

City of Excelsior Springs, Missouri

Comprehensive Annual Financial Report

Year Ended September 30, 2008

City of Excelsior Springs, Missouri

Comprehensive Annual Financial Report

Year Ended September 30, 2008

Prepared by:
Finance Department

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January 31, 2009

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, 2008, is hereby submitted to fulfill those requirements. This report was prepared by the Finance Department in close cooperation with the external auditor, McGladrey & Pullen, Certified Public Accountants, LLP.

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

McGladrey & Pullen, Certified Public Accountants, LLP, have issued an unqualified ("clean") opinion on the City of Excelsior Springs' financial statements for the year ended September 30, 2008. 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 5.4% in September 2008, which is slightly below the state and national average of approximately 6.2% and 6.0%, respectively. During the past ten years the Clay County unemployment rate has varied from a low of 2.0 % to a high of 5.5%.

During the past ten years, the government's expenses related to public safety have increased not only in amount, but also as a percentage of total expenses (a ten-year increase of 10 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 \$3,404,000, or 68.5%. The largest single contributor in this increase was general sales and use tax which increased by approximately \$1,922,000, or 66.3%. Property tax revenues also increased by approximately \$856,000, or 84.1 percent, during this ten-year period. The increase in property tax revenues was driven primarily by the growth in assessed value.

Long-term financial planning

The unreserved, undesignated fund balance in the general fund (20.4 percent of total general fund revenues) falls within the policy guidelines set by the City Council. The unreserved fund balance in the general fund, including those monies designated for City Council use, is 37.7 percent of total general fund revenues, exceeds the minimum recommended by the Government Finance Officers Association (a fund balance in their general fund of no less than five to 15 percent of regular general fund operating revenues).

Late in fiscal year 2008 the City of Excelsior Springs began the process of updating its master plan. We anticipate that this document will be complete late in fiscal year 2009 or early in fiscal year 2010.

Major Initiatives

On August 25, 2006 the City obtained a new five-year operating permit for the Wastewater Treatment Plant. As the Environmental Protection Agency (EPA) has issued updated water quality standards for those entities discharging wastewater effluent into "full-body contact" streams, the City anticipates not being able to qualify for renewal of the Wastewater Discharge Permit without first completing substantial upgrades and improvements. The first stage of the required/needed improvements has been completed as a pilot project. After a working-in and testing of this pilot project, and engineering and staff evaluation of the results, a decision will be made regarding which additional improvements and upgrades will be completed in order to qualify for the renewal of our Wastewater Discharge Permit prior to its expiration on August 24, 2011.

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

Awards and Acknowledgements

The Government Finance Officers Association 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, 2007. This was the second 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 unflinching support for maintaining the highest standards of professionalism in the management of the City of Excelsior Springs' finances.

Respectfully submitted,



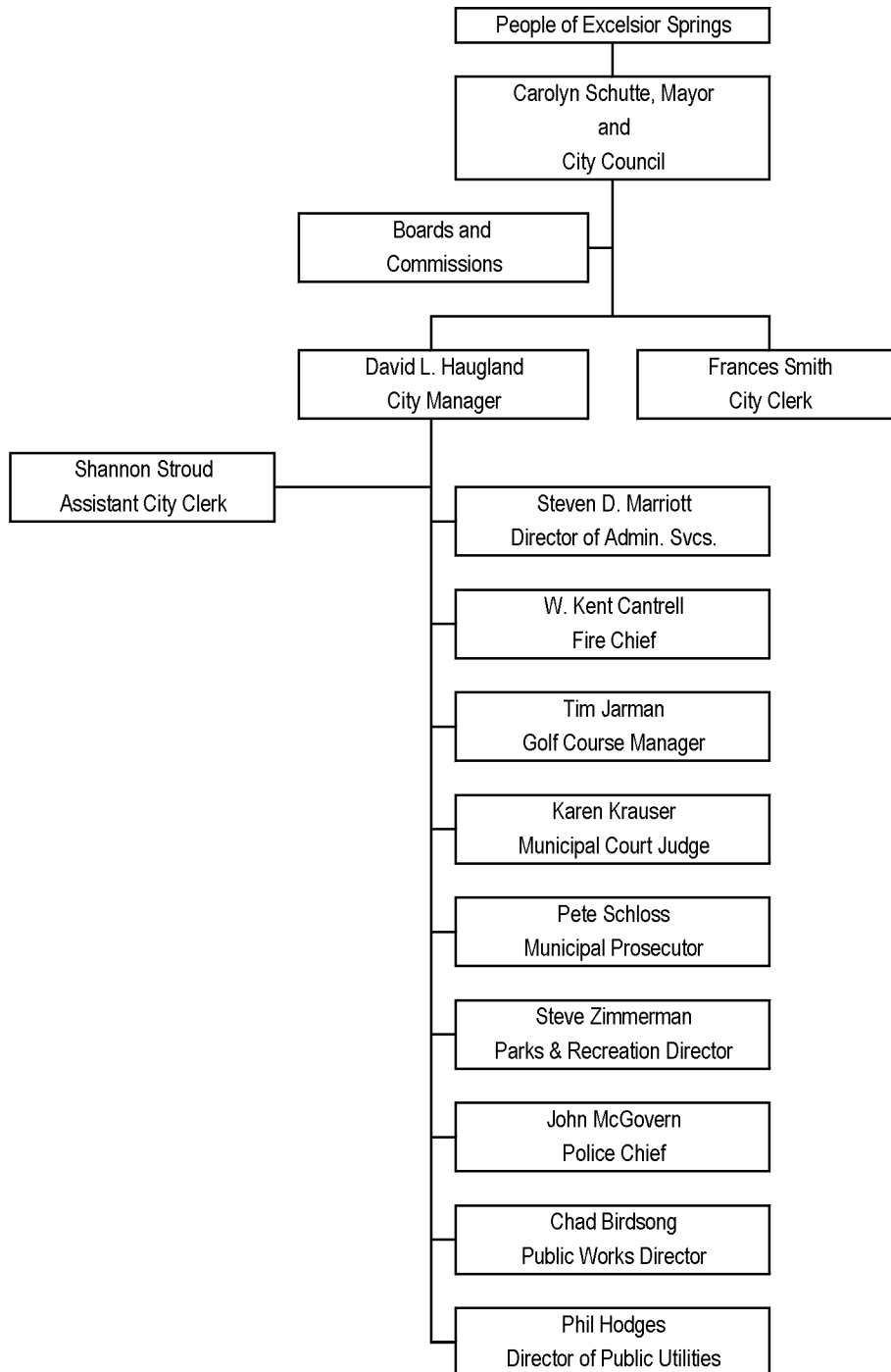
Steven D. Marriott, CPA
Director of Administrative Services

City of Excelsior Springs, Missouri

Organizational Chart

Year Ended September 30, 2008

City of Excelsior Springs, Missouri



City of Excelsior Springs, Missouri

Principal Officials
September 30, 2008

Elected Officials

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

Appointed Officials

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

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Excelsior Springs
Missouri

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2007

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



President

Executive Director

McGladrey & Pullen

Certified Public Accountants

Independent Auditor's Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Excelsior Springs, Missouri, as of and for the year ended September 30, 2008, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Excelsior Springs, Missouri's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the City Hospital, the discretely presented component unit of the City, which represents all of the assets and revenues of the discretely presented component unit opinion unit and 49 percent of the assets of the aggregate remaining fund information for the Hospital's agency fund. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the City Hospital, is based on the report of the other auditors.

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

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, 2008, and the respective changes in financial position and cash flows, where applicable, thereof, and the respective budgetary comparison for the General Fund, Construction Services Fund, Parks and Recreation Fund, Capital Improvements Fund and Tax Increment Financing-Wal-Mart/Elms Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 26, 2009 on our consideration of the City of Excelsior Springs, Missouri's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 3 through 15 and the Pension Plan Schedule of Funding Progress and Schedule of Employer Contributions on page 67 are not a required part of the basic financial statements but are supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

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

McGladrey & Pullen, LLP

Kansas City, Missouri
January 26, 2009

City of Excelsior Springs, Missouri

Management's Discussion and Analysis For Fiscal Year Ended September 30, 2008

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, 2008. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

Financial Highlights

- The assets of the City of Excelsior Springs (primary government only) exceeded its liabilities at the close of the most recent fiscal year by \$28,723,482. Of this amount, \$6,283,914 may be used to meet the government's ongoing obligations to citizens and creditors. For fiscal year 2007, assets exceeded liabilities by \$25,246,855 of which \$5,128,389 was unrestricted.
- The government's total net assets increased by \$3,476,627 and \$1,706,365 for fiscal years ended September 30, 2008 and 2007, respectively. Analysis is included in the overview of the financial statements.
- As of the close of the current fiscal year, the City of Excelsior Springs' governmental funds reported combined ending fund balances of \$10,189,945, an increase of \$2,222,397. Approximately \$7,659,060 of this amount is available for spending at the government's discretion. Total governmental funds combined ending fund balances in fiscal year 2007 were \$7,967,548.
- At the end of the current fiscal year, the unreserved fund balance for the General Fund was \$2,617,833 or 45 percent of total General Fund expenditures.
- The City of Excelsior Springs total debt (excluding compensated absences) decreased by \$1,232,839 (12 percent) during the current fiscal year.

Overview of the Financial Statements

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

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

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

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

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

City of Excelsior Springs, Missouri

Management's Discussion and Analysis For Fiscal Year Ended September 30, 2008

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, Construction Services Special Revenue Fund, Parks and Recreation Special Revenue Fund, Capital Improvements Special Revenue Fund and Tax Increment Financing – Wal-Mart/Elms Special Revenue Fund, which are considered to be major funds. Data from the other 13 funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on pages 20-30 of this report.

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

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

City of Excelsior Springs, Missouri

**Management's Discussion and Analysis
For Fiscal Year Ended September 30, 2008**

The basic proprietary fund financial statements can be found on pages 31-38 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City of Excelsior Springs' own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

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

Notes to basic financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to basic financial statements can be found on pages 40-66 of this report.

Other information. The combining statements referred to earlier in connection with nonmajor funds and combining and individual fund statements and schedules can be found on pages 68-86 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 \$28,723,482 at the close of the most recent fiscal year.

A large portion of the City of Excelsior Springs' net assets (57 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	
	2008	2007	2008	2007	2008	2007
Current and other assets	\$ 11,704,347	\$ 9,539,636	\$ 3,280,937	\$ 3,636,046	\$ 14,985,284	\$ 13,175,682
Capital assets	13,652,828	13,643,034	12,210,916	11,646,002	25,863,744	25,289,036
Total assets	25,357,175	23,182,670	15,491,853	15,282,048	40,849,028	38,464,718
Long-term liabilities outstanding	3,390,928	4,052,429	4,293,203	5,334,320	7,684,131	9,386,749
Other liabilities	2,691,567	2,731,125	1,749,848	1,099,989	4,441,415	3,831,114
Total liabilities	6,082,495	6,783,554	6,043,051	6,434,309	12,125,546	13,217,863
Net assets:						
Invested in capital assets, net of related debt	9,600,400	8,920,357	6,876,597	5,749,093	16,476,997	14,669,450
Restricted	5,066,289	4,443,656	896,282	1,005,360	5,962,571	5,449,016
Unrestricted	4,607,991	3,035,103	1,675,923	2,093,286	6,283,914	5,128,389
Total net assets	\$ 19,274,680	\$ 16,399,116	\$ 9,448,802	\$ 8,847,739	\$ 28,723,482	\$ 25,246,855

City of Excelsior Springs, Missouri

**Management's Discussion and Analysis
For Fiscal Year Ended September 30, 2008**

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 (\$6,283,914 or 22 percent) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of 2008 and 2007, the City of Excelsior Springs is able to report positive balances in all three categories of net assets for the governmental activities and business-type activities.

There was an increase of \$590,371 in restricted net assets reported in connection with the City of Excelsior Springs' governmental activities. This increase was caused primarily by an increase in the monies held for transportation trust projects, parks and recreation projects and an increase in public safety sales tax funds on hand.

There was a decrease of \$109,078 in restricted net assets reported in connection with the City of Excelsior Springs' business-type activities. This decrease resulted primarily from the release of collateral pledged by the Missouri Department of Natural Resources related to the 1992 Sewerage Revenue Bonds.

The government's net assets increased by \$3,476,627 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 2008	Business-Type Activities 2008	2008 Total	Governmental Activities 2007	Business-Type Activities 2007	2007 Total
Revenues:						
Program revenues:						
Charges for services	\$ 1,678,609	\$ 4,621,820	\$ 6,300,429	\$ 1,183,918	\$ 4,313,363	\$ 5,497,281
Operating grants and contributions	704,702	-	704,702	681,356	-	681,356
Capital grants and contributions	28,391	31,011	59,402	-	15,250	15,250
General revenues:						
Property taxes	1,873,053	-	1,873,053	1,722,677	-	1,722,677
General sales and use tax	4,820,222	-	4,820,222	4,788,957	-	4,788,957
Franchise tax	1,481,454	-	1,481,454	1,101,815	-	1,101,815
Cigarette tax	131,389	-	131,389	124,716	-	124,716
Railroad and utility/financial institution tax	63,722	-	63,722	66,088	-	66,088
Investment earnings	339,497	120,723	460,220	313,854	201,802	515,656
Miscellaneous	166,436	-	166,436	85,070	-	85,070
Gain on sale of capital assets	13,416	-	13,416	-	-	-
Total revenues	11,300,891	4,773,554	16,074,445	10,068,451	4,530,415	14,598,866

City of Excelsior Springs, Missouri

Management's Discussion and Analysis
For Fiscal Year Ended September 30, 2008

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

	Governmental Activities 2008	Business-Type Activities 2008	2008 Total	Governmental Activities 2007	Business-Type Activities 2007	2007 Total
Expenses:						
General government	966,831	-	966,831	999,410	-	999,410
Public safety	4,048,900	-	4,048,900	4,450,412	-	4,450,412
Transportation	134,436	-	134,436	97,584	-	97,584
Public works	1,767,511	-	1,767,511	1,428,481	-	1,428,481
Health and welfare	49,318	-	49,318	53,196	-	53,196
Recreational activities	504,097	-	504,097	511,358	-	511,358
Community betterment	1,089,998	-	1,089,998	1,287,102	-	1,287,102
Interest and fiscal charges	195,191	-	195,191	230,991	-	230,991
Water	-	1,666,996	1,666,996	-	1,707,102	1,707,102
Sewer	-	877,837	877,837	-	973,446	973,446
Golf	-	849,698	849,698	-	773,545	773,545
Airport	-	7,211	7,211	-	3,087	3,087
Refuse	-	439,794	439,794	-	376,787	376,787
Total expenses	8,756,282	3,841,536	12,597,818	9,058,534	3,833,967	12,892,501
Excess before transfers	2,544,609	932,018	3,476,627	1,009,917	696,448	1,706,365
Transfers	330,955	(330,955)	-	368,734	(368,734)	-
Change in net assets	2,875,564	601,063	3,476,627	1,378,651	327,714	1,706,365
Net assets, beginning	16,399,116	8,847,739	25,246,855	15,020,465	8,520,025	23,540,490
Net assets, ending	\$ 19,274,680	\$ 9,448,802	\$ 28,723,482	\$ 16,399,116	\$ 8,847,739	\$ 25,246,855

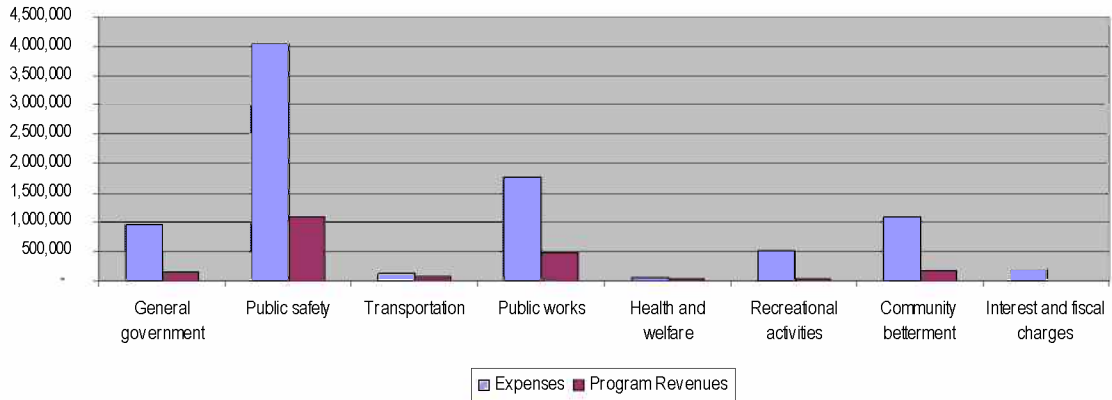
Governmental activities. Governmental activities increased the City of Excelsior Springs' net assets by \$2,875,564, accounting for 83 percent of the increase in the government's net assets. Key elements of this increase are as follows:

- Property tax revenues increased by \$150,376 (9 percent) during the year. This increase was caused primarily by an increase in Payments in Lieu of Taxes (PILOTS) receipts due to increased assessed values within two Tax Increment Financing (TIF) districts.
- Franchise tax revenues increased by \$379,639 (34 percent) during the year. This increase was caused by an increase in franchise taxes collected on telephones due to the settlement of lawsuits with various wireless telephone companies.
- Public safety expenditures decreased \$401,512 (9 percent) during the fiscal year. This decrease is primarily related to the one-time purchase of firefighting equipment completed during the prior fiscal year.
- Public works expenditures increased by \$339,030 (24 percent) during the fiscal year. This increase is attributable primarily to increased depreciation expense and a reduction in the amount expended on capital purchases (and thus backed out of expenditures per the statement of activities).
- Community betterment expenditures decreased by \$197,104 (15 percent) during the fiscal year. This increase was caused by decreased surplus payments due to the closing of one Tax Increment Financing district.

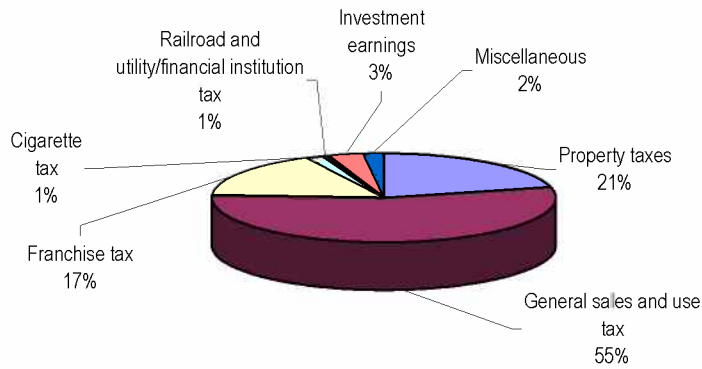
City of Excelsior Springs, Missouri

Management's Discussion and Analysis
For Fiscal Year Ended September 30, 2008

Expenses and Program Revenues - Governmental Activities



General Revenues by Source - Governmental Activities



City of Excelsior Springs, Missouri

Management's Discussion and Analysis For Fiscal Year Ended September 30, 2008

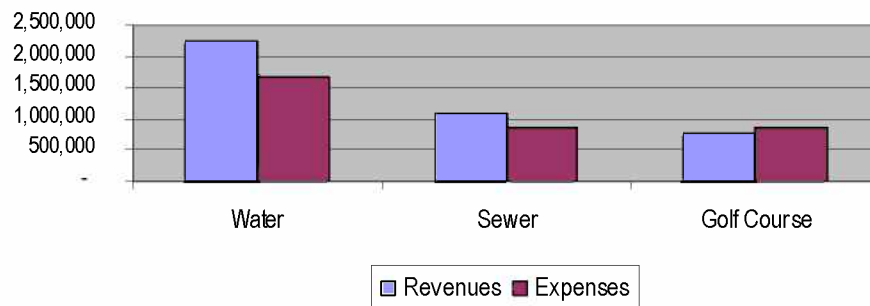
Business-type activities. Business-type activities increased the City of Excelsior Springs' net assets by \$601,063, accounting for 17 percent of the increase in the government's net assets. Key elements of this increase are as follows:

- Charges for services for business-type activities increased by \$308,457 (7 percent). This increase was driven by a \$154,898 (7 percent) increase in water revenues, a \$32,466 (3 percent) increase in sewer revenues, a \$54,310 (8 percent) increase in golf revenues and a \$64,196 (14 percent) increase in refuse revenues. These increases were caused by changes in volume and rate increases enacted at the end of the prior fiscal year.
- Interest income for business-type activities decreased by \$81,079 (40 percent), primarily due to lower interest rates and a decrease in the Pollution Control Fund cash balance due to funding construction of the pilot plant from cash instead of incurring debt.

In 2007, the business-type activities increased the City of Excelsior Springs' net assets by \$327,714, accounting for 19 percent of the growth in the government's net assets. Key elements of this increase were as follows:

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

Program Revenues and Expenses - Business-Type Activities



Financial Analysis of the Government's Funds

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

City of Excelsior Springs, Missouri

Management's Discussion and Analysis For Fiscal Year Ended September 30, 2008

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

As of the end of the current fiscal year, the City of Excelsior Springs' governmental funds reported combined ending fund balances of \$10,189,945, an increase of \$2,222,397 in comparison with the prior year. Approximately \$8,859,060 is unreserved.

The General Fund is the chief operating fund of the City of Excelsior Springs. At the end of the current fiscal year, the unreserved fund balance of the General Fund was \$2,617,833; however, the City Council has designated \$1,200,000 as an emergency fund. As a measure of the General Fund's liquidity, it may be useful to compare both the undesignated fund balance and the total fund balance to total fund expenditures. The undesignated unreserved fund balance represents 24 percent of General Fund expenditures, while the total fund balance represents 54 percent of that same amount.

The fund balance of the City of Excelsior Springs' General Fund increased by \$708,508 during the current fiscal year. Key factors in this growth are as follows:

- Total revenues increased by \$666,899 (12 percent). This increase was caused primarily by a \$447,734 increase in tax revenues; a \$219,424 increase in charges for services; and a \$91,856 increase in other revenues offset by other immaterial increases and decreases.
- Total expenditures decreased by \$250,823 (4 percent). This decrease was caused by a \$377,775 (8 percent) decrease in public safety expenditures due to the purchase of a fire apparatus that took place in 2007. This decrease in public safety expenditures was offset by other expenditures, including increased salary and benefit costs and increased fuel prices during the year.
- Other financing sources decreased by \$333,217. This decrease was caused by a \$346,365 capital lease issuance in the prior year.

The Construction Services Fund has a total fund balance of \$54,877. Funding sources for the Construction Services Fund include intergovernmental revenues, charges for services, other revenues and operating transfers in. The fund balance of the Construction Services Fund increased by \$102,693 during the fiscal year. Key factors in this increase are as follows:

- Total revenues increased by \$444,234. This increase was caused primarily by \$355,041 of charges for services revenues due to capital project billings related to construction of the Pollution Control pilot plant.
- Total expenditures increased by \$212,521 (26 percent). This increase was caused primarily by an increase in material costs due to the increased scope of work on capital projects.

City of Excelsior Springs, Missouri

Management's Discussion and Analysis For Fiscal Year Ended September 30, 2008

The Parks and Recreation Fund has a total fund balance of \$489,995. Funding sources for the Parks and Recreation Fund include property tax revenues and program revenue. The fund balance of the Parks and Recreation Fund increased by \$90,226 during the fiscal year. Key factors of this increase are as follows:

- Total expenditures increased by \$23,437 (5 percent). Some of the factors in this increase include a \$2,677 (1 percent) increase in salary and benefit expenditures, a \$12,988 (78 percent) decrease in professional service expenditures and a \$21,888 (21 percent) decrease in materials expenditures.
- Operating transfers in increased by \$20,000 (100 percent).

The Capital Improvements Fund has a total fund balance of \$2,121,323. 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 \$673,565 during the fiscal year. Key factors of this increase include the following:

- Total expenditures decreased by \$157,656 (72 percent). This decrease occurred because of the timing of expenditures related to various projects.
- Operating transfers out decreased by \$133,670 (74 percent).

The Tax Increment Financing – Wal-Mart/Elms Fund has a total fund balance of \$1,169,438. Funding sources for the Tax Increment Financing – Wal-Mart/Elms Fund include payments in lieu of taxes (PILOTS) and economic activity taxes (EATS). The fund balance of the Tax Increment Financing – Wal-Mart/Elms Fund increased by \$364,675 during the fiscal year. Key factors of this increase include the following:

- Total revenues increased by \$241,057 (21 percent). The largest factor in this increase was a \$176,821 (77 percent) increase in payments in lieu of taxes which is related to the fact the improvements to the Wal-Mart Super Center were assessed for the first time during fiscal year 2007.
- Total expenditures increased by \$51,324 (9 percent). This increase occurred because surpluses accumulated during the prior fiscal year were higher than those accumulated previously and were distributed to the taxing entities.

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

Unrestricted net assets of the Water Fund, the Pollution Control (Sewer) Fund and the Golf Course Fund at the end of the current fiscal year amounted to \$1,397,319, \$857,218 and (\$771,255), respectively. The increase/decline in net assets for these funds was \$431,250, \$191,215 and (\$87,591), respectively. Other factors concerning the finances of these three funds have already been addressed in the discussion of the City of Excelsior Springs' business-type activities.

City of Excelsior Springs, Missouri

Management's Discussion and Analysis For Fiscal Year Ended September 30, 2008

General Fund Budgetary Highlights

General Fund Revenue: The original 2008 revenue budget was \$6,173,702 including operating transfers of \$901,903. The amended 2008 revenue budget was \$6,715,994 including operating transfers of \$783,252. Actual revenue, including operating transfers was \$6,943,909 and included the following variances:

Taxes, including property tax, franchise fees, sales and use tax and other miscellaneous taxes comprise 58 percent of the total General Fund revenue. In total, General Fund tax revenues exceeded the original budget by approximately 18 percent. Some elements of this difference are the following:

- Property tax collections grew by 3.3 percent over fiscal year 2007 and exceed the original budget by 4.9 percent.
- Sales and use tax collections exceeded the original budget by 10 percent and grew by 2.2 percent over fiscal year 2007. This increase was driven in part by the fact that one of the City's tax increment financing district was dissolved as the related debt was repaid.
- Total franchise fees exceeded the original budget by 37 percent and grew by 31.5 percent from fiscal year 2007. Telephone franchise fees composed most of this increase as they exceeded the original budget by \$377,317 (236 percent) and grew by \$369,117 (219 percent) over fiscal year 2007. This increase was caused by the settlement of lawsuits with various wireless telephone providers.
- Cigarette taxes exceeded the original budget and the revised budget by 8 percent and grew by 5.4 percent over fiscal year 2007.
- Licenses and permits fell short of the original budget by 7 percent and fell by 6 percent from fiscal year 2007. The primary driving force behind this decrease was the decline in the number of building permits issued due to the slowdown in residential construction.
- Charges for services exceeded the original budget by 37 percent and grew by 46.6 percent from fiscal year 2007. An increase in net ambulance billings is the driving force behind this increase, with actual net ambulance billings increasing by 48.2 percent from fiscal year 2007 and exceeding the original budget by 38 percent.
- Fines and forfeitures fell short of the original budget by 1 percent and fell by 7 percent from fiscal year 2007.
- Investment earnings exceeded the original budget by 2 percent and grew by 20 percent over fiscal year 2007.
- Other revenues exceeded the original budget by 80 percent and grew by 54 percent over fiscal year 2007.

City of Excelsior Springs, Missouri

Management's Discussion and Analysis For Fiscal Year Ended September 30, 2008

General Fund Expenditures: The original 2008 expenditure budget was \$6,299,839 including operating transfers of \$416,471. The amended 2008 expenditure budget was \$6,505,359 including operating transfers of \$408,056. Actual expenditures, including operating transfers, were \$6,235,401 and fell by 5 percent from fiscal year 2007. Salary and benefit expenditures increased by \$11,363, or 0.3 percent, over fiscal year 2007. Other details of the changes are as follows:

- General government expenditures exceeded the original budget by 8 percent and grew by 10 percent over fiscal year 2007. Some elements of this difference are:
 - ✓ City manager and City council expenditures exceeded the original budget by 24.2 percent and grew by 12.4 percent over fiscal year 2007. The largest factors in this increase were a 13 percent increase in personnel expenditures and a 4 percent increase in professional fees. In addition, a replacement vehicle was purchased during fiscal year 2008.
 - ✓ Finance department expenditures fell short of the original budget by 1.1 percent although they grew by 9.4 percent over fiscal year 2007. The largest single factor in this increase was a 54 percent increase in equipment maintenance contracts and software partially related to the addition of a purchasing module to the City's accounting software.
 - ✓ Building operations expenditures fell short of the original budget by 9.6 percent and fell by 2.2 percent from fiscal year 2007. This decrease was caused by a 14 percent decrease in utility bills relating primarily to the mild weather enjoyed during most of the year.
- Public works expenditures fell short of the original budget by 9 percent and grew by 14 percent from fiscal year 2007. Some of the factors in this difference include a 5 percent increase in personnel-related expenditures and a 48 percent increase in administrative expenditures related to increased fuel prices and the increased cost of salt and sand.
- Public safety expenditures fell short of the original budget by 1.5 percent and fell by 8.4 percent from fiscal year 2007. Some elements of this difference are:
 - ✓ Police department expenditures exceeded the original budget by 1.2 percent and grew by 2.3 percent over fiscal year 2007. The largest single factor in this increase was a 2 percent increase in salary and benefit expenditures.
 - ✓ Municipal court expenditures fell short of the original budget by 23.1 percent and fell by 35.8 percent from fiscal year 2007. The largest single factor in this decrease was a 65 percent decrease in costs related to providing housing and medical services for prisoners.
 - ✓ Fire department expenditures fell short of the original budget by 2.5 percent and fell by 17 percent from fiscal year 2007. This decrease was caused by reduced capital purchase expenditures.

Community betterment expenditures decreased by 0.7 percent from fiscal year 2007 and fell short of the original budget and the amended budget by 1.1 percent and 10.4 percent, respectively. The decrease in community betterment expenditures was caused by an 11.1 percent decrease in community development expenditures, a 7.4 percent decrease in senior center expenditures and a 55.1 percent increase in transportation expenditures.

City of Excelsior Springs, Missouri

Management's Discussion and Analysis
For Fiscal Year Ended September 30, 2008

Capital Asset and Debt Administration

Capital assets. The City of Excelsior Springs' investment in capital assets for its governmental and business-type activities as of the end of the current fiscal year amounts to \$25,863,744 (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 2.3 percent (business-type capital assets increased by 4.9 percent while governmental capital assets increased by only .07 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	
	2008	2007	2008	2007	2008	2007
Land	\$ 1,523,144	\$ 1,523,144	\$ 1,036,813	\$ 1,036,813	\$ 2,559,957	\$ 2,559,957
Land improvements	-	-	348,154	390,608	348,154	390,608
Construction-in-progress	-	314,209	1,553,315	257,669	1,553,315	571,878
Buildings and improvements	1,183,680	1,321,087	2,782,459	3,010,951	3,966,139	4,332,038
Operating equipment	1,014,094	566,052	229,148	332,021	1,243,242	898,073
Furniture and office equipment	58,982	21,744	19,709	22,547	78,691	44,291
Vehicles	930,682	886,725	206,607	226,725	1,137,289	1,113,450
Infrastructure	8,942,246	9,010,073	6,034,711	6,368,668	14,976,957	15,378,741
	\$ 13,652,828	\$ 13,643,034	\$ 12,210,916	\$ 11,646,002	\$ 25,863,744	\$ 25,289,036

Long-term debt. At the end of the current fiscal year, the City of Excelsior Springs had total capital leases, bonded debt and long-term loans payable outstanding of \$818,830, \$8,027,917 and \$540,000, respectively, for a total of \$9,386,747. Of this amount, \$290,000 is special assessment debt for which the government is liable in the event of default by the property owners subject to the assessment and \$7,737,917 represents bonds secured solely by specified revenue sources (i.e., revenue bonds). The remainder of the City of Excelsior Springs' debt represents capital lease agreements and long-term loans payable.

	City of Excelsior Springs' Outstanding Debt					
	Capital Leases, General Obligation Bonds, Revenue Bonds and Long-Term Debt					
	Governmental Activities		Business-Type Activities		Total	
2008	2007	2008	2007	2008	2007	
Capital leases	\$ 282,428	\$ 387,677	\$ 536,402	\$ 617,742	\$ 818,830	\$ 1,005,419
Special assessment debt with governmental commitment	290,000	360,000	-	-	290,000	360,000
Revenue bonds	3,480,000	3,975,000	4,257,917	4,651,667	7,737,917	8,626,667
Long-term loans payable	-	-	540,000	627,500	540,000	627,500
	\$ 4,052,428	\$ 4,722,677	\$ 5,334,319	\$ 5,896,909	\$ 9,386,747	\$ 10,619,586

The City of Excelsior Springs' total debt decreased by \$1,232,839 (12 percent) during the current fiscal year. This decrease resulted from scheduled principal payments.

City of Excelsior Springs, Missouri

Management's Discussion and Analysis For Fiscal Year Ended September 30, 2008

The City of Excelsior Springs maintains an "Aaa" rating from Moody's for general obligation debt.

State statutes limit the amount of general obligation debt a governmental entity may issue up to 10 percent of its total assessed valuation. The current debt limitation for the City of Excelsior Springs is \$27.112 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 5.4 percent, which is 1 percent higher than it was one year ago. This compares favorably to the state's average unemployment rate of 6.2 percent and the national average of 6.0 percent.
- Inflationary trends in the region compare favorably to national indices.

These factors were considered in preparing the City of Excelsior Springs' budget for the 2009 fiscal year:

- During the fiscal year, the unreserved fund balance of the General Fund increased to \$2,617,833. The City of Excelsior Springs appropriated \$119,130 of the existing fund balance for spending in the 2009 fiscal year.
- Water and sewer rate increases of 4 percent were included in the 2009 budget.

Requests for Information

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

City of Excelsior Springs, Missouri

Statement of Net Assets
September 30, 2008

Assets	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Hospital
Current assets:				
Cash and cash equivalents	\$ 3,463,494	\$ 1,453,430	\$ 4,916,924	\$ 2,514,629
Investments	3,748,323	1,200,069	4,948,392	-
Receivables, net of allowance for uncollectibles of \$1,177,637:				
Property taxes	1,321,464	-	1,321,464	-
Franchise taxes	110,003	-	110,003	-
Utility accounts	-	476,733	476,733	-
Patient accounts	-	-	-	2,237,755
Other	240,716	-	240,716	175,035
Due from other governmental units	766,838	-	766,838	-
Prepaid items	137,026	8,416	145,442	375,258
Internal balances	754,886	(754,886)	-	-
Deferred charges	-	893	893	-
Supplies	-	-	-	283,703
Total current assets	10,542,750	2,384,655	12,927,405	5,586,380
Noncurrent assets:				
Nondepreciable:				
Land	1,523,144	1,036,813	2,559,957	-
Construction-in-progress	-	1,553,315	1,553,315	7,085,660
Depreciable:				
Land improvements	39,831	809,585	849,416	825,247
Buildings and improvements	4,244,024	5,107,018	9,351,042	5,555,953
Operating equipment	1,913,787	953,285	2,867,072	5,037,660
Furniture and office equipment	202,469	131,704	334,173	5,937,925
Vehicles	2,438,697	691,041	3,129,738	-
Infrastructure	44,481,006	14,884,758	59,365,764	-
Less accumulated depreciation	(41,190,130)	(12,956,603)	(54,146,733)	(12,485,389)
Total capital assets	13,652,828	12,210,916	25,863,744	11,957,056
Restricted cash and cash equivalents	911,597	616,771	1,528,368	-
Restricted investments	250,000	279,511	529,511	-
Cash and deposits held under bond indenture, due from primary government agency fund	-	-	-	1,941,970
Other	-	-	-	225,303
Total noncurrent assets	14,814,425	13,107,198	27,921,623	14,124,329
Total assets	\$ 25,357,175	\$ 15,491,853	\$ 40,849,028	\$ 19,710,709

See Notes to Basic Financial Statements.

Liabilities	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Hospital
Current liabilities:				
Accounts payable and accrued expenses	\$ 267,753	\$ 247,220	\$ 514,973	\$ 1,615,315
Unearned revenue	1,246,649	-	1,246,649	-
Customer deposits	-	279,512	279,512	-
Accrued interest	72,251	71,698	143,949	12,961
Current portion of long-term obligations:				
Capital lease obligations	66,500	86,116	152,616	213,482
Loans payable	-	540,000	540,000	-
Revenue bonds payable	595,000	415,000	1,010,000	196,711
Compensated absences	443,414	110,302	553,716	454,476
Total current liabilities	2,691,567	1,749,848	4,441,415	2,492,945
Noncurrent liabilities:				
Noncurrent portion of long-term obligations:				
Capital lease obligations	215,928	450,286	666,214	582,219
Revenue bonds payable	3,175,000	3,842,917	7,017,917	8,792,056
Total noncurrent liabilities	3,390,928	4,293,203	7,684,131	9,374,275
Total liabilities	6,082,495	6,043,051	12,125,546	11,867,220
Net assets:				
Invested in capital assets, net of related debt	9,600,400	6,876,597	16,476,997	2,172,588
Restricted for:				
Renewal and replacement	-	896,282	896,282	-
Debt service	1,024,715	-	1,024,715	673,239
Other purposes	130,476	-	130,476	88,160
Parks and recreation	489,995	-	489,995	-
Transportation trust	1,239,196	-	1,239,196	-
Capital improvements	5,243	-	5,243	408,738
Tax increment financing projects	1,183,805	-	1,183,805	-
E-911 system	358,816	-	358,816	-
Public safety	634,043	-	634,043	-
Unrestricted	4,607,991	1,675,923	6,283,914	4,500,764
Total net assets	19,274,680	9,448,802	28,723,482	7,843,489
Total liabilities and net assets	\$ 25,357,175	\$ 15,491,853	\$ 40,849,028	\$ 19,710,709

City of Excelsior Springs, Missouri

Statement of Activities
Year Ended September 30, 2008

Functions/Programs	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental activities:				
General government	\$ (966,831)	\$ 158,180	\$ -	\$ -
Public safety	(4,048,900)	1,080,352	-	-
Transportation	(134,436)	31,802	56,385	-
Public works	(1,767,511)	305,845	553,271	-
Health and welfare	(49,318)	-	21,323	-
Recreational activities	(504,097)	23,720	-	-
Community betterment	(1,089,998)	78,710	73,723	28,391
Interest and fiscal charges	(195,191)	-	-	-
Total governmental activities	(8,756,282)	1,678,609	704,702	28,391
Business-type activities:				
Water	(1,666,996)	2,210,436	-	31,011
Sewer	(877,837)	1,087,548	-	-
Golf	(849,698)	774,704	-	-
Airport	(7,211)	22,055	-	-
Refuse	(439,794)	527,077	-	-
Total business-type activities	(3,841,536)	4,621,820	-	31,011
Total primary government	(12,597,818)	6,300,429	704,702	59,402
Component unit - hospital	\$ 19,005,229	\$ 19,331,972	\$ 175,798	\$ 543,543

General Revenues

Taxes:

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

Transfers

Total general revenues and transfers

Changes in net assets
Net assets, beginning
Net assets, ending

See Notes to Basic Financial Statements.

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			Component Unit
Governmental Activities	Business-Type Activities	Total	Hospital
\$ (808,651)	\$ -	\$ (808,651)	\$ -
(2,968,548)	-	(2,968,548)	-
(46,249)	-	(46,249)	-
(908,395)	-	(908,395)	-
(27,995)	-	(27,995)	-
(480,377)	-	(480,377)	-
(909,174)	-	(909,174)	-
(195,191)	-	(195,191)	-
(6,344,580)	-	(6,344,580)	-
-	574,451	574,451	-
-	209,711	209,711	-
-	(74,994)	(74,994)	-
-	14,844	14,844	-
-	87,283	87,283	-
-	811,295	811,295	-
(6,344,580)	811,295	(5,533,285)	-
-	-	-	1,046,084
1,873,053	-	1,873,053	257,294
4,820,222	-	4,820,222	-
1,481,454	-	1,481,454	-
131,389	-	131,389	-
63,722	-	63,722	-
339,497	120,723	460,220	-
166,436	-	166,436	148,778
13,416	-	13,416	-
330,955	(330,955)	-	-
9,220,144	(210,232)	9,009,912	406,072
2,875,564	601,063	3,476,627	1,452,156
16,399,116	8,847,739	25,246,855	6,391,333
\$ 19,274,680	\$ 9,448,802	\$ 28,723,482	\$ 7,843,489

City of Excelsior Springs, Missouri

**Balance Sheet
Governmental Funds
September 30, 2008**

Assets	Governmental Fund Types	
	General	Construction Services
Cash and cash equivalents	\$ 129,034	\$ 122,552
Investments	1,761,561	-
Receivables, net of allowance for uncollectibles of \$204,858:		
Property taxes	790,283	-
Franchise taxes	110,003	-
Other	231,583	-
Due from other governments	276,913	-
Due from other funds	242,518	-
Prepaid items	137,026	-
Restricted cash and cash equivalents	136,882	-
Restricted investments	250,000	-
Total assets	\$ 4,065,803	\$ 122,552
Liabilities and Fund Balance		
Liabilities:		
Accounts payable and accrued expenses	\$ 175,999	\$ 67,675
Due to other funds	-	-
Deferred revenue	748,063	-
Total liabilities	924,062	67,675
Fund balance:		
Reserved for police programs	34,666	-
Reserved for court	19,375	-
Reserved for construction and equipment	82,841	-
Reserved for encumbrances	-	-
Reserved for debt service	250,000	-
Reserved for prepaid items	137,026	-
Unreserved, designated for board use	1,200,000	-
Unreserved, reported in:		
General Fund	1,417,833	-
Special revenue funds	-	54,877
Capital Projects Fund	-	-
Total fund balance	3,141,741	54,877
Total liabilities and fund balance	\$ 4,065,803	\$ 122,552

See Notes to Basic Financial Statements.

Governmental Fund Types

	Parks and Recreation	Capital Improvements	Tax Increment Financing- Wal-Mart/Elms	Other Governmental Funds	Total Governmental Funds
\$	467,718	\$ -	\$ 1,056,566	\$ 1,687,624	\$ 3,463,494
	-	1,486,762	-	500,000	3,748,323
	455,811	-	51,554	23,816	1,321,464
	-	-	-	-	110,003
	-	7,488	-	1,645	240,716
	456	102,695	112,872	273,902	766,838
	-	534,766	-	-	777,284
	-	-	-	-	137,026
	-	-	-	774,715	911,597
	-	-	-	-	250,000
\$	923,985	\$ 2,131,711	\$ 1,220,992	\$ 3,261,702	\$ 11,726,745
\$	3,197	\$ 10,388	\$ -	\$ 10,494	\$ 267,753
	-	-	-	22,398	22,398
	430,793	-	51,554	16,239	1,246,649
	433,990	10,388	51,554	49,131	1,536,800
	-	-	-	-	34,666
	-	-	-	-	19,375
	-	-	-	-	82,841
	-	-	-	32,262	32,262
	-	-	-	774,715	1,024,715
	-	-	-	-	137,026
	-	-	-	-	1,200,000
	-	-	-	-	1,417,833
	489,995	2,121,323	1,169,438	2,400,351	6,235,984
	-	-	-	5,243	5,243
	489,995	2,121,323	1,169,438	3,212,571	10,189,945
\$	923,985	\$ 2,131,711	\$ 1,220,992	\$ 3,261,702	\$ 11,726,745

City of Excelsior Springs, Missouri

Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities
September 30, 2008

Total governmental fund balances		\$	10,189,945
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds			13,652,828
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	\$	(443,414)	
Accrued interest on long-term debt		(72,251)	
Capital leases payable		(282,428)	
Bonds payable		(3,770,000)	(4,568,093)
Net assets of governmental activities			<u>\$ 19,274,680</u>

See Notes to Basic Financial Statements.

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City of Excelsior Springs, Missouri

Statement of Revenues, Expenditures and Changes in Fund Balances (Deficit) - Governmental Funds
 Year Ended September 30, 2008

	General	Construction Services
Revenues:		
Taxes	\$ 4,012,522	\$ -
Licenses, permits and fees	187,445	-
Intergovernmental	608,240	17,915
Charges for services	672,802	355,041
Fines and forfeitures	253,044	-
Special assessment fees	95	-
Investment earnings	138,055	-
Other	261,474	88,260
Total revenues	6,133,677	461,216
Expenditures:		
Current:		
General government:		
Administration	16,655	-
City manager/council	364,621	-
Finance administration	356,266	-
Human resources	2,693	-
Building operations	92,133	-
Public works, street operations	416,923	883,629
Public safety:		
Police department	2,316,578	-
Municipal courts	153,145	-
Fire department	1,675,046	-
Recreational activities, parks and recreation	-	-
Community betterment:		
Transportation activities	102,727	-
Community development	289,142	-
Senior center	49,318	-
Capital outlay	-	148,294
Debt service:		
Principal	-	-
Interest	-	-
Trustee fees	-	-
Total expenditures	5,835,247	1,031,923
Excess of revenues over (under) expenditures	298,430	(570,707)
Other financing sources (uses):		
Proceeds from sale of capital assets	28,901	-
Transfers in	781,331	698,400
Transfers out	(400,154)	(25,000)
Total other financing sources (uses)	410,078	673,400
Net change in fund balance	708,508	102,693
Fund balances (deficit), beginning	2,433,233	(47,816)
Fund balances, ending	\$ 3,141,741	\$ 54,877

See Notes to Basic Financial Statements.

	Parks and Recreation	Capital Improvements	Tax Increment Financing- Wal-Mart/Elms	Other Governmental Funds	Total Governmental Funds
\$	546,935	\$ 737,385	\$ 1,336,744	\$ 1,640,278	\$ 8,273,864
	-	-	-	-	187,445
	-	-	-	102,812	728,967
	22,671	-	-	-	1,050,514
	-	-	-	-	253,044
	-	-	-	95,976	96,071
	21,550	46,069	27,558	106,265	339,497
	4,214	-	-	4,125	358,073
	595,370	783,454	1,364,302	1,949,456	11,287,475
	-	45,139	-	34,264	96,058
	-	-	-	-	364,621
	-	-	-	-	356,266
	-	-	-	-	2,693
	-	-	-	-	92,133
	-	7,471	-	66,094	1,374,117
	-	9,659	-	109,056	2,435,293
	-	-	-	-	153,145
	-	-	-	-	1,675,046
	449,182	556	-	17,567	467,305
	-	-	-	-	102,727
	-	-	646,724	147,507	1,083,373
	-	-	-	-	49,318
	56,334	-	-	105,757	310,385
	-	-	-	670,249	670,249
	-	-	-	200,908	200,908
	-	-	-	5,297	5,297
	505,516	62,825	646,724	1,356,699	9,438,934
	89,854	720,629	717,578	592,757	1,848,541
	14,000	-	-	-	42,901
	20,000	-	-	892,400	2,392,131
	(33,628)	(47,064)	(352,903)	(1,202,427)	(2,061,176)
	372	(47,064)	(352,903)	(310,027)	373,856
	90,226	673,565	364,675	282,730	2,222,397
	399,769	1,447,758	804,763	2,929,841	7,967,548
\$	489,995	\$ 2,121,323	\$ 1,169,438	\$ 3,212,571	\$ 10,189,945

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, 2008**

Total net change in fund balances - governmental funds	\$	2,222,397
<p>Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are shown in the statement of net assets and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities. This is the amount by which capital outlays exceed depreciation in the period:</p>		
Depreciation		(932,636)
Capital outlays		971,915
<p>The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, donations and disposals) is to increase/decrease net assets:</p>		
Gain on sale of capital assets		13,416
Proceeds on sale of capital assets		(42,901)
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds, change in compensated absences</p>		
		(37,890)
<p>The issuance of long-term debt (e.g., bonds, loans, leases) provides current resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. In the statement of activities, interest is accrued on outstanding bonds, whereas in the governmental funds an interest expenditure is reported when due. The following is the detail of the net effect of these differences in the treatment of long-term debt and related items:</p>		
Repayment of principal of long-term debt		670,249
Interest		19,581
Amortization of deferred charges		(8,567)
Change in net assets of governmental activities	\$	2,875,564

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, 2008

	General Fund			Variance With Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Taxes	\$ 3,394,805	\$ 3,830,187	\$ 4,012,522	\$ 182,335
Licenses, permits and fees	201,550	178,471	187,445	8,974
Intergovernmental	648,200	568,400	608,240	39,840
Charges for services	491,244	722,747	672,802	(49,945)
Fines and forfeitures	256,500	245,000	253,044	8,044
Special assessment fees	-	95	95	-
Investment earnings	134,500	129,061	138,055	8,994
Other	145,000	229,880	261,474	31,594
Total revenues	5,271,799	5,903,841	6,133,677	229,836
Expenditures:				
Current:				
General government	772,257	878,302	832,368	45,934
Public works	458,562	467,316	416,923	50,393
Public safety	4,206,552	4,259,047	4,144,769	114,278
Community betterment	445,997	492,638	441,187	51,451
Total expenditures	5,883,368	6,097,303	5,835,247	262,056
Excess of revenues over (under) expenditures	(611,569)	(193,462)	298,430	491,892
Other financing sources (uses):				
Transfers in	901,903	783,252	781,331	(1,921)
Transfers out	(416,471)	(408,056)	(400,154)	7,902
Proceeds from sale of capital assets	-	28,901	28,901	-
Total other financing sources	485,432	404,097	410,078	5,981
Net change in fund balance	\$ (126,137)	\$ 210,635	708,508	\$ 497,873
Fund balances, beginning			2,433,233	
Fund balances, ending			<u>\$ 3,141,741</u>	

See Notes to Basic Financial Statements.

City of Excelsior Springs, Missouri

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 Construction Services Fund
 Year Ended September 30, 2008

	Construction Services Fund			Variance With Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Licenses, permits and fees	\$ 4,000	\$ -	\$ -	\$ -
Intergovernmental	50,000	50,000	17,915	(32,085)
Other, primarily charges for services	339,800	416,192	443,301	27,109
Total revenues	393,800	466,192	461,216	(4,976)
Expenditures:				
Current, public works	1,103,047	1,132,881	883,629	249,252
Capital outlay	9,500	160,517	148,294	12,223
Total expenditures	1,112,547	1,293,398	1,031,923	261,475
Excess of revenues over (under) expenditures	(718,747)	(827,206)	(570,707)	256,499
Other financing sources (uses):				
Transfers in	1,084,105	1,124,423	698,400	(426,023)
Transfers out	(26,100)	(25,000)	(25,000)	-
Total other financing sources (uses)	1,058,005	1,099,423	673,400	(426,023)
Net change in fund balance	\$ 339,258	\$ 272,217	102,693	\$ (169,524)
Fund balances, beginning			(47,816)	
Fund balances, ending			<u>\$ 54,877</u>	

See Notes to Basic Financial Statements.

City of Excelsior Springs, Missouri

**Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Parks and Recreation Fund
Year Ended September 30, 2008**

	Parks and Recreation Fund			Variance With Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Taxes	\$ 513,987	\$ 549,293	\$ 546,935	\$ (2,358)
Charges for services	24,000	24,000	22,671	(1,329)
Investment earnings	14,000	20,045	21,550	1,505
Other	1,600	1,693	4,214	2,521
Total revenues	553,587	595,031	595,370	339
Expenditures:				
Current, recreational activities	495,785	473,418	449,182	24,236
Capital outlay	70,000	116,334	56,334	60,000
Total expenditures	565,785	589,752	505,516	84,236
Excess of revenues over (under) expenditures	(12,198)	5,279	89,854	84,575
Other financing sources (uses):				
Proceeds from sale of capital assets	-	14,000	14,000	-
Transfers in	78,000	50,000	20,000	(30,000)
Transfers out	(98,000)	(60,000)	(33,628)	26,372
Total other financing sources (uses)	(20,000)	4,000	372	(3,628)
Net change in fund balance	\$ (32,198)	\$ 9,279	90,226	\$ 80,947
Fund balances, beginning			399,769	
Fund balances, ending			<u>\$ 489,995</u>	

See Notes to Basic Financial Statements.

City of Excelsior Springs, Missouri

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Capital Improvements Fund
Year Ended September 30, 2008

	Capital Improvements Fund			Variance With Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Taxes	\$ 665,300	\$ 655,943	\$ 737,385	\$ 81,442
Investment earnings	33,000	40,000	46,069	6,069
Total revenues	698,300	695,943	783,454	87,511
Expenditures:				
Current:				
General government	103,000	83,000	45,139	37,861
Public works	128,000	128,000	7,471	120,529
Public safety	-	5,672	9,659	(3,987)
Recreational activities	-	195,556	556	195,000
Total expenditures	231,000	412,228	62,825	349,403
Excess of revenues over expenditures	467,300	283,715	720,629	436,914
Other financing (uses), transfers out	(466,484)	(107,000)	(47,064)	59,936
Net change in fund balance	\$ 816	\$ 176,715	673,565	\$ 496,850
Fund balances, beginning			1,447,758	
Fund balances, ending			<u>\$ 2,121,323</u>	

See Notes to Basic Financial Statements.

City of Excelsior Springs, Missouri

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 Tax Increment Financing - Wal-Mart/Elms Fund
 Year Ended September 30, 2008

	Tax Increment Financing - Wal-Mart/Elms Fund			Variance With Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Taxes	\$ 1,109,800	\$ 1,203,950	\$ 1,336,744	\$ 132,794
Investment earnings	35,000	30,000	27,558	(2,442)
Total revenues	<u>1,144,800</u>	<u>1,233,950</u>	<u>1,364,302</u>	<u>130,352</u>
Expenditures, community betterment	397,500	646,725	646,724	1
Excess of revenues over expenditures	<u>747,300</u>	<u>587,225</u>	<u>717,578</u>	<u>130,353</u>
Other financing (uses), transfers out	(352,903)	(352,903)	(352,903)	-
Net change in fund balance	<u>\$ 394,397</u>	<u>\$ 234,322</u>	<u>364,675</u>	<u>\$ 130,353</u>
Fund balances, beginning			804,763	
Fund balances, ending			<u>\$ 1,169,438</u>	

See Notes to Basic Financial Statements.

City of Excelsior Springs, Missouri

Statement of Net Assets
Enterprise Funds
September 30, 2008

Assets	Water	Pollution Control
Current assets:		
Cash and cash equivalents	\$ 856,724	\$ 333,006
Investments	700,069	500,000
Accounts receivable, utility accounts net of allowance for uncollectibles of \$22,734	275,861	148,635
Prepays	-	-
Deferred charges	-	893
Total current assets	1,832,654	982,534
Noncurrent assets:		
Restricted cash	76,771	540,000
Restricted investments	279,511	-
Total restricted assets	356,282	540,000
Advances to other funds	-	40,000
Capital assets:		
Land	131,849	799,000
Construction-in-progress	232,314	1,321,001
Land improvements	-	-
Buildings and improvements	4,754,843	9,280
Operating equipment	158,619	173,078
Furniture and office equipment	51,200	72,437
Vehicles	315,267	373,524
Infrastructure	6,591,799	8,292,959
Total capital assets	12,235,891	11,041,279
Less accumulated depreciation	5,922,341	5,870,931
Net capital assets	6,313,550	5,170,348
Total noncurrent assets	6,669,832	5,750,348
Total assets	\$ 8,502,486	\$ 6,732,882

(Continued)

Golf	Nonmajor Enterprise Funds	Total Enterprise Funds
\$ -	\$ 263,700	\$ 1,453,430
-	-	1,200,069
-	52,237	476,733
8,416	-	8,416
-	-	893
8,416	315,937	3,139,541
-	-	616,771
-	-	279,511
-	-	896,282
-	-	40,000
55,964	50,000	1,036,813
-	-	1,553,315
809,585	-	809,585
294,271	48,624	5,107,018
621,588	-	953,285
8,067	-	131,704
2,250	-	691,041
-	-	14,884,758
1,791,725	98,624	25,167,519
1,124,857	38,474	12,956,603
666,868	60,150	12,210,916
666,868	60,150	13,147,198
\$ 675,284	\$ 376,087	\$ 16,286,739

City of Excelsior Springs, Missouri

Statement of Net Assets (Continued)
Enterprise Funds
September 30, 2008

Liabilities and Fund Equity (Deficit)	Water	Pollution Control
Current liabilities:		
Due to other funds	\$ -	\$ -
Accounts payable and accrued expenses	61,678	129,954
Compensated absences	25,026	35,362
Customer deposits and bonds	279,512	-
Accrued interest	69,119	-
Current portion of:		
Capital lease obligations	-	-
Loans payable	-	540,000
Revenue bonds payable	225,000	190,000
Total current liabilities	<u>660,335</u>	<u>895,316</u>
Noncurrent liabilities:		
Advances from other funds	-	-
Capital lease obligations	-	-
Revenue bonds payable	3,000,000	842,917
Total noncurrent liabilities	<u>3,000,000</u>	<u>842,917</u>
Total liabilities	<u>3,660,335</u>	<u>1,738,233</u>
Net assets (deficit):		
Invested in capital assets, net of related debt	3,088,550	3,597,431
Restricted for renewal and replacement	356,282	540,000
Unrestricted	1,397,319	857,218
Total net assets (deficit)	<u>4,842,151</u>	<u>4,994,649</u>
Total liabilities and net assets (deficit)	<u>\$ 8,502,486</u>	<u>\$ 6,732,882</u>

See Notes to Basic Financial Statements.

	Golf	Nonmajor Enterprise Funds	Total Enterprise Funds
\$	667,826	\$ 87,060	\$ 754,886
	19,352	36,236	247,220
	49,914	-	110,302
	-	-	279,512
	2,579	-	71,698
	86,116	-	86,116
	-	-	540,000
	-	-	415,000
	825,787	123,296	2,504,734
	40,000	-	40,000
	450,286	-	450,286
	-	-	3,842,917
	490,286	-	4,333,203
	1,316,073	123,296	6,837,937
	130,466	60,150	6,876,597
	-	-	896,282
	(771,255)	192,641	1,675,923
	(640,789)	252,791	9,448,802
\$	675,284	\$ 376,087	\$ 16,286,739

City of Excelsior Springs, Missouri

Statement of Revenues, Expenses and Changes in Fund Net Assets (Deficit)
 Enterprise Funds
 Year Ended September 30, 2008

	Water	Pollution Control
Operating revenues:		
Charges for services	\$ 2,167,449	\$ 1,080,431
Rental income	41,715	6,644
Other	1,272	473
Total operating revenues	2,210,436	1,087,548
Operating expenses:		
Personnel services	504,212	383,681
Contractual and professional services	22,328	6,841
Utilities	158,130	73,828
Maintenance and repairs	48,854	21,636
Cost of goods sold	-	-
Insurance	27,859	13,310
Supplies and materials (administrative)	315,781	60,642
Depreciation	425,632	267,834
Amortization	-	2,400
Total operating expenses	1,502,796	830,172
Operating income (loss)	707,640	257,376
Nonoperating revenue (expense):		
Gain on sale of capital assets	31,011	-
Investment earnings	44,903	68,281
Interest expense	(164,200)	(47,665)
Total nonoperating revenue (expense)	(88,286)	20,616
Income (loss) before transfers	619,354	277,992
Transfers in	746	3,581
Transfers out	(188,850)	(90,358)
	(188,104)	(86,777)
Change in net assets	431,250	191,215
Total net assets (deficit), beginning	4,410,901	4,803,434
Total net assets (deficit), ending	\$ 4,842,151	\$ 4,994,649

See Notes to Basic Financial Statements.

Golf	Nonmajor Enterprise Funds	Total Enterprise Funds
\$ 774,704	\$ 515,868	\$ 4,538,452
-	22,055	70,414
-	11,209	12,954
<u>774,704</u>	<u>549,132</u>	<u>4,621,820</u>
330,276	-	1,218,169
1,095	431,348	461,612
29,850	6,822	268,630
72,378	-	142,868
125,681	-	125,681
5,950	2,430	49,549
135,742	6,088	518,253
112,510	317	806,293
-	-	2,400
<u>813,482</u>	<u>447,005</u>	<u>3,593,455</u>
<u>(38,778)</u>	<u>102,127</u>	<u>1,028,365</u>
-	-	31,011
1,101	6,438	120,723
(36,216)	-	(248,081)
<u>(35,115)</u>	<u>6,438</u>	<u>(96,347)</u>
<u>(73,893)</u>	<u>108,565</u>	<u>932,018</u>
-	-	4,327
(13,698)	(42,376)	(335,282)
<u>(13,698)</u>	<u>(42,376)</u>	<u>(330,955)</u>
(87,591)	66,189	601,063
(553,198)	186,602	8,847,739
<u>\$ (640,789)</u>	<u>\$ 252,791</u>	<u>\$ 9,448,802</u>

City of Excelsior Springs, Missouri

Statement of Cash Flows - Enterprise Funds
Year Ended September 30, 2008

	Water	Pollution Control
Cash flows from operating activities:		
Cash collected from customers	\$ 2,196,723	\$ 1,089,730
Cash paid to suppliers for goods and services	(562,021)	(54,387)
Cash paid to employees for services	(507,710)	(376,875)
Net cash provided by operating activities	1,126,992	658,468
Cash flows from noncapital financing activities:		
Decrease in advances to other funds	-	10,000
Decrease in advances from other funds	-	-
Interfund proceeds	-	-
Interfund payments	-	-
Transfers in	746	3,581
Transfers out	(188,850)	(90,358)
Net cash provided by (used in) noncapital financing activities	(188,104)	(76,777)
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(137,774)	(1,238,953)
Principal payments on revenue bonds and capital leases	(215,000)	(266,250)
Proceeds from sale of capital assets	31,011	-
Interest paid	(171,246)	(47,665)
Net cash (used in) capital and related financing activities	(493,009)	(1,552,868)
Cash flows from investing activities:		
Purchase of investments	(3,199,241)	(1,700,000)
Interest	48,369	74,734
Proceeds from sales and maturities of investments	2,892,117	2,287,017
Net cash provided by (used in) investing activities	(258,755)	661,751
Net increase (decrease) in cash and cash equivalents	187,124	(309,426)
Cash and cash equivalents:		
Beginning	746,371	1,182,432
Ending	\$ 933,495	\$ 873,006
Reconciliation of operating income (loss) to net cash provided by operating activities:		
Operating income (loss)	\$ 707,640	\$ 257,376
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation and amortization	425,632	270,234
(Increase) decrease in accounts receivable	(23,111)	2,182
(Increase) in prepaids	-	-
Increase (decrease) in accounts payable and accrued expenses	10,931	121,870
Increase (decrease) in compensated absences	(3,498)	6,806
Increase in customer deposits and bonds	9,398	-
Net cash provided by operating activities	\$ 1,126,992	\$ 658,468
Schedule of noncash items, capital and related financing activities,		
trade credit received for purchase of new capital asset	\$ -	\$ 5,520

See Notes to Basic Financial Statements.

	Golf	Nonmajor Enterprise Funds	Total Enterprise Funds
\$	774,704	\$ 547,853	\$ 4,609,010
	(379,169)	(410,898)	(1,406,475)
	(328,040)	-	(1,212,625)
	67,495	136,955	1,989,910
	-	-	10,000
	(10,000)	-	(10,000)
	38,376	-	38,376
	-	(15,360)	(15,360)
	-	-	4,327
	(13,698)	(42,376)	(335,282)
	14,678	(57,736)	(307,939)
	-	-	(1,376,727)
	(81,340)	-	(562,590)
	-	-	31,011
	(35,794)	-	(254,705)
	(117,134)	-	(2,163,011)
	-	-	(4,899,241)
	1,101	6,438	130,642
	-	-	5,179,134
	1,101	6,438	410,535
	(33,860)	85,657	(70,505)
	33,860	178,043	2,140,706
\$	-	\$ 263,700	\$ 2,070,201
\$	(38,778)	\$ 102,127	\$ 1,028,365
	112,510	317	808,693
	-	(1,279)	(22,208)
	(8,416)	-	(8,416)
	(57)	35,790	168,534
	2,236	-	5,544
	-	-	9,398
\$	67,495	\$ 136,955	\$ 1,989,910
\$	-	\$ -	\$ 5,520

City of Excelsior Springs, Missouri

Statement of Assets and Liabilities - Agency Funds
September 30, 2008

Assets

Cash and cash equivalents	\$	2,437,984
Taxes receivable		228,199
	\$	<u>2,666,183</u>

Liabilities

Accounts payable	\$	75,861
Due to component unit		2,277,748
Due to other governments		312,574
	\$	<u>2,666,183</u>

See Notes to Basic Financial Statements.

City of Excelsior Springs, Missouri

Notes to Basic Financial Statements

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

Reporting entity:

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

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

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

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

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

Basis of presentation:

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

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

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

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

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

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

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

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

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

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

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

City of Excelsior Springs, Missouri

Notes to Basic Financial Statements

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

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

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

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

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

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

Enterprise funds: Are used to account for those operations that are financed and operated in a manner similar to private business or where the City has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, the City has elected to apply all applicable Financial Accounting Standards Board (FASB) pronouncements, issued on or before November 30, 1989, except for those pronouncements which conflict with or contradict GASB pronouncements.

The following are the City's major enterprise funds:

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

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

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

City of Excelsior Springs, Missouri

Notes to Basic Financial Statements

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

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

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

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

Fiduciary Fund Types: Fiduciary fund types are used to account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. The City has the following fiduciary fund type:

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

Measurement Focus and Basis of Accounting

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

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

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

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

City of Excelsior Springs, Missouri

Notes to Basic Financial Statements

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

Property taxes are recognized as a receivable at the time they become an enforceable legal claim. The current taxes receivable represent the 2008 levy plus any uncollected amounts from the 2007 levy. Property taxes that are not available for current year operations are shown as deferred revenue. Property taxes are levied each year on all taxable real and personal property in the City. The City's property tax is levied each October 1 on the assessed value as of the prior January 1. Property taxes are billed in total by November 1 following the levy date and considered delinquent after January 1. On January 1, a lien attaches to all property for which taxes are unpaid.

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

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

Summary of significant accounting policies:

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

Budgets and budgetary accounting: The City Council annually adopts budgets for the General Fund, special revenue funds, debt service funds and Capital Projects Fund of the primary government. All appropriations are legally controlled at the department level for the individual funds. On September 24, 2007, the City Council formally approved the original adopted budget and on September 29, 2008, approved the revised budget reflected in the financial statements.

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

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

City of Excelsior Springs, Missouri

Notes to Basic Financial Statements

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

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

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

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

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

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

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

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

City of Excelsior Springs, Missouri

Notes to Basic Financial Statements

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

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

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

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

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

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

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

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

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

Interfund transactions: Interfund transactions are defined as transactions among City funds that would be treated as revenues and expenditures or expenses if they involved organizations external to City government and are accounted for as revenues and expenditures or expenses in the funds involved.

Transactions, which constitute reimbursements to a fund for expenditures initially made from it which are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the reimbursed fund.

Transactions, which constitute the transfer of resources from a fund receiving revenues to a fund through which the revenues are to be expended, are separately reported in the respective funds' operating statements.

City of Excelsior Springs, Missouri

Notes to Basic Financial Statements

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

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

Deficit fund balances: The City has a deficit net assets balance in the Golf Fund of \$640,789 and the Airport Fund of \$27,109, both enterprise funds.

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

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

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

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

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

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

Charity care: The City Hospital provides care without charge or at amounts less than its established rates to patients meeting certain criteria under its charity care policy. Charity care is not included in net patient service revenue. Charges excluded from revenue under the City Hospital's charity care policy were \$329,965 and \$43,069 for 2008 and 2007, respectively.

City of Excelsior Springs, Missouri

Notes to Basic Financial Statements

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

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

Net assets: Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets invested in capital assets, net of related debt, excludes unspent debt proceeds. Net assets are reported as restricted when there are limitations imposed on their use through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net assets restricted through enabling legislation consist of \$1,024,715 for debt service, \$489,995 for parks and recreation, \$1,239,196 for transportation trust, \$5,243 for capital improvements, \$1,183,805 for tax increment financing projects, \$358,816 for E-911 system and \$634,043 for public safety. Net assets restricted for purposes other than enabling legislation consist of \$130,476 restricted for other purposes.

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

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

Note 2. Deposits and Investments

As of September 30, 2008, the City had the following investments:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 - 5	6 - 10	More Than 10
U.S. Government Securities	\$ 3,902,903	\$ 3,602,903	\$ 300,000	\$ -	\$ -

Interest Rate Risk: As a means of limiting its exposure to fair value losses arising from interest rates, the City's investment policy limits its investment portfolio to maturities of less than three years. All of the investments owned by the City as of September 30, 2008 have maturity dates of less than three years.

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

As of September 30, 2008, the City's investments consisted of U.S. Government Securities, Federal Home Loan Bank and were rated Aaa and AAA by Moody's Investor Service and Standard & Poor's, respectively.

City of Excelsior Springs, Missouri

Notes to Basic Financial Statements

Note 2. Deposits and Investments (Continued)

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

Custodial Credit Risk: Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The custodial risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investments or collateral securities that are in possession of another party. As of September 30, 2008, 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, 2008, none of the City's bank balance of \$8,484,155, which excludes the Hospital agency fund, was exposed to custodial credit risk.

The bank balance of deposits for the Excelsior Springs City Hospital was \$5,108,226. The entire bank balance was covered by federal depository insurance or by collateral held by the Hospital's agent in the Hospital's name.

Excelsior Springs City Hospital, the discretely presented component unit, had no investments as of September 30, 2008.

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

Deposits and cash on hand (includes \$1,575,000 of certificates of deposit)	\$ 11,545,990
Investments	3,902,903
	<u>\$ 15,448,893</u>
Cash and cash equivalents	\$ 4,916,924
Investments	4,948,392
Restricted cash and cash equivalents	1,528,368
Restricted investments	529,511
Cash and cash equivalents, fiduciary funds	3,525,698
	<u>\$ 15,448,893</u>

Note 3. Property Taxes

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

Assessed values are established by County Assessors subject to review by the County's Board of Equalization and State Tax Commission. The assessed value for property, excluding railroad and utility properties located in the City as of January 1, 2007, on which the fiscal year 2008 levy was based, was \$128,328,206 and \$131,836,716 for the General Fund and other funds, respectively. The assessed value of railroad and utility properties as of January 1, 2007 was \$4,689,489 and \$4,689,489 for the General Fund and other funds, respectively. During the year ended September 30, 2008, the City collected 101 percent of property taxes, excluding interest and penalty which were levied in the period.

City of Excelsior Springs, Missouri

Notes to Basic Financial Statements

Note 3. Property Taxes (Continued)

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, 2008 are as follows:

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

Note 4. Capital Assets

The following is a summary of changes in capital assets for the year ended September 30, 2008:

	2007 Balance	Additions	Retirements	2008 Balance
Governmental activities				
Capital assets, not being depreciated:				
Land	\$ 1,523,144	\$ -	\$ -	\$ 1,523,144
Construction-in-progress	314,209	-	314,209	-
Total capital assets, not being depreciated	1,837,353	-	314,209	1,523,144
Capital assets, being depreciated:				
Land improvements	39,831	-	-	39,831
Buildings and improvements	4,244,024	-	-	4,244,024
Operating equipment	1,420,383	578,984	85,580	1,913,787
Furniture and office equipment	162,837	39,632	-	202,469
Vehicles	2,572,877	239,434	373,614	2,438,697
Infrastructure	44,481,006	428,074	428,074	44,481,006
Total capital assets, being depreciated	52,920,958	1,286,124	887,268	53,319,814
Less accumulated depreciation for:				
Land improvements	39,831	-	-	39,831
Buildings and improvements	2,922,937	137,407	-	3,060,344
Operating equipment	854,331	101,457	56,095	899,693
Furniture and office equipment	141,093	2,394	-	143,487
Vehicles	1,686,152	195,477	373,614	1,508,015
Infrastructure	35,470,933	495,901	428,074	35,538,760
Total accumulated depreciation	41,115,277	932,636	857,783	41,190,130
Total capital assets, being depreciated, net	11,805,681	353,488	29,485	12,129,684
Governmental activities capital assets, net	\$ 13,643,034	\$ 353,488	\$ 343,694	\$ 13,652,828

City of Excelsior Springs, Missouri

Notes to Basic Financial Statements

Note 4. Capital Assets (Continued)

	2007 Balance	Additions	Retirements	2008 Balance
Business-Type Activities				
Capital assets, not being depreciated:				
Land	\$ 1,036,813	\$ -	\$ -	\$ 1,036,813
Construction-in-progress	257,669	1,295,646	-	1,553,315
Total capital assets, not being depreciated	1,294,482	1,295,646	-	2,590,128
Capital assets, being depreciated:				
Land improvements	809,585	-	-	809,585
Buildings and improvements	5,107,018	-	-	5,107,018
Operating equipment	984,885	5,017	36,617	953,285
Furniture and office equipment	131,704	-	-	131,704
Vehicles	646,806	70,544	26,309	691,041
Infrastructure	14,884,758	-	-	14,884,758
Total capital assets, being depreciated	22,564,756	75,561	62,926	22,577,391
Less accumulated depreciation for:				
Land improvements	418,977	42,454	-	461,431
Buildings and improvements	2,096,067	228,492	-	2,324,559
Operating equipment	652,864	107,890	36,617	724,137
Furniture and office equipment	109,157	2,838	-	111,995
Vehicles	420,081	90,662	26,309	484,434
Infrastructure	8,516,090	333,957	-	8,850,047
Total accumulated depreciation	12,213,236	806,293	62,926	12,956,603
Total capital assets, being depreciated, net	10,351,520	(730,732)	-	9,620,788
Business-type activities capital assets, net	\$ 11,646,002	\$ 564,914	\$ -	\$ 12,210,916

City of Excelsior Springs, Missouri

Notes to Basic Financial Statements

Note 4. Capital Assets (Continued)

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

Governmental Activities			
General government		\$	30,107
Public safety			248,487
Transportation			31,709
Public works			584,782
Recreation activities			30,926
Community betterment			6,625
Total depreciation expense, governmental activities		\$	932,636
Business-Type Activities			
Water		\$	425,632
Pollution control			267,834
Golf			112,510
Airport			317
Total depreciation expense, business-type activities		\$	806,293

Activity for the Hospital for the year ended September 30, 2008 was as follows:

	2007 Balance	Additions	Retirements	Transfers	2008 Balance
Component Unit: Hospital					
Capital assets, not being depreciated, construction-in-progress	\$ 984,762	\$ 6,100,898	\$ -	\$ -	\$ 7,085,660
Capital assets, being depreciated:					
Land improvements	813,471	11,776	-	-	825,247
Buildings and improvements	5,496,275	62,739	3,061	-	5,555,953
Operating equipment	4,854,194	199,804	16,338	-	5,037,660
Furniture and office equipment	5,734,530	994,871	791,476	-	5,937,925
Total capital assets, being depreciated, Hospital	16,898,470	1,269,190	810,875	-	17,356,785
Less accumulated depreciation for:					
Land improvements	410,576	27,462	-	-	438,038
Buildings and improvements	3,736,078	154,590	3,057	-	3,887,611
Operating equipment	3,326,785	234,420	14,868	-	3,546,337
Furniture and office equipment	4,913,621	390,517	690,735	-	4,613,403
Total accumulated depreciation	12,387,060	806,989	708,660	-	12,485,389
Total capital assets, being depreciated, Hospital, net	4,511,410	462,201	102,215	-	4,871,396
Hospital capital assets, net	\$ 5,496,172	\$ 6,563,099	\$ 102,215	\$ -	\$ 11,957,056

City of Excelsior Springs, Missouri

Notes to Basic Financial Statements

Note 5. Long-Term Debt

Long-term liability balances and activity for the year ended September 30, 2008 were as follows:

	Balance September 30, 2007	Additions	Retirements	Balance September 30, 2008	Amounts Due Within One Year
Governmental Activities:					
Capital leases	\$ 387,677	\$ -	\$ 105,249	\$ 282,428	\$ 66,500
Revenue bonds	3,975,000	-	495,000	3,480,000	520,000
Neighborhood improvement district bonds	360,000	-	70,000	290,000	75,000
Compensated absences	405,524	443,414	405,524	443,414	443,414
Governmental activities, long-term liabilities	\$ 5,128,201	\$ 443,414	\$ 1,075,773	\$ 4,495,842	\$ 1,104,914
Business-type activities:					
Long-term loans payable	\$ 627,500	\$ -	\$ 87,500	\$ 540,000	\$ 540,000
Lease purchase agreement	617,742	-	81,340	536,402	86,116
Revenue bonds	4,651,667	-	393,750	4,257,917	415,000
Compensated absences	104,758	110,302	104,758	110,302	110,302
Business-type activities, long-term liabilities	\$ 6,001,667	\$ 110,302	\$ 667,348	\$ 5,444,621	\$ 1,151,418
Component unit:					
Revenue bonds	\$ 3,831,851	\$ 5,329,739	\$ 172,823	\$ 8,988,767	\$ 196,711
Capital lease	366,404	725,879	296,582	795,701	213,482
Compensated absences	414,626	454,476	414,626	454,476	454,476
Component unit, long-term liabilities	\$ 4,612,881	\$ 6,510,094	\$ 884,031	\$ 10,238,944	\$ 864,669

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

City of Excelsior Springs, Missouri

Notes to Basic Financial Statements

Note 5. Long-Term Debt (Continued)

Long-term debt payable as of September 30, 2008, is comprised of the following individual issues:

	Balance September 30, 2007	Additions	Retirements	Balance September 30, 2008
Governmental activities:				
Capital leases:				
Purchase of 2003 fire truck due in bi-annual payments of principal and interest of \$42,076; interest at 5.79%	\$ 41,312	\$ -	\$ 41,312	\$ -
Purchase of 2007 fire truck due in bi-annual payments of principal and interest of \$77,059; interest at 3.97%	346,365	-	63,937	282,428
Revenue bonds:				
\$3,045,000 Facilities Authority Leasehold Refunding Revenue Bonds Series 2001, due in annual installments of \$135,000 to \$295,000 through December 15, 2015; interest at 2.30% to 5.05%	2,225,000	-	215,000	2,010,000
\$2,520,000 of refunding bonds, due in annual installments of \$195,000 to \$350,000 through October 1, 2012; interest at 1.75% to 4.75%	1,750,000	-	280,000	1,470,000
Neighborhood Improvement District Bonds:				
\$565,000 Series 1999A Tax-Exempt Neighborhood Improvement District Bonds (Elms NID), due in annual installments of \$40,000 to \$140,000; interest at 6.00%	360,000	-	70,000	290,000
Total governmental activities	\$ 4,722,677	\$ -	\$ 670,249	\$ 4,052,428

City of Excelsior Springs, Missouri

Notes to Basic Financial Statements

Note 5. Long-Term Debt (Continued)

	Balance September 30, 2007	Additions	Retirements	Balance September 30, 2008
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	\$ 627,500	\$ -	\$ 87,500	\$ 540,000
Lease Purchase Agreements:				
\$950,000 Series 2001 Lease Purchase Agreement, due in annual installments of \$20,164 to \$77,268 through September 1, 2016; interest at 5.75%	416,259	-	37,357	378,902
\$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%	201,483	-	43,983	157,500
Revenue Bonds:				
\$2,870,000 1992 Sewerage System revenue bonds (State Revolving Fund Program), due in annual installments of \$80,000 to \$245,000 starting on July 1, 1994 through July 1, 2013; interest at 4.50% to 6.55%	1,211,667	-	178,750	1,032,917
\$4,875,000 1998 Waterworks Refunding Bonds, due in annual installments of \$155,000 to \$375,000 starting on November 1, 1999 through November 1, 2018; interest at 4.00% to 5.25%	3,440,000	-	215,000	3,225,000
Total business-type activities	\$ 5,896,909	\$ -	\$ 562,590	\$ 5,334,319

City of Excelsior Springs, Missouri

Notes to Basic Financial Statements

Note 5. Long-Term Debt (Continued)

	Balance September 30, 2007	Additions	Retirements	Balance September 30, 2008
Component Unit:				
Revenue bonds:				
Hospital revenue bonds, Series B-R2, payable in monthly installments of \$10,183, including interest at 5%	\$ 472,167	\$ -	\$ 100,053	\$ 372,114
Hospital revenue bonds, Series C-R1; maturing April 2026; 5.75% interest; interest payments of \$4,045 payable monthly through March 1999, then principal and interest of \$5,113 thereafter	673,234	-	23,049	650,185
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	1,330,578	-	30,959	1,299,619
Hospital Revenue Bonds, Series 1999, maturity October 2030; 5.0% interest; interest payments annually through October 2002, annual principal and interest payments of \$50,348 thereafter; Independent Living Facility	675,872	-	18,762	657,110
Hospital Revenue Bonds, Series 2007A and Series 2007B, maturity October 1, 2038; 4.125% interest; interest annually through September 30, 2011, monthly principal and interest thereafter	680,000	5,329,739	-	6,009,739
Capital leases	366,404	725,879	296,582	795,701
Total component unit	\$ 4,198,255	\$ 6,055,618	\$ 469,405	\$ 9,784,468

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

City of Excelsior Springs, Missouri

Notes to Basic Financial Statements

Note 5. Long-Term Debt (Continued)

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 \$1,254,307 payable through 2013. For the current year, principal and interest paid and net revenues generated were \$266,099 and \$433,531, respectively.

During 1998, the City issued \$4,875,000 in Waterworks System Improvement and Refunding Revenue Bonds to fund expenses related to extending and improving the waterworks system. These revenue bonds under Missouri law are payable solely from waterworks system net revenues. Annual principal and interest payments on the bonds are expected to require less than 49 percent of net revenues. These bonds are not general obligations of the City. Total principal and interest remaining on the bonds is \$4,234,246 payable through 2019. For the current year, principal and interest paid and net revenues generated were \$385,776 and \$1,133,270, respectively.

During 1999, the City issued \$565,000 in Neighborhood Improvement District Bonds to fund expenses related to construction of the Elms Public Improvement Project. These neighborhood improvement district bonds under Missouri law are payable solely from special assessments against those properties within the district which in this case is limited to the Elms Hotel. Special assessments were projected to produce \$851,873 or 100 percent of the debt service requirements for the life of the bonds. Total principal and interest remaining on the bonds is \$328,700 payable through 2011. For the current year, principal and interest and special assessment revenues were \$91,600 and \$97,126, respectively.

During 2001, the Excelsior Springs Facilities Authority, a blended component unit, issued \$3,045,000 in Leasehold Refunding Revenue Bonds to fund the advance repayment of a series of 1994 Leasehold Refunding and Improvement Revenue bonds. These leasehold refunding revenue bonds under Missouri law are payable solely from rental payments derived by the Corporation from the lease of the Fire and Police facilities. The rental payments were projected to produce \$4,196,625 or 100 percent of the debt service requirements for the life of the bonds. These bonds are not general obligations of the City. It is not considered a default if there are insufficient rental payments to pay the full amount of principal and interest on the bonds. If the rental payments are insufficient to pay the full amount of principal and interest at maturity, the bonds will be deemed satisfied and paid in full. Total principal and interest remaining on the bonds is \$2,403,544 payable through 2016. For the current year, principal and interest paid and rental payments generated were \$314,005 and \$314,005, 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 155 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 \$1,625,020 payable through 2013. For the current year, principal and interest paid was \$346,200. Total incremental property tax and economic activity taxes generated during the current year were \$403,950 and \$932,795, respectively.

City of Excelsior Springs, Missouri

Notes to Basic Financial Statements

Note 5. Long-Term Debt (Continued)

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 \$1,956,729. Principal and interest paid for the current year and total customer net revenues were \$151,092 and \$1,305,835, respectively.

During 1983, the City Hospital issued \$5,020,000 (Series B – R2) in revenue bonds to fund expenses relating to the refunding of prior hospital revenue bonds and constructing and equipping a nursing home facility. These revenue bond are payable solely from net patient service revenue derived from the operations of the City Hospital and are payable through 2013. Annual principal and interest payments on the bonds are expected to require less than 1 percent of net patient service revenues. The total principal and interest remaining to be paid on the bonds is \$372,114. Principal and interest paid for the current year and total customer net revenues were \$122,196 and \$1,305,835, respectively.

During 1997, the City Hospital issued \$ 844,000 (Series C-R1) in revenue bonds to fund expenses relating to the construction of the residential care facility. These revenue bonds are payable solely from net patient service revenue derived from the operations of the City Hospital and are payable through 2026. Annual principal and interest payments on the bonds are expected to require less than 1 percent of net patient service revenues. The total principal and interest remaining to be paid on the bonds is \$650,185. Principal and interest paid for the current year and total customer net revenues were \$ 61,368 and \$1,305,835, 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 \$6,009,739 and \$4,382,628 as of September 30, 2038, respectively. Principal is not due on the revenue bonds until 2011 and interest paid for the current year and total net operating revenues were \$100,014 and \$1,305,835, respectively.

Sewerage system revenue bonds: In prior years, the City issued \$2,870,000 in Sewerage System Revenue Bonds. In conjunction with this issuance, the City entered into an agreement with the Missouri Department of Natural Resources whereby the state of Missouri will advance monies to establish a reserve fund in an amount up to 50 percent of the outstanding bonds.

This reserve fund will serve as collateral on the Sewerage System Revenue Bonds in the event of default and interest earnings on the reserve fund will be used to reduce the City's interest payment on the outstanding bonds. As of September 30, 2008, the balance of the advances from the Missouri Department of Natural Resources to the City is \$540,000.

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

City of Excelsior Springs, Missouri

Notes to Basic Financial Statements

Note 5. Long-Term Debt (Continued)

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

	Water	Pollution Control	Business-Type Activities Total	City Hospital	Reporting Entity Total
Reserve account	\$ 356,282	\$ 540,000	\$ 896,282	\$ 1,941,970	\$ 2,838,252

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

Capital leases: In the current year and in prior years, the City entered into various cancellable leases as lessee to finance the purchase of vehicles and equipment. The leases are accounted for as noncancellable capital leases in accordance with Statement of Financial Accounting Standards No. 13, *Accounting for Leases*.

Summary of principal and interest maturities:

Annual debt service requirements to service all outstanding indebtedness as of September 30, 2008, are as follows:

Governmental Activities:

Year ending September 30:	2001 Leasehold Refunding Bonds		Neighborhood Improvement District Bonds		Wal-Mart/Elms TIF 2003 Refunding Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2009	\$ 230,000	\$ 90,040	\$ 75,000	\$ 17,400	\$ 290,000	\$ 56,432
2010	235,000	80,274	75,000	12,900	305,000	44,960
2011	245,000	69,890	140,000	8,400	330,000	31,860
2012	265,000	57,875	-	-	350,000	17,138
2013	285,000	44,375	-	-	195,000	4,630
2014-2016	750,000	51,090	-	-	-	-
Total	\$ 2,010,000	\$ 393,544	\$ 290,000	\$ 38,700	\$ 1,470,000	\$ 155,020

Year ending September 30:	2007 Fire Truck Capital Lease	
	Principal	Interest
2009	\$ 66,500	\$ 10,559
2010	69,166	7,893
2011	71,939	5,120
2012	74,823	2,235
Total	\$ 282,428	\$ 25,807

City of Excelsior Springs, Missouri

Notes to Basic Financial Statements

Note 5. Long-Term Debt (Continued)

Year ending September 30:	1992 Sewer Bonds MDNR		1992 Sewerage System Revenue Bonds		1998 Waterworks Refunding Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2009	\$ 540,000	\$ -	\$ 190,000	\$ 70,740	\$ 225,000	\$ 160,710
2010	-	-	200,000	58,295	235,000	149,543
2011	-	-	215,000	45,195	250,000	137,175
2012	-	-	230,000	31,112	260,000	124,170
2013	-	-	197,917	16,048	275,000	110,528
2014-2018	-	-	-	-	1,605,000	317,276
2019	-	-	-	-	375,000	9,844
Total	\$ 540,000	\$ -	\$ 1,032,917	\$ 221,390	\$ 3,225,000	\$ 1,009,246

Year ending September 30:	Golf Course Capital Lease		2007 Golf Equipment Capital Lease	
	Principal	Interest	Principal	Interest
2009	\$ 39,503	\$ 21,786	\$ 46,613	\$ 8,466
2010	41,775	19,516	49,399	5,680
2011	44,177	17,114	52,352	2,726
2012	46,717	14,573	9,136	44
2013	49,404	11,887	-	-
2014-2016	157,326	17,954	-	-
Total	\$ 378,902	\$ 102,830	\$ 157,500	\$ 16,916

Component unit:

Year ending September 30:	Long-Term Debt		Capital Lease Obligations	
	Principal	Interest	Principal	Interest
2009	\$ 196,711	\$ 154,330	\$ 213,482	\$ 30,891
2010	189,668	144,978	154,864	22,597
2011	199,508	135,138	145,498	16,130
2012	219,839	372,320	152,088	9,539
2013	212,560	362,656	129,769	2,700
2014-2018	1,229,451	1,652,298	-	-
2019-2023	1,561,757	1,335,958	-	-
2024-2028	1,806,160	938,305	-	-
2029-2033	1,630,703	256,479	-	-
2034-2038	1,742,410	118,057	-	-
Total	\$ 8,988,767	\$ 5,470,519	\$ 795,701	\$ 81,857

City of Excelsior Springs, Missouri

Notes to Basic Financial Statements

Note 5. Long-Term Debt (Continued)

Capital leases shown in long-term debt for the City and the discretely presented component unit include leases for movable equipment at varying rates of imputed interest from 5 percent to 8 percent, maturing through 2020 and collateralized by the lease equipment. Property and equipment as of September 30, 2008 and 2007 include the following assets under capital lease:

	2008	2007
Movable equipment	\$ 2,113,404	\$ 1,465,012
Less accumulated depreciation	867,273	857,371
	<u>\$ 1,246,131</u>	<u>\$ 607,641</u>

Note 6. Interfund Balances and Transfers

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

	Transfers In	Transfers Out
Governmental activities:		
General	\$ 781,331	\$ 400,154
Construction Services Fund	698,400	25,000
Parks and Recreation Fund	20,000	33,628
Capital Improvements Fund	-	47,064
Tax Increment Financing - Wal-Mart/Elms Fund	-	352,903
Nonmajor governmental funds	892,400	1,202,427
Total governmental activities	<u>2,392,131</u>	<u>2,061,176</u>
Business-type activities:		
Water	746	188,850
Pollution control	3,581	90,358
Golf	-	13,698
Nonmajor enterprise funds	-	42,376
Total business-type activities	<u>4,327</u>	<u>335,282</u>
Total	<u>\$ 2,396,458</u>	<u>\$ 2,396,458</u>

City of Excelsior Springs, Missouri

Notes to Basic Financial Statements

Note 6. Interfund Balances and Transfers (Continued)

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them; (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service funds as debt service payments become due; (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Individual interfund receivables and payables were as follows:

	Due From	Due To
Governmental activities:		
General Fund	\$ 242,518	\$ -
Capital Improvements Fund	534,766	-
Nonmajor governmental funds	-	22,398
Business-type activities:		
Golf Fund	-	667,826
Nonmajor enterprise funds	-	87,060
	<u>\$ 777,284</u>	<u>\$ 777,284</u>

Interfund advances as of September 30, 2008, were as follows:

	Advance Receivables	Advance Payables
Business-type activities:		
Pollution control	\$ 40,000	\$ -
Golf	-	40,000
Total business-type activities	<u>\$ 40,000</u>	<u>\$ 40,000</u>

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

Note 7. Employee Retirement Systems

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

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

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

City of Excelsior Springs, Missouri

Notes to Basic Financial Statements

Note 7. Employee Retirement Systems (Continued)

Funding status: The City of Excelsior Spring's full-time employees do not contribute to the pension plan. The political subdivision is required to contribute to an actuarially determined rate; the current rate is 4.3 percent (general), 4.6 percent (police) and 5.8 percent (fire) of annual covered payroll. The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the political subdivision are established by state statute.

As of February 29, 2008, the most recent actuarial valuation date, the plan was 123 percent funded. The actuarial accrued liability for benefits was \$8,090,199 and the actuarial value of assets was \$9,986,141, resulting in an overfunded actuarial accrued liability (UAAL) of \$1,895,942. The covered payroll (annual payroll of active employees covered by the plan) was \$3,848,382 and the ratio of the UAAL to the covered payroll was 49 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: For 2008, the political subdivision's annual pension cost of \$187,064 was equal to the required and actual contributions. The required contribution was determined as part of the February 28, 2006 and/or February 28, 2007 annual actuarial valuation using the entry age actuarial cost method.

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

Fiscal Year Ending	Three-Year Trend Information		
	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
09/30/2006	\$ 112,776	100%	-
09/30/2007	233,082	100	-
09/30/2008	187,064	100	-

Note 8. Contingencies

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

City of Excelsior Springs, Missouri

Notes to Basic Financial Statements

Note 8. Contingencies (Continued)

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, 2008 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.

Hospital building expansion project: Groundbreaking for the expansion of the Outpatient Services Building addition occurred during 2007. The project is expected to be completed in 2009. The approximate 27,500 square foot outpatient expansion will house a new outpatient clinic, rehabilitation services department, pharmacy, administrative offices and wellness clinic. Additionally, the emergency, admitting and laboratory departments are to be renovated as part of the project, along with the addition of approximately 80 parking spaces being added. Total cost of the project is estimated to be \$8,920,000 and will be funded through a USDA Rural Development loan.

During October 2008, approval was made to construct an MRI Building with the use of USDA Rural Development funds. The approximate size of the addition is 5,500 square feet with an estimated cost of \$1,200,000.

Note 9. Risk Management

The City is exposed to various risks of litigation and casualties. The City is insured for automobile liability, general liability, property damage, health claims and workers' compensation through a commercial carrier. The City has held sufficient coverage for the year ended September 30, 2008, and for each of the past three fiscal years.

Note 10. Net Patient Service Revenue

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

Medicare: Inpatient acute care services and outpatient services rendered to Medicare Program beneficiaries are paid at prospectively determined rates. These rates vary according to a patient classification system that is based on clinical, diagnostic and other factors. Inpatient swingbed services are paid at prospectively determined rates that are based on the patient's acuity. On November 8, 2004, the City Hospital was designated as a Critical Access Hospital (CAH). Under this designation, the Hospital is paid on a cost reimbursement methodology. The Hospital is reimbursed for certain services at a tentative rate with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the Medical Fiscal Intermediary. Estimated settlements have been reflected in the accompanying financial statements.

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

Approximately 60 percent and 57 percent of net patient service revenues are from participation in Medicare and state-sponsored Medicaid programs for the years ended September 30, 2008 and 2007, respectively.

City of Excelsior Springs, Missouri

Notes to Basic Financial Statements

Note 10. Net Patient Service Revenue (Continued)

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 11. Concentration of Credit Risk

The City Hospital is located in Excelsior Springs, Missouri. The City Hospital grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payer agreements. The mix of receivables from patients and third-party payers as of September 30, 2008 and 2007 was:

	2008	2007
Medicare	\$ 751,898	\$ 798,864
Medicaid	227,483	208,112
Other third-party payers	688,955	699,130
Patients	1,542,198	1,581,251
	<u>3,210,534</u>	<u>3,287,357</u>
Less allowances for uncollectible accounts	972,779	1,001,818
	<u>\$ 2,237,755</u>	<u>\$ 2,285,539</u>

Note 12. Governmental Accounting Standards Board (GASB) Statements

The City implemented the following (GASB) statements during the year ended September 30, 2008:

GASB Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. This Statement establishes uniform financial reporting standards for other postemployment benefit plans (OPEB plans) and supercedes existing guidance. The adoption of this Statement had no effect on the City.

GASB Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*. This Statement establishes accounting and financial reporting standards for transactions in which a government receives, or is entitled to, resources in exchange for future cash flows generated by collecting specific receivables or specific future revenues. It also provides disclosure requirements for a government that pledges or commits future cash flows from a specific revenue source. In addition, this Statement establishes accounting and financial reporting standards for intra-entity transfers of assets and future revenues. The effect of the adoption of this Statement to the City was the addition of note disclosures regarding pledged revenue for long-term obligations.

GASB Statement No. 50, *Pension Disclosures*, an amendment of GASB Statement Nos. 25 and 27. This Statement more closely aligns the financial reporting requirements for pensions with those for other postemployment benefits (OPEB) and, in doing so, enhances information disclosed in notes to the financial statements or presented as required supplementary information (RSI) by pension plans and by employers that provide pension benefits. This Statement modified the disclosure for the City's pension plan.

City of Excelsior Springs, Missouri

Notes to Basic Financial Statements

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

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

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

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

GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, issued July 2007, will be effective for the City beginning with its year ending September 30, 2010. This Statement provides guidance regarding how to identify, account for and report intangible assets. The new standard characterizes an intangible asset as an asset that lacks physical substance, is nonfinancial in nature and has an initial useful life extending beyond a single reporting period. Examples of intangible assets include easements, computer software, water rights, timber rights, patents and trademarks. This standard provides that intangible assets be classified as capital assets (except for those explicitly excluded from the scope of the new standard, such as capital leases). Relevant authoritative guidance for capital assets should be applied to these intangible assets.

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

GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, issued June 2008, will be effective for the City beginning with its year ending September 30, 2010. This Statement will improve how state and local governments report information about derivative instruments in their financial statements. The Statement specifically requires governments to measure most derivative instruments at fair value in their financial statements that are prepared using the economic resources measurement focus and the accrual basis of accounting. The guidance in this Statement also addresses hedge accounting requirements.

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

City of Excelsior Springs, Missouri

Required Supplementary Information
Missouri Local Government Employees Retirement System

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Entry Age Actuarial Liability	(b-a) Unfunded Accrued Liability (UAL)	(a/b) Funded Ratio	(c) Annual Covered Payroll	[(b-a)/c] UAL as a Percentage of Covered Payroll
02/28/2006	\$ 8,568,208	\$ 7,341,282	\$ (1,226,926)	116.71%	\$ 3,561,707	34.45%
02/28/2007	9,328,383	8,149,827	(1,178,556)	114.46	3,911,032	30.13
02/29/2008	9,986,141	8,090,199	(1,895,942)	123.44	3,848,382	49.27

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

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Fiscal Year Ended	Annual Required Contributions (ARC) (a)	Total Contributions (b)	Percentage of ARC Contributed (b/a)
9/30/06	\$ 112,776	\$ 112,776	100%
9/30/07	233,082	233,082	100
9/30/08	187,064	187,064	100

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

The required contribution was determined as part of the February 28, 2006 and/or February 28, 2007 annual actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) a rate of return on the investment of present and future assets of 7.5 percent per year, compounded annually, (b) projected salary increases of 4.0 percent per year, compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0 percent to 6.0 percent per year depending on age and division, attributable to seniority/merit, (d) pre-retirement mortality based on the RP-2000 Combined Healthy Table set back 0 years for men and 0 years for women and (e) post-retirement mortality based on the 1971 Group Annuity Mortality Table set back 1 year for men and 7 years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period as of February 29, 2008 was 15 years.

City of Excelsior Springs, Missouri

Combining Balance Sheet
 Nonmajor Governmental Funds
 September 30, 2008

	Special Revenue Funds	Debt Service Funds	Capital Projects Fund, Capital Equipment	Total Nonmajor Governmental Funds
Assets				
Cash and cash equivalents	\$ 1,682,381	\$ -	\$ 5,243	\$ 1,687,624
Investments	500,000	-	-	500,000
Receivables, net of allowance for uncollectibles:				
Property taxes	23,816	-	-	23,816
Other	1,645	-	-	1,645
Due from other governments	273,902	-	-	273,902
Restricted cash and cash equivalents	-	774,715	-	774,715
Total assets	\$ 2,481,744	\$ 774,715	\$ 5,243	\$ 3,261,702
Liabilities and Fund Balance				
Liabilities:				
Accounts payable and accrued expenses	\$ 10,494	\$ -	\$ -	\$ 10,494
Due to other funds	22,398	-	-	22,398
Deferred revenue	16,239	-	-	16,239
Total liabilities	49,131	-	-	49,131
Fund balance:				
Reserved for debt service	-	774,715	-	774,715
Reserved for encumbrances	32,262	-	-	32,262
Unreserved	2,400,351	-	5,243	2,405,594
Total fund balance	2,432,613	774,715	5,243	3,212,571
Total liabilities and fund balance	\$ 2,481,744	\$ 774,715	\$ 5,243	\$ 3,261,702

City of Excelsior Springs, Missouri

Combining Balance Sheet
 Nonmajor Special Revenue Funds
 September 30, 2008

	Neighborhood Improvement District	Community Development Block Grant	Transportation Trust	E-911 Phone Tax
Assets				
Cash and cash equivalents	\$ 45,083	\$ -	\$ 641,930	\$ 345,687
Investments	-	-	500,000	-
Receivables, net of allowance for uncollectibles:				
Property taxes	-	-	-	-
Other	1,645	-	-	-
Due from other governments	-	58,537	98,424	15,413
Total assets	\$ 46,728	\$ 58,537	\$ 1,240,354	\$ 361,100
Liabilities and Fund Balance				
Liabilities:				
Accounts payable and accrued expenses	\$ -	\$ 6,664	\$ 1,158	\$ 2,284
Due to other funds	-	22,398	-	-
Deferred revenue	-	-	-	-
Total liabilities	-	29,062	1,158	2,284
Fund balance:				
Reserved for encumbrances	-	-	-	-
Unreserved	46,728	29,475	1,239,196	358,816
Total fund balance	46,728	29,475	1,239,196	358,816
Total liabilities and fund balance	\$ 46,728	\$ 58,537	\$ 1,240,354	\$ 361,100

Capital Improvements E-911 Tax	Tax Increment Financing- Paradise Playhouse	Tax Increment Financing- Vintage Development	Public Safety Sales Tax	Elms Hotel Event Fees	Total
\$ 38,798	\$ 1,077	\$ 2,585	\$ 536,031	\$ 71,190	\$ 1,682,381
-	-	-	-	-	500,000
-	4,755	19,061	-	-	23,816
-	-	-	-	-	1,645
-	116	3,012	98,400	-	273,902
<u>\$ 38,798</u>	<u>\$ 5,948</u>	<u>\$ 24,658</u>	<u>\$ 634,431</u>	<u>\$ 71,190</u>	<u>\$ 2,481,744</u>
\$ -	\$ -	\$ -	\$ 388	\$ -	\$ 10,494
-	-	-	-	-	22,398
-	4,755	11,484	-	-	16,239
-	4,755	11,484	388	-	49,131
-	-	-	32,262	-	32,262
38,798	1,193	13,174	601,781	71,190	2,400,351
<u>38,798</u>	<u>1,193</u>	<u>13,174</u>	<u>634,043</u>	<u>71,190</u>	<u>2,432,613</u>
<u>\$ 38,798</u>	<u>\$ 5,948</u>	<u>\$ 24,658</u>	<u>\$ 634,431</u>	<u>\$ 71,190</u>	<u>\$ 2,481,744</u>

City of Excelsior Springs, Missouri

Combining Balance Sheet
Nonmajor Debt Service Funds
September 30, 2008

	Debt Service	Tax Increment Financing- Wal-Mart/Elms	Total
Assets, restricted cash and cash equivalents	<u>\$ 453,621</u>	<u>\$ 321,094</u>	<u>\$ 774,715</u>
Liabilities and Fund Balance			
Fund balance, reserved for debt service	<u>\$ 453,621</u>	<u>\$ 321,094</u>	<u>\$ 774,715</u>

City of Excelsior Springs, Missouri

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances - Nonmajor Governmental Funds
Year Ended September 30, 2008

	Special Revenue Funds	Debt Service Funds	Capital Projects Fund, Capital Equipment	Total Nonmajor Governmental Funds
Revenues:				
Taxes	\$ 1,640,278	\$ -	\$ -	\$ 1,640,278
Intergovernmental revenues	102,812	-	-	102,812
Special assessment fees	95,976	-	-	95,976
Investment earnings	100,420	5,323	522	106,265
Miscellaneous	-	-	4,125	4,125
Total revenues	1,939,486	5,323	4,647	1,949,456
Expenditures:				
Current:				
General government	34,264	-	-	34,264
Public safety	109,056	-	-	109,056
Public works	66,094	-	-	66,094
Recreational activities	17,567	-	-	17,567
Community betterment	147,507	-	-	147,507
Capital outlay	105,757	-	-	105,757
Debt service:				
Principal	-	670,249	-	670,249
Interest	-	200,908	-	200,908
Trustee fees	-	5,297	-	5,297
Total expenditures	480,245	876,454	-	1,356,699
Excess of revenues over (under) expenditures	1,459,241	(871,131)	4,647	592,757
Other financing sources (uses):				
Transfers in	8,960	883,440	-	892,400
Transfers out	(1,058,438)	-	(143,989)	(1,202,427)
Total other financing sources (uses)	(1,049,478)	883,440	(143,989)	(310,027)
Net change in fund balances	409,763	12,309	(139,342)	282,730
Fund balances, beginning	2,022,850	762,406	144,585	2,929,841
Fund balances, ending	\$ 2,432,613	\$ 774,715	\$ 5,243	\$ 3,212,571

City of Excelsior Springs, Missouri

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances - Nonmajor Special Revenue Funds
Year Ended September 30, 2008

	Neighborhood Improvement District	Community Development Block Grant	Transportation Trust	Tax Increment Financing- Price Chopper
Revenues:				
Taxes	\$ -	\$ -	\$ 699,874	\$ -
Intergovernmental revenues	-	102,812	-	-
Special assessment fees	47,989	-	-	-
Investment earnings	49,138	-	28,582	717
Total revenues	97,127	102,812	728,456	717
Expenditures:				
Current:				
General government	-	-	2,865	-
Public safety	-	-	-	-
Public works	-	46,013	20,081	-
Recreational activities	-	17,567	-	-
Community betterment	-	23,325	-	12,296
Capital outlay	-	37,351	-	-
Total expenditures	-	124,256	22,946	12,296
Excess of revenues over (under) expenditures	97,127	(21,444)	705,510	(11,579)
Other financing sources (uses):				
Transfers in	-	8,960	-	-
Transfers out	(92,123)	-	(556,358)	-
Total other financing sources (uses)	(92,123)	8,960	(556,358)	-
Net change in fund balance	5,004	(12,484)	149,152	(11,579)
Fund balances, beginning	41,724	41,959	1,090,044	11,579
Fund balances, ending	\$ 46,728	\$ 29,475	\$ 1,239,196	\$ -

E-911 Phone Tax	Capital Improvements E-911 Tax	Tax Increment Financing- Paradise Playhouse	Tax Increment Financing- Vintage Development	Public Safety Sales Tax	Elms Hotel Event Fees	Total
\$ 121,542	\$ -	\$ 32,797	\$ 86,329	\$ 699,736	\$ -	\$ 1,640,278
-	-	-	-	-	-	102,812
-	-	-	-	-	47,987	95,976
8,870	1,996	-	-	9,242	1,875	100,420
130,412	1,996	32,797	86,329	708,978	49,862	1,939,486
713	-	-	-	1,165	29,521	34,264
29,123	147	-	-	79,786	-	109,056
-	-	-	-	-	-	66,094
-	-	-	-	-	-	17,567
-	-	32,496	79,390	-	-	147,507
974	39,632	-	-	27,800	-	105,757
30,810	39,779	32,496	79,390	108,751	29,521	480,245
99,602	(37,783)	301	6,939	600,227	20,341	1,459,241
-	-	-	-	-	-	8,960
(34,820)	-	-	-	(375,137)	-	(1,058,438)
(34,820)	-	-	-	(375,137)	-	(1,049,478)
64,782	(37,783)	301	6,939	225,090	20,341	409,763
294,034	76,581	892	6,235	408,953	50,849	2,022,850
\$ 358,816	\$ 38,798	\$ 1,193	\$ 13,174	\$ 634,043	\$ 71,190	\$ 2,432,613

City of Excelsior Springs, Missouri

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances - Nonmajor Debt Service Funds
Year Ended September 30, 2008

	Debt Service	Tax Increment Financing- Wal-Mart/Elms	Total
Revenues, investment earnings	\$ 3,961	\$ 1,362	\$ 5,323
Expenditures, debt service:			
Principal	390,249	280,000	670,249
Interest	134,706	66,202	200,908
Trustee fees	2,797	2,500	5,297
Total expenditures	527,752	348,702	876,454
Excess of revenues (under) expenditures	(523,791)	(347,340)	(871,131)
Other financing sources, transfers in	530,537	352,903	883,440
Net change in fund balance	6,746	5,563	12,309
Fund balances, beginning	446,875	315,531	762,406
Fund balances, ending	\$ 453,621	\$ 321,094	\$ 774,715

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City of Excelsior Springs, Missouri

Combining Schedule of Revenues, Expenditures and
 Changes in Fund Balances - Nonmajor Special Revenue Funds -
 Budget to Actual
 Year Ended September 30, 2008

	Neighborhood Improvement District		Community Development Block Grant	
	Budget	Actual	Budget	Actual
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	-	-	463,231	102,812
Special assessment fees	38,000	47,989	-	-
Investment earnings	53,850	49,138	-	-
Total revenues	91,850	97,127	463,231	102,812
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	100,000	46,013
Recreational activities	-	-	50,000	17,567
Community betterment	-	-	269,858	23,325
Capital outlay	-	-	42,073	37,351
Total expenditures	-	-	461,931	124,256
Excess of revenues over (under) expenditures	91,850	97,127	1,300	(21,444)
Other financing sources (uses):				
Transfers in	-	-	8,960	8,960
Transfers out	(92,123)	(92,123)	(10,000)	-
Total other financing sources (uses)	(92,123)	(92,123)	(1,040)	8,960
Net change in fund balance	\$ (273)	5,004	\$ 260	(12,484)
Fund balances, beginning		41,724		41,959
Fund balances, ending		<u>\$ 46,728</u>		<u>\$ 29,475</u>

(Continued)

Transportation Trust		Tax Increment Financing - Price Chopper		E-911 Phone Tax	
Budget	Actual	Budget	Actual	Budget	Actual
\$ 603,943	\$ 699,874	\$ -	\$ -	\$ 105,000	\$ 121,542
-	-	-	-	-	-
-	-	-	-	-	-
29,500	28,582	717	717	8,000	8,870
633,443	728,456	717	717	113,000	130,412
5,343	2,865	-	-	1,500	713
-	-	-	-	30,500	29,123
20,750	20,081	-	-	-	-
-	-	-	-	-	-
-	-	12,296	12,296	-	-
-	-	-	-	3,000	974
26,093	22,946	12,296	12,296	35,000	30,810
607,350	705,510	(11,579)	(11,579)	78,000	99,602
-	-	-	-	-	-
(846,423)	(556,358)	-	-	(34,820)	(34,820)
(846,423)	(556,358)	-	-	(34,820)	(34,820)
<u>\$ (239,073)</u>	149,152	<u>\$ (11,579)</u>	(11,579)	<u>\$ 43,180</u>	64,782
	1,090,044		11,579		294,034
	<u>\$ 1,239,196</u>		<u>\$ -</u>		<u>\$ 358,816</u>

City of Excelsior Springs, Missouri

Combining Schedule of Revenues, Expenditures and
 Changes in Fund Balances - Nonmajor Special Revenue Funds -
 Budget to Actual (Continued)
 Year Ended September 30, 2008

	Capital Improvements E-911 Tax		Tax Increment Financing - Paradise Playhouse	
	Budget	Actual	Budget	Actual
Revenues:				
Taxes	\$ -	\$ -	\$ 31,948	\$ 32,797
Intergovernmental revenues	-	-	-	-
Special assessment fees	-	-	-	-
Investment earnings	2,000	1,996	-	-
Total revenues	2,000	1,996	31,948	32,797
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	2,500	147	-	-
Public works	-	-	-	-
Community betterment	-	-	32,840	32,496
Capital outlay	39,633	39,632	-	-
Total expenditures	42,133	39,779	32,840	32,496
Excess of revenues over (under) expenditures	(40,133)	(37,783)	(892)	301
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	\$ (40,133)	(37,783)	\$ (892)	301
Fund balances, beginning		76,581		892
Fund balances, ending		<u>\$ 38,798</u>		<u>\$ 1,193</u>

Tax Increment					
Financing - Vintage Development		Public Safety Sales Tax		Elms Hotel Event Fees	
Budget	Actual	Budget	Actual	Budget	Actual
\$ 95,243	\$ 86,329	\$ 653,943	\$ 699,736	\$ -	\$ -
-	-	-	-	-	-
-	-	8,200	9,242	42,800	47,987
-	-	-	-	1,800	1,875
95,243	86,329	662,143	708,978	44,600	49,862
-	-	1,000	1,165	31,100	29,521
-	-	90,379	79,786	-	-
-	-	-	-	-	-
101,478	79,390	-	-	-	-
-	-	27,800	27,800	-	-
101,478	79,390	119,179	108,751	31,100	29,521
(6,235)	6,939	542,964	600,227	13,500	20,341
-	-	-	-	-	-
-	-	(377,059)	(375,137)	-	-
-	-	(377,059)	(375,137)	-	-
<u>\$ (6,235)</u>	<u>6,939</u>	<u>\$ 165,905</u>	<u>225,090</u>	<u>\$ 13,500</u>	<u>20,341</u>
	<u>6,235</u>		<u>408,953</u>		<u>50,849</u>
	<u>\$ 13,174</u>		<u>\$ 634,043</u>		<u>\$ 71,190</u>

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, 2008

	Debt Service		Tax Increment Financing - Wal-Mart/Elms	
	Budget	Actual	Budget	Actual
Revenues, investment earnings	\$ 4,010	\$ 3,961	\$ 1,400	\$ 1,362
Expenditures, debt service:				
Principal	390,249	390,249	280,000	280,000
Interest	134,492	134,706	66,203	66,202
Trustee fees	5,525	2,797	2,500	2,500
Total expenditures	530,266	527,752	348,703	348,702
Excess of revenues (under) expenditures	(526,256)	(523,791)	(347,303)	(347,340)
Other financing sources, transfers in	530,538	530,537	352,903	352,903
Net change in fund balance	\$ 4,282	6,746	\$ 5,600	5,563
Fund balances, beginning		446,875		315,531
Fund balances, ending		<u>\$ 453,621</u>		<u>\$ 321,094</u>

City of Excelsior Springs, Missouri

Combining Schedule of Revenues, Expenditures and
 Changes in Fund Balances - Nonmajor Capital Projects Fund -
 Budget to Actual
 Year Ended September 30, 2008

	Capital Equipment	
	Budget	Actual
Revenues, investment earnings		
Investment earnings	\$ 600	\$ 522
Miscellaneous	4,000	4,125
Total revenues	<u>4,600</u>	<u>4,647</u>
Other financing (uses), transfers out	<u>(143,989)</u>	<u>(143,989)</u>
Net change in fund balance	<u>\$ (139,389)</u>	<u>(139,342)</u>
Fund balances, beginning		144,585
Fund balances, ending		<u>\$ 5,243</u>

City of Excelsior Springs, Missouri

Combining Statement of Net Assets (Deficit)
 Nonmajor Enterprise Funds
 September 30, 2008

Assets	Airport	Refuse	Total
Current assets:			
Cash and cash equivalents	\$ -	\$ 263,700	\$ 263,700
Accounts receivable, net of allowance for uncollectibles	-	52,237	52,237
Total current assets	-	315,937	315,937
Noncurrent assets:			
Land	50,000	-	50,000
Buildings and improvements	48,624	-	48,624
Total capital assets	98,624	-	98,624
Less accumulated depreciation	38,474	-	38,474
Total noncurrent assets	60,150	-	60,150
Total assets	\$ 60,150	\$ 315,937	\$ 376,087
Liabilities and Fund Equity (Deficit)			
Current liabilities:			
Due to other funds	\$ 87,060	\$ -	\$ 87,060
Accounts payable and accrued expenses	199	36,037	36,236
Total current liabilities	87,259	36,037	123,296
Net assets (deficit):			
Invested in capital assets, net of related debt	60,150	-	60,150
Unrestricted	(87,259)	279,900	192,641
Total net assets (deficit)	(27,109)	279,900	252,791
Total liabilities and net assets (deficit)	\$ 60,150	\$ 315,937	\$ 376,087

City of Excelsior Springs, Missouri

Combining Statement of Revenues, Expenses and Changes in Fund Net Assets (Deficit)
 Nonmajor Enterprise Funds
 Year Ended September 30, 2008

	Airport	Refuse	Total
Operating revenues:			
Charges for services	\$ -	\$ 515,868	\$ 515,868
Rental income	22,055	-	22,055
Other	-	11,209	11,209
Total operating revenues	22,055	527,077	549,132
Operating expenses:			
Contractual and professional services	-	431,348	431,348
Utilities	4,007	2,815	6,822
Insurance	2,430	-	2,430
Supplies and materials (administrative)	457	5,631	6,088
Depreciation	317	-	317
Total operating expenses	7,211	439,794	447,005
Operating income	14,844	87,283	102,127
Nonoperating revenue, investment earnings	-	6,438	6,438
Income before transfers	14,844	93,721	108,565
Transfers out	-	(42,376)	(42,376)
Change in net assets	14,844	51,345	66,189
Total net assets (deficit), beginning	(41,953)	228,555	186,602
Total net assets (deficit), ending	\$ (27,109)	\$ 279,900	\$ 252,791

City of Excelsior Springs, Missouri

Combining Statement of Cash Flows
 Nonmajor Enterprise Funds
 Year Ended September 30, 2008

	Airport	Refuse	Total
Cash flows from operating activities:			
Cash collected from customers	\$ 22,055	\$ 525,798	\$ 547,853
Cash paid to suppliers for goods and services	(6,695)	(404,203)	(410,898)
Net cash provided by operating activities	15,360	121,595	136,955
Cash flows from noncapital financing activities:			
Transfers out	-	(42,376)	(42,376)
Interfund payments	(15,360)	-	(15,360)
Net cash (used in) noncapital financing activities	(15,360)	(42,376)	(57,736)
Cash flows from investing activities, interest income			
	-	6,438	6,438
Net increase in cash and cash equivalents	-	85,657	85,657
Cash and cash equivalents:			
Beginning	-	178,043	178,043
Ending	\$ -	\$ 263,700	\$ 263,700
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	\$ 14,844	\$ 87,283	\$ 102,127
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	317	-	317
(Increase) in accounts receivable	-	(1,279)	(1,279)
Increase in accounts payable and accrued expenses	199	35,591	35,790
Net cash provided by operating activities	\$ 15,360	\$ 121,595	\$ 136,955

City of Excelsior Springs, Missouri

Combining Statement of Assets and Liabilities - Agency Funds
September 30, 2008

Assets	Hospital	Payroll	Road District	Total
Cash and cash equivalents	\$ 2,049,551	\$ 75,859	\$ 312,574	\$ 2,437,984
Taxes receivable	228,199	-	-	228,199
Total assets	\$ 2,277,750	\$ 75,859	\$ 312,574	\$ 2,666,183
Liabilities				
Accounts payable	\$ 2	\$ 75,859	\$ -	\$ 75,861
Due to component unit	2,277,748	-	-	2,277,748
Due to other governments	-	-	312,574	312,574
Total liabilities	\$ 2,277,750	\$ 75,859	\$ 312,574	\$ 2,666,183

City of Excelsior Springs, Missouri

Statement of Changes in Assets and Liabilities - Agency Funds
Year Ended September 30, 2008

	Balance September 30, 2007	Additions	Deletions	Balance September 30, 2008
Hospital Fund				
Assets:				
Cash and cash equivalents	\$ 2,990,421	\$ 997,603	\$ 1,938,473	\$ 2,049,551
Taxes receivable	226,515	215,655	213,971	228,199
Total assets	\$ 3,216,936	\$ 1,213,258	\$ 2,152,444	\$ 2,277,750
Liabilities:				
Accounts payable	\$ 1,300	\$ 2	\$ 1,300	\$ 2
Due to component unit	3,215,636	1,213,256	2,151,144	2,277,748
Total liabilities	\$ 3,216,936	\$ 1,213,258	\$ 2,152,444	\$ 2,277,750
Payroll Fund				
Assets, cash and cash equivalents	\$ (55,579)	\$ 6,545,220	\$ 6,413,782	\$ 75,859
Liabilities, accounts payable	\$ (55,579)	\$ 8,011,592	\$ 7,880,154	\$ 75,859
Road District Fund				
Assets, cash and cash equivalents	\$ 135,038	\$ 309,271	\$ 131,735	\$ 312,574
Liabilities, due to other governments	\$ 135,038	\$ 309,271	\$ 131,735	\$ 312,574
Total Agency Funds				
Assets:				
Cash and cash equivalents	\$ 3,069,880	\$ 7,852,094	\$ 8,483,990	\$ 2,437,984
Taxes receivable	226,515	215,655	213,971	228,199
Total assets	\$ 3,296,395	\$ 8,067,749	\$ 8,697,961	\$ 2,666,183
Liabilities:				
Accounts payable	\$ (54,279)	\$ 8,011,594	\$ 7,881,454	\$ 75,861
Due to other governments	135,038	309,271	131,735	312,574
Due to component unit	3,215,636	1,213,256	2,151,144	2,277,748
Total liabilities	\$ 3,296,395	\$ 9,534,121	\$ 10,164,333	\$ 2,666,183

City of Excelsior Springs, Missouri

Statistical Section

Contents

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

Contents	Page
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well being have changed over time.	88 - 93
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue sources, the sales tax.	94 - 99
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current level of outstanding debt and the City's ability to issue additional debt in the future.	100 - 103
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.	104 - 105
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	106 - 108

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

	Fiscal Year					
	2003	2004	2005	2006	2007	2008
Governmental Activities:						
Invested in capital assets, net of related debt	(3,067,523)	(1,264,482)	(102,176)	[a] 8,215,502	8,920,357	9,600,400
Restricted	3,168,513	2,673,855	3,565,220	3,915,524	4,443,656	5,066,289
Unrestricted	3,378,258	3,419,935	2,568,358	2,889,439	3,035,103	4,607,991
Total governmental activities net assets	3,479,248	4,829,308	6,031,402	15,020,465	16,399,116	19,274,680
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
Restricted	1,607,783	1,255,000	1,172,000	1,101,621	1,004,472	896,282
Unrestricted	1,692,813	1,714,642	1,793,565	1,915,682	2,090,881	1,675,923
Total business-type activities net assets	8,660,180	8,392,978	8,420,787	8,520,025	8,847,739	9,448,802
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
Restricted	4,776,296	3,928,855	4,737,220	5,017,145	5,448,128	5,962,571
Unrestricted	8,154,554	7,348,790	7,305,578	4,805,121	5,125,984	6,283,914
Total primary government net assets	15,222,911	15,436,499	17,395,844	23,540,490	25,246,855	28,723,482

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

	Fiscal Year					
	2003	2004	2005	2006	2007	2008
Expenses:						
Governmental activities:						
General government	\$ 734,877	\$ 790,958	\$ 741,077	\$ 939,821	\$ 999,410	966,831
Public Safety	3,876,293	3,791,455	4,007,447	4,569,672	4,450,412	4,048,900
Transportation	151,273	155,612	118,869	108,254	97,584	134,436
Public works	1,290,783	1,522,617	864,625	1,067,169	1,428,481	1,767,511
Health and Welfare	47,711	48,715	51,643	52,971	53,196	49,318
Recreational Activities	457,595	418,771	383,466	311,201	511,358	504,097
Community Betterment	653,759	980,721	908,513	967,437	1,287,102	1,089,998
Interest on long-term debt	449,855	469,131	396,908	346,140	230,991	195,191
Total governmental activities expenses	<u>7,662,136</u>	<u>8,177,980</u>	<u>7,472,548</u>	<u>8,362,665</u>	<u>9,058,534</u>	<u>8,756,282</u>
Business-type activities:						
Water	1,758,746	1,820,589	1,724,911	1,690,883	1,707,102	1,666,996
Sewer	1,067,643	988,257	929,790	978,084	973,446	877,837
Golf	815,495	736,727	735,904	780,348	773,545	849,698
Airport	2,956	2,955	3,087	3,087	3,087	7,211
Refuse	281,996	314,480	321,202	352,558	376,787	439,794
Total business-type activities expenses	<u>3,926,836</u>	<u>3,843,008</u>	<u>3,714,894</u>	<u>3,804,960</u>	<u>3,833,967</u>	<u>3,841,536</u>
Total primary government expenses	<u>11,588,972</u>	<u>12,020,988</u>	<u>11,187,442</u>	<u>12,167,625</u>	<u>12,892,501</u>	<u>12,597,818</u>
Program revenue:						
Governmental activities:						
Charges for services:						
General government	174,783	153,283	156,743	153,400	154,677	158,180
Public Safety	861,701	807,716	907,474	845,597	798,748	1,080,352
Transportation	38,229	31,350	31,265	30,264	26,156	31,802
Public works	145,483	6,828	4,807	74,217	15,638	303,845
Health and Welfare	-	-	-	-	-	-
Recreational Activities	31,707	35,762	23,910	32,080	31,919	23,720
Community Betterment	237,340	101,089	188,463	175,159	156,780	78,710
Operating grants and contributions:						
Public Safety	9,553	-	-	23,523	19,187	-
Transportation	41,109	52,583	36,319	35,852	29,057	56,385
Public works	-	191,911	553,718	535,311	590,406	553,271
Health and Welfare	15,125	17,875	13,750	19,250	12,375	21,323
Recreational Activities	69,632	30,379	-	20,377	17,220	-
Community Betterment	6,703	-	-	200,934	13,111	73,723
Capital grants and contributions, community betterment						
Total governmental activities program revenue	<u>1,631,365</u>	<u>1,428,776</u>	<u>1,953,772</u>	<u>2,145,964</u>	<u>1,865,274</u>	<u>2,411,702</u>
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
Sewer	933,475	938,682	910,652	963,116	1,055,082	1,087,548
Golf	762,814	674,806	667,310	719,440	720,394	774,704
Airport	6,600	6,003	4,800	9,600	1,200	22,055
Refuse	353,441	359,919	370,127	407,217	461,351	527,077

City of Excelsior Springs, Missouri

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

	Fiscal Year					
	2003	2004	2005	2006	2007	2008
Capital grants and contributions:						
Water	-	-	12,721	-	-	31,011
Sewer	-	-	136,115	-	-	-
Golf	-	-	1,248	-	15,250	-
Total business-type activities program revenue	3,715,368	3,793,359	3,927,615	4,044,758	4,328,613	4,652,831
Total primary government program revenues	5,346,733	5,222,135	5,881,387	6,190,722	6,193,887	7,064,533
Net (expense) revenue:	(6,030,771)	(6,749,204)	(5,518,776)	(6,216,701)	(7,193,260)	(6,344,580)
Governmental activities	(211,468)	(49,649)	212,721	238,798	494,646	811,295
Business-type activities	(6,242,239)	(6,798,853)	(5,306,055)	(5,976,903)	(6,698,614)	(5,533,285)
Total primary government net expense						
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
Property taxes, levied for debt service	4,062,233	3,858,746	3,383,671	4,667,813	4,788,957	4,820,222
General sales and use tax	1,018,137	1,121,139	1,070,849	1,047,889	1,101,815	1,481,454
Franchise tax	106,606	103,656	104,224	108,050	124,716	131,389
Cigarette tax	29,926	40,674	76,421	54,581	66,088	63,722
Railroad and Utility/Financial Institution Tax	-	-	-	-	-	-
Grants and contributions not restricted to specific programs	115,442	120,513	175,527	269,903	313,854	339,497
Interest and investment earnings	174,561	112,378	43,004	145,955	85,070	166,436
Miscellaneous	-	-	-	-	-	13,416
Gain on sale of capital assets	326,263	317,659	316,396	341,985	368,734	330,955
Transfers	7,348,148	7,076,433	6,720,870	8,263,733	8,571,911	9,220,144
Total governmental activities	121,629	100,106	131,484	184,517	201,802	120,723
Business-type activities:						
Investment earnings	30,336	-	-	16,908	-	-
Miscellaneous	(326,263)	(317,659)	(316,396)	(341,985)	(368,734)	(330,955)
Transfers	(174,298)	(217,553)	(184,912)	(140,560)	(186,932)	(210,232)
Total business-type activities	7,174,850	6,858,880	6,535,958	8,123,173	8,404,979	9,009,912
Total primary government	1,318,377	327,229	1,202,094	2,047,032	1,378,651	2,875,564
Changes in net assets:						
Governmental activities	(385,766)	(267,202)	27,809	99,238	327,714	601,063
Business-type activities	\$ 932,611	\$ 60,027	\$ 1,229,903	\$ 2,146,270	\$ 1,706,365	\$ 3,476,627
Total primary government						

City of Excelsior Springs, Missouri

Program Revenues by Function/Program

Last Six Fiscal Years

(accrual basis of accounting)

(Unaudited)

	Fiscal Year					
	2003	2004	2005	2006	2007	2008
Governmental activities:						
General government	174,783	153,283	156,743	153,400	154,677	158,180
Public Safety	871,254	807,716	907,474	869,120	817,935	1,080,352
Transportation	79,338	83,933	67,584	66,116	55,213	88,187
Public works	145,483	198,739	558,525	609,528	606,044	859,116
Health and Welfare	15,125	17,875	13,750	19,250	12,375	21,323
Recreational Activities	31,707	35,762	23,910	32,080	49,139	23,720
Community Betterment	306,972	131,468	225,786	376,093	169,891	180,824
	<u>1,624,662</u>	<u>1,428,776</u>	<u>1,953,772</u>	<u>2,125,587</u>	<u>1,865,274</u>	<u>2,411,702</u>
Total governmental activities						
Business-type activities:						
Water	1,659,038	1,813,949	1,837,363	1,945,385	2,075,336	2,241,447
Sewer	933,475	938,682	1,046,767	963,116	1,055,082	1,087,548
Golf	762,814	674,806	668,558	719,440	735,644	774,704
Airport	6,600	6,003	4,800	9,600	1,200	22,055
Refuse	353,441	359,919	370,127	407,217	461,351	527,077
	<u>3,715,368</u>	<u>3,793,359</u>	<u>3,927,615</u>	<u>4,044,758</u>	<u>4,328,613</u>	<u>4,652,831</u>
Total business-type activities expenses	<u>5,340,030</u>	<u>5,222,135</u>	<u>5,881,387</u>	<u>6,170,345</u>	<u>6,193,887</u>	<u>7,064,533</u>
Total primary government						

City of Excelsior Springs, Missouri

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

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General Fund										
Reserved	\$ 520,223	\$ 522,250	\$ 377,405	\$ 239,895	\$ 647,012	\$ 413,830	\$ 440,488	\$ 488,887	\$ 680,901	\$ 523,908
Unreserved	211,672	209,648	427,960	598,823	236,299	736,347	823,990	620,343	552,332	1,417,833
Unreserved, designated for board use	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
Total General Fund	1,931,895	1,931,898	2,005,365	2,038,718	2,083,311	2,350,177	2,464,478	2,309,230	2,433,233	3,141,741
All Other Governmental Funds:										
Reserved	-	297,111	150,283	59,591	675,491	728,935	729,062	745,330	762,406	806,977
Unreserved, reported in:										
Special revenue funds	1,734,971	2,151,968	2,613,234	2,712,534	3,212,851	2,859,356	3,050,866	4,035,096	4,627,324	6,235,984
Debt Service funds	-	1,059,526	1,004,130	652,579	-	-	-	-	-	-
Capital project funds	181,333	83,336	9,446	344,372	682,655	420,839	379,927	228,041	144,585	5,243
Total all other governmental funds	\$ 1,916,304	\$ 3,591,941	\$ 3,777,103	\$ 3,769,076	\$ 4,570,997	\$ 4,009,130	\$ 4,159,855	\$ 5,008,467	\$ 5,634,315	\$ 7,048,204

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

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Revenues:										
Taxes	4,993,659	5,640,326	5,912,888	5,899,451	6,249,723	6,039,868	6,185,942	7,276,152	7,804,253	8,273,864
Special Assessments	52,357	-	-	69,000	37,079	62,322	95,539	259,391	69,343	96,071
Intergovernmental	1,723,570	1,524,601	1,002,529	1,022,737	880,494	781,976	641,111	778,312	695,535	728,967
Licenses and permits	156,761	209,044	163,547	159,634	197,005	192,821	198,599	229,439	198,893	187,445
Charges for services	726,447	756,202	849,272	709,153	652,079	670,261	711,667	718,214	533,340	1,050,514
Fines and forfeitures	328,531	283,764	224,336	228,104	262,168	187,345	243,367	239,717	270,671	253,044
Use of money and property	523,855	129,674	285,988	174,995	159,375	122,296	174,633	320,685	313,854	339,497
Other	61,685	701,426	164,482	158,878	86,001	109,528	98,624	80,301	182,562	358,073
Total revenues	8,566,865	9,245,037	8,603,042	8,421,952	8,523,924	8,166,417	8,349,482	9,902,211	10,068,451	11,287,475
Expenditures										
General government	854,510	1,642,892	1,164,066	1,181,660	679,224	679,244	702,222	932,774	942,909	911,771
Public Safety	2,876,307	3,094,163	3,408,842	3,468,957	3,661,161	3,862,360	3,529,586	4,231,078	4,614,695	4,263,484
Transportation	424,661	-	-	-	127,438	97,723	66,095	69,496	65,968	102,727
Public works	420,709	1,705,723	1,249,332	2,021,746	1,282,235	1,769,881	1,483,860	1,620,722	1,329,229	1,374,117
Health and Welfare	47,834	-	-	-	47,144	48,148	48,661	53,030	53,196	49,318
Recreational Activities	326,843	333,918	353,090	327,054	348,798	426,741	431,884	412,602	480,314	467,305
Community Betterment	1,019,814	1,251,523	1,144,854	788,493	696,179	955,536	888,901	902,386	1,284,475	1,083,373
Capital outlay	766,941	371,797	386,276	219,326	755,535	456,957	264,782	391,815	9,291	310,385
Debt service:										
Principal	199,000	204,000	285,000	3,257,000	466,076	687,020	734,708	851,128	1,120,388	670,249
Bond issuance costs	-	-	-	-	-	131,488	-	-	-	-
Interest	537,005	570,769	564,906	738,508	459,203	342,532	283,770	251,304	233,626	206,205
Total expenditures	7,473,624	9,174,785	8,556,366	11,982,744	8,521,993	9,457,630	8,434,469	9,716,335	10,734,091	9,438,934
Excess of revenues (under) expenditures	1,093,241	70,252	46,676	(3,560,792)	1,931	(1,291,213)	(84,987)	185,876	(65,640)	1,848,541
Other financing sources (uses):										
Transfers in	356,588	2,571,654	2,274,102	2,960,383	2,690,304	3,359,512	2,569,783	3,197,880	2,913,768	2,392,131
Transfers out	(2,027,209)	(1,698,425)	(2,125,366)	(2,481,398)	(2,364,043)	(2,684,742)	(2,253,386)	(2,855,895)	(2,545,034)	(2,061,176)
Issuance of long-term debt	-	725,324	-	3,045,000	388,000	-	-	-	346,365	-
Proceeds of refunding bonds	-	-	-	-	-	3,670,388	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	-	-	-
Premium (discount) on long-term debt	-	-	-	-	-	-	-	-	-	-
Capital contributions	(35,854)	6,835	63,217	62,133	5,986	180,389	622	35,255	-	-
Other	9,339	-	-	-	124,340	55,978	5,152	47,462	392	42,901
Proceeds from sale of property	(1,697,136)	1,605,388	211,953	3,586,118	844,587	4,581,525	322,171	424,702	715,491	373,856
Total other financing sources (uses)	(603,895)	1,675,640	258,629	25,326	846,518	3,290,312	237,184	610,578	649,851	2,222,397
Net changes in fund balance	10.97%	8.80%	10.40%	33.97%	11.91%	12.90%	12.47%	12.88%	14.20%	9.91%
Debt service as a percentage of noncapital expenditures										

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
1999	1,017,289	2,898,534	901,788	102,621	45,830	4,966,062
2000	1,164,165	3,733,776	923,153	96,384	53,004	5,970,481
2001	1,294,270	3,378,937	1,102,213	106,467	54,286	5,936,174
2002	1,328,099	3,302,288	1,009,936	105,889	56,599	5,802,812
2003	1,501,661	3,489,755	1,018,137	106,606	44,244	6,160,403
2004	1,470,668	3,192,962	1,116,674	103,656	40,674	5,924,634
2005	1,550,778	3,276,977	1,070,849	104,224	76,421	6,079,250
2006	1,607,557	4,398,026	1,037,522	108,050	54,581	7,205,737
2007	1,722,677	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
Change 1999-2008	84.12%	66.30%	64.28%	28.03%	39.04%	68.54%

Source: City records.

City of Excelsior Springs, Missouri

Principal Sales Tax Industries
Current Year
(Unaudited)

<u>Industry</u>	<u>Percentage of Total City Sales Tax Revenues</u>
Department Stores	42.0 %
Retail Grocers	15.1
Eating and Drinking Establishments	10.5
Utilities, Electrical and Natural Gas	8.6
Telephone, Cellular and Pager Communications	4.6
Convenience Stores	4.0
Automotive Parts and Repairs	3.9
Temporary Residences (Hotels, Motels and Bed & Breakfast Establishments)	2.1
Hardware Stores and Hand Tools	1.6
Furniture Stores	1.5
	<hr/>
	94.0
	<hr/> <hr/>

Source: Monthly sales tax distribution reports

Note: Sales tax detail information not available for 1999.

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

Fiscal Year	Real Estate Commercial		Agricultural	Personal Property	Railroad and Utility {a}	Total Taxable Assessed Value	Percent Growth	Total Direct Tax Rate	Actual Taxable Value	Value as a Percentage of Actual Value
	Residential	Commercial								
1999	39,617,319	13,669,864	155,250	23,520,874	4,193,420	81,156,727	N/A	1.0100	336,904,094	24.09%
2000	45,698,500	16,401,671	157,600	25,717,798	4,163,721	92,139,290	13.53%	1.0100	384,031,326	23.99%
2001	46,746,417	16,026,230	159,900	29,439,495	4,309,474	96,681,516	4.93%	1.0500	400,125,940	24.16%
2002	51,013,710	16,488,630	196,650	39,665,849	4,309,474	111,674,313	15.51%	1.0500	455,325,578	24.53%
2003	52,001,420	16,218,185	221,234	39,974,755	4,662,834	113,078,428	1.26%	1.0500	461,924,106	24.48%
2004	57,524,030	17,162,896	193,220	41,300,207	4,507,916	120,688,369	6.73%	1.0407	497,241,962	24.27%
2005	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%
2006	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%
2007	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%
2008	70,942,690	20,251,280	258,680	38,921,637	5,183,905	135,568,192	-1.04%	1.0532	572,967,553	23.66%

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	Clay County	Ray County
1997	0.5900		0.1500	0.1500	4.0900	0.7300	1.4500	5.8600	6.5800
1998	0.5900		0.1500	0.1200	4.0300	0.7300	1.4500	5.8000	6.5200
1999	0.5700		0.1600	0.1200	4.0100	0.7300	1.4500	5.7800	6.5000
2000	0.5700		0.1600	0.1600	4.0000	0.6400	1.4398	5.7200	6.5198
2001	0.5700		0.1600	0.1600	4.0185	0.6495	1.5358	5.7480	6.6343
2002	0.5700		0.1600	0.1600	4.6185	0.6495	1.5358	6.3480	7.2343
2003	0.5649		0.1586	0.1586	4.6185	0.6402	1.4703	6.3284	7.1595
2004	0.5700		0.1600	0.1600	4.5132	0.6955	1.4703	6.2887	7.0635
2005	0.5720		0.1604	0.1604	4.6673	0.6884	1.5003	6.4369	7.2508
2006	0.5720		0.1604	0.1604	4.7673	0.6024	1.5003	6.4529	7.3508
2007	0.5720		0.1604	0.1604	4.7673	0.9260	1.5003	6.7765	7.3508

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

Notes:

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

City of Excelsior Springs, Missouri

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

Taxpayer	2008			1999		
	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	10,084,667	1	7.44%	2,635,057	2	3.25%
Wal-Mart Stores, Inc.	4,421,358	2	3.26%	1,927,328	4	2.37%
Waller Trucking Company	2,617,680	3	1.93%	-	N/A *	0.00%
Bloch Family Partnership (Price Chopper)	1,350,530	4	1.00%	1,325,760	6	1.63%
Elms Resort & Spa	1,328,272	5	0.98%	2,481,605	3	3.06%
Rexam Consumer Plastics (Precise Technology)	1,245,672	6	0.92%	-	N/A *	0.00%
Ford Motor Company (Magna Lomason Corp.)	1,176,304	7	0.87%	2,643,216	1	3.26%
Crown Hill Associates (Crown Hill Shopping Center)	886,750	8	0.65%	-	N/A *	0.00%
Clay-Ray Plastics	830,940	9	0.61%	110,370	30	0.14%
Dial Corporation	794,857	10	0.59%	-	N/A *	0.00%
Y Junction, LLC	747,170	11	0.55%	337,280	11	0.42%
Gilmore Hose (Gilmore Manufacturing)	2,171,088	12	1.60%	1,354,707	5	1.67%
C & G Storage	640,190	13	0.47%	-	N/A *	0.00%
Colony Plaza Associates, LP	583,910	14	0.43%	367,840	10	0.45%
Southern Union Company	550,980	15	0.41%	389,120	8	0.48%

SOURCE: City Tax Billing Records.

* Taxpayer was not located in Excelsior Springs in 1999.

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
1999	1998	786,548	762,576	96.95%	14,506	777,082	98.80% {a}
2000	1999	893,516	875,601	97.99%	14,370	889,971	99.60% {a}
2001	2000	986,173	952,409	96.58%	16,993	969,402	98.30% {a}
2002	2001	1,147,198	1,100,431	95.92%	27,733	1,128,164	98.34% {a}
2003	2002	1,185,624	1,124,139	94.81%	23,408	1,147,547	96.79% {a}
2004	2003	1,216,442	1,170,639	96.23%	45,457	1,216,096	99.97% {a}
2005	2004	1,282,308	1,250,345	97.51%	30,052	1,280,397	99.85% {a}
2006	2005	1,332,597	1,297,619	97.38%	25,800	1,323,419	99.31%
2007	2006	1,389,860	1,332,219	95.85%	29,045	1,361,264	97.94%
2008	2007	1,450,791	1,387,574	95.64%	-	1,387,574	95.64%

SOURCE: City Tax Billing Records.

{a} Remaining balance written off.

City of Excelsior Springs, Missouri

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

Fiscal Year	Governmental Activities				Business-Type Activities				Total Primary Government	Percentage of Personal Income	Per Capita
	Capital Leases	Revenue Bonds	Neighborhood Improvement District Bonds	Loan Payable	Certificates of Participation	Lease Purchase Agreement	Revenue Bonds	Total Primary Government			
1999	970,715	7,306,164	745,000	1,198,610	475,000	8,260	7,182,500	17,886,249	4.04%	1,567	
2000	757,938	7,102,164	745,000	1,112,500	435,000	-	6,488,971	16,641,573	3.87%	1,534	
2001	532,699	6,857,164	705,000	1,055,000	395,000	-	6,640,000	16,184,863	3.44%	1,486	
2002	6,167	6,860,000	660,000	995,000	-	929,836	6,347,500	15,798,503	3.42%	1,431	
2003	345,924	6,436,164	615,000	930,000	-	901,590	6,040,000	15,268,678	2.96%	1,373	
2004	273,904	6,255,000	545,000	860,000	-	516,575	5,720,000	14,170,479	2.72%	1,264	
2005	199,196	5,655,000	485,000	787,500	-	484,987	5,381,667	12,993,350	2.41%	1,147	
2006	121,700	4,950,000	425,000	710,000	-	451,584	5,024,167	11,682,451	2.09%	1,018	
2007	387,677	3,975,000	360,000	627,500	-	617,742	4,651,667	10,619,586	1.85%	912	
2008	282,428	3,480,000	290,000	540,000	-	536,402	4,257,917	9,386,747	1.60%	793	

Source: City finance department.

City of Excelsior Springs, Missouri

Direct and Overlapping Governmental Activities Debt
 For the Year Ended September 30, 2008
 (Unaudited)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Clay County	[1] none	n/a	-
Ray County	[1] none	n/a	-
Excelsior Springs School District	[1] 28,918,050	60.10% [2]	17,379,748
Subtotal, overlapping debt	28,918,050		17,379,748
City Direct Debt	-	100.00%	-
Total direct and overlapping debt	28,918,050		\$ 17,379,748

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

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

Facilities Authority Revenue Bonds							
Fiscal Year	Facility Lease Payments	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage	
				Principal	Interest		
	(a)						
1999	\$ 223,448	\$ 1,840	\$ 221,608	\$ 35,000	\$ 186,608	1.00	
2000	221,870	2,039	219,831	35,000	184,831	1.00	
2001	235,003	2,398	232,605	50,000	182,605	1.00	
2002	(b) 253,635	3,238	250,397	80,000	170,397	1.00	
2003	264,033	2,200	261,833	135,000	126,833	1.00	
2004	270,595	2,200	268,395	145,000	123,395	1.00	
2005	281,270	2,200	279,070	160,000	119,070	1.00	
2006	290,930	2,275	288,655	175,000	113,655	1.00	
2007	317,778	6,025	311,753	205,000	106,753	1.00	
2008	319,280	5,275	314,005	215,000	99,005	1.00	

Water Revenue Bonds							
Fiscal Year	Utility Service Charges	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage	
				Principal	Interest		
1999	\$ 1,599,381	\$ 746,692	\$ 852,689	\$ 315,000	\$ 130,308	1.91	
2000	1,692,491	563,174	1,129,317	111,250	148,522	4.35	
2001	1,620,995	1,391,025	229,970	160,000	225,758	0.60	
2002	1,629,420	1,099,304	530,116	170,000	222,508	1.35	
2003	1,692,782	1,058,504	634,278	175,000	214,217	1.63	
2004	1,813,949	1,140,537	673,412	180,000	206,067	1.74	
2005	1,824,642	1,054,617	770,025	190,000	197,972	1.98	
2006	1,945,385	1,075,320	870,065	200,000	186,575	2.25	
2007	2,075,336	1,098,945	976,391	205,000	179,406	2.54	
2008	2,210,436	1,077,166	1,133,270	215,000	170,776	2.94	

Pollution Control Revenue Bonds							
Fiscal Year	Utility Service Charges	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage	
				Principal	Interest		
1999	\$ 843,593	\$ 421,833	\$ 421,760	\$ 102,500	\$ 256,995	1.17	
2000	866,886	563,174	303,712	111,250	259,772	0.82	
2001	858,516	401,948	456,568	153,702	269,952	1.08	
2002	895,462	404,735	490,727	122,500	268,548	1.25	
2003	933,660	571,610	362,050	132,500	270,431	0.90	
2004	938,192	479,048	459,144	141,250	260,043	1.14	
2005	910,652	452,796	457,856	147,500	257,182	1.13	
2006	963,116	517,455	445,661	157,500	108,515	1.68	
2007	1,055,082	629,772	425,310	167,500	77,029	1.74	
2008	1,087,548	654,017	433,531	178,750	87,349	1.63	

- (a)** The Facilities Authority Revenue Bonds were issued by the City's blended component unit. These bonds do not have a dedicated revenue source, but are funded by transfers from the General Fund which represent lease payments on the Police Department and Fire Department buildings.
- (b)** The Facilities Authority Revenue Bonds were refunded on December 1, 2001(during fiscal year 2002). All payments subsequent to 2001 represent payments on the new issue.

City of Excelsior Springs, Missouri

Demographic and Economic Statistics
Last Ten Fiscal Years
(Unaudited)

Fiscal Year Ended September 30	Population {a}	Total Personal Income (In thousands) {b}	Median Household Income {c}	Per Capita Income {d}	Median Age {c}	School Enrollment {e}	Unemployment Rate {f}
1998	11,347	4,785,279	36,538	17,264	35.0	3,278	2.10%
1999	11,417	5,081,135	38,783	17,718	36.0	3,229	2.00%
2000	10,847	5,557,979	39,672	18,330	36.0	3,292	2.40%
2001	10,893	5,821,157	43,210	18,815	35.0	2,985	3.30%
2002	11,038	6,065,586	41,807	19,100	36.0	2,990	4.20%
2003	11,121	6,275,481	46,311	19,544	36.1	2,968	4.80%
2004	11,212	6,374,504	46,426	20,040	36.7	2,974	4.90%
2005	11,331	6,701,655	47,643	20,979	36.4	2,944	4.30%
2006	11,472	7,058,053	48,625	21,411	36.1	2,927	5.50%
2007	11,650	***	49,301	22,415	37.7	3,000	4.40%
2008	11,840	***	49,660	23,418	39.2	3,101	5.40%

*** Not yet available.

Sources:

- {a} Amounts for 2000 are the result of the census, all other years are census bureau estimates.
- {b} Clay County Data obtained from Bureau of Economic Analysis Table CA1-3 (www.bea.gov).
- {c} Information obtained from the Mid-America Regional Council website (www.metrodataonline.org).
- {d} Amounts for 2000 are the result of the census, all other years are inflation-adjusted.
- {e} School district.
- {f} Clay County unemployment rate, not seasonally adjusted (www.bls.gov).

City of Excelsior Springs, Missouri

Principal Employers
Current Year and Nine Years Ago
(Unaudited)

Employer	2008			1999		
	Employees {a}	Rank	Percentage of Total City Employment {b}	Employees	Rank	Percentage of Total City Employment {b}
Excelsior Springs School District	377	1	5.80%	312	2	7.36%
American Italian Pasta Company	250	2	3.85%	245	4	5.78%
Excelsior Springs Hospital	244	3	3.75%	250	3	5.90%
Waller Truck Company	241	4	3.71%	***	n/a	n/a
Excelsior Springs Job Corps Center	203	5	3.12%	160	7	3.78%
Magna Intier Auto Interiors	200	6	3.08%	190	5	4.48%
REXAM (Precise Technology)	180	7	2.77%	131	9	3.09%
Gilmore Group	175	8	2.69%	170	6	4.01%
City of Excelsior Springs	103	9	1.58%	122	10	2.88%
Price Chopper	92	10	1.42%	140	8	3.30%
Orbseal	****	****	n/a	377	1	8.90%

** Information not available.

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

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

Sources:

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

{b} Total city employment for 1999 obtained from www.metrodataline.org (Mid-America Regional Council). Total city employment for 2008 estimated.

City of Excelsior Springs, Missouri

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

Functions/Program	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General Government:										
Municipal Court	3	3	1	1	1	1	1	1	1	1
City Manager	2	2	2	2	2	2	2	2	2	2
Finance	6	5	5	3	4	4	4	4	4	4
Human Resources	0	0	0	0	0	0	0	0	0	1
Building Maintenance	1	1	1	1	1	1	1	1	1	1
Community Development	0	0	0	2	2	2	2	2	1	1
Planning & Zoning	2	2	2	1	1	1	1	1	1	1
Inspections	4	2	3	3	3	3	2	2	2	3
Senior Center	1	1	1	1	1	1	1	1	1	1
Cemetery	1	0	0	0	0	0	0	0	0	0
Police:										
Officers	21	21	18	22	21	20	20	22	22	22
Civilians	7	6	8	10	9	10	9	10	10	11
Fire:										
Firefighters and Officers	14	14	16	19	17	17	18	18	17	19
Civilians	0	1	1	1	1	0	0	0	1	1
Street Maintenance	8	7	8	5	7	7	6	5	5	5
Water:										
Administration	2	2	2	2	2	2	2	2	2	2
Transmission/Purification	8	7	7	6	5	7	7	7	7	7
Sewer:										
Administration	0	0	0	0	0	0	0	0	0	0
Transmission/Treatment	4	4	5	5	6	6	5	6	6	6
Construction Services:										
Administration	0	0	1	1	1	1	1	1	1	1
Maintenance	7	9	9	12	11	9	10	10	10	10
Parks and Recreation	5	4	4	3	4	4	4	4	4	4
Transportation:										
Dispatch	1	1	1	1	1	1	1	1	1	1
Drivers	3	1	1	0	0	0	0	0	0	1
Golf:										
Maintenance	5	3	3	3	2	2	2	2	2	2
Pro Shop	0	0	1	1	1	1	1	1	1	1
Food and Beverage Sales	0	0	1	3	2	2	2	2	1	1
Total	105	96	101	108	105	104	102	105	103	109

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

Source: City payroll system.

City of Excelsior Springs, Missouri

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

Function/Program	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Police:										
Calls for service	**	4,027	9,757	9,749	10,807	10,862	11,126	11,014	11,316	9,386
Adult and juvenile arrests	**	**	**	993	993	934	1,069	1,147	1,033	812
Speeding citations only	319	352	295	200	212	220	330	348	333	362
Traffic citations	1,436	1,505	1,448	1,275	1,384	1,989	3,277	3,014	2,596	2,195
Police Reports	**	3,938	4,277	3,626	3,803	3,864	3,120	2,879	2,638	2,359
DWI's - Municipal	71	136	82	115	62	53	89	75	70	39
Fire and EMS:										
Total ambulance runs	1,964	2,082	2,069	1,795	1,704	1,935	2,007	1,912	1,655	1,857
Total fire runs	581	644	586	602	479	518	518	522	430	441
Property loss	**	**	**	275,330	117,400	255,300	454,200	385,300	151,000	1,807,650
Building Inspections:										
Total building permits	425	466	415	389	448	437	396	960	421	319
Total value all permits	14,721,675	8,947,632	10,213,634	8,137,417	11,581,011	13,773,364	17,696,379	18,356,342	10,218,099	8,580,231
Public service:										
Garbage collected (ton)	**	**	**	**	**	**	3,832	3,810	3,330	3,360
Recycle collected (ton)	**	**	**	**	**	**	60.99	55.17	67.00	84.60
Parks and Recreation:										
Recreation program participation:										
Youth	685	606	697	776	862	833	998	1,177	1,255	1,400
Adult	692	348	356	299	338	308	256	178	282	400
Golf course:										
Golf rounds played	9,077	13,767	9,829	13,726	18,155	17,387	13,898	21,262	20,107	20,475
Golf memberships	277	293	273	272	274	232	204	237	256	256

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.

Source: Records from various City departments.

City of Excelsior Springs, Missouri

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

Function/Program	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Animal control shelters	1	1	1	1	1	1	1	1	1	1
Fire Stations	2	2	2	2	2	2	2	2	2	2
Parks and Recreation:										
Acreage	220	220	220	220	220	220	220	220	220	220
Parks	12	12	12	12	12	12	12	12	12	12
Baseball/Softball Diamonds	4	4	4	4	4	4	4	4	4	4
Soccer/Football Fields	5	5	5	5	5	5	5	5	5	5
Basketball Courts	4	4	4	4	4	4	4	4	4	4
Tennis Courts	4	4	4	4	4	4	4	4	4	4
Skate Parks	-	-	-	-	-	-	-	-	-	-
Parks with Playground Equipment	7	7	7	7	7	7	7	7	7	7
Golf courses	1	1	1	1	1	1	1	1	1	1
Picnic Shelters	8	8	8	8	8	8	8	8	8	8
Community Centers	1	1	1	1	1	1	1	1	1	1
Street Department										
Miles of Streets	95	98	103	107	110	113	115	117	117	117
Street Lights	995	997	999	1,002	1,005	1,006	1,007	1,007	1,007	1,007
Water:										
Wells	4	5	5	5	6	6	6	6	6	6
Water Storage Tanks/Towers	9	9	9	9	9	9	9	9	9	9
Miles of Water Main	269	270	271	272	273	274	275	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)	1.67	1.19	1.23	1.28	1.22	1.24	1.22	1.55	1.55	1.55
Peak Consumption (MGPD)	1.51	1.32	1.31	1.27	1.91	1.50	1.55	2.00	2.00	2.00
Wastewater:										
Sanitary Sewers (miles)	78.48	83.90	95.32	106.74	118.16	129.50	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.

Source: Records from various City departments.