City of Excelsior Springs, Missouri

Comprehensive Annual Financial Report
Year Ended September 30, 2012

City of Excelsior Springs, Missouri

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Year Ended September 30, 2012

Prepared by:
Finance Department

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February 20, 2013

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, 2012, is hereby submitted to fulfill those requirements. This report was prepared by the Finance Department in close cooperation with the external auditor, McGladrey 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 LLP has issued an unqualified ("clean") opinion on the City of Excelsior Springs' financial statements for the year ended September 30, 2012. 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 6.0% in September 2012, which is slightly below the state and national average of approximately 6.3% and 7.8%, 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 by 32.4 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 $1,851,000, or 27.5%. The largest single contributor in this increase was general sales and use tax which increased by approximately $985,102, or 24.3%. Property tax revenues also increased by approximately $458,000, or 30.2 percent, during this ten-year period. Utility franchise fees increased by approximately $368,000, or 36.1 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 increases in the underlying utility amounts billed.

Long-term financial planning

The unassigned fund balance in the general fund (38.5 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 begun construction 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 completed construction of a new animal control center, funded from the Capital Improvements Sales Tax Fund.

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 early in fiscal year 2013. This purchase will be funded from the Public Safety Sales Tax Fund.

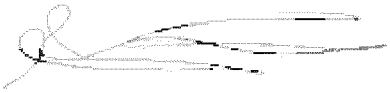
Awards and Acknowledgements

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, 2011. This was the sixth 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.

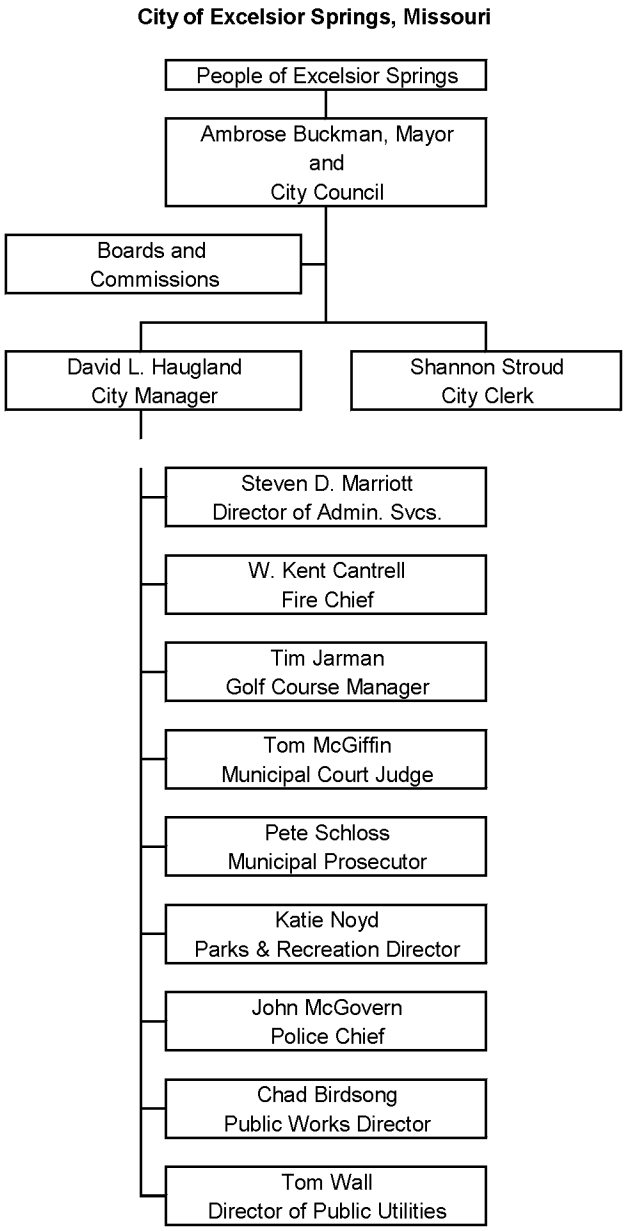
Respectfully submitted,



Steven D. Marriott
Director of Administrative Services

City of Excelsior Springs, Missouri

Organizational Chart
Year Ended September 30, 2012



City of Excelsior Springs, Missouri

Principal Officials
September 30, 2012

Elected Officials

Mayor	Ambrose Buckman
Mayor Pro Tem	Chad Taylor
Councilman	Brad Eales
Councilman	Brent McElwee
Councilwoman	Sonya Morgan

Appointed Officials

City Manager	David L. Haugland
City Clerk	Shannon Stroud
Deputy City Clerk	Kathy Twichell
Director of Administrative Services	Steven D. Marriott
Fire Chief	W. Kent Cantrell
Golf Course Manager	Tim Jarmin
Municipal Court Judge	Tom McGiffin
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

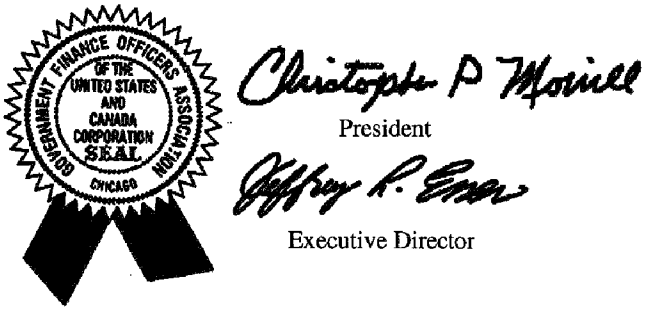
Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Excelsior Springs Missouri

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2011

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.



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, the discretely presented component unit, 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, 2012, 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. 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, 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, 2012, and the respective changes in financial position and cash flows, where applicable, thereof, and the respective budgetary comparison for the General Fund and Parks and Recreation Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards,* we have also issued our report dated February 19, 2013 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.

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

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 through 15, the pension plan schedule of funding progress on page 64 and schedule of funding progress for other postemployment benefit plan on page 65 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. 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. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide assurance on it.

McGladrey LLP

Kansas City, Missouri
February 19, 2013

City of Excelsior Springs, Missouri

Management's Discussion and Analysis
For Fiscal Year Ended September 30, 2012

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, 2012.

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 $38,573,571. Of this amount, $6,398,938 may be used to meet the government's ongoing obligations to citizens and creditors. For fiscal year 2011, assets exceeded liabilities by $36,215,432 of which $7,425,549 was unrestricted.
- The government's total net assets increased by $2,358,139 and $3,051,088 for fiscal years ended September 30, 2012 and 2011, 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 $11,702,580, an increase of $211,340. Approximately $2,666,852 of this amount is available for spending at the government's discretion. Total governmental funds combined ending fund balances in fiscal year 2011 were $11,491,240.
- At the end of the current fiscal year, the unassigned fund balance for the General Fund was $2,741,668 or 38 percent of total General Fund expenditures.
- The City of Excelsior Springs total debt (excluding compensated absences) decreased by $1,388,958 (4 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, Transportation Trust Capital Projects Fund and Capital Improvements Capital Projects Fund, which are considered to be major funds. Data from the other 14 funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on pages 20-27 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 28-32 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 33 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 34-63 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 66-90 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 $38,573,571 at the close of the most recent fiscal year.

A large portion of the City of Excelsior Springs' net assets (63 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	
	2012	2011	**2012**	2011	**2012**	2011
Current and other assets	**$ 13,451,388**	$ 13,178,539	**$ 30,869,938**	$ 37,186,447	**$ 44,321,326**	$ 50,364,986
Capital assets	**15,327,836**	14,916,179	**21,130,073**	12,513,974	**36,457,909**	27,430,153
Total assets	**28,779,224**	28,094,718	**52,000,011**	49,700,421	**80,779,235**	77,795,139
Long-term liabilities outstanding	**1,146,781**	1,436,522	**34,913,140**	35,959,425	**36,059,921**	37,395,947
Other liabilities	**2,687,699**	2,831,505	**3,458,044**	1,352,255	**6,145,743**	4,183,760
Total liabilities	**3,834,480**	4,268,027	**38,371,184**	37,311,680	**42,205,664**	41,579,707
Net assets:						
Invested in capital assets, net of related debt	**14,097,836**	12,996,356	**10,048,555**	7,360,002	**24,146,391**	20,356,358
Restricted	**7,905,742**	8,196,025	**122,500**	237,500	**8,028,242**	8,433,525
Unrestricted	**2,941,166**	2,634,310	**3,457,772**	4,791,239	**6,398,938**	7,425,549
Total net assets	**$ 24,944,744**	$ 23,826,691	**$ 13,628,827**	$ 12,388,741	**$ 38,573,571**	$ 36,215,432

A portion of the City of Excelsior Springs' net assets (21 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets ($6,398,938 or 16 percent) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of 2012 and 2011, 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 a decrease of $290,283 in restricted net assets reported in connection with the City of Excelsior Springs' governmental activities. This decrease was caused primarily by a decrease in capital project funds on hand.

There was a decrease of $115,000 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 $2,358,139 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

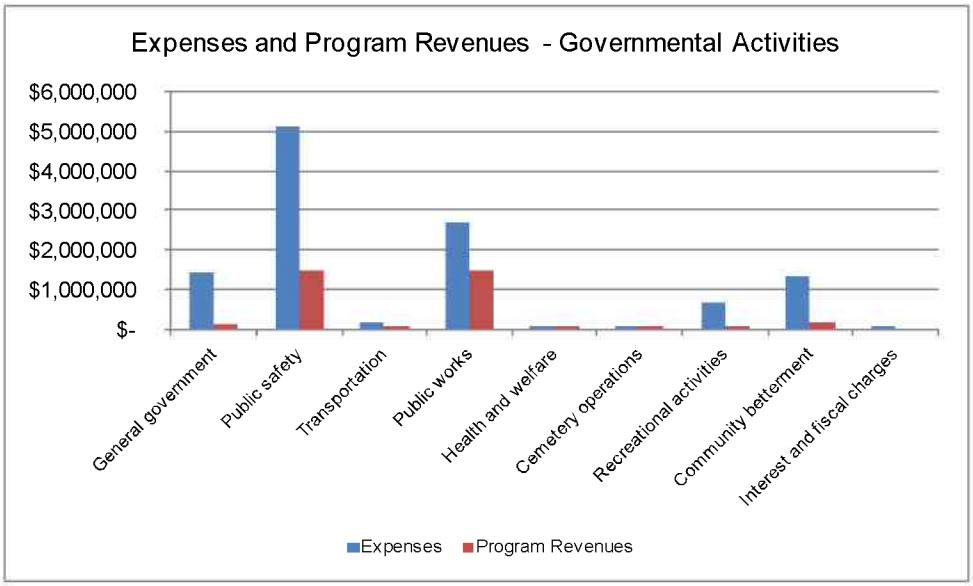
	Governmental Activities 2012	**Business-Type Activities 2012**	**2012 Total**	Governmental Activities 2011	Business-Type Activities 2011	2011 Total
Revenues:						
Program revenues:						
Charges for services	**$ 2,282,907**	**$ 6,414,831**	**$ 8,697,738**	$ 2,226,935	$ 5,765,995	$ 7,992,930
Operating grants and contributions	**691,918**	**9,918**	**701,836**	1,123,580	12,577	1,136,157
Capital grants and contributions	**535,655**	**-**	**535,655**	-	15,300	15,300
General revenues:						
Property taxes	**1,973,387**	**-**	**1,973,387**	1,955,284	-	1,955,284
General sales and use tax	**5,047,335**	**-**	**5,047,335**	4,998,485	-	4,998,485
Franchise tax	**1,386,103**	**-**	**1,386,103**	1,625,117	-	1,625,117
Cigarette tax	**121,767**	**-**	**121,767**	116,058	-	116,058
Railroad and utility/financial institution tax	**55,488**	**-**	**55,488**	60,219	-	60,219
Investment earnings	**153,209**	**803,613**	**956,822**	157,789	125,120	282,909
Miscellaneous	**156,404**	**-**	**156,404**	73,369	-	73,369
Gain on sale of capital assets	**35,665**	**95,000**	**130,665**	-	-	-
Total revenues	**12,439,838**	**7,323,362**	**19,763,200**	12,336,836	5,918,992	18,255,828

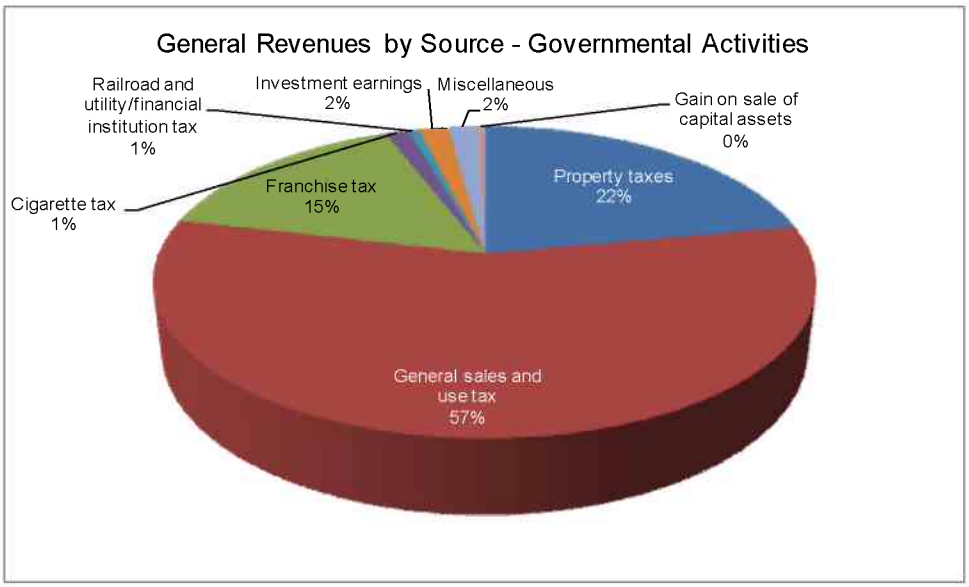
City of Excelsior Springs' Changes in Net Assets (Continued)

	Governmental Activities 2012	Business-Type Activities 2012	2012 Total	Governmental Activities 2011	Business-Type Activities 2011	2011 Total
Expenses:						
General government	1,404,253	-	1,404,253	1,161,049	-	1,161,049
Public safety	5,133,158	-	5,133,158	5,055,440	-	5,055,440
Transportation	179,921	-	179,921	152,676	-	152,676
Public works	2,699,104	-	2,699,104	1,840,211	-	1,840,211
Health and welfare	61,743	-	61,743	55,520	-	55,520
Cemetery operations	64,716	-	64,716	17,810	-	17,810
Recreational activities	681,551	-	681,551	634,316	-	634,316
Community betterment	1,342,907	-	1,342,907	1,508,422	-	1,508,422
Interest and fiscal charges	68,995	-	68,995	102,165	-	102,165
Water	-	2,146,197	2,146,197	-	1,892,942	1,892,942
Sewer	-	2,112,373	2,112,373	-	1,330,063	1,330,063
Golf	-	827,847	827,847	-	765,508	765,508
Airport	-	30,038	30,038	-	50,282	50,282
Refuse	-	652,258	652,258	-	638,336	638,336
Total expenses	11,636,348	5,768,713	17,405,061	10,527,609	4,677,131	15,204,740
Excess before transfers	803,490	1,554,649	2,358,139	1,809,227	1,241,861	3,051,088
Transfers	314,563	(314,563)	-	211,550	(211,550)	-
Change in net assets	1,118,053	1,240,086	2,358,139	2,020,777	1,030,311	3,051,088
Net assets, beginning	23,826,691	12,388,741	36,215,432	21,805,914	11,358,430	33,164,344
Net assets, ending	$ 24,944,744	$ 13,628,827	$ 38,573,571	$ 23,826,691	$ 12,388,741	$ 36,215,432

Governmental activities. Governmental activities increased the City of Excelsior Springs' net assets by $1,118,053, accounting for 47 percent of the increase in the government's net assets. Key elements of this increase are as follows:

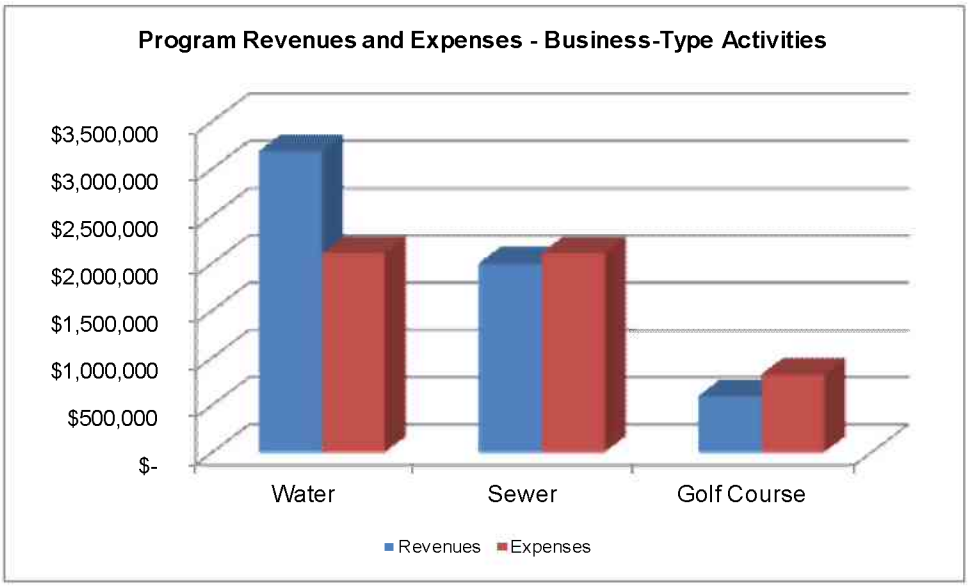
- Operating grants and contribution revenues decreased by $431,662 (38 percent) during the fiscal year. This decrease was caused by a decrease in federal grant monies received for law enforcement activities and a one-time operating grant received in the prior year related to taking over maintenance of the City cemeteries.
- Capital grants and contributions increased by $535,655 (100 percent) during the fiscal year. This increase was caused by a capital asset contribution received from the Special Road and Bridge District during the year.
- Franchise tax revenues decreased by $239,014 (15 percent) during the fiscal year. This decrease was driven by a $147,538 decrease in telephone franchise tax receipts related to a one-time payment received in the prior year and a $94,280 decrease in franchise taxes on natural gas billings due to an unusually warm winter.
- Public works expenses increased by $858,893 (47 percent) during the fiscal year. This increase is primarily related to the fact that this year's expenses included two years' overlay projects while the prior year's expenses did not include any overlay projects due to the timing of the projects.
- Community betterment expenses decreased by $165,515 (11 percent) during the fiscal year. This decrease is attributable primarily to decreased expenses related to Tax Increment Financing (TIF) projects.


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 2%
Gain on sale of capital assets 0%
Cigarette tax 1%
Franchise tax 15%
Property taxes 22%
General sales and use tax 57%

Business-type activities. Business-type activities increased the City of Excelsior Springs' net assets by $1,240,086, accounting for 53 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 $648,836 (11 percent). This increase was driven by a $297,934 (10 percent) increase in water revenues and a $362,906 (23 percent) increase in sewer revenues. The increases in water and sewer revenues were caused by rate increases of 12.7 percent and 28.1 percent, respectively.
- Interest income for business-type activities increased by $678,493 (542 percent), primarily due to Build America Bond (BAB) subsidies received from the Internal Revenue Service (IRS) to reduce the interest rates on taxable bonds to a rate similar to tax exempt bonds.



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 $11,702,580, an increase of $211,340 in comparison with the prior year. Approximately $2,666,852 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 $2,741,668. 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 38 percent of General Fund expenditures, while the total fund balance represents 55 percent of that same amount.

The fund balance of the City of Excelsior Springs' General Fund increased by $456,476 during the current fiscal year. Key factors in this growth are as follows:

- Total revenues decreased by $145,559 (2 percent). This decrease was caused primarily by a $233,463 decrease in tax revenues, a $97,663 increase in intergovernmental revenues, a $45,350 decrease in charges for services, a $75,655 increase in fines and forfeitures, a $112,353 decrease in special assessment fees and a $17,744 increase in other revenues.
- Total expenditures increased by $126,129 (2 percent). This increase was caused by a $29,896 (2.9 percent) increase in general government expenditures, a $40,627 (4.4 percent) decrease in public works expenditures, a $208,169 (4.7 percent) increase in public safety expenditures and a $132,069 (83 percent) decrease in capital outlay expenditures. The increase in general government expenditures was driven by an increase in salary and benefit expenditures related to raises given during the year. The increase in public safety expenditures was driven by increases in salary and benefit expenditures related to pay increases given during the year and an increase in the amount paid to the third-party traffic enforcement camera operator due to an increase in the number of tickets collected. The decrease in capital outlay expenditures was due to the purchase of a vibratory compactor, two trucks and security cameras in the prior year while these purchases were not repeated in the current year.
- Other financing sources increased by $78,330 (9.2 percent). This increase was driven by a decrease in transfers from the Water, Pollution Control, and Refuse Funds.
- Other financing uses decreased by $171,119 (31.0 percent). This decrease was caused by a decrease in transfers to the Debt Service Fund as the NID bonds were repaid during the prior fiscal year.

The Parks and Recreation Fund has a total fund balance of $392,557. 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 $128,499 during the fiscal year. Key factors of this decrease are as follows:

- Total revenues decreased by $21,448 (3 percent) from the prior fiscal year. The largest factor in this decrease was the receipt of $32,692 in grant proceeds related to the Siloam Mountain walk trail during the prior year.
- Total expenditures increased by $89,429 (12.5 percent). This increase was caused by an $86,017 increase in capital outlay expenditures due to the purchase of a track loader, a pickup truck and a mower during the current year.

The Transportation Trust Fund has a total fund balance of $1,011,294. Funding sources for the Transportation Trust Fund include sales and use tax revenues. The fund balance of the Transportation Trust Fund decreased by $510,898 during the fiscal year. Key factors of this decrease are as follows:

- Total revenues increased by $5,118 (1 percent) from the prior fiscal year.
- Total expenditures increased by $1,057,800 (490 percent). This increase was caused by the fact that two years' overlay projects were funded during the current year while none was funded during the prior year due to project timing.

The Capital Improvements Fund has a total fund balance of $2,264,223. 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 $74,503 during the fiscal year. Key factors of this increase include the following:

- Total revenues increased by $2,459 (0.3 percent). This increase was caused by an increase in other revenues.
- Total expenditures increased by $169,143 (31 percent). This increase occurred primarily because of a $143,914 (30,7 percent) increase in capital outlay expenditures. The increase in capital outlay expenditures was driven by construction of a new animal shelter facility.
- Transfers out decreased by $201,530 (83 percent). This decrease is related to match provided on the Hall of Waters Terrace project and to amounts transferred to the Golf Fund to fund equipment purchases 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 $4,114,825 and $(426,434), respectively. The increase in net assets for these funds was $1,212,168 and $261,223, 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 2012 revenue budget was $7,113,178 including transfers of $784,355. The amended 2012 revenue budget was $7,250,631 including transfers of $818,672. Actual revenue, including transfers was $7,406,848 and included the following variances:

Taxes, including property tax, franchise fees, sales and use tax and other miscellaneous taxes comprise 63 percent of the total General Fund revenue. In total, General Fund tax revenues exceeded the original by approximately 0.7 percent, but fell short of the amended budget by approximately 0.3 percent. Some elements of this difference include the following:

- Property tax collections declined by 2.8 percent from fiscal year 2011 and fell short of the original and amended budget by 0.2 percent and 3.4 percent, respectively.
- Sales and use tax collections declined by 0.2 percent from fiscal year 2011 and fell short of the original and amended budget by 4.5 percent and 1.7 percent, respectively.

- Cigarette taxes increased by 4.9 percent over fiscal year 2011 and exceeded both the original and amended budget by 6.4 percent.
- Total franchise fees declined by 14.7 percent from fiscal year 2011 and fell short of the original and amended budget by 3.1 percent and 0.7 percent, respectively. Telephone franchise fees decreased by $147,538 (30.7 percent) from fiscal year 2011 due primarily to a one-time payment received in the prior fiscal year. Gas franchise fees decreased by $94,280 (33.1 percent) from fiscal year 2011 primarily due an unusually warm winter and lower natural gas prices. All other franchise fees were fairly consistent.
- Licenses and permit revenues exceeded the original and amended budget by 26 and 0.8 percent, respectively, and grew by 33 percent from fiscal year 2011.
- Charges for services fell short of the original budget by 6.8 percent and exceeded the amended budget by 9.8 percent and decreased by 4.6 percent from fiscal year 2011. These differences are attributable to changes in net ambulance billings due in part to an increase in write-offs and contractual adjustments.
- Fines and forfeitures exceeded the original and amended budget by 27 percent and 5.3 percent, respectively, and grew by 15 percent from fiscal year 2011. Most of this increase was driven by an increase in the number traffic enforcement (red light camera) tickets.
- Other revenues exceeded the original and amended budget by 45 percent and 25 percent, respectively, and grew by 18 percent from fiscal year 2011.

General Fund Expenditures: This budgetary analysis does not include those funds consolidated with the General Fund. The original 2012 expenditure budget was $7,112,879 including transfers of $371,350. The amended 2012 expenditure budget was $7,283,603 including transfers of $374,950. Actual expenditures, including transfers, were $7,108,857 an increase by 2.4 percent from fiscal year 2011. Salary and benefit expenditures increased by $237,732, or 5.0 percent, from fiscal year 2011. Other details of the changes are as follows:

- General government expenditures exceeded the original budget by 3.2 percent and increased by 4.6 percent from fiscal year 2011. Some elements of this difference are:
  - ✓ City manager and City council expenditures exceeded the original budget by 9.5 percent and increased by 10 percent from fiscal year 2011. The largest factor in this increase was a $35,498 (60.7 percent) increase in professional fees.
  - ✓ Finance department expenditures exceeded the original budget by 3.0 percent and increased by 4.5 percent over fiscal year 2011. The largest factor in this increase was a 6.8 percent increase in personnel expenditures.
  - ✓ Human Resources expenditures exceeded the original budget by 3.8 percent, fell short of the final budget by 1 percent, and increased by 7.8 percent over fiscal year 2011. The largest factor in this increase was a 7.5 percent increase in personnel expenditures.
  - ✓ Building operations expenditures fell short of the original budget by 23 percent and decreased by 14 percent from fiscal year 2011. The largest factor in this decrease was a 17 percent decrease in building operational expenditures driven by decreased utilities related to the abnormally warm winter.
- Public works expenditures fell short of the original budget by 2.2 percent, exceeded the amended budget by 0.4 percent, and increased by 5.5 percent over fiscal year 2011. The largest factor in this increase was an 18.4 percent increase in personnel expenditures.
- Public safety expenditures exceeded the original budget by 1 percent, fell short of the amended budget by 2 percent, and increased by 4.5 percent over fiscal year 2011. Some elements of this difference are:

- ✓ Police department expenditures exceeded the original budget by 4.3 percent, fell short of the amended budget by 2.2 percent, and increased by 6.4 percent over fiscal year 2011. The largest factor in this increase was an 18.8 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 and amended budgets by 7 percent and 10.5 percent, respectively, and decreased by 3 percent from fiscal year 2011. The largest single factor in this decrease was a 15.4 percent decrease in personnel expenditures related to the fact that the City employed two court clerks for part of the prior fiscal year.
- ✓ Fire department expenditures fell short of the original and amended budgets by 4 percent and 2.9 percent, respectively, and increased by 3 percent from fiscal year 2011. The largest factor in this increase was a 3.9 percent increase in personnel expenditures.

- Community betterment expenditures increased by 13 percent from fiscal year 2011 and fell short of the original budget and the amended budget by 3.8 percent and 6.3 percent, respectively. The increase in community betterment expenditures was caused by a 9 percent increase in community development department expenditures, an 11 percent increase in senior center expenditures and an 25 percent increase in transportation expenditures.
- Capital outlay expenditures decreased by 83 percent from fiscal year 2011 and fell short of the original budget and the amended budget by 73 percent and 6 percent, respectively. The decrease in capital outlay expenditures was driven by the purchase of a vibratory roller and a truck for the street department completed in the prior year.

Capital Asset and Debt Administration

Capital assets. The City of Excelsior Springs' investment in capital assets for its governmental and business-type activities as of the end of the current fiscal year amounts to $36,457,909 (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 33 percent (business-type capital assets increased by 69 percent while governmental capital assets increased by 2.8 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	
	2012	2011	**2012**	2011	**2012**	2011
Land	**$ 1,613,619**	$ 1,566,614	**$ 1,136,537**	$ 1,136,537	**$ 2,750,156**	$ 2,703,151
Land improvements	**-**	-	**202,504**	220,792	**202,504**	220,792
Construction-in-progress	**49,589**	875,869	**11,385,273**	2,211,224	**11,434,862**	3,087,093
Buildings and improvements	**2,205,549**	1,008,836	**1,874,667**	2,101,610	**4,080,216**	3,110,446
Operating equipment	**856,937**	972,183	**22,469**	110,037	**879,406**	1,082,220
Furniture and office equipment	**145,236**	152,981	**25,299**	25,474	**170,535**	178,455
Vehicles	**791,636**	830,436	**414,230**	132,969	**1,205,866**	963,405
Infrastructure	**9,665,270**	9,509,260	**6,069,094**	6,575,331	**15,734,364**	16,084,591
	$ 15,327,836	$ 14,916,179	**$ 21,130,073**	$ 12,513,974	**$ 36,457,909**	$ 27,430,153

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 $253,447, $1,393,333, $35,450,000 and $122,500, respectively, for a total of $37,219,280. Of this amount, $1,393,333 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	
	2012	2011	**2012**	2011	**2012**	2011
Capital leases	**$ -**	$ 74,823	**$ 253,447**	$ 262,582	**$ 253,447**	$ 337,405
Revenue bonds	**1,230,000**	1,845,000	**163,333**	398,333	**1,393,333**	2,243,333
Certificates of participation	**-**	-	**35,450,000**	35,790,000	**35,450,000**	35,790,000
Long-term loans payable	**-**	-	**122,500**	237,500	**122,500**	237,500
	$ 1,230,000	$ 1,919,823	**$ 35,989,280**	$ 36,688,415	**$ 37,219,280**	$ 38,608,238

The City of Excelsior Springs' total debt decreased by $1,388,958 (4 percent) during the current fiscal year. This decrease resulted from scheduled principal payments.

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

State statutes limit the amount of general obligation debt a governmental entity may issue up to 10 percent of its total assessed valuation. The current debt limitation for the City of Excelsior Springs is $27.765 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 6.0 percent, which is 1.8 percent lower than it was one year ago. This compares favorably to the state's average unemployment rate of 6.3 percent and the national average of 7.6 percent.
- Inflationary trends in the region compare favorably to national indices.
- Residential 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. Commercial real estate values and related assessed values have grown slightly during the past year.

These factors were considered in preparing the City of Excelsior Springs' budget for the 2013 fiscal year:

- During the fiscal year, the unassigned fund balance of the General Fund increased to $2,741,668.
- The City of Excelsior Springs assigned $149,913 of the General Fund balance to fund the budget deficit for the 2013 fiscal year. These monies will be used to fund the purchase of a new ambulance.
- Water and sewer rate increases of 7.7 percent and 28.1 percent, respectively were included in the 2012 budget.
- Construction of a new wastewater plant was started during fiscal year 2012 and will be complete by the end of 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, 2012

	Primary Government			Component Unit
Assets	Governmental Activities	Business-Type Activities	Total	Hospital
Current assets:				
Cash and cash equivalents	$ 5,884,141	$ 3,232,829	$ 9,116,970	$ 6,087,671
Investments	1,900,000	1,650,000	3,550,000	-
Receivables, net of allowance for uncollectibles of $219,304:				
Property taxes	1,362,837	-	1,362,837	-
Franchise taxes	144,812	-	144,812	-
Utility accounts	-	779,915	779,915	-
Patient accounts	-	-	-	2,526,214
Other	290,829	-	290,829	156,700
Due from other governmental units	835,735	-	835,735	-
Inventory	-	6,551	6,551	-
Prepaid items	173,547	2,850	176,397	450,056
Assets held for sale	23,000	-	23,000	-
Internal balances	470,208	(470,208)	-	-
Supplies	-	-	-	447,781
Total current assets	11,085,109	5,201,937	16,287,046	9,668,422
Noncurrent assets:				
Nondepreciable:				
Land	1,613,619	1,136,537	2,750,156	-
Construction-in-progress	49,589	11,385,273	11,434,862	18,570
Depreciable:				
Land improvements	39,831	834,585	874,416	1,224,233
Buildings and improvements	5,788,399	5,107,018	10,895,417	15,080,042
Operating equipment	2,233,247	1,179,342	3,412,589	6,674,806
Furniture and office equipment	378,265	141,704	519,969	7,232,578
Vehicles	2,875,973	888,397	3,764,370	-
Infrastructure	47,018,540	16,872,788	63,891,328	-
Less accumulated depreciation	(44,669,627)	(16,415,571)	(61,085,198)	(16,756,097)
Total capital assets	15,327,836	21,130,073	36,457,909	13,474,132
Restricted cash and cash equivalents	1,954,530	5,035,424	6,989,954	-
Restricted investments	411,749	20,146,498	20,558,247	-
Cash and deposits held under bond indenture, due from primary government agency fund	-	-	-	1,584,115
Bond issuance costs	-	486,079	486,079	-
Other	-	-	-	132,947
Total noncurrent assets	17,694,115	46,798,074	64,492,189	15,191,194
Total assets	$ 28,779,224	$ 52,000,011	$ 80,779,235	$ 24,859,616

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	$ 390,120	$ 1,815,456	$ 2,205,576	$ 870,453
Unearned revenue	1,334,177	-	1,334,177	-
Customer deposits	-	311,231	311,231	-
Accrued interest	21,715	205,570	227,285	33,203
Current portion of long-term obligations:				
Compensated absences	471,687	108,833	580,520	490,853
Capital lease obligations	-	96,121	96,121	264,027
Loans payable	-	122,500	122,500	-
Revenue bonds payable	470,000	163,333	633,333	279,352
Certificates of participation	-	635,000	635,000	-
Total current liabilities	2,687,699	3,458,044	6,145,743	1,937,888
Noncurrent liabilities:				
Noncurrent portion of long-term obligations:				
Other postemployment benefits obligation	125,398	34,192	159,590	-
LAGERS pension obligation	261,383	66,195	327,578	-
Capital lease obligations	-	157,326	157,326	158,124
Revenue bonds payable	760,000	-	760,000	11,060,881
Certificates of participation, net	-	34,655,427	34,655,427	-
Total noncurrent liabilities	1,146,781	34,913,140	36,059,921	11,219,005
Total liabilities	3,834,480	38,371,184	42,205,664	13,156,893
Net assets:				
Invested in capital assets, net of related debt	14,097,836	10,048,555	24,146,391	1,711,748
Restricted for:				
Renewal and replacement	-	122,500	122,500	-
Debt service	857,386	-	857,386	825,584
Parks and recreation	392,557	-	392,557	-
Capital projects	3,345,645	-	3,345,645	426,608
Planning and development	1,459,791	-	1,459,791	-
Public safety	1,850,363	-	1,850,363	-
Other	-	-	-	131,250
Unrestricted	2,941,166	3,457,772	6,398,938	8,607,533
Total net assets	24,944,744	13,628,827	38,573,571	11,702,723
Total liabilities and net assets	$ 28,779,224	$ 52,000,011	$ 80,779,235	$ 24,859,616

City of Excelsior Springs, Missouri

Statement of Activities
Year Ended September 30, 2012

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	$ (1,404,253)	$ 119,458	$ -	$ -
Public safety	(5,133,158)	1,429,581	74,419	-
Transportation	(179,921)	29,377	62,338	-
Public works	(2,699,104)	452,309	482,165	535,655
Health and welfare	(61,743)	-	13,750	-
Cemetery operations	(64,716)	69,581	-	-
Recreational activities	(681,551)	80,942	-	-
Community betterment	(1,342,907)	101,659	59,246	-
Interest and fiscal charges	(68,995)	-	-	-
Total governmental activities	(11,636,348)	2,282,907	691,918	535,655
Business-type activities:				
Water	(2,146,197)	3,185,896	-	-
Sewer	(2,112,373)	1,918,120	-	-
Golf	(827,847)	590,107	9,918	-
Airport	(30,038)	22,534	-	-
Refuse	(652,258)	698,174	-	-
Total business-type activities	(5,768,713)	6,414,831	9,918	-
Total primary government	$ (17,405,061)	$ 8,697,738	$ 701,836	$ 535,655
Component unit - hospital	$ (23,993,540)	$ 24,255,798	$ 96,067	$ 16,507

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

Transfers

Total general revenues and transfers

Changes in net assets

Net assets, beginning

Net assets, ending

See Notes to Basic Financial Statements.

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			Component Unit
Governmental Activities	Business-Type Activities	Total	Hospital
$ (1,284,795)	$ -	$ (1,284,795)	$ -
(3,629,158)	-	(3,629,158)	-
(88,206)	-	(88,206)	-
(1,228,975)	-	(1,228,975)	-
(47,993)	-	(47,993)	-
4,865	-	4,865	-
(600,609)	-	(600,609)	-
(1,182,002)	-	(1,182,002)	-
(68,995)	-	(68,995)	-
(8,125,868)	-	(8,125,868)	-
-	1,039,699	1,039,699	-
-	(194,253)	(194,253)	-
-	(227,822)	(227,822)	-
-	(7,504)	(7,504)	-
-	45,916	45,916	-
-	656,036	656,036	-
(8,125,868)	656,036	(7,469,832)	-
-	-	-	374,832
1,973,387	-	1,973,387	276,097
5,047,335	-	5,047,335	-
1,386,103	-	1,386,103	-
121,767	-	121,767	-
55,488	-	55,488	-
153,209	803,613	956,822	-
156,404	-	156,404	61,605
35,665	95,000	130,665	-
314,563	(314,563)	-	-
9,243,921	584,050	9,827,971	337,702
1,118,053	1,240,086	2,358,139	712,534
23,826,691	12,388,741	36,215,432	10,990,189
$ 24,944,744	$ 13,628,827	$ 38,573,571	$ 11,702,723

City of Excelsior Springs, Missouri

Balance Sheet
Governmental Funds
September 30, 2012

Assets	General	Parks and Recreation
Cash and cash equivalents	$ 1,240,434	$ 423,474
Investments	1,000,000	-
Receivables, net of allowance for uncollectibles of $191,158:		
Property taxes	838,526	464,369
Franchise taxes	135,639	-
Other	286,451	2,764
Due from other governments	392,243	169
Prepaid items	173,547	-
Assets held for sale	-	-
Advances to other funds	545,100	-
Restricted cash and cash equivalents	83,987	-
Restricted investments	250,000	-
Total assets	$ 4,945,927	$ 890,776
Liabilities and Fund Balance		
Liabilities:		
Accounts payable and accrued expenses	$ 166,000	$ 35,185
Deferred revenue	835,712	463,034
Advances from other funds	-	-
Total liabilities	1,001,712	498,219
Fund balance (deficit):		
Nonspendable	718,647	-
Restricted	333,987	392,557
Assigned	149,913	-
Unassigned	2,741,668	-
Total fund balance	3,944,215	392,557
Total liabilities and fund balance	$ 4,945,927	$ 890,776

See Notes to Basic Financial Statements.

Transportation Trust	Capital Improvements	Nonmajor Governmental Funds	Total Governmental Funds
$ 1,080,749	$ 1,656,691	$ 1,482,793	$ 5,884,141
-	500,000	400,000	1,900,000
-	-	59,942	1,362,837
-	-	9,173	144,812
-	1,205	409	290,829
90,382	94,939	258,002	835,735
-	-	-	173,547
-	23,000	-	23,000
-	-	-	545,100
-	-	1,870,543	1,954,530
-	-	161,749	411,749
$ 1,171,131	$ 2,275,835	$ 4,242,611	$ 13,526,280
$ 159,837	$ 11,612	$ 17,486	$ 390,120
-	-	59,942	1,358,688
-	-	74,892	74,892
159,837	11,612	152,320	1,823,700
-	23,000	168,454	910,101
1,011,294	2,241,223	3,948,396	7,927,457
-	-	48,257	198,170
-	-	(74,816)	2,666,852
1,011,294	2,264,223	4,090,291	11,702,580
$ 1,171,131	$ 2,275,835	$ 4,242,611	$ 13,526,280

City of Excelsior Springs, Missouri

Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities
September 30, 2012

Total governmental fund balances			$	11,702,580
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds				15,327,836
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	$	(471,687)		
Accrued interest on long-term debt		(21,715)		
Other postemployment benefits obligation		(125,398)		
LAGERS pension obligation		(261,383)		
Bonds payable		(1,230,000)		(2,110,183)
Some of the City's revenue will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore, are reported as deferred revenue in the funds				24,511
Net assets of governmental activities			$	24,944,744

See Notes to Basic Financial Statements.

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City of Excelsior Springs, Missouri

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
Year Ended September 30, 2012

	General	Parks and Recreation
Revenues:		
Taxes	$ 4,114,333	$ 574,826
Licenses, permits and fees	216,721	-
Intergovernmental	1,012,373	-
Charges for services	733,934	70,485
Fines and forfeitures	589,176	-
Special assessment fees	3,896	500
Investment earnings	99,640	11,021
Other	295,672	15,298
Total revenues	7,065,745	672,130
Expenditures:		
Current:		
General government:		
Administration	52,089	-
City manager/council	404,067	-
Finance administration	434,712	-
Human resources	61,646	-
Building operations	99,275	-
Public works, street operations	881,478	-
Public safety:		
Police department	2,685,598	-
Municipal courts	154,835	-
Fire department	1,824,288	-
Cemetery operations	-	-
Recreational activities, parks and recreation	-	602,940
Community betterment:		
Transportation activities	137,064	-
Community development	334,329	-
Senior center	61,743	-
Capital outlay	27,143	201,436
Debt service:		
Principal	-	-
Interest	-	-
Trustee fees	-	-
Total expenditures	7,158,267	804,376
Excess (deficiency) of revenues over expenditures	(92,522)	(132,246)
Other financing sources (uses):		
Proceeds from sale of capital assets	-	44,000
Transfers in	930,661	-
Transfers out	(381,663)	(40,253)
Total other financing sources (uses)	548,998	3,747
Net change in fund balance	456,476	(128,499)
Fund balances, beginning	3,487,739	521,056
Fund balances, ending	$ 3,944,215	$ 392,557

See Notes to Basic Financial Statements.

Transportation Trust	Capital Improvements	Nonmajor Governmental Funds	Total Governmental Funds
$ 756,332	$ 793,488	$ 2,278,484	$ 8,517,463
-	-	-	216,721
-	-	130,080	1,142,453
-	-	61,395	865,814
-	-	-	589,176
-	-	21,052	25,448
8,755	14,656	19,137	153,209
-	12,794	9,959	333,723
765,087	820,938	2,520,107	11,844,007
1,208	-	1,548	54,845
-	-	-	404,067
-	-	-	434,712
-	-	-	61,646
-	90,966	-	190,241
1,125,781	-	-	2,007,259
-	-	128,854	2,814,452
-	-	-	154,835
-	4,580	-	1,828,868
-	-	64,716	64,716
-	1,373	-	604,313
-	-	-	137,064
-	-	1,003,021	1,337,350
-	-	-	61,743
146,569	613,018	79,357	1,067,523
-	-	689,823	689,823
-	-	78,248	78,248
-	-	4,276	4,276
1,273,558	709,937	2,049,843	11,995,981
(508,471)	111,001	470,264	(151,974)
-	4,751	-	48,751
-	-	606,646	1,537,307
(2,427)	(41,249)	(757,152)	(1,222,744)
(2,427)	(36,498)	(150,506)	363,314
(510,898)	74,503	319,758	211,340
1,522,192	2,189,720	3,770,533	11,491,240
$ 1,011,294	$ 2,264,223	$ 4,090,291	$ 11,702,580

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, 2012

Total net change in fund balances - governmental funds	$	211,340
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		(1,178,435)
Capital outlays		1,067,523
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, donations and disposals) is to increase/decrease net assets:		
Capital contributions		535,655
Gain on disposal of capital assets		35,665
Proceeds from sale of capital assets		(48,751)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds		24,511
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		(52,548)
Change in other postemployment benefits obligation		(39,272)
Change in LAGERS pension obligation		(140,987)
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		689,823
Interest		13,529
Change in net assets of governmental activities	$	1,118,053

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, 2012

	General Fund			
	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
Taxes	$ 4,051,423	$ 4,093,028	$ 4,114,333	$ 21,305
Licenses, permits and fees	171,450	215,090	216,721	1,631
Intergovernmental	555,500	576,878	560,064	(16,814)
Charges for services	804,450	663,587	733,934	70,347
Fines and forfeitures	463,000	559,500	589,176	29,676
Special assessment fees	-	2,575	3,825	1,250
Investment earnings	99,500	107,901	99,540	(8,361)
Other	183,500	213,400	266,461	53,061
Total revenues	6,328,823	6,431,959	6,584,054	152,095
Expenditures:				
Current:				
General government	986,151	1,070,843	1,017,887	52,956
Public works	488,548	475,837	477,807	(1,970)
Public safety	4,612,636	4,764,030	4,664,721	99,309
Community betterment	554,294	569,043	533,136	35,907
Capital outlay	99,900	28,900	27,143	1,757
Total expenditures	6,741,529	6,908,653	6,720,694	187,959
Excess (deficiency) of revenues over expenditures	(412,706)	(476,694)	(136,640)	340,054
Other financing sources (uses):				
Transfers in	784,355	818,672	822,794	4,122
Transfers out	(371,350)	(374,950)	(388,163)	(13,213)
Total other financing sources	413,005	443,722	434,631	(9,091)
Net change in fund balance	$ 299	$ (32,972)	297,991	$ 330,963

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	481,691
Total expenditures	(437,573)
Total other financing sources	114,367
Total reconciling items	158,485
Net change in fund balance	456,476
Fund balances, beginning	3,487,739
Fund balances, ending	$ 3,944,215

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, 2012

	Parks and Recreation Fund			
	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
Taxes	$ 529,000	$ 563,221	$ 574,826	$ 11,605
Charges for services	63,500	66,500	70,485	3,985
Special assessment fees	-	-	500	500
Investment earnings	5,500	5,800	11,021	5,221
Other	13,300	9,600	15,298	5,698
Total revenues	611,300	645,121	672,130	27,009
Expenditures:				
Current, recreational activities	545,755	649,119	602,940	46,179
Capital outlay	228,000	184,563	201,436	(16,873)
Total expenditures	773,755	833,682	804,376	29,306
Excess (deficiency) of revenues over expenditures	(162,455)	(188,561)	(132,246)	56,315
Other financing sources (uses):				
Proceeds from sale of capital assets	-	57,000	44,000	(13,000)
Transfers out	(55,000)	(50,000)	(40,253)	9,747
Total other financing sources (uses)	(55,000)	7,000	3,747	(3,253)
Net change in fund balance	$ (217,455)	$ (181,561)	(128,499)	$ 53,062
Fund balances, beginning			521,056	
Fund balances, ending			$ 392,557	

See Notes to Basic Financial Statements.

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City of Excelsior Springs, Missouri

Statement of Net Assets
Enterprise Funds
September 30, 2012

Assets	Water	Pollution Control	Nonmajor Enterprise Funds	Total Enterprise Funds
Current assets:				
Cash and cash equivalents	$ 2,263,645	$ 867,357	$ 101,827	$ 3,232,829
Investments	1,500,000	-	150,000	1,650,000
Accounts receivable, utility accounts net of allowance for uncollectibles of $21,649	382,304	314,812	82,799	779,915
Inventory	-	-	6,551	6,551
Prepaids	2,850	-	-	2,850
Total current assets	4,148,799	1,182,169	341,177	5,672,145
Noncurrent assets:				
Restricted cash	4,331,467	703,957	-	5,035,424
Restricted investments	8,710,576	11,435,922	-	20,146,498
Bond issuance costs	219,734	266,345	-	486,079
Capital assets:				
Land	131,849	799,000	205,688	1,136,537
Construction-in-progress	1,463,930	9,921,343	-	11,385,273
Land improvements	-	-	834,585	834,585
Buildings and improvements	4,754,843	9,280	342,895	5,107,018
Operating equipment	243,303	219,184	716,855	1,179,342
Furniture and office equipment	56,200	77,437	8,067	141,704
Vehicles	360,766	525,381	2,250	888,397
Infrastructure	7,221,179	9,651,609	-	16,872,788
Total capital assets	14,232,070	21,203,234	2,110,340	37,545,644
Less accumulated depreciation	7,665,842	7,135,422	1,614,307	16,415,571
Net capital assets	6,566,228	14,067,812	496,033	21,130,073
Total noncurrent assets	19,828,005	26,474,036	496,033	46,798,074
Total assets	$ 23,976,804	$ 27,656,205	$ 837,210	$ 52,470,219

See Notes to Basic Financial Statements.

Liabilities and Net Assets	Water	Pollution Control	Nonmajor Enterprise Funds	Total Enterprise Funds
Current liabilities:				
Accounts payable and accrued expenses	$ 88,099	$ 1,709,666	$ 17,691	$ 1,815,456
Compensated absences	44,615	11,269	52,949	108,833
Customer deposits and bonds, restricted	311,231	-	-	311,231
Accrued interest	80,606	116,687	8,277	205,570
Current portion of:				
Capital lease obligations	-	-	96,121	96,121
Loans payable	-	122,500	-	122,500
Revenue bonds payable	-	163,333	-	163,333
Certificates of participation	345,000	290,000	-	635,000
Total current liabilities	869,551	2,413,455	175,038	3,458,044
Noncurrent liabilities:				
Advances from other funds	-	-	470,208	470,208
Other postemployment benefits obligation	13,739	13,863	6,590	34,192
LAGERS pension obligation	26,651	23,463	16,081	66,195
Capital lease obligations	-	-	157,326	157,326
Certificates of participation, net	14,846,032	19,809,395	-	34,655,427
Total noncurrent liabilities	14,886,422	19,846,721	650,205	35,383,348
Total liabilities	15,755,973	22,260,176	825,243	38,841,392
Net assets (deficit):				
Invested in capital assets, net of related debt	4,106,006	5,699,963	242,586	10,048,555
Restricted for renewal and replacement	-	122,500	-	122,500
Unrestricted	4,114,825	(426,434)	(230,619)	3,457,772
Total net assets	8,220,831	5,396,029	11,967	13,628,827
Total liabilities and net assets	$ 23,976,804	$ 27,656,205	$ 837,210	$ 52,470,219

City of Excelsior Springs, Missouri

Statement of Revenues, Expenses and Changes in Fund Net Assets
Enterprise Funds
Year Ended September 30, 2012

	Water	Pollution Control	Nonmajor Enterprise Funds	Total Enterprise Funds
Operating revenues:				
Charges for services	$ 3,144,310	$ 1,911,127	$ 1,266,136	$ 6,321,573
Rental income	40,646	6,820	14,775	62,241
Other	940	173	39,822	40,935
Total operating revenues	3,185,896	1,918,120	1,320,733	6,424,749
Operating expenses:				
Personnel services	589,047	549,835	394,977	1,533,859
Contractual and professional services	58,165	152,121	620,600	830,886
Utilities	168,352	164,004	35,716	368,072
Maintenance and repairs	224,840	78,995	87,500	391,335
Cost of goods sold	-	-	102,580	102,580
Insurance	28,149	35,084	8,296	71,529
Supplies and materials (administrative)	210,906	81,467	130,948	423,321
Depreciation	458,464	355,712	106,041	920,217
Total operating expenses	1,737,923	1,417,218	1,486,658	4,641,799
Operating income (loss)	1,447,973	500,902	(165,925)	1,782,950
Nonoperating revenue (expense):				
Investment earnings	327,069	475,380	1,164	803,613
Gain on disposal of capital assets	10,000	85,000	-	95,000
Interest expense	(408,274)	(695,155)	(23,485)	(1,126,914)
Total nonoperating revenue (expense)	(71,205)	(134,775)	(22,321)	(228,301)
Income (loss) before transfers	1,376,768	366,127	(188,246)	1,554,649
Transfers in	-	14,225	63,470	77,695
Transfers out	(164,600)	(119,129)	(108,529)	(392,258)
	(164,600)	(104,904)	(45,059)	(314,563)
Change in net assets	1,212,168	261,223	(233,305)	1,240,086
Total net assets, beginning	7,008,663	5,134,806	245,272	12,388,741
Total net assets, ending	$ 8,220,831	$ 5,396,029	$ 11,967	$ 13,628,827

See Notes to Basic Financial Statements.

City of Excelsior Springs, Missouri

Statement of Cash Flows - Enterprise Funds
Year Ended September 30, 2012

	Water	Pollution Control	Nonmajor Enterprise Funds	Total Enterprise Funds
Cash flows from operating activities:				
Cash collected from customers	$ 3,147,768	$ 1,846,713	$ 1,301,478	$ 6,295,959
Cash from other operating revenue	-	-	9,918	9,918
Cash paid to suppliers for goods and services	(659,391)	(561,581)	(975,368)	(2,196,340)
Cash paid to employees for services	(561,995)	(535,311)	(364,454)	(1,461,760)
Net cash provided by (used in) operating activities	1,926,382	749,821	(28,426)	2,647,777
Cash flows from noncapital financing activities:				
Decrease in advances to other funds	-	10,000	-	10,000
Increase in advances from other funds	-	-	104,156	104,156
Transfers in	-	14,225	63,470	77,695
Transfers out	(164,600)	(119,129)	(108,529)	(392,258)
Net cash provided by (used in) noncapital financing activities	(164,600)	(94,904)	59,097	(200,407)
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(327,315)	(6,165,058)	(33,470)	(6,525,843)
Proceeds from disposal of capital assets	10,000	85,000	-	95,000
Principal payments on revenue bonds and capital leases	(340,000)	(350,000)	(9,135)	(699,135)
Interest paid	(976,189)	(1,428,846)	(16,511)	(2,421,546)
Net cash (used in) capital and related financing activities	(1,633,504)	(7,858,904)	(59,116)	(9,551,524)
Cash flows from investing activities:				
Purchase of investments	(10,210,576)	(11,435,922)	(150,000)	(21,796,498)
Interest	319,299	474,036	1,164	794,499
Proceeds from sales and maturities of investments	1,935,000	-	150,000	2,085,000
Net cash provided by (used in) investing activities	(7,956,277)	(10,961,886)	1,164	(18,916,999)
Net (decrease) in cash and cash equivalents	(7,827,999)	(18,165,873)	(27,281)	(26,021,153)
Cash and cash equivalents:				
Beginning	14,423,111	19,737,187	129,108	34,289,406
Ending	$ 6,595,112	$ 1,571,314	$ 101,827	$ 8,268,253
Displayed as:				
Cash and cash equivalents	$ 2,263,645	$ 867,357	$ 101,827	$ 3,232,829
Restricted cash	4,331,467	703,957	-	5,035,424
	$ 6,595,112	$ 1,571,314	$ 101,827	$ 8,268,253

(Continued)

City of Excelsior Springs, Missouri

Statement of Cash Flows - Enterprise Funds (Continued)
Year Ended September 30, 2012

	Water	Pollution Control	Nonmajor Enterprise Funds	Total Enterprise Funds
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	$ 1,447,973	$ 500,902	$ (165,925)	$ 1,782,950
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	458,464	355,712	106,041	920,217
(Increase) in accounts receivable	(53,261)	(71,407)	(9,337)	(134,005)
(Increase) in inventory	-	-	(4,051)	(4,051)
Decrease in prepaids	-	-	9,180	9,180
Increase (decrease) in accounts payable and accrued expenses	31,021	(49,910)	5,143	(13,746)
Increase in other postemployment benefits obligation	5,206	5,842	2,670	13,718
Increase in LAGERS pension obligation	15,527	10,980	10,378	36,885
Increase (decrease) in compensated absences	6,319	(2,298)	17,475	21,496
Increase in customer deposits and bonds	15,133	-	-	15,133
Net cash provided by (used in) operating activities	$ 1,926,382	$ 749,821	$ (28,426)	$ 2,647,777
Schedule of noncash items, capital and related financing activities:				
Capitalized interest	$ 587,211	$ 753,268	$ -	$ 1,340,479
Acquisition of capital assets through accounts payable	-	1,669,994	-	1,669,994

See Notes to Basic Financial Statements.

City of Excelsior Springs, Missouri

Statement of Assets and Liabilities - Agency Funds
September 30, 2012

Assets		
Cash and cash equivalents	$	7,338,946
Taxes receivable		239,881
	$	7,578,827
Liabilities		
Accounts payable	$	236,556
Due to component unit		6,905,714
Due to other governments		436,557
	$	7,578,827

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 property tax collections used for parks and recreation activities of the City.

Transportation Trust Fund: A Capital Projects Fund, accounts for transportation sales tax proceeds and related expenditures.

Capital Improvements Fund: A Capital Projects 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 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: Account for and report 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.

Golf 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 are the proprietary funds. 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 2012 levy plus any uncollected amounts from the 2011 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 19, 2011, the City Council formally approved the original adopted budget and on September 17, 2012, 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 E-911 Phone Tax Fund exceeded the final budget of expenditures by $11,495.

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, which approximates fair value. 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 $587,217 in the Water Fund and $753,268 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 $74,310, the Tax Increment Financing-Vintage Development II Fund of $506, both special revenue funds and a net deficit balance in the Golf Fund of $396,330, 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 $70,383 for 2012.

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 by the City Council to the Director of Administrative Services. Likewise, the Director of Administrative Services has the authority to take necessary actions to un-assign amounts in this category.

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. Residual deficit amounts of other governmental funds would also be reported as unassigned.

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 $12,730,812 and $12,017,379, 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 $857,386 for debt service, $392,557 for parks and recreation, $3,252,517 for capital projects, $1,459,791 for tax increment financing projects and $1,685,577 for public safety.

The City first applies 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, 2012, 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	$ 23,946,498	$ 3,800,000	$ 20,146,498	$ -	$ -

As of September 30, 2012, the City has $161,749 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, 2012, 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 AA+ by 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 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, 2012 the City's investments are invested in FHLMC, FNMA, FHLB and FFCB, which represents 12, 35, 47 and 6 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, 2012, 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, 2012, none of the City's bank balance of $34,015,785, 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 $8,362,263 of which $40,081 was exposed to custodial credit risk. The portion that was not exposed to custodial credit risk 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, 2012.

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

Deposits and cash on hand	$	23,445,870
Investments		24,108,247
	$	47,554,117
Cash and cash equivalents	$	9,116,970
Investments		3,550,000
Restricted cash and cash equivalents		6,989,954
Restricted investments		20,558,247
Cash and cash equivalents, fiduciary funds		7,338,946
	$	47,554,117

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, 2011, on which the fiscal year 2012 levy was based, was $135,969,504 and $132,460,444 for the General Fund and other funds, respectively. The assessed value of railroad and utility properties as of January 1, 2011 was $4,883,528 and $4,883,528 for the General Fund and other funds, respectively. During the year ended September 30, 2012, the City collected 99.9 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, 2012 are as follows:

Fund	Levy
General	$ 0.6289
Parks/recreation	0.3540
Total primary government	0.9829
Component unit - City Hospital	0.1770
Total reporting entity	$ 1.1599

Note 4. Capital Assets

The following is a summary of changes in capital assets for the year ended September 30, 2012:

	2011 Balance	Additions	Retirements	2012 Balance
Governmental Activities				
Capital assets, not being depreciated:				
Land	$ 1,566,614	$ 47,005	$ -	$ 1,613,619
Construction-in-progress	875,869	39,484	865,764	49,589
Total capital assets, not being depreciated	2,442,483	86,489	865,764	1,663,208
Capital assets, being depreciated:				
Land improvements	39,831	-	-	39,831
Buildings and improvements	4,433,797	1,354,602	-	5,788,399
Operating equipment	2,189,867	90,545	47,165	2,233,247
Furniture and office equipment	340,559	37,706	-	378,265
Vehicles	2,769,896	150,228	44,151	2,875,973
Infrastructure	46,269,168	749,372	-	47,018,540
Total capital assets, being depreciated	56,043,118	2,382,453	91,316	58,334,255
Less accumulated depreciation for:				
Land improvements	39,831	-	-	39,831
Buildings and improvements	3,424,961	157,889	-	3,582,850
Operating equipment	1,217,684	192,705	34,079	1,376,310
Furniture and office equipment	187,578	45,451	-	233,029
Vehicles	1,939,460	189,028	44,151	2,084,337
Infrastructure	36,759,908	593,362	-	37,353,270
Total accumulated depreciation	43,569,422	1,178,435	78,230	44,669,627
Total capital assets, being depreciated, net	12,473,696	1,204,018	13,086	13,664,628
Governmental activities capital assets, net	$ 14,916,179	$ 1,290,507	$ 878,850	$ 15,327,836

Note 4. Capital Assets (Continued)

	2011 Balance	Additions	Retirements	2012 Balance
Business-Type Activities				
Capital assets, not being depreciated:				
Land	$ 1,136,537	$ -	$ -	$ 1,136,537
Construction-in-progress	2,211,224	9,174,049	-	11,385,273
Total capital assets, not being depreciated	3,347,761	9,174,049	-	12,521,810
Capital assets, being depreciated:				
Land improvements	809,585	25,000	-	834,585
Buildings and improvements	5,107,018	-	-	5,107,018
Operating equipment	1,170,872	8,470	-	1,179,342
Furniture and office equipment	141,704	-	-	141,704
Vehicles	831,934	328,797	272,334	888,397
Infrastructure	16,872,788	-	-	16,872,788
Total capital assets, being depreciated	24,933,901	362,267	272,334	25,023,834
Less accumulated depreciation for:				
Land improvements	588,793	43,288	-	632,081
Buildings and improvements	3,005,408	226,943	-	3,232,351
Operating equipment	1,060,835	96,038	-	1,156,873
Furniture and office equipment	116,230	175	-	116,405
Vehicles	698,965	47,536	272,334	474,167
Infrastructure	10,297,457	506,237	-	10,803,694
Total accumulated depreciation	15,767,688	920,217	272,334	16,415,571
Total capital assets, being depreciated, net	9,166,213	(557,950)	-	8,608,263
Business-type activities capital assets, net	$ 12,513,974	$ 8,616,099	$ -	$ 21,130,073

Note 4. Capital Assets (Continued)

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

Governmental Activities		
General government	$	30,694
Public safety		335,003
Transportation		42,857
Public works		691,845
Recreation activities		72,479
Community betterment		5,557
Total depreciation expense, governmental activities	$	1,178,435
Business-Type Activities		
Water	$	458,464
Sewer		355,712
Golf		98,074
Airport		7,967
Total depreciation expense, business-type activities	$	920,217

Activity for the Hospital for the year ended September 30, 2012 was as follows:

	2011 Balance	Additions	Retirements	Transfers	2012 Balance
Component Unit: Hospital					
Capital assets, not being depreciated, construction-in-progress	$ -	$ 52,798	$ -	$ (34,228)	$ 18,570
Capital assets, being depreciated:					
Land and improvements	1,318,881	-	(94,648)	-	1,224,233
Buildings and improvements	15,120,671	17,843	(92,700)	34,228	15,080,042
Operating equipment	6,856,870	91,188	(253,201)	(20,051)	6,674,806
Furniture and office equipment	7,142,661	428,353	(358,487)	20,051	7,232,578
Total capital assets, being depreciated, Hospital	30,439,083	537,384	(799,036)	34,228	30,211,659
Less accumulated depreciation for:					
Land and improvements	(640,694)	(65,494)	91,782	-	(614,406)
Buildings and improvements	(5,573,814)	(637,825)	88,663	-	(6,122,976)
Operating equipment	(4,299,390)	(795,597)	248,983	-	(4,846,004)
Furniture and office equipment	(4,979,248)	(548,014)	354,551	-	(5,172,711)
Total accumulated depreciation	(15,493,146)	(2,046,930)	783,979	-	(16,756,097)
Total capital assets, being depreciated, Hospital, net	14,945,937	(1,509,546)	(15,057)	34,228	13,455,562
Hospital capital assets, net	$ 14,945,937	$ (1,456,748)	$ (15,057)	$ -	$ 13,474,132

Note 5. Long-Term Debt

Long-term liability balances and activity for the year ended September 30, 2012 were as follows:

	Balance September 30, 2011	Additions	Retirements	Balance September 30, 2012	Amounts Due Within One Year
Governmental activities:					
Capital leases	$ 74,823	$ -	$ 74,823	$ -	$ -
Revenue bonds	1,845,000	-	615,000	1,230,000	470,000
Compensated absences	419,139	471,687	419,139	471,687	471,687
Other postemployment benefits obligation	86,126	39,272	-	125,398	-
LAGERS pension obligation	120,396	140,987	-	261,383	-
Governmental activities, long-term liabilities	$ 2,545,484	$ 651,946	$ 1,108,962	$ 2,088,468	$ 941,687
Business-type activities:					
Long-term loans payable	$ 237,500	$ -	$ 115,000	$ 122,500	$ 122,500
Lease purchase agreement	262,582	-	9,135	253,447	96,121
Revenue bonds	398,333	-	235,000	163,333	163,333
Certificates of participation	35,790,000	-	340,000	35,450,000	635,000
Premiums (discounts)	(168,339)	-	(8,766)	(159,573)	-
Compensated absences	87,337	108,833	87,337	108,833	108,833
Other postemployment benefits obligation	20,474	13,718	-	34,192	-
LAGERS pension obligation	29,310	36,885	-	66,195	-
Business-type activities, long-term liabilities	$ 36,657,197	$ 159,436	$ 777,706	$ 36,038,927	$ 1,125,787
Component unit:					
Revenue bonds	$ 11,602,431	$ -	$ 262,198	$ 11,340,233	$ 279,352
Capital lease	1,210,595	6,071	794,515	422,151	264,027
Compensated absences	491,962	490,853	491,962	490,853	490,853
Component unit, long-term liabilities	$ 13,304,988	$ 496,924	$ 1,548,675	$ 12,253,237	$ 1,034,232

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, 2012, is comprised of the following individual issues:

	Balance September 30, 2011	Additions	Retirements	Balance September 30, 2012
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%	$ 74,823	$ -	$ 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%	1,300,000	-	265,000	1,035,000
$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%	545,000	-	350,000	195,000
Total governmental activities	$ 1,919,823	$ -	$ 689,823	$ 1,230,000

Note 5. Long-Term Debt (Continued)

	Balance September 30, 2011	Additions	Retirements	Balance September 30, 2012
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	$ 237,500	$ -	$ 115,000	$ 122,500
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%	253,447	-	-	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%	9,135	-	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%	398,333	-	235,000	163,333
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	-	305,000	2,000,000
$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	-	35,000	13,245,000
$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	$ 36,688,415	$ -	$ 699,135	$ 35,989,280

Note 5. Long-Term Debt (Continued)

	Balance September 30, 2011	Additions	Retirements	Balance September 30, 2012
Component Unit:				
Revenue bonds:				
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	$ 1,181,331	$ -	$ 19,063	$ 1,162,268
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	601,274	-	37,359	563,915
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	7,824,079	-	168,266	7,655,813
Hospital Revenue Bonds, Series 2009, maturing October 1, 2040; 4.5% interest; interest only through September 30, 2013, monthly principal and interest thereafter	1,995,747	-	37,510	1,958,237
Capital leases	1,210,595	6,071	794,515	422,151
Total component unit	$ 12,813,026	$ 6,071	$ 1,056,713	$ 11,762,384

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 $175,369 payable through 2013. For the current year, principal and interest paid and net revenues generated were $262,346 and $177,452, 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, 2012, the balance of the advances from the Missouri Department of Natural Resources to the City is $122,500. 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 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 $1,130,465 payable through 2016. For the current year, principal and interest paid and rental payments generated were $322,875 and $326,900, respectively.

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 $199,630 payable through 2013. For the current year, principal and interest paid was $367,138. Total incremental property tax and economic activity taxes generated during the current year were $287,583 and $889,391, 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 $22,905,125 payable through 2028. For the current year, principal and interest paid and lease revenues were $938,523 and $938,523, respectively.

Note 5. Long-Term Debt (Continued)

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 $37,901,332 payable through 2031. For the current year, principal and interest paid and lease revenues were $945,161 and $1,400,239, 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 $2,247,456 payable through 2018. For the current year, principal and interest paid and lease revenues were $375,275 and $375,725, 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 $2,582,731. Principal and interest paid for the current year and total customer net revenues were $150,571 and $824,304, 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 $7,657,420 and $4,714,774 through September 30, 2038, respectively. Principal and interest paid for the current year and total net operating revenues were $486,233 and $824,304, 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 $3,080,467. Principal and interest paid for the current year and total customer net revenues were $126,818 and $824,304, respectively.

Note 5. Long-Term Debt (Continued)

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	$ 122,500	$ 122,500	$ 950,796	$ 1,073,296

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, 2012, are as follows:

Governmental Activities:

Year ending	2001 Leasehold Refunding Bonds		Wal-Mart/Elms TIF 2003 Refunding Bonds	
September 30:	Principal	Interest	Principal	Interest
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	$ 1,035,000	$ 95,465	$ 195,000	$ 4,630

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
2013	$ 122,500	$ -	$ 163,333	$ 12,036	$ 96,121	$ 19,174
2014	-	-	-	-	52,244	9,046
2015	-	-	-	-	55,249	6,042
2016	-	-	-	-	49,833	2,865
Total	$ 122,500	$ -	$ 163,333	$ 12,036	$ 253,447	$ 37,127

Year ending September 30:	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	2010 Sewer Series D Certificates of Participation Principal	2010 Sewer Series D Certificates of Participation Interest
2013	$ 310,000	$ 64,625	$ 35,000	$ 902,648	$ 290,000	$ 1,400,239
2014	320,000	56,875	35,000	901,554	530,000	1,381,239
2015	330,000	47,275	235,000	900,241	570,000	1,359,046
2016	335,000	37,375	245,000	890,136	615,000	1,331,801
2017	705,000	41,306	540,000	878,192	670,000	1,298,804
2018-2022	-	-	4,595,000	3,758,508	4,260,000	5,797,584
2023-2027	-	-	6,145,000	1,946,025	6,265,000	3,990,066
2028-2032	-	-	1,415,000	107,540	7,005,000	1,142,115
Total	$ 2,000,000	$ 247,456	$ 13,245,000	$ 10,284,844	$ 20,205,000	$ 17,700,894

Component Unit:

Year ending September 30:	Long-Term Debt Principal	Long-Term Debt Interest	Capital Lease Obligations Principal	Capital Lease Obligations Interest
2013	$ 279,352	$ 475,347	$ 264,027	$ 20,457
2014	291,900	462,799	101,683	9,081
2015	305,017	449,682	56,441	906
2016	317,476	437,223	-	-
2017	331,994	422,705	-	-
2018-2022	1,902,390	1,871,105	-	-
2023-2027	2,371,720	1,401,775	-	-
2028-2032	2,485,515	848,871	-	-
2033-2037	2,696,656	321,379	-	-
2038-2039	358,213	5,637	-	-
Total	$ 11,340,233	$ 6,696,523	$ 422,151	$ 30,444

Note 5. Long-Term Debt (Continued)

Capital leases shown in long-term debt for the City and the discretely presented component unit include leases for movable equipment at varying rates of imputed interest from 4 percent to 10 percent, maturing through 2015 and collateralized by the lease equipment. Property and equipment as of September 30, 2012 include the following assets under capital lease:

Movable equipment	$ 1,837,839
Less accumulated depreciation	1,071,845
	$ 765,994

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	$ 930,661	$ 381,663
Parks and Recreation Fund	-	40,253
Transportation Trust Fund	-	2,427
Capital Improvements Fund	-	41,249
Nonmajor governmental funds	606,646	757,152
Total governmental activities	1,537,307	1,222,744
Business-type activities:		
Water	-	164,600
Pollution control	14,225	119,129
Nonmajor enterprise funds	63,470	108,529
Total business-type activities	77,695	392,258
Total	$ 1,615,002	$ 1,615,002

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.

Interfund advances as of September 30, 2012, were as follows:

	Advance Receivables	Advance Payables
Governmental activities:		
General Fund	$ 545,100	$ -
Nonmajor governmental funds	-	74,892
Business-type activities, nonmajor enterprise funds	-	470,208
	$ 545,100	$ 545,100

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 5.5 percent (general), 5.5 percent (police) and 7.8 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 29, 2012, the most recent actuarial valuation date, the plan was 91 percent funded. The actuarial accrued liability for benefits was $9,989,040 and the actuarial value of assets was $9,123,759, resulting in an unfunded actuarial accrued liability (UAAL) of $865,281. The covered payroll (annual payroll of active employees covered by the plan) was $4,398,216 and the ratio of the UAAL to the covered payroll was 20 percent.

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

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

Annual required contribution	$	432,782
Interest on net pension obligation		10,854
Adjustment to annual required contribution		(8,259)
Annual pension cost		435,377
Actual contributions		257,505
Increase in LAGERS pension obligation		177,872
Net LAGERS pension obligation, beginning of year		149,706
Net LAGERS pension obligation, end of year	$	327,578

Note 7. Employee Retirement Systems (Continued)

The annual required contribution (ARC) was determined as part of the February 28, 2009 and February 28, 2010 annual actuarial valuations using the entry age actuarial cost method. The actuarial assumptions as of February 29, 2012 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 28, 2009 was 30 years for the General division, 30 years for the Police division and 30 years for the Fire division. The amortization period as of February 28, 2010 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
09/30/2010	$ 185,607	100%	$ -
09/30/2011	361,609	59	149,706
09/30/2012	435,377	59	327,578

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.

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 2012, the City contributed none. Retiree and active members receiving benefits have required monthly contributions of:

	Individual	Family	Two-Party
Medical Plan A	$ 483.28	$ 1,251.67	N/A
Medical Plan B	485.44	1,257.25	N/A
Medical Plan C	518.27	1,342.31	N/A
Dental	29.20	84.47	55.33
Vision	3.64	9.24	N/A

Note 8. Other Postemployment Benefits (Continued)

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		4,264
Adjustment to annual required contribution		5,926
Annual OPEB cost (expense)		55,090
Contributions and payments made		2,100
Increase in net OPEB obligation		52,990
Net OPEB obligation - September 30, 2011		106,600
Net OPEB obligation - September 30, 2012	$	159,590

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligations for 2012 and the two preceding years follows.

Fiscal Year Ended		Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed		Net OPEB Obligation
September 30, 2010	$	41,497	- %	$	81,397
September 30, 2011		45,300	44.4		106,600
September 30, 2012		55,090	3.8		159,590

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 $4,695,852 and the ratio of the UAAL to the covered payroll was 8 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.

Note 8. Other Postemployment Benefits (Continued)

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, 2012 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 Water System Distribution and Pressure Zone Improvements project, the Waterwater Treatment Plant design and construction project and the Wornall Street culvert replacement project were in process at year-end. Total costs related to these projects are expected to be $19,109,403, of which $7,924,903 had been expended through September 30, 2012.

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, 2012 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, 2012, 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 56 percent of net patient service revenues are from participation in Medicare and state-sponsored Medicaid programs for the year ended September 30, 2012.

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, 2012 was:

Medicare	$	875,254
Medicaid		276,378
Other third-party payers		630,957
Patients		1,787,857
		3,570,446
Less allowances for uncollectible accounts		1,044,232
	$	2,526,214

Note 13. Fund Balances

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* 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	Transportation Trust	Capital Improvements	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:						
Prepaids	$ 173,547	$ -	$ -	$ -	$ -	$ 173,547
Assets held for sale	-	-	-	23,000	-	23,000
Advances	545,100	-	-	-	-	545,100
Perpetual maintenance fund	-	-	-	-	168,454	168,454
Total Nonspendable	718,647	-	-	23,000	168,454	910,101
Restricted:						
Debt service	250,000	-	-	-	629,101	879,101
Capital projects	16,252	-	1,011,294	2,241,223	76,876	3,345,645
Parks and recreation	-	392,567	-	-	-	392,567
Planning and development	-	-	-	-	1,459,791	1,459,791
Public safety	67,735	-	-	-	1,782,628	1,850,363
Total Restricted	333,987	392,567	1,011,294	2,241,223	3,948,396	7,927,467
Assigned:						
Funds for fiscal year 2013 budge	149,913	-	-	-	-	149,913
Cemetery maintenance	-	-	-	-	48,257	48,257
Total Assigned	149,913	-	-	-	48,257	198,170
Unassigned	2,741,668	-	-	-	(74,816)	2,666,852
Total Fund Balances	$ 3,944,215	$ 392,567	$ 1,011,294	$ 2,264,223	$ 4,090,291	$ 11,702,590

Note 14. Governmental Accounting Standards Board (GASB) Statements

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

- GASB Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*, issued November 2010, will be effective for the City beginning with its year ending September 30, 2013. This Statement is intended to improve financial reporting by addressing issues related to service concession arrangement (SCAs), which are a type of public-private or public-public partnership. Specifically, this Statement improves financial reporting by establishing recognition, measurement and disclosure requirements for SCAs for both transferors and governmental operators, requiring governments to account for and report SCAs in the same manner, which improves the comparability of financial statements. This Statement also improves the decision usefulness of financial reporting by requiring that specific relevant disclosures be made by transferors and governmental operators about SCAs.

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

- GASB Statement No. 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*, issued November 2010, will be effective for the City beginning with its year ending September 30, 2013. This Statement is intended to improve financial reporting for a governmental financial reporting entity by improving guidance for including, presenting and disclosing information about component units and equity interest transactions of a financial reporting entity. The amendments to the criteria for including component units allow users of financial statements to better assess the accountability of elected officials by ensuring that the financial reporting entity includes only organizations for which the elected officials are financially accountable or that are determined by the government to be misleading to exclude. The amendments to the criteria for blending also improve the focus of a financial reporting entity on the primary government by ensuring that the primary government includes only those component units that are so intertwined with the primary government that they are essentially the same as the primary government, and by clarifying which component units have that characteristic.
- 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.
- GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities,* issued April 2012, will be effective for the City beginning with its year ending September 30, 2014. This Statement clarifies the appropriate reporting of deferred outflows of resources and deferred inflows of resources to ensure consistency in financial reporting. GASB Concepts Statement (CON) No. 4, *Elements of Financial Statements*, specifies that recognition of deferred outflows and deferred inflows should be limited to those instances specifically identified in authoritative GASB pronouncements. Consequently, guidance was needed to determine which balances being reported as assets and liabilities should actually be reported as deferred outflows of resources or deferred inflows of resources, according to the definitions in CON 4. Based on those definitions, this Statement reclassifies certain items currently being reported as assets and liabilities as deferred outflows of resources and deferred inflows of resources. In addition, the Statement recognizes certain items currently being reported as assets and liabilities as outflows of resources and inflows of resources.

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

- GASB Statement No. 66, *Technical Corrections - 2012*, issued April 2012, will be effective for the City beginning with its year ending September 30, 2014. This Statement enhances the usefulness of financial reports by resolving conflicting accounting and financial reporting guidance that could diminish the consistency of financial reporting. This Statement amends GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, by removing the provision that limits fund-based reporting of a state or local government's risk financing activities to the general fund and the internal service fund types. As a result, governments would base their decisions about governmental fund type usage for risk financing activities on the definitions in GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions.* This Statement also amends GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, by modifying the specific guidance on accounting for: (*a*) operating lease payments that vary from a straight-line basis; (*b*) the difference between the initial investment (purchase price) and the principal amount of a purchased loan or group of loans; and (*c*) servicing fees related to mortgage loans that are sold when the stated service fee rate differs significantly from a current (normal) servicing fee rate. These changes would eliminate any uncertainty regarding the application of GASB Statement No. 13, *Accounting for Operating Leases with Scheduled Rent Increases,* and result in guidance that is consistent with the requirements in GASB Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues,* respectively.
- GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, issued June 2012, will be effective for the City beginning with its year ending September 30, 2015. This Statement replaces the requirements of GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, and GASB Statement No. 50, *Pension Disclosures*, as they relate to governments that provide pensions through pension plans administered as trusts or similar arrangements that meet certain criteria. This Statement requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. This Statement also enhances accountability and transparency through revised and new note disclosures and required supplementary information.

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
02/28/2010	$ 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
02/29/2012	**9,123,759**	**9,989,040**	**865,281**	**91.34**	**4,398,216**	**19.67**

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 28, 2009 and February 28, 2010 annual actuarial valuations using the entry age actuarial cost method. The actuarial assumptions as of February 29, 2012 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 28, 2009 was 30 years and the amortization period as of February 28, 2010 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]
2010	10/1/09	$ -	$ 304,400	$ 304,400	- %	$ 4,182,418	7%
2011	9/30/11	-	377,200	377,200	-	4,304,174	9
2012	**9/30/11**	**-**	**377,200**	**377,200**	**-**	**4,695,852**	**8**

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.

City of Excelsior Springs, Missouri

Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2012

	Special Revenue Funds	Debt Service Funds	Permanent Fund, Cemetery	Total Nonmajor Governmental Funds
Assets				
Cash and cash equivalents	$ 1,434,394	$ -	$ 48,399	$ 1,482,793
Investments	400,000	-	-	400,000
Receivables, net of allowance for uncollectibles:				
Property taxes	59,942	-	-	59,942
Franchise taxes	9,173	-	-	9,173
Other	409	-	-	409
Due from other governments	258,002	-	-	258,002
Restricted cash and cash equivalents	1,230,718	629,101	10,724	1,870,543
Restricted investments	-	-	161,749	161,749
Total assets	$ 3,392,638	$ 629,101	$ 220,872	$ 4,242,611
Liabilities and Fund Balance				
Liabilities:				
Accounts payable and accrued expenses	$ 13,325	$ -	$ 4,161	$ 17,486
Deferred revenue	59,942	-	-	59,942
Advances from other funds	74,892	-	-	74,892
Total liabilities	148,159	-	4,161	152,320
Fund balance:				
Nonspendable	-	-	168,454	168,454
Restricted	3,319,295	629,101	-	3,948,396
Assigned	-	-	48,257	48,257
Unassigned	(74,816)	-	-	(74,816)
Total fund balance	3,244,479	629,101	216,711	4,090,291
Total liabilities and fund balance	$ 3,392,638	$ 629,101	$ 220,872	$ 4,242,611

City of Excelsior Springs, Missouri

Combining Balance Sheet
Nonmajor Special Revenue Funds
September 30, 2012

	E-911 Phone Tax	Capital Improvements E-911 Tax	Tax Increment Financing- Paradise Playhouse	Tax Increment Financing- Vintage Development
Assets				
Cash and cash equivalents	$ 236,067	$ 7,706	$ -	$ 6,170
Investments	-	-	-	-
Receivables, net of allowance for uncollectibles:				
Property taxes	-	-	1,824	21,214
Franchise taxes	9,173	-	-	-
Other	-	-	-	-
Due from other governments	-	-	329	14,794
Restricted cash and cash equivalents	-	-	-	-
Total assets	$ 245,240	$ 7,706	$ 2,153	$ 42,178
Liabilities and Fund Balance (Deficit)				
Liabilities:				
Accounts payable and accrued expenses	$ 3,528	$ -	$ -	$ 6,879
Deferred revenue	-	-	1,824	21,214
Advances from other funds	-	-	-	-
Total liabilities	3,528	-	1,824	28,093
Fund balance (deficit):				
Restricted	241,712	7,706	329	14,085
Unassigned	-	-	-	-
Total fund balance (deficit)	241,712	7,706	329	14,085
Total liabilities and fund balance (deficit)	$ 245,240	$ 7,706	$ 2,153	$ 42,178

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
$ 953,074	$ 99,969	$ -	$ 75,198	$ 56,210	$ -	$ 1,434,394
400,000	-	-	-	-	-	400,000
-	-	-	36,904	-	-	59,942
-	-	-	-	-	-	9,173
409	-	-	-	-	-	409
90,382	-	-	139,461	12,960	76	258,002
-	-	-	1,230,718	-	-	1,230,718
$ 1,443,865	$ 99,969	$ -	$ 1,482,281	$ 69,170	$ 76	$ 3,392,638
$ -	$ 2,918	$ -	$ -	$ -	$ -	$ 13,325
-	-	-	36,904	-	-	59,942
-	-	74,310	-	-	582	74,892
-	2,918	74,310	36,904	-	582	148,159
1,443,865	97,051	-	1,445,377	69,170	-	3,319,295
-	-	(74,310)	-	-	(506)	(74,816)
1,443,865	97,051	(74,310)	1,445,377	69,170	(506)	3,244,479
$ 1,443,865	$ 99,969	$ -	$ 1,482,281	$ 69,170	$ 76	$ 3,392,638

City of Excelsior Springs, Missouri

Combining Balance Sheet
Nonmajor Debt Service Funds
September 30, 2012

	Debt Service	Tax Increment Financing-Wal-Mart/Elms	Total
Assets, restricted cash and cash equivalents	$ 429,470	$ 199,631	$ 629,101
Liabilities and Fund Balance			
Liabilities, accounts payable	$ -	$ -	$ -
Fund balance, restricted	429,470	199,631	629,101
Total liabilities and fund balance	$ 429,470	$ 199,631	$ 629,101

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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, 2012

	Special Revenue Funds	Debt Service Funds	Capital Projects Fund, Capital Equipment
Revenues:			
Taxes	$ 2,278,484	$ -	$ -
Intergovernmental revenues	130,080	-	-
Charges for services	-	-	-
Special assessment fees	21,052	-	-
Investment earnings	8,719	174	5
Miscellaneous	-	-	1,773
Total revenues	2,438,335	174	1,778
Expenditures:			
Current:			
General government	1,548	-	-
Public safety	123,676	-	5,178
Cemetery operations	-	-	-
Community betterment	1,003,021	-	-
Capital outlay	79,357	-	-
Debt service:			
Principal	-	689,823	-
Interest	-	78,248	-
Trustee fees	-	4,276	-
Total expenditures	1,207,602	772,347	5,178
Excess (deficiency) of revenues over expenditures	1,230,733	(772,173)	(3,400)
Other financing sources (uses):			
Transfers in	4,800	601,846	-
Transfers out	(749,190)	-	(7,962)
Total other financing sources (uses)	(744,390)	601,846	(7,962)
Net change in fund balances	486,343	(170,327)	(11,362)
Fund balances, beginning	2,758,136	799,428	11,362
Fund balances, ending	$ 3,244,479	$ 629,101	$ -

Permanent Fund, Cemetery	Total Nonmajor Governmental Funds
$ -	$ 2,278,484
-	130,080
61,395	61,395
-	21,052
10,239	19,137
8,186	9,959
79,820	2,520,107
-	1,548
-	128,854
64,716	64,716
-	1,003,021
-	79,357
-	689,823
-	78,248
-	4,276
64,716	2,049,843
15,104	470,264
-	606,646
-	(757,152)
-	(150,506)
15,104	319,758
201,607	3,770,533
$ 216,711	$ 4,090,291

City of Excelsior Springs, Missouri

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficit)
Nonmajor Special Revenue Funds
Year Ended September 30, 2012

	E-911 Phone Tax	Capital Improvements E-911 Tax	Tax Increment Financing- Paradise Playhouse	Tax Increment Financing- Vintage Development
Revenues:				
Taxes	$ 117,416	$ 27	$ 12,859	$ 214,882
Intergovernmental revenues	-	-	-	-
Special assessment fees	-	-	-	-
Investment earnings	1,448	56	-	-
Total revenues	118,864	83	12,859	214,882
Expenditures:				
Current:				
General government	506	-	-	-
Public safety	43,739	2,648	-	-
Community betterment	-	-	12,530	208,021
Capital outlay	-	-	-	-
Total expenditures	44,245	2,648	12,530	208,021
Excess (deficiency) of revenues over expenditures	74,619	(2,565)	329	6,861
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	(155,652)	-	-	-
Total other financing (uses)	(155,652)	-	-	-
Net change in fund balance	(81,033)	(2,565)	329	6,861
Fund balances (deficit), beginning	322,745	10,271	-	7,224
Fund balances (deficit), ending	$ 241,712	$ 7,706	$ 329	$ 14,085

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
$ 756,249	$ -	$ -	$ 1,176,974	$ -	$ 77	$ 2,278,484
-	74,419	-	-	55,661	-	130,080
-	-	21,052	-	-	-	21,052
6,740	-	-	475	-	-	8,719
762,989	74,419	21,052	1,177,449	55,661	77	2,438,335
1,042	-	-	-	-	-	1,548
44,205	33,084	-	-	-	-	123,676
-	-	6,641	711,046	64,300	483	1,003,021
74,732	4,625	-	-	-	-	79,357
119,979	37,709	6,641	711,046	64,300	483	1,207,602
643,010	36,710	14,411	466,403	(8,639)	(406)	1,230,733
-	-	-	-	4,800	-	4,800
(381,988)	-	-	(211,550)	-	-	(749,190)
(381,988)	-	-	(211,550)	4,800	-	(744,390)
261,022	36,710	14,411	254,853	(3,839)	(406)	486,343
1,182,843	60,341	(88,721)	1,190,524	73,009	(100)	2,758,136
$ 1,443,865	$ 97,051	$ (74,310)	$ 1,445,377	$ 69,170	$ (506)	$ 3,244,479

City of Excelsior Springs, Missouri

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Debt Service Funds
Year Ended September 30, 2012

	Debt Service	Tax Increment Financing- Wal-Mart/Elms	Total
Revenues, investment earnings	$ 168	$ 6	$ 174
Expenditures, debt service:			
Principal	339,823	350,000	689,823
Interest	61,110	17,138	78,248
Trustee fees	3,026	1,250	4,276
Total expenditures	403,959	368,388	772,347
Excess (deficiency) of revenues over expenditures	(403,791)	(368,382)	(772,173)
Other financing sources, transfers in	396,334	205,512	601,846
Net change in fund balance	(7,457)	(162,870)	(170,327)
Fund balances, beginning	436,927	362,501	799,428
Fund balances, ending	$ 429,470	$ 199,631	$ 629,101

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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, 2012

	Construction Services	
	Budget	Actual
Revenues:		
Licenses, permits and fees	$ 4,000	$ -
Intergovernmental revenues	608,530	452,309
Special assessment fees	-	-
Investment earnings	-	-
Miscellaneous	21,242	8,159
Total revenues	633,772	460,468
Expenditures:		
Current:		
General government	-	-
Public works	685,525	403,671
Total expenditures	685,525	403,671
Excess (deficiency) of revenues over expenditures	(51,753)	56,797
Other financing sources (uses):		
Transfers in	168,000	138,887
Transfers out	(21,090)	(21,090)
Total other financing (uses)	146,910	117,797
Net change in fund balance (deficit)	$ 95,157	174,594
Fund balances (deficit), beginning		(49,202)
Fund balances, ending		$ 125,392

(Continued)

Neighborhood Improvement District		Elms Hotel Event Fees	
Budget	Actual	Budget	Actual
$ -	$ -	$ -	$ -
-	-	-	-
71	71	-	-
-	-	100	100
-	-	15,000	21,052
71	71	15,100	21,152
-	-	40,050	33,902
-	-	-	-
-	-	40,050	33,902
71	71	(24,950)	(12,750)
-	-	-	-
(3,036)	(3,036)	(394)	(394)
(3,036)	(3,036)	(394)	(394)
$ (2,965)	(2,965)	$ (25,344)	(13,144)
	2,965		25,173
	$ -		$ 12,029

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, 2012

	E-911 Phone Tax		Capital Improvements E-911 Tax	
	Budget	Actual	Budget	Actual
Revenues:				
Taxes	$ 122,000	$ 117,416	$ 27	$ 27
Intergovernmental revenues	-	-	-	-
Special assessment fees	-	-	-	-
Investment earnings	1,500	1,448	75	56
Total revenues	123,500	118,864	102	83
Expenditures:				
Current:				
General government	750	506	-	-
Public safety	32,000	43,739	50	2,648
Community betterment	-	-	-	-
Capital outlay	-	-	7,474	-
Total expenditures	32,750	44,245	7,524	2,648
Excess (deficiency) of revenues over expenditures	90,750	74,619	(7,422)	(2,565)
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	(151,390)	(155,652)	-	-
Total other financing (uses)	(151,390)	(155,652)	-	-
Net change in fund balance (deficit)	$ (60,640)	(81,033)	$ (7,422)	(2,565)
Fund balances (deficit), beginning		322,745		10,271
Fund balances (deficit), ending		$ 241,712		$ 7,706

(Continued)

Tax Increment Financing - Paradise Playhouse		Tax Increment Financing - Vintage Development		Public Safety Sales Tax	
Budget	Actual	Budget	Actual	Budget	Actual
$ 13,620	$ 12,859	$ 230,362	$ 214,882	$ 753,202	$ 756,249
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	4,000	6,740
13,620	12,859	230,362	214,882	757,202	762,989
-	-	-	-	1,500	1,042
-	-	-	-	90,600	44,205
13,620	12,530	235,078	208,021	-	-
-	-	-	-	54,000	74,732
13,620	12,530	235,078	208,021	146,100	119,979
-	329	(4,716)	6,861	611,102	643,010
-	-	-	-	-	-
-	-	(2,508)	-	(387,059)	(381,988)
-	-	(2,508)	-	(387,059)	(381,988)
$ -	329	$ (7,224)	6,861	$ 224,043	261,022
	-		7,224		1,182,843
	$ 329		$ 14,085		$ 1,443,865

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, 2012

	Equitable Sharing		Tax Increment Financing - Elms Hotel	
	Budget	Actual	Budget	Actual
Revenues:				
Taxes	$ -	$ -	$ 36,000	$ -
Intergovernmental revenues	65,000	74,419	-	-
Special assessment fees	-	-	30,000	21,052
Investment earnings	-	-	-	-
Total revenues	65,000	74,419	66,000	21,052
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	42,700	33,084	-	-
Community betterment	-	-	9,769	6,641
Capital outlay	4,625	4,625	-	-
Total expenditures	47,325	37,709	9,769	6,641
Excess (deficiency) of revenues over expenditures	17,675	36,710	56,231	14,411
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	(2,500)	-
Total other financing (uses)	-	-	(2,500)	-
Net change in fund balance (deficit)	$ 17,675	36,710	$ 53,731	14,411
Fund balances (deficit), beginning		60,341		(88,721)
Fund balances (deficit), ending		$ 97,051		$ (74,310)

(Continued)

Tax Increment Financing - Wal-Mart		Community Development Block Grant		Tax Increment Financing- Vintage Development II	
Budget	Actual	Budget	Actual	Budget	Actual
$ 1,087,583	$ 1,176,974	$ -	$ -	$ -	$ 77
-	-	55,661	55,661	-	-
-	-	-	-	-	-
400	475	-	-	-	-
1,087,983	1,177,449	55,661	55,661	-	77
-	-	-	-	-	-
-	-	-	-	-	-
711,047	711,046	69,101	64,300	483	483
-	-	-	-	-	-
711,047	711,046	69,101	64,300	483	483
376,936	466,403	(13,440)	(8,639)	(483)	(406)
-	-	4,800	4,800	-	-
(211,555)	(211,550)	-	-	-	-
(211,555)	(211,550)	4,800	4,800	-	-
$ 165,381	254,853	$ (8,640)	(3,839)	$ (483)	(406)
	1,190,524		73,009		(100)
	$ 1,445,377		$ 69,170		$ (506)

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, 2012

	Debt Service		Tax Increment Financing - Wal-Mart/Elms	
	Budget	Actual	Budget	Actual
Revenues, investment earnings	$ 50	$ 168	$ -	$ 6
Expenditures, debt service:				
Principal	339,823	339,823	350,000	350,000
Interest	61,110	61,110	17,138	17,138
Trustee fees	3,026	3,026	1,250	1,250
Total expenditures	403,959	403,959	368,388	368,388
Excess (deficiency) of revenues over expenditures	(403,909)	(403,791)	(368,388)	(368,382)
Other financing sources, transfers in	370,709	396,334	205,517	205,512
Net change in fund balance	$ (33,200)	(7,457)	$ (162,871)	(162,870)
Fund balances, beginning		436,927		362,501
Fund balances, ending		$ 429,470		$ 199,631

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, 2012

	Capital Equipment	
	Budget	Actual
Revenues:		
Investment earnings	$ 5	$ 5
Miscellaneous	1,773	1,773
Total revenues	1,778	1,778
Expenditures, current, public safety	5,178	5,178
Excess (deficiency) of revenues over expenditures	(3,400)	(3,400)
Other financing (uses), transfers out	(7,962)	(7,962)
Net change in fund balance	$ (11,362)	(11,362)
Fund balances, beginning		11,362
Fund balances, ending		$ -

City of Excelsior Springs, Missouri

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Transportation Trust Fund
Year Ended September 30, 2012

	Budget	Actual
Revenues:		
Taxes	$ 710,202	$ 756,332
Investment earnings	5,900	8,755
Total revenues	716,102	765,087
Expenditures:		
Current:		
General government	1,800	1,208
Public works	1,315,000	1,125,781
Capital outlay	-	146,569
Total expenditures	1,316,800	1,273,558
Excess (deficiency) of revenues over expenditures	(600,698)	(508,471)
Other financing (uses), transfers out	(302,427)	(2,427)
Net change in fund balance	$ (903,125)	(510,898)
Fund balances, beginning		1,522,192
Fund balances, ending		$ 1,011,294

City of Excelsior Springs, Missouri

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Capital Improvements Fund
Year Ended September 30, 2012

	Budget	Actual
Revenues:		
Taxes	$ 750,202	$ 793,488
Investment earnings	13,800	14,656
Other	12,794	12,794
Total revenues	776,796	820,938
Expenditures:		
Current:		
General government	267,174	90,966
Public safety	492,985	4,580
Public works	70,000	-
Recreational activities	10,000	1,373
Community betterment	3,000	-
Capital outlay	18,439	613,018
Total expenditures	861,598	709,937
Excess (deficiency) of revenues over expenditures	(84,802)	111,001
Other financing sources (uses):		
Proceeds from sale of capital assets	-	4,751
Transfers out	(41,399)	(41,249)
Total other financing sources (uses)	(41,399)	(36,498)
Net change in fund balance	$ (126,201)	74,503
Fund balances, beginning		2,189,720
Fund balances, ending		$ 2,264,223

City of Excelsior Springs, Missouri

Combining Statement of Net Assets
Nonmajor Enterprise Funds
September 30, 2012

Assets	Airport	Refuse	Golf	Total
Current assets:				
Cash and cash equivalents	$ -	$ 73,015	$ 28,812	$ 101,827
Investments	-	150,000	-	150,000
Accounts receivable, net of allowance for uncollectibles	6,300	76,499	-	82,799
Inventory	6,551	-	-	6,551
Total current assets	12,851	299,514	28,812	341,177
Noncurrent assets:				
Land	50,000	-	155,688	205,688
Land improvements	25,000	-	809,585	834,585
Buildings and improvements	48,624	-	294,271	342,895
Operating equipment	52,247	-	664,608	716,855
Furniture and office equipment	-	-	8,067	8,067
Vehicles	-	-	2,250	2,250
Total capital assets	175,871	-	1,934,469	2,110,340
Less accumulated depreciation	50,586	-	1,563,721	1,614,307
Total noncurrent assets	125,285	-	370,748	496,033
Total assets	$ 138,136	$ 299,514	$ 399,560	$ 837,210
Liabilities and Net Assets				
Current liabilities:				
Accounts payable and accrued expenses	$ 1,090	$ 1,162	$ 15,439	$ 17,691
Compensated absences	-	611	52,338	52,949
Accrued interest	-	-	8,277	8,277
Capital lease obligations	-	-	96,121	96,121
Total current liabilities	1,090	1,773	172,175	175,038
Noncurrent liabilities:				
Advances from other funds	26,490	-	443,718	470,208
Other postemployment benefits obligation	-	-	6,590	6,590
LAGERS pension obligation	-	-	16,081	16,081
Capital lease obligations	-	-	157,326	157,326
Total noncurrent liabilities	26,490	-	623,715	650,205
Total liabilities	27,580	1,773	795,890	825,243
Net assets (deficit):				
Invested in capital assets, net of related debt	125,285	-	117,301	242,586
Unrestricted	(14,729)	297,741	(513,631)	(230,619)
Total net assets (deficit)	110,556	297,741	(396,330)	11,967
Total liabilities and net assets (deficit)	$ 138,136	$ 299,514	$ 399,560	$ 837,210

City of Excelsior Springs, Missouri

Combining Statement of Revenues, Expenses and Changes in Fund Net Assets (Deficit)
Nonmajor Enterprise Funds
Year Ended September 30, 2012

	Airport	Refuse	Golf	Total
Operating revenues:				
Charges for services	$ 7,759	$ 668,270	$ 590,107	$ 1,266,136
Rental income	14,775	-	-	14,775
Other	-	29,904	9,918	39,822
Total operating revenues	22,534	698,174	600,025	1,320,733
Operating expenses:				
Personnel services	-	20,693	374,284	394,977
Contractual and professional services	1,440	618,711	449	620,600
Utilities	4,699	1,764	29,253	35,716
Maintenance and repairs	3,731	1,330	82,439	87,500
Cost of goods sold	6,996	-	95,584	102,580
Insurance	2,385	-	5,911	8,296
Supplies and materials (administrative)	2,820	9,760	118,368	130,948
Depreciation	7,967	-	98,074	106,041
Total operating expenses	30,038	652,258	804,362	1,486,658
Operating income (loss)	(7,504)	45,916	(204,337)	(165,925)
Nonoperating revenue (expense):				
Investment earnings	-	1,149	15	1,164
Interest expense	-	-	(23,485)	(23,485)
Total nonoperating revenue (expense)	-	1,149	(23,470)	(22,321)
Income (loss) before transfers	(7,504)	47,065	(227,807)	(188,246)
Transfers in	25,000	-	38,470	63,470
Transfers out	(5,677)	(60,787)	(42,065)	(108,529)
	19,323	(60,787)	(3,595)	(45,059)
Change in net assets	11,819	(13,722)	(231,402)	(233,305)
Total net assets (deficit), beginning	98,737	311,463	(164,928)	245,272
Total net assets (deficit), ending	$ 110,556	$ 297,741	$ (396,330)	$ 11,967

City of Excelsior Springs, Missouri

Combining Statement of Cash Flows
Nonmajor Enterprise Funds
Year Ended September 30, 2012

	Airport	Refuse	Golf	Total
Cash flows from operating activities:				
Cash collected from customers	$ 20,809	$ 690,562	$ 590,107	$ 1,301,478
Cash from other operating revenue	-	-	9,918	9,918
Cash paid to suppliers for goods and services	(28,237)	(636,635)	(310,496)	(975,368)
Cash paid to employees for services	-	(20,082)	(344,372)	(364,454)
Net cash provided by (used in) operating activities	(7,428)	33,845	(54,843)	(28,426)
Cash flows from noncapital financing activities:				
Increase in advances from other funds	13,105	-	91,051	104,156
Transfers in	25,000	-	38,470	63,470
Transfers out	(5,677)	(60,787)	(42,065)	(108,529)
Net cash provided by (used in) noncapital financing activities	32,428	(60,787)	87,456	59,097
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(25,000)	-	(8,470)	(33,470)
Principal payments on capital leases	-	-	(9,135)	(9,135)
Interest paid	-	-	(16,511)	(16,511)
Net cash (used in) capital and related financing activities	(25,000)	-	(34,116)	(59,116)
Cash flows from investing activities:				
Purchase of investments	-	(150,000)	-	(150,000)
Interest income	-	1,149	15	1,164
Proceeds from maturity of investment	-	150,000	-	150,000
Net cash provided by investing activities	-	1,149	15	1,164
Net (decrease) in cash and cash equivalents	-	(25,793)	(1,488)	(27,281)
Cash and cash equivalents:				
Beginning	-	98,808	30,300	129,108
Ending	$ -	$ 73,015	$ 28,812	$ 101,827

(Continued)

City of Excelsior Springs, Missouri

Combining Statement of Cash Flows (Continued)
Nonmajor Enterprise Funds
Year Ended September 30, 2012

	Airport	Refuse	Golf	Total
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	$ (7,504)	$ 45,916	$ (204,337)	$ (165,925)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	7,967	-	98,074	106,041
(Increase) in accounts receivable	(1,725)	(7,612)	-	(9,337)
(Increase) in inventory	(4,051)	-	-	(4,051)
Decrease in prepaids	-	-	9,180	9,180
Increase (decrease) in accounts payable and accrued expenses	(2,115)	(5,070)	12,328	5,143
Increase in other postemployment benefits obligation	-	-	2,670	2,670
Increase in LAGERS pension obligation	-	-	10,378	10,378
Increase in compensated absences	-	611	16,864	17,475
Net cash provided by (used in) operating activities	$ (7,428)	$ 33,845	$ (54,843)	$ (28,426)

City of Excelsior Springs, Missouri

Combining Statement of Assets and Liabilities - Agency Funds
September 30, 2012

	Hospital	Payroll	Road District	Total
Assets				
Cash and cash equivalents	$ 6,665,833	$ 236,556	$ 436,557	$ 7,338,946
Taxes receivable	239,881	-	-	239,881
Total assets	$ 6,905,714	$ 236,556	$ 436,557	$ 7,578,827
Liabilities				
Accounts payable	$ -	$ 236,556	$ -	$ 236,556
Due to component unit	6,905,714	-	-	6,905,714
Due to other governments	-	-	436,557	436,557
Total liabilities	$ 6,905,714	$ 236,556	$ 436,557	$ 7,578,827

City of Excelsior Springs, Missouri

Statement of Changes in Assets and Liabilities - Agency Funds
Year Ended September 30, 2012

	Balance September 30, 2011	Additions	Deletions	Balance September 30, 2012
Hospital Fund				
Assets:				
Cash and cash equivalents	$ 5,904,372	$ 1,738,551	$ 977,090	$ 6,665,833
Taxes receivable	245,257	225,439	230,815	239,881
Total assets	$ 6,149,629	$ 1,963,990	$ 1,207,905	$ 6,905,714
Liabilities, due to component unit	$ 6,149,629	$ 1,963,990	$ 1,207,905	$ 6,905,714
Payroll Fund				
Assets, cash and cash equivalents	$ 97,861	$ 7,898,183	$ 7,759,488	$ 236,556
Liabilities, accounts payable	$ 97,861	$ 7,898,183	$ 7,759,488	$ 236,556
Road District Fund				
Assets, cash and cash equivalents	$ 562,518	$ 367,213	$ 493,174	$ 436,557
Liabilities:				
Accounts payable	$ -	$ 194,094	$ 194,094	$ -
Due to other governments	562,518	173,119	299,080	436,557
Total liabilities	$ 562,518	$ 367,213	$ 493,174	$ 436,557
Total Agency Funds				
Assets:				
Cash and cash equivalents	$ 6,564,751	$ 10,003,947	$ 9,229,752	$ 7,338,946
Taxes receivable	245,257	225,439	230,815	239,881
Total assets	$ 6,810,008	$ 10,229,386	$ 9,460,567	$ 7,578,827
Liabilities:				
Accounts payable	$ 97,861	$ 8,092,277	$ 7,953,582	$ 236,556
Due to component unit	6,149,629	1,963,990	1,207,905	6,905,714
Due to other governments	562,518	173,119	299,080	436,557
Total liabilities	$ 6,810,008	$ 10,229,386	$ 9,460,567	$ 7,578,827

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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.

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Financial Trends	
These schedules contain trend information to help the reader understand how the City's financial performance and well being have changed over time.	92 - 97
Revenue Capacity	
These schedules contain information to help the reader assess the City's most significant local revenue sources, the	98 - 103
Debt Capacity	
These schedules present information to help the reader assess the affordability of the City's current level of outstanding debt and the City's ability to issue additional debt	104 - 107
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	108 - 109
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and	110 - 116

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

City of Excelsior Springs, Missouri

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
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	14,097,836
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	7,905,742
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	2,941,166
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	24,944,744
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	10,048,555
Restricted	1,607,783	1,255,000	1,172,000	1,101,621	1,004,472	896,282	797,019	621,500	237,500	122,500
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	3,457,772
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	13,628,827
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	24,146,391
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	8,028,242
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	6,398,938
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	38,573,571

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
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	$ 1,404,253
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	5,133,158
Transportation	151,273	155,612	118,869	108,254	97,584	134,436	143,769	143,981	152,676	179,921
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	2,699,104
Health and Welfare	47,711	48,715	51,643	52,971	53,196	49,318	52,943	51,887	55,520	61,743
Recreational Activities	457,585	418,771	383,466	311,201	511,358	504,097	459,717	528,013	634,316	681,551
Cemetery Operations	-	-	-	-	-	-	-	-	17,810	64,716
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	1,342,907
Interest on long-term debt	449,855	469,131	396,908	346,140	230,991	195,191	176,710	137,029	102,165	68,995
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	11,636,348
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	2,146,197
Sewer	1,067,643	968,257	929,790	978,084	973,446	877,837	1,127,120	1,204,401	1,330,063	2,112,373
Golf	815,495	736,727	735,904	780,348	773,545	849,698	851,479	792,062	765,508	827,847
Airport	2,956	2,955	3,087	3,087	3,087	7,211	9,595	16,958	50,282	30,038
Refuse	281,996	314,480	321,202	352,558	376,787	439,794	537,746	667,284	638,336	652,258
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	5,768,713
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	17,405,061
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	119,458
Public Safety	861,701	807,716	907,474	845,597	798,748	1,080,352	1,216,136	1,396,007	1,406,395	1,429,581
Transportation	38,229	31,350	31,265	30,264	26,156	31,802	30,213	33,036	30,767	29,377
Public Works	145,483	6,828	4,807	74,217	15,638	355,916	52,566	159,468	333,091	452,309
Health and Welfare	-	-	-	-	-	-	-	-	-	-
Recreational Activities	31,707	35,762	23,910	32,080	31,919	23,720	36,965	50,018	127,279	80,942
Cemetery Operations	-	-	-	-	-	-	-	-	10,095	69,581
Community Betterment	237,340	101,089	188,463	175,159	156,780	78,710	130,182	53,766	203,450	101,659
Operating grants and contributions:										
Public Safety	9,553	-	-	23,523	19,187	-	90,704	437,247	274,758	74,419
Transportation	41,109	52,583	36,319	35,852	29,057	56,385	55,079	56,004	61,309	62,338
Public Works	-	191,911	553,718	535,311	590,406	553,271	1,388,218	477,368	492,908	482,165
Health and Welfare	15,125	17,875	13,750	19,250	12,375	21,323	17,875	16,500	16,500	13,750
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	59,246
Capital grants and contributions:										
Public Works	-	-	-	-	-	-	-	-	-	535,655
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	3,510,480

City of Excelsior Springs, Missouri

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
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	3,185,896
Sewer	933,475	938,682	910,652	963,116	1,055,082	1,087,548	1,125,837	1,198,899	1,555,214	1,918,120
Golf	762,814	674,806	667,310	719,440	720,394	774,704	736,047	603,071	583,241	590,107
Airport	6,600	6,003	4,800	9,600	1,200	22,055	18,985	25,074	33,729	22,534
Refuse	353,441	359,919	370,127	407,217	461,351	527,077	565,680	724,882	705,849	698,174
Operating/capital grants and contributions:										
Water	-	-	12,721	-	-	31,011	-	-	15,300	-
Sewer	-	-	136,115	-	-	-	-	-	-	-
Golf	-	-	1,248	-	15,250	-	-	16,483	12,577	9,918
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	6,424,749
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	9,935,229
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)	(8,125,868)
Business-type activities	(211,468)	(49,649)	212,721	239,798	494,646	811,295	667,416	741,585	1,116,741	656,036
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)	(7,469,832)
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	1,973,387
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	5,047,335
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	1,386,103
Cigarette tax	106,606	103,656	104,224	108,050	124,716	131,389	128,419	117,079	116,058	121,767
Railroad and Utility/Financial Institution Tax	29,926	40,674	76,421	54,581	66,088	63,722	51,582	52,715	60,219	55,488
Interest and investment earnings	115,442	120,513	175,527	269,903	313,854	289,426	179,924	148,491	157,789	153,209
Miscellaneous	174,561	112,378	43,004	145,955	85,070	166,436	164,471	48,620	73,369	156,404
Gain on sale of capital assets	-	-	-	-	-	13,416	46,318	21,295	-	35,665
Transfers	326,263	317,659	316,396	341,985	368,734	330,955	319,270	(638,842)	211,550	314,563
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	9,243,921
Business-type activities:										
Investment earnings	121,629	100,106	131,484	184,517	201,802	120,723	96,786	84,269	125,120	803,613
Miscellaneous	30,336	-	-	16,908	-	-	-	-	-	95,000
Transfers	(326,263)	(317,659)	(316,396)	(341,985)	(368,734)	(330,955)	(319,270)	638,842	(211,550)	(314,563)
Total business-type activities	(174,298)	(217,553)	(184,912)	(140,560)	(166,932)	(210,232)	(222,484)	723,111	(86,430)	584,050
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	9,827,971
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	1,118,053
Business-type activities	(385,766)	(267,202)	27,809	99,238	327,714	601,063	444,932	1,464,696	1,030,311	1,240,086
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	$ 2,358,139

City of Excelsior Springs, Missouri

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental activities:										
General government	174,783	153,283	156,743	153,400	154,677	158,180	108,035	121,535	115,858	119,458
Public Safety	871,254	807,716	907,474	869,120	817,935	1,080,352	1,306,840	1,833,254	1,681,153	1,504,000
Transportation	79,338	83,933	67,584	66,116	55,213	88,187	85,292	89,040	92,076	91,715
Public works	145,483	198,739	558,525	609,528	606,044	909,187	1,440,784	636,836	825,999	1,470,129
Health and Welfare	15,125	17,875	13,750	19,250	12,375	21,323	17,875	16,500	16,500	13,750
Cemetery operations	-	-	-	-	-	-	-	-	218,691	69,581
Recreational Activities	31,707	35,762	23,910	32,080	49,139	23,720	42,584	79,286	127,279	80,942
Community Betterment	306,972	131,468	225,786	376,093	169,891	152,433	595,092	552,936	272,959	160,905
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	3,510,480
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	3,185,896
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	1,918,120
Golf	762,814	674,806	668,558	719,440	735,644	774,704	736,047	619,554	595,818	600,025
Airport	6,600	6,003	4,800	9,600	1,200	22,055	18,985	25,074	33,729	22,534
Refuse	353,441	359,919	370,127	407,217	461,351	527,077	565,680	724,882	705,849	698,174
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	6,424,749
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	9,935,229

City of Excelsior Springs, Missouri

Fund Balances, Governmental Funds
Fiscal Years 2003 thru 2012
(modified accrual basis of accounting)
(Unaudited)

	Fiscal Year:									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Fund										
Reserved	$ 647,012	$ 413,830	$ 440,488	$ 488,887	$ 680,901	$ 523,908	$ 605,457	$ -	$ -	$ -
Unreserved	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	-	-	-
Nonspendable	-	-	-	-	-	-	-	473,306	609,295	718,647
Restricted	-	-	-	-	-	-	-	533,045	374,916	333,987
Assigned	-	-	-	-	-	-	-	-	-	149,913
Unassigned	-	-	-	-	-	-	-	1,968,669	2,503,528	2,741,668
Total General Fund	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	3,944,215
All Other Governmental Funds:										
Reserved	675,491	728,935	729,062	745,330	762,406	806,977	814,435	-	-	-
Unreserved, reported in:								-	-	-
Permanent funds	-	-	-	-	-	-	-	-	-	-
Special revenue funds	3,212,851	2,887,648	3,050,866	4,035,096	4,627,324	6,235,984	6,369,183	-	-	-
Debt Service funds	-	-	-	-	-	-	-	-	-	-
Capital project funds	682,655	420,829	379,927	228,041	144,585	5,243	8,083	-	-	-
Nonspendable	-	-	-	-	-	-	-	65,000	179,349	191,454
Restricted	-	-	-	-	-	-	-	7,205,598	7,856,353	7,593,470
Assigned	-	-	-	-	-	-	-	-	56,620	48,257
Unassigned	-	-	-	-	-	-	-	(99,411)	(88,821)	(74,816)
Total all other governmental funds	$ 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	$ 7,758,365

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)

	Fiscal Year:									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues:										
Taxes	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	8,517,463
Special Assessments	37,079	62,322	95,539	149,320	69,343	96,071	116,814	137,445	165,353	25,448
Intergovernmental	880,494	781,976	641,110	885,109	695,535	728,967	2,000,132	1,522,091	1,250,393	1,142,453
Licenses and permits	197,005	192,821	198,599	246,662	198,893	187,445	156,292	167,034	162,592	216,721
Charges for services	652,079	630,232	670,407	604,883	533,340	1,100,585	689,044	739,316	857,411	865,814
Fines and forfeitures	262,168	187,345	243,367	239,717	270,671	253,044	449,262	583,827	513,521	589,176
Use of money and property	159,375	120,513	175,527	239,838	313,854	289,426	179,924	148,491	157,789	153,209
Other	86,001	174,892	143,387	255,987	182,562	358,073	377,003	366,736	322,609	333,723
Total revenues	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	11,844,007
Expenditures										
General government	681,847	701,629	702,222	884,157	942,909	911,771	1,152,687	1,565,011	1,036,565	1,145,511
Public Safety	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	4,798,155
Transportation	127,438	97,723	66,095	69,496	65,968	102,727	103,722	101,124	109,819	137,064
Public works	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	2,007,259
Health and Welfare	47,144	48,148	48,661	52,971	53,196	49,318	52,943	51,887	55,520	61,743
Recreational Activities	348,798	423,553	431,884	412,602	480,314	467,305	514,928	482,231	600,097	604,313
Cemetery operations	-	-	-	-	-	-	-	-	17,810	64,716
Community Betterment	707,236	968,736	888,899	962,414	1,284,475	1,083,373	1,723,383	1,688,209	1,502,589	1,337,350
Capital outlay	158,434	291,772	225,935	169,941	9,291	310,385	723,525	268,729	1,147,738	1,067,523
Debt service:										
Principal	466,076	687,020	734,708	842,496	1,120,388	670,249	661,500	684,166	786,939	689,823
Bond issuance costs	-	131,488	-	-	-	-	-	-	-	-
Interest	459,204	342,532	283,780	259,935	233,626	206,205	182,252	150,563	120,097	82,524
Total expenditures	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	11,995,981
Excess of revenues (under) expenditures	1,923	(927,757)	(84,019)	351,379	(65,640)	1,848,541	(18,804)	216,320	904,887	(151,974)
Other financing sources (uses):										
Transfers in	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	1,537,307
Transfers out	(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)	(1,222,744)
Issuance of long-term debt	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	41,562	-	-	-	-	-	-	-	208,596	-
Proceeds from sale of property	83,818	42,302	4,367	-	392	42,901	46,318	32,000	20,000	48,751
Total other financing sources (uses)	991,925	513,703	320,763	341,985	715,491	373,856	365,588	(606,842)	440,146	363,314
Net changes in fund balance	993,848	(414,054)	236,744	693,364	649,851	2,222,397	346,784	(390,522)	1,345,033	211,340
Debt service as a percentage of noncapital expenditures	11.06%	13.15%	12.40%	12.88%	14.20%	9.91%	7.39%	7.85%	9.00%	7.07%

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
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
2012	1,906,770	5,047,335	1,386,103	121,767	55,488	8,517,463
Change 2003-2012	26.98%	44.63%	36.14%	14.22%	25.41%	38.26%

Source: City records.

City of Excelsior Springs, Missouri

Principal Sales Tax Industries
Calendar Years 2012 and 2003
(Unaudited)

Industry	Percentage of Total City Sales Tax Revenues: Calendar Year 2012 {1}	Calendar Year 2003
General Merchandise Stores	33.33 %	25.46 %
Food Stores	15.71	24.85
Eating And Drinking Places	10.23	7.02
Miscellaneous Services	3.86	1.04
Building Materials, Hardware, Garden Supply	3.46	0.37
Communication	3.00	3.56
Miscellaneous Retail	2.91	11.3
Business Services	2.23	0.37
Automotive Dealers And Gasoline Service	2.16	4.29
Construction - Special Trade Contractors	2.16	-
	79.1 %	78.2 %

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.

{1} Calendar year 2012 percentages based upon quarters 1 thru 3 values as fourth quarter values were not yet available when this schedule was prepared.

City of Excelsior Springs, Missouri

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

Tax Year	Real Estate			Personal Property	Railroad and Utility {a}	Total Taxable Assessed Value	Percent Growth	Total Direct Tax Rate	Actual Taxable Value	Value as a Percentage of Actual Value
	Residential	Commercial	Agricultural							
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	1.65%	1.1485	591,583,234	23.47%
2012	72,277,950	31,348,805	1,006,420	29,694,489	4,901,136	139,228,800	0.75%	1.1389	592,061,462	23.52%

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
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
2012	0.6178	0.1737	0.1737	0.1737	5.2000	0.8953	1.5347	0.0300	7.2642	7.9036

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)

	2012			2003		
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 2003.

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	
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%	124,774	1,422,393	99.98%	{a}
2007	2006	1,410,769	1,332,219	94.43%	78,163	1,410,382	99.97%	{a}
2008	2007	1,492,912	1,387,574	92.94%	104,617	1,492,191	99.95%	{a}
2009	2008	1,575,920	1,422,085	90.24%	135,742	1,557,827	98.85%	
2010	2009	1,608,210	1,551,456	96.47%	41,039	1,592,495	99.02%	
2011	2010	1,716,453	1,665,415	97.03%	31,948	1,697,363	98.89%	
2012	2011	1,584,714	1,539,134	97.12%	-	1,539,134	97.12%	

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
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
2012	-	1,230,000	-	122,500	35,450,000	253,447	163,333	37,219,280	N/A	N/A

City of Excelsior Springs, Missouri

Direct and Overlapping Governmental Activities Debt
For the Year Ended September 30, 2012
(Unaudited)

Governmental Unit		Debt Outstanding	Estimated Percentage Applicable		Estimated Share of Overlapping Debt
Clay County	[1]	none	n/a		-
Ray County	[1]	none	n/a		-
Excelsior Springs School District	[1]	29,893,050	66.67%	[2]	19,929,696
Subtotal, overlapping debt		29,893,050			19,929,696
City Direct Debt		-	100.00%		-
Total direct and overlapping debt		29,893,050			$ 19,929,696

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 2012	
Assessed value	$ 138,824
Debt limit (20% of assessed value)	27,765
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	$ 27,765

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Debt limit	24,138	25,372	26,843	27,396	27,396	27,112	27,314	27,639	27,140	27,765
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	24,138	25,372	26,843	27,396	27,396	27,112	27,314	27,639	27,140	27,765
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
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
2012	326,900	3,025	323,875	265,000	58,875	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
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 {b}	111,846	0.56
2012	3,528,862	1,322,600	2,206,262	340,000	974,239	1.68

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
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
2012	2,432,464	1,048,732	1,383,732	235,000	947,239	1.17

{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 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}	{b}	{c}	{d}	{e}	{f}	{g}
2003	11,179	6,581,207	46,311	34,023	36.1	2,968	4.90%	5.5%	5.8%
2004	11,292	6,665,138	46,426	33,882	36.7	2,974	5.00%	5.7%	5.1%
2005	11,408	6,952,871	47,643	34,650	36.4	2,944	4.40%	4.9%	4.8%
2006	11,765	7,407,283	48,625	35,893	36.1	2,927	5.60%	4.8%	4.4%
2007	11,932	7,878,432	49,301	37,307	37.7	2,864	4.40%	5.2%	4.5%
2008	12,157	8,301,583	49,660	38,587	39.2	2,848	5.40%	6.3%	6.0%
2009	12,575	8,087,916	52,037	36,819	35.7	2,779	8.70%	9.5%	9.5%
2010	12,253	8,294,066	53,209	37,246	35.0	2,783	8.50%	9.1%	9.2%
2011	12,039 {h}	8,604,111	54,146	38,213	36.6	2,783	7.80%	8.3%	8.8%
2012	***	***	***	***	38.7	2,960	6.00%	6.3%	7.6%

*** 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} School district.
{e} Clay County unemployment rate, not seasonally adjusted (www.bls.gov).
{f} State of Missouri unemployment rate, not seasonally adjusted (www.bls.gov).
{g} National unemployment rate, not seasonally adjusted (www.bls.gov).
{h} ACS Demographic Estimates (http://factfinder.census.gov/servlet/ACSSAFFFacts?_event=&ActiveGeoDiv=geoSelect&pctxt=fph&_lang=en&_sse=on&geo_id=16000US2923086&_state=04000US29)

City of Excelsior Springs, Missouri

Principal Employers
Current Year and Nine Years Ago
(Unaudited)

	2012			2003		
Employer	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
	{a}		**{b}**			**{b}**
Excelsior Springs School District	346	1	5.93%	312	2	7.15%
Wal-Mart	325 **{c}**	2	5.57%	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.	300	5	5.14%	***	n/a	n/a
Excelsior Springs Job Corps Center	197	6	3.37%	160	7	3.67%
Magna Intier Auto Interiors	201	7	3.44%	190	5	4.36%
Robert Bosch Tool Corporation	222	8	3.80%	131	9	3.00%
Gilmore Group	0 **{d}**	9	0.00%	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.
{d} Gilmore Group employees were consolidated with Robert Bosch Tool Corporation beginning this year.

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									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
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	4	4	4	4	4	4	4	4	4	4
Human Resources	0	0	0	0	0	1	1	1	1	1
Building Maintenance	1	1	1	1	1	1	1	1	1	1
Community Development	2	2	2	2	1	1	1	1	1	1
Planning & Zoning	1	1	1	1	1	1	0	1	1	1
Inspections	3	3	2	2	2	3	3	3	3	3
Senior Center	1	1	1	1	1	1	1	1	1	1
Cemetery	0	0	0	0	0	0	0			
Police:										
Officers	21	20	20	22	22	22	23	22	22	22
Civilians	9	10	9	10	10	11	11	12	12	12
Fire:										
Firefighters and Officers	17	17	18	18	17	19	20	19	19	19
Civilians	1	0	0	0	1	1	1	1	1	1
Street Maintenance	7		6	5	5	5	5	5	6	6
Water:		7								
Administration	2	2	2	2	2	2	1	1	1	1
Transmission/Purification	5	7	7	7	7	7	8	8	8	8
Sewer:										
Administration	0	0	0	0	0	0	0	0	1	1
Transmission/Treatment	6	6	5	6	6	6	8	11	11	11
Construction Services:										
Administration	1	1	1	1	1	1	1	1	0	0
Maintenance	11	9	10	10	10	10	8	7	7	7
Parks and Recreation	4	4	4	4	4	4	4	4	5	5
Transportation:										
Dispatch	1	1	1	1	1	1	1	1	1	1
Drivers	0	0	0	0	0	1	1	1	1	1
Golf:										
Maintenance	2	2	2	2	2	2	2	2	2	2
Pro Shop	1	1	1	1	1	1	1	1	1	1
Food and Beverage Sales	2	2	2	2	1	1	1	1	1	1
Total	105	104	102	105	103	109	110	112	114	114

City of Excelsior Springs, Missouri

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

Function/Program		2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Police:											
Calls for service		10,807	10,862	11,126	11,014	11,316	9,386	9,231	7,982	8,497	8,773
Adult and Juvenile arrests		993	934	1,069	1,147	1,033	812	826	888	936	868
Speeding citations only		212	220	330	348	333	362	390	442	149	359
Traffic citations		1,384	1,989	3,277	3,014	2,596	2,195	2,439	2,819	1,673	2,394
Police Reports		3,803	3,864	3,120	2,879	2,638	2,359	2,285	2,317	2,249	2,362
DWI's - Municipal		62	53	89	75	70	39	98	77	14	15
Red Light Camera violations	{d}	-	-	-	-	-	-	4,039	3,110	4,971	4,062
E 9-1-1 Calls		-	-	-	-	-	-	-	4,586	4,981	5,505
Fire and EMS:											
Total ambulance runs		1,704	1,935	2,007	1,912	1,655	1,857	1,823	1,600	2,071	2,114
Total fire runs		479	518	518	522	430	441	602	345	412	477
Property loss		117,400	255,300	454,200	385,300	151,000	1,807,650	739,600	359,000	208,000	557,820
Building Inspections:											
Total building permits	{a}	448	437	396	960	421	319	284	333	298	462
Total value all permits		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	13,641,399
Public service:											
Garbage collected (ton)	{b}	**	**	3,832	3,810	3,330	3,360	2,324	1,865	2,474	2,551
Recycle collected (ton)	{b}	**	**	61	55	67	85	372	309	446	416
Parks and Recreation:											
Recreation program participation:											
Youth		862	833	998	1,177	1,255	1,400	1,113	1,249	1,423	1,968
Adult		338	308	256	178	282	400	354	436	565	574
Exercise programs		n/a	n/a	n/a	n/a	n/a	n/a	n/a	220	386	635
Youth art programs		n/a	n/a	n/a	n/a	n/a	n/a	n/a	208	234	61
Golf course:											
Golf rounds played	{c}	18,155	17,387	13,898	21,262	20,107	20,475	18,870	18,712	16,585	17,174
Golf memberships	{c}	274	232	204	237	256	256	263	262	197	178

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		2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
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	1	1	1	1	1	1	1	1	1
Parks and Recreation:											
Acreage		220	220	220	220	220	220	225	225	225	225
Parks		12	12	12	12	12	12	13	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	1	1	1	1	1	1	1	1
Skate Parks		-	-	1	1	1	1	1	1	1	1
Parks with Playground Equipment		7	7	7	7	7	7	8	8	8	8
Golf courses		1	1	1	1	1	1	1	1	1	1
Picnic Shelters		8	9	9	9	9	9	11	11	11	11
Community Centers		1	1	1	1	1	1	1	1	1	1
Street Department											
Miles of Streets		110	113	115	117	117	117	117	117	117	117
Street Lights		1,005	1,006	1,007	1,007	1,007	1,007	1,007	1,007	1,007	1,007
Water:											
Wells		6	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		273	274	275	276	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)		1.22	1.24	1.22	1.55	1.55	1.55	1.55	1.55	1.55	1.55
Peak Consumption (MGPD)		1.91	1.50	1.55	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Wastewater:											
Sanitary Sewers (miles)		118.16	129.50	141.00	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 Eight 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
2012	54	3,825,317	18	7,916,865	72	11,742,182

City of Excelsior Springs, Missouri

Top 10 Water Users
Fiscal Year Ending September 30, 2012
(Unaudited)

Business Name	Type of Business	Percentage of Total Usage
Ray County Public Water District No. 1	Neighboring Water District	11.4%
City of Lawson	Neighboring City	11.3%
Clay County Public Water District No. 3	Neighboring Water District	10.8%
American Italian Pasta Company	Pasta manufacturer	4.6%
Liberty Carbon Service	Carbon regeneration	3.4%
Excelsior Springs Job Corps	Education	1.6%
Gilmour Manufacturing	Garden hose and sprinkler manufacturer	1.5%
REXAM (Precise Technology)	Consumer packaging manufacturer	1.2%
Excelsior Springs Hospital	Local Hospital	0.7%
City of Prathersville	Neighboring City	0.6%

City of Excelsior Springs, Missouri

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

	Fiscal Year Ended September 30,			
	2009	2010	2011	2012
Total number of customers				
Residential	3,952	4,098	4,084	4,047
Commercial	419	418	421	420
Percent outside customers				
Residential	4.20%	4.17%	4.21%	4.32%
Commercial	1.90%	2.39%	2.14%	1.90%
Percent billed greater than 30,000 gallons				
Residential	0.40%	0.47%	0.47%	0.44%
Commercial	13.60%	12.60%	12.50%	12.62%
Average annual customers				
Residential < 30,000 gallons	3,771	3,908	3,894	3,855
Residential > 30,000 gallons	15	19	18	17
Outside Residential < 30,000 gallons	165	170	171	174
Outside Residential > 30,000 gallons	1	1	1	1
Commercial < 30,000 gallons	355	358	361	360
Commercial > 30,000 gallons	56	50	51	52
Outside Commercial < 30,000 gallons	7	7	7	7
Outside Commercial > 30,000 gallons	1	3	2	1
Total average annual customers	4,371	4,516	4,505	4,467
Annual consumption (1,000 gal)				
Retail				
Residential < 30,000 gallons	192,840	189,177	186,915	189,251
Residential > 30,000 gallons	24,503	27,434	28,043	26,616
Outside Residential < 30,000 gallons	8,257	8,179	8,228	9,537
Outside Residential > 30,000 gallons	396	292	482	451
Commercial < 30,000 gallons	15,547	16,708	17,027	15,242
Commercial > 30,000 gallons	137,607	136,357	136,215	126,809
Outside Commercial < 30,000 gallons	346	304	263	252
Outside Commercial > 30,000 gallons	5,326	6,422	4,525	4,432
Tank water	1,081	977	1,233	1,241
Subtotal retail consumption (1,000 gal)	385,903	385,850	382,931	373,831
Wholesale				
Mosby	5,506	5,668	5,806	3,090
Prathersville	3,200	3,386	4,610	3,807
Clay County Public Water District # 3	61,092	61,078	68,142	63,698
City of Lawson	64,143	66,919	63,516	66,311
Ray County Public Water District # 1	61,705	59,980	61,580	66,773
Subtotal	195,646	197,031	203,654	203,679
Total annual consumption (1,000 gal)	581,549	582,881	586,585	577,510

City of Excelsior Springs, Missouri

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

	Fiscal Year Ended September 30,			
	2009	2010	2011	2012
AVERAGE ANNUAL CUSTOMERS				
Residential	3,983	3,948	3,398	3,652
Outside Residential	11	10	8	8
Commercial	392	391	340	370
Outside Commercial	4	3	3	3
Total Average Annual Customers	4,390	4,352	3,750	4,033
ANNUAL CONSUMPTION (1,000 GALLONS)				
Residential	200,922	202,525	198,781	201,856
Outside Residential	87	79	36	39
Commercial	143,519	141,538	141,043	127,349
Outside Commercial	3,008	3,613	1,060	1,473
Total Annual Consumption (1,000 Gallons)	347,536	347,755	340,920	330,717