	862	833	998	1,177	1,255	1,400	1,113	1,249	1,423
Adult		299	338	308	256	178	282	400	354	436	565
Exercise programs		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	220	386
Youth art programs		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	208	234
Golf course:											
Golf rounds played	{c}	13,726	18,155	17,387	13,898	21,262	20,107	20,475	18,870	18,712	16,585
Golf memberships	{c}	272	274	232	204	237	256	256	263	262	197

Notes:

** Information not available.

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

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

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

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

City of Excelsior Springs, Missouri

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

Function/Program		2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
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	1	1	1	1	1	1	1	1
Parks and Recreation:											
Acreage		220	220	220	220	220	220	220	225	225	225
Parks		12	12	12	12	12	12	12	13	13	13
Baseball/Softball Diamonds	**{a}**	4	4	4	4	4	4	4	4	4	4
Soccer/Football Fields	**{a}**	5	5	5	5	5	5	5	5	5	5
Basketball Courts	**{a}**	4	4	4	4	4	4	4	4	4	4
Tennis Courts	**{a}**	4	4	4	1	1	1	1	1	1	1
Skate Parks		-	-	-	1	1	1	1	1	1	1
Parks with Playground Equipment		7	7	7	7	7	7	7	8	8	8
Golf courses		1	1	1	1	1	1	1	1	1	1
Picnic Shelters		8	8	9	9	9	9	9	11	11	11
Community Centers		1	1	1	1	1	1	1	1	1	1
Street Department											
Miles of Streets		107	110	113	115	117	117	117	117	117	117
Street Lights		1,002	1,005	1,006	1,007	1,007	1,007	1,007	1,007	1,007	1,007
Water:											
Wells		5	6	6	6	6	6	6	6	6	6
Water Storage Tanks/Towers		9	9	9	9	9	9	9	9	9	9
Miles of Water Main		272	273	274	275	276	276	276	276	276	276
Storage Capacity (MGPD)		5.80	5.80	5.80	5.80	5.80	5.80	5.80	5.80	5.80	5.80
Average Daily Consumption (MGPD)		1.28	1.22	1.24	1.22	1.55	1.55	1.55	1.55	1.55	1.55
Peak Consumption (MGPD)		1.27	1.91	1.50	1.55	2.00	2.00	2.00	2.00	2.00	2.00
Wastewater:											
Sanitary Sewers (miles)		106.74	118.16	129.50	141.00	141.00	141.00	141.00	141.00	141.00	141.00
Storm Sewers (miles)		42	42	42	42	42	42	42	42	42	42
Treatment Plants		1	1	1	1	1	1	1	1	1	1

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

City of Excelsior Springs, Missouri

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

	Residential		Commercial		Total	
Calendar Year	Number of Permits	Dollar Value	Number of Permits	Dollar Value	Number of Permits	Dollar Value
2005	51	6,123,944	5	6,991,425	56	13,115,369
2006	36	4,481,901	8	5,177,821	44	9,659,722
2007	30	366,257	7	5,422,168	37	5,788,425
2008	9	1,164,424	6	3,858,877	15	5,023,301
2009	6	732,935	10	2,970,807	16	3,703,742
2010	3	411,350	13	2,009,688	16	2,421,038
2011	8	909,191	10	2,271,257	18	3,180,448

City of Excelsior Springs, Missouri

Top 10 Water Users
Fiscal Year Ending September 30, 2011
(Unaudited)

Business Name	Type of Business	Percentage of Total Usage
Clay County Public Water District No. 3	Neighboring Water District	11.6%
City of Lawson	Neighboring City	10.8%
Ray County Public Water District No. 1	Neighboring Water District	10.5%
American Italian Pasta Company	Pasta manufacturer	6.4%
Liberty Carbon Service	Carbon regeneration	3.8%
Excelsior Springs Job Corps	Education	1.6%
Gilmour Manufacturing	Garden hose and sprinkler manufacturer	1.3%
REXAM (Precise Technology)	Consumer packaging manufacturer	0.9%
The Elms Hotel	Hotel	0.8%
Wal-Mart	Department store	0.5%

City of Excelsior Springs, Missouri

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

	Fiscal Year Ended September 30,		
	2009	2010	2011
Total number of customers			
Residential	3,952	4,098	4,084
Commercial	419	418	421
Percent outside customers			
Residential	4.20%	4.17%	4.21%
Commercial	1.90%	2.39%	2.14%
Percent billed greater than 30,000 gallons			
Residential	0.40%	0.47%	0.47%
Commercial	13.60%	12.60%	12.50%
Average annual customers			
Residential < 30,000 gallons	3,771	3,908	3,894
Residential > 30,000 gallons	15	19	18
Outside Residential < 30,000 gallons	165	170	171
Outside Residential > 30,000 gallons	1	1	1
Commercial < 30,000 gallons	355	358	361
Commercial > 30,000 gallons	56	50	51
Outside Commercial < 30,000 gallons	7	7	7
Outside Commercial > 30,000 gallons	1	3	2
Total average annual customers	4,371	4,516	4,505
Annual consumption (1,000 gal)			
Retail			
Residential < 30,000 gallons	192,840	189,177	186,915
Residential > 30,000 gallons	24,503	27,434	28,043
Outside Residential < 30,000 gallons	8,257	8,179	8,228
Outside Residential > 30,000 gallons	396	292	482
Commercial < 30,000 gallons	15,547	16,708	17,027
Commercial > 30,000 gallons	137,607	136,357	136,215
Outside Commercial < 30,000 gallons	346	304	263
Outside Commercial > 30,000 gallons	5,326	6,422	4,525
Tank water	1,081	977	1,233
Subtotal retail consumption (1,000 gal)	385,903	385,850	382,931
Wholesale			
Mosby	5,506	5,668	5,806
Prathersville	3,200	3,386	4,610
Clay County Public Water District # 3	61,092	61,078	68,142
City of Lawson	64,143	66,919	63,516
Ray County Public Water District # 1	61,705	59,980	61,580
Subtotal	195,646	197,031	203,654
Total annual consumption (1,000 gal)	581,549	582,881	586,585

City of Excelsior Springs, Missouri

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

	Fiscal Year Ended September 30,		
	2009	2010	2011
AVERAGE ANNUAL CUSTOMERS			
Residential	3,983	3,948	3,398
Outside Residential	11	10	8
Commercial	392	391	340
Outside Commercial	4	3	3
Total Average Annual Customers	4,390	4,352	3,750
ANNUAL CONSUMPTION (1,000 GALLONS)			
Residential	200,922	202,525	198,781
Outside Residential	87	79	36
Commercial	143,519	141,538	141,043
Outside Commercial	3,008	3,613	1,060
Total Annual Consumption (1,000 Gallons)	347,536	347,755	340,920