

CITY OF KANSAS CITY, MISSOURI
**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

FOR THE FISCAL YEAR ENDED

April 30, 2012



KANSAS CITY
MISSOURI



Top-level commitment to

Sustainability

CITY OF KANSAS CITY, MISSOURI
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED APRIL 30, 2012

CITY OF FOUNTAINS
HEART OF THE NATION



KANSAS CITY
MISSOURI

CITY COUNCIL

Sylvester "Sly" James, Jr., Mayor

Scott Wagner

Dick Davis

Ed Ford

Russ Johnson

Melba Curls

Jermaine Reed

City Manager
Troy M. Schulte

Jim Glover

Jan Marcason

Cindy Circo

Michael Brooks

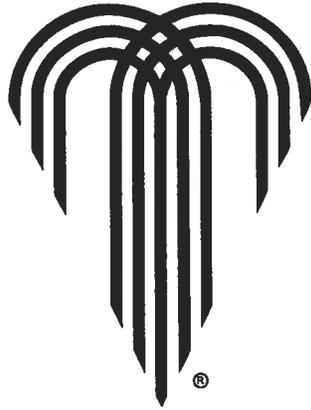
Scott Taylor

John A. Sharp

Director of Finance
Randall J. Landes

Prepared by the Finance Department

CITY OF FOUNTAINS
HEART OF THE NATION



KANSAS CITY
MISSOURI

City of Kansas City, Missouri
Comprehensive Annual Financial Report
April 30, 2012

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Finance Department

Office of the Director

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October 25, 2012

Honorable Mayor, City Council, City Manager, and Citizens of Kansas City:

In accordance with Missouri state law requiring political subdivisions to make an annual report of financial transactions to the State Auditor, it is my pleasure to issue the Comprehensive Annual Financial Report (CAFR) of the City of Kansas City, Missouri (the "City") for the fiscal year ended April 30, 2012. The attached CAFR is prepared in conformity with generally accepted governmental auditing standards, attested by a certified public accountant and is in accordance with local, state, and federal laws and requirements. The independent accounting firm of BKD, LLP whose report is included, has audited the financial statements and related notes. The independent accounting firm of CMA Group, LLC conducted the single audit, as required under OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

The report is designed to fairly present the City's financial position and results of operations as measured by the financial activity of the various funds. The City is responsible for both the accuracy of the data and the completeness and fairness of the presentations, based upon a comprehensive framework of internal control that it has established for this purpose. Sufficient internal accounting controls exist to provide reasonable, rather than absolute, assurance regarding the safekeeping of assets and fair presentation of the financial statements, supporting schedules, and statistical tables. The data presented is accurate in all material respects. All disclosures necessary to enable the reader to acquire an understanding of the City's financial activity are in the financial section of this report, which includes management's discussion and analysis (MD&A). MD&A complements this letter of transmittal and should be read in conjunction with it.

This report is prepared in accordance with generally accepted accounting principles (GAAP) in conformance with the standards for financial reporting set forth by the Governmental Accounting Standards Board (GASB), using the guidelines recommended by the Government Finance Officers Association (GFOA). The City implemented its fund balance and reserve policy providing a framework for the City to maintain its various fund balances and financial reserves at levels sufficient to pay obligations when due, address emergencies, cover temporary revenue shortfalls, provide stability throughout economic cycles and to protect the City's creditworthiness in accordance with applicable federal, state and local laws, and established best governmental practices. The City adopted GASB Statements No. 54 and 59 which enhances the usefulness of fund balance information and establishes financial reporting and disclosure requirements for certain financial instruments, respectively.

This report may be obtained by calling the Finance Department's Division of Accounts at (816) 513-1187, or via the City's website at <http://www.kcmo.org>.

PROFILE OF THE GOVERNMENT

Kansas City was incorporated in June, 1850. Under a home-rule charter adopted in 1925 and revised in 2006, a mayor and 12 council members, who may serve two consecutive four-year terms, represent six council districts. The mayor and six council members are elected at-large and voters living within their districts elect the remaining six council members. The Mayor recommends and the City Council approves the selection of the City Manager, who is the chief administrative officer.

Kansas City, known as the “City of Fountains-Heart of the Nation,” is centrally located within 250 miles of the geographic center of the nation. The maximum distance from Kansas City to anywhere in the continental United States is approximately 1,900 miles. The City includes land area in Cass, Clay, Jackson, and Platte Counties and covers 319 square miles, the 14th largest land area in the country. Much of the City’s northland remains undeveloped.

Kansas City is a full service city providing a wide range of municipal services including: administration of zoning and subdivision regulations; community development and neighborhood services; convention and entertainment facilities; fire and police protection; emergency medical services; public health services; refuse collection; housing; management of international and municipal airports; planning and maintenance of the City’s parks, golf courses, community centers, and swimming pools; construction and maintenance of streets, roads, bridges, street lighting, and traffic systems; tree planting; water and sewage treatment; and a zoo.

The City has 22 departments: Aviation, Capital Projects, City Auditor, City Clerk, City Manager, City Planning and Development, Convention and Entertainment Centers, General Services, Finance, Fire, Health, Housing, Human Relations, Human Resources, Information Technology, Law, Municipal Court, Neighborhood and Community Services, Parks and Recreation, Police, Public Works, and Water Services.

Three departments, City Auditor, City Clerk and City Manager, report to the Mayor and City Council. The Parks and Recreation Department reports to the mayor-appointed, five-member Board of Parks and Recreation Commissioners. The Police Department, a discretely presented component unit, reports to a governor-appointed, five-member Board of Police Commissioners, one of whom is the Mayor. The remaining departments report to the City Manager.

Based on the requirements of GASB Statements No. 14 and 39, other related entities are included in the CAFR as blended or discretely presented component units. The City has three blended component units, that are legally separate entities and are part of the City’s operations and twelve discretely presented component units. Detailed information on the component units may be found in the MD&A and footnote number one to the financial statements.

LOCAL ECONOMY

Kansas City has a diversified economy including transportation, telecommunications, manufacturing, health care, trade, financial services and governmental services and provides access to over one million jobs in over seven hundred occupations. According to a study released by the Brookings Institution, Kansas City ranks seventeenth among domestic metro areas in terms of its green jobs count. Forbes ranked Kansas City the seventh best city for manufacturing jobs. Forbes also named Kansas City third on its list of “10 Best Cities to Buy a Home,” which followed up a prior survey naming the City as the thirteenth most affordable city in the United States for its low cost of living and housing affordability.

The City also saw acclaim by making Frommer’s list of “Top Destinations 2012” as well as Kansas City’s downtown being voted as one of “America’s Best Downtowns” by Forbes. As the only destination in the United States to be featured in Frommer’s top ten list, Kansas City was recognized for a growing number of hot spot attractions such as the Kauffman Center for the Performing Arts, the National World War I Museum, the Nelson-Atkins Museum of Art, the American Jazz Museum, the Negro Leagues Baseball Museum and the College Basketball Experience.

According to the Kansas City Area Development Council, the City is the corporate or regional headquarters for 65 companies. The metropolitan area is the home of three Fortune 500 companies, three of Forbes’ largest private companies, along with several other Fortune 500 companies having a significant presence in the area. The Kansas City region is also home to BATS Trading, the third most active equity stock exchange in the United States. Kansas City is one of ten regional office cities for the United States government. The federal government is the City’s largest principal employer.

The unemployment rate for the City, as reported by the Bureau of Labor Statistics, at April 30, 2012 was 7.2 percent, not seasonally adjusted, which was 19.1 percent lower than the rate one year ago. The state and national average unemployment rates for this same time period were 6.9 percent and 7.7 percent, respectively.

MAJOR INITIATIVES

The City is pleased to have initiated or completed several projects independently and in conjunction with private partners during the year. These projects provide enhancements for the citizenry in a variety of areas including; public safety, culture and recreation, technology and neighborhood and economic development.

Municipal Court Case Management System

In fiscal year 2012, the City’s Municipal Court went live with its new technologically-advanced software system and became the first limited jurisdiction court in the United States to go entirely paperless. Developed by the Regional Justice Information Service (REJIS), the new software, Integrated Metropolitan Docketing System-Plus and Law Enforcement Inquiry and Entry, will make it possible for the court to significantly minimize costs while improving performance and efficiencies and enhancing service to citizens.

By deploying the new software, the Court will expand its capabilities through: a new automated system that supports the paperless flow of information from police officers, which

will use a new “e-ticketing” system to issue citations; a new system of case management that will enable Municipal Court judges to increase efficiencies; and a new system that makes it possible for judges and police to tap into national databases to identify suspects’ criminal records from a variety of sources. The major components of the project included LEWeb, E-ticketing, IMDS Plus and a new Prosecutor Module, at a total cost of \$3.1 million.

Performing Arts Center

During fiscal year 2012, work on the Kauffman Center for the Performing Arts and its adjacent, publicly-financed parking structure was completed. The Center includes two concert halls, the Muriel Kauffman Theatre and Helzberg Hall, which will serve as the home for the Kansas City Ballet, the Kansas City Symphony and the Lyric Opera of Kansas City. Performances began in September 2011. According to Architectural Digest, “the new Kauffman Center for the Performing Arts is making a splash in Kansas City. Designed by architect Moshe Safdie, the building rises like waves from a five-acre park that neighbors both the Crossroads Arts District and the Sprint Center arena.”

The \$47 million, 1,001-space parking structure, including a green roof design and neighboring streetscape improvements, was financed with the proceeds of \$53 million in tax-exempt special obligation bonds issued by the City in 2009. As part of the City’s One Percent for Art program, which, by ordinance, sets aside one percent of municipal building construction and renovations budgets for the inclusion of unique artwork enhancements, a state-of-the-art public art installation opened in December 2011 in the Arts District garage. *Terpsichore for Kansas City* is a unique musical and visual instrument, combining original musical compositions played throughout the garage with a four-story “light organ” in the central stairway, which provides a new perspective to the role of art in a public space. The art installation was named among the top 50 pieces of public art in the nation in the Americans for the Arts Public Art Network’s 2012 Year in Review, being selected from a list of more than 425 artworks in 147 cities installed in the United States in 2011.

GoogleKC

The City announced in May 2011 that it had been picked along with Kansas City, KS to collaborate with Google for deploying its one-gigabit-per-second, ultra-high speed, fiber-to-the-home broadband network. The City views this as the beginning of what promises to be an incredible opportunity for its residents and is looking forward to the deployment of the network and collaborating with partners and residents on the implementation of new programs and benefits brought about by this selection.

Citizen Engagement

In fiscal year 2012, Kansas City was designated by the Public Technology Institute as one of the top Citizen Engagement Communities for 2011-2013. The designation, shared by ten communities across the nation, is designed to recognize excellence in how local governments are meeting the challenges to provide centralized citizen contact centers that effectively utilize new technology for fast, friendly and responsive service. Throughout the fiscal year, the City launched several initiatives aimed at making the City run more efficiently as well as increasing its citizens’ satisfaction.

E-Council Meetings

In August 2011, to further its efforts to hear from its residents, business owners, members of community organizations and anyone else interested in how to make Kansas City better, KCMOMentum.com was launched. This is an interactive website that allows public input from the convenience of home, office or anywhere else with an Internet connection.

In December 2011, the City Council chambers began using a new technology system that will enable its meetings to go entirely paperless. Other renovations made to the City Council chambers will allow for better viewing of presentations and improved meeting coverage on Channel 2.

KCStat

Also in December, the City launched KCStat, a data-driven, public-facing initiative focused on improving the efficiency and effectiveness of City services beginning by focusing on Street Maintenance, Water Line Maintenance, Water Billing/Customer Service, Code Enforcement and Animal Control. This initiative seeks to improve City services and government accountability by publicly outlining and discussing goals and objectives that will be measured against performance indicators for outcomes, output and efficiency. Public meetings take place monthly. One data driven success story reported from this initiative concerns the recent changes in the City's Code Enforcement operation. With a severe backlog of cases, Code Enforcement began working with Performance Management staff to better understand operational realities and identify changes that would yield improvements. In March 2012, it was reported that the backlog of cases for Code Enforcement had been reduced by fifty percent. The benefits of data analysis are being realized and targeted changes have been made to improve the efficiency and effectiveness of operations.

AdvanceKC

In January 2012, the City announced the kickoff of the public input portion of AdvanceKC, the City's economic development strategic planning initiative and its website, www.advancekc.org. AdvanceKC will leverage quantitative and qualitative research to develop consensus for an economic development plan to allow the City to take a focused, creative and aggressive approach to attracting, retaining and launching businesses. The public's input was requested via an online survey, focus groups from select individuals representing segments of the Kansas City community, as well as one-on-one interviews with Kansas City's top public and private leaders. The process is anticipated to conclude in third quarter 2012 with the release of the AdvanceKC strategy.

Economic Development

During fiscal year 2012, several companies moved into or expanded their operations within the City or announced plans to do so. Touton USA, a French commodity trader specializing in trading cocoa, green coffee, grain, vanilla and other spices, opened its North American headquarters in Kansas City. Flex-N-Gate, an automobile parts distributor headquartered in Illinois, signed a long-term lease for distribution space in Kansas City's Executive Park. The sequencing facility will support GM's Fairfax Assembly Plant. Blount International, Inc., an equipment distribution center, opened its new \$17 million facility at the KCI Intermodal Business Centre. Heartland Sheets, LLC, a corrugated container board manufacturer, plans to

invest \$23 million in remodeling a building in Kansas City north for its new manufacturing facility. These efforts are expected to result in the addition of over 450 jobs to the area.

All of these various initiatives are part of the Mayor and Council's vision "to make Kansas City best and to lead by inspiring, collaborating, measuring progress and celebrating success".

PUBLIC INFRASTRUCTURE

Overflow Control Plan

The City continued to make system improvements associated with the 2010 Federal Consent Decree. The agreement with the federal government includes a sewer overflow control plan, resolution of past Clean Water Act violations, and the imposition of a penalty. A separate agreement was reached with the State, resolving past sewer overflow violations, imposing a penalty, and developing a sewer overflow response plan. The overflow control plan was driven by requirements of the Clean Water Act and by policies of the EPA. The City has been timely fulfilling its obligations under this settlement.

Work continued on the Middle Blue River Basin Green Solutions Pilot Project Area. The pilot project involves rehabilitating the existing sewer system and using green solutions to capture storm water before it enters the combined sewer system to reduce the amount of sewer overflows. Green solutions are an alternative to more traditional gray infrastructure such as storage tanks and pumping facilities and could save Kansas City's ratepayers money. There are more than 300 property owners in the pilot project area. The project will measure the performance of green solutions to help plan future improvements.

Disinfection system projects continued during the fiscal year with the first system installed at the Rocky Branch Wastewater Treatment Plant in September 2011. Disinfection will be added to all Kansas City, Missouri Water Services wastewater treatment plants by the end of 2013. The systems are designed to improve the quality of wastewater that is returned to the Missouri River and will operate April 1 through October 31 when people use Missouri's bodies of water for recreational activities.

The current estimated capital cost of this control plan is \$2.5 billion (2008 dollars) over 25 years. In addition, there will be a substantial increase in annual expenditures for operation and maintenance. It is anticipated that this plan will be funded primarily from the City's sewer fund, which is separate from the City's general fund. The City does not anticipate that the City's general fund will be relied upon to assist in the funding of this control plan; however, further future analysis will be required. Specific financing strategies to offset the cost of the control plan will be evaluated and implemented, which could include appropriation of moneys from the City's general fund.

Public Safety Radio System and South Patrol Station

During fiscal year 2012, the City continued implementation of a new 800 MHz digital simulcast trunked radio system network capable of meeting current and future communication needs. The system will include all necessary infrastructure, equipment, maintenance and training. Some of the major components of the project include network infrastructure, \$16.7 million; subscription to equipment, \$6.6 million; software upgrades, \$4.9 million; and

dispatch and associated equipment preparation, \$4.9 million. The total estimated cost of the project is \$40.7 million with \$33.7 million funded with general obligation bond proceeds.

Also during the fiscal year, construction continued on the Police Department's South Patrol station housing the South Patrol Division and Special Operations Division totaling \$19 million for the year.

American Recovery and Reinvestment Act

On February 17, 2009, the American Recovery and Reinvestment Act ("ARRA") was signed into law by President Barack Obama, initiating an unparalleled \$787 billion stimulus to the national economy through new spending and tax cuts. ARRA funds were requested through grant application cycles, awarded by the Federal Government, invested locally, and tracked nationwide.

A direct response to the economic crisis, the ARRA has three immediate goals, to create new jobs and save existing ones, spur economic activity and invest in long-term growth and foster an unprecedented level of accountability and transparency in federal government spending.

The City has engaged in the federal stimulus package process by obtaining grants for a variety of purposes. As of April 30, 2012, the city had been awarded \$112.0 million in grants for the various stimulus programs. Of the amounts awarded, the City has received \$75.0 million as of the end of the fiscal year. Programs funded include much needed infrastructure improvements such as highway and transportation enhancements, waste water and storm water improvements and improvements to aviation infrastructure. The US Army Corps of Engineers has partnered with the Water Department and the Unified Government of Wyandotte County to provide flood prevention infrastructure for Turkey Creek. The US Army Corps of Engineers has also teamed up with the Water Department to construct Blue River Channel Improvements designed for a 30-year rainfall event.

Other uses of stimulus funds include increased public safety and improvements to the quality of life through initiatives including crime victims' assistance, construction or rehabilitation of fire stations used as locus for delivery of essential emergency services and additional staffing for the police department. Additional grants of these funds provide for lead hazard control, chronic disease prevention and management and increased vaccinations by providing non-traditional immunization clinics such as school clinics, evening and weekend clinics and opportunities for children to comply with three new vaccine mandates for the State of Missouri.

Neighborhood and community needs being met or increased through the use of federal funds include homelessness prevention, low income home weatherization and the community development block grant recovery program to provide decent, affordable housing and create economic opportunities primarily for persons of low and moderate income and performance of an analysis of the impediments to fair housing by identifying obstacles to the provision of decent, safe and sanitary housing.

Environmental and efficient energy projects are being undertaken using stimulus funds through an Energy Efficiency and Conservation Block Grant that is funding energy efficiency efforts for six city departments. The efforts include the retrofit of residential, commercial,

industrial, public and institutional buildings in targeted neighborhoods. Another goal of this program is regional energy efficiency education and training and the identification of needed policy changes to eliminate barriers to energy efficiency efforts. Brownfield initiatives are being increased for the creation of temporary construction and environmental jobs; potential creation of permanent jobs and/or affordable housing from site redevelopment and to train young people ages 18-24 in “green collar” jobs such as brownfield, weatherization, green roofing, landscape architecture, lead abatement, hazmat, and OSHA certifications.

Various Other Infrastructure Improvements

As the City with the 14th largest land area in the country, maintaining infrastructure improvements remains a focus of the Mayor and City Council. During 2012, various bridge, street, parkway and other miscellaneous infrastructure projects were undertaken. Some of these included the following street projects: improvements to Wornall Road, NW Barry Road, NW 72nd Street extension, Troost Avenue from 89th Street to Bannister Road and North Bennington Road. Some of the active bridge projects during the year included: Forrester Viaduct, Troost Avenue Bridge over Brush Creek and the 96th and 108th Street Bridges over Highway 169.

FINANCIAL PLANNING INITIATIVES

The City is committed to being a good steward of the public’s trust and finances. Throughout fiscal year 2012, the City continued to look for ways to improve the effectiveness of city operations and to provide the City Council with information for timely decision making.

On May 1, 2011, the City’s adopted fund balance and reserve policy became effective which adds to its other policies to provide a stable framework for the efficient and effective provision of public services. The policy incorporates recommended best practices of the Government Finance Officers Association (GFOA) and Governmental Accounting Standards Board (GASB), as amended over time.

During the fiscal year, the City issued its first popular annual financial report for the period ending April 30, 2011. The Government Finance Officers Association encourages governments to issue a popular report as a supplement to the comprehensive annual financial report to simplify the information and better inform the public about the overall financial condition of the City, without heavy use of technical accounting terms or excessive detail. The popular report provides residents and other interested parties with an easy-to-understand overview of the City’s finances and is another tool to be used by the Council and City management for timely, informed decision making.

SUSTAINABILITY

Over the past few years, governmental leaders have directed that sustainability be integrated into all aspects of City operations. Policies enacted by the Mayor and City Council and implemented by the City Manager and City staff are having an impact on the quality of life in Kansas City. These policies promote the triple bottom line goals of environmental quality, social equity and economic vitality.

The Mayor, City Council and City Manager are incorporating “green” into the culture of all City operations. This effort includes empowering staff with the knowledge and opportunities to make sustainability a basic principle in how they perform their jobs and provide quality local government services.

The City received three sustainability awards from the Kansas City Industrial Council (KCIC) during the year. Included among those was a Gold Award for its Sustainable Energy Education & Communications (SEEC) program. This one year, 10-module, online program educated City employees about the environmental, economic and social benefits of sustainable practices. The KCIC recognized SEEC as a creative and comprehensive method to educate staff and, indirectly, the community on the advantages of adapting a more sustainable lifestyle. The City received a second Gold Award for its Enterprise Sustainability Manager, a type of software that measures, monitors and verifies energy consumption. Since the City began using this software, the operation of its municipal facilities has become more efficient, economical and environmentally-friendly. The City received a Silver Award for sustainable City facility improvements made to City Hall, the Health Department and Wolf Garage. These improvements, which included adding energy-efficient lighting and wind generators, have helped the City conserve energy, improve operations and generate savings in energy costs. The City Hall building also earned the U.S. Environmental Protection Agency’s ENERGY STAR certification for performing in the 75th percentile nationwide for energy efficiency and meeting strict energy efficiency performance levels set by the EPA. These improvements are all part of a comprehensive energy program that is expected to save the City more than \$6 million in energy and operational costs over fifteen years.

The City was chosen to showcase its Alternative Fuel Vehicle program at the National League of Cities’ annual conference in November 2011. This program was recognized nationally as an example of a successful initiative in the category of “Green Cities/Sustainability.” According to the National League of Cities, this category recognizes the best green cities and sustainability programs that highlight strengthened local economies, enhance physical infrastructure, protect natural resources and promote public health. The City’s Alternative Fuel Vehicle program has incorporated 287 vehicles that use compressed natural gas (CNG) into the City fleet. This has resulted in an annual replacement of more than 500,000 gallons of conventional gasoline and diesel, with a cost savings of about \$1 million.

During the year, Kansas City also debuted two new electric vehicle charging stations located in the City’s Arts District Garage at the Kauffman Center for the Performing Arts, becoming the first municipal garage with electric vehicle charging stations. These stations were demonstrated to the public using the City’s first all electric-powered passenger vehicle in March 2012.

Kansas City is also assisting home and business owners by providing resources that support energy-conserving improvements to their buildings through EnergyWorks KC (EWKC). This is a citywide program managed by the City's Office of Environmental Quality and is funded by the U.S. Department of Energy's Better Buildings Neighborhood Program and is made available from the American Recovery and Reinvestment Act (ARRA) of 2009. EWKC provides participating residents with individualized energy-efficiency upgrade recommendations via an energy analysis and then assists in selecting local, certified professionals to make cost-effective improvements and obtain financing assistance to make such improvements more affordable.

With its policies, implementation efforts and continued dedication, Kansas City has become a nationally-recognized green city that strives to integrate sustainability in all aspects of City operations.

AWARDS and ACKNOWLEDGMENTS

The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Kansas City, Missouri, for its comprehensive annual financial report for the fiscal year ending April 30, 2011. This was the 23rd consecutive year that the City has achieved this award. To be awarded a Certificate of Achievement, a government must publish an easily readable and organized comprehensive annual financial report. The 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. This report is intended to meet the Certificate of Achievement Program's requirements and will be submitted to the GFOA to determine its eligibility for another certificate.

The GFOA has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the City of Kansas City, Missouri, for its first popular annual financial report for the fiscal year ending April 30, 2011. This prestigious, national award recognizes state and local government popular reports that have adhered to the highest standards of preparation. In order to receive an Award for Outstanding Achievement, a government unit must publish a popular annual financial report, whose contents conform to program standards of creativity, presentation, understandability and reader appeal. An Award of Outstanding Achievement is valid for a period of only one year.

I want to express my appreciation to the staff members of the Finance Department and the City's operating departments for their joint efforts in preparing this report. I would also like to thank the Mayor, City Council, and the City Manager for their interest and support in planning and conducting the financial affairs of the City.

Respectfully submitted,



Randall J. Landes
Director of Finance
City of Kansas City, Missouri

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Kansas City
Missouri

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

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



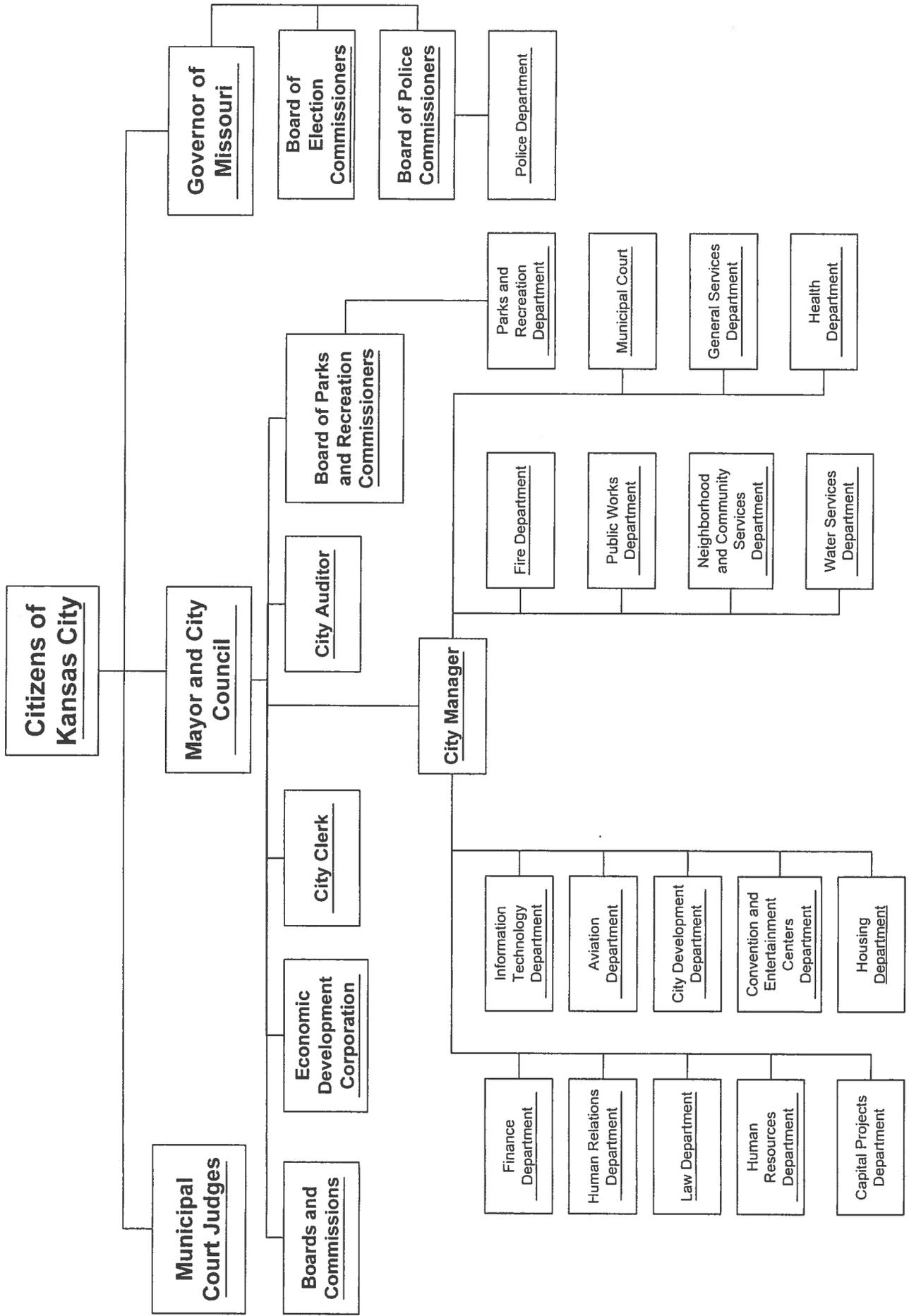
Linda C. Davison

President

Jeffrey R. Emer

Executive Director

Organizational Chart City of Kansas City, Missouri



**Finance Department
as of April 30, 2012
Finance Department Officers**

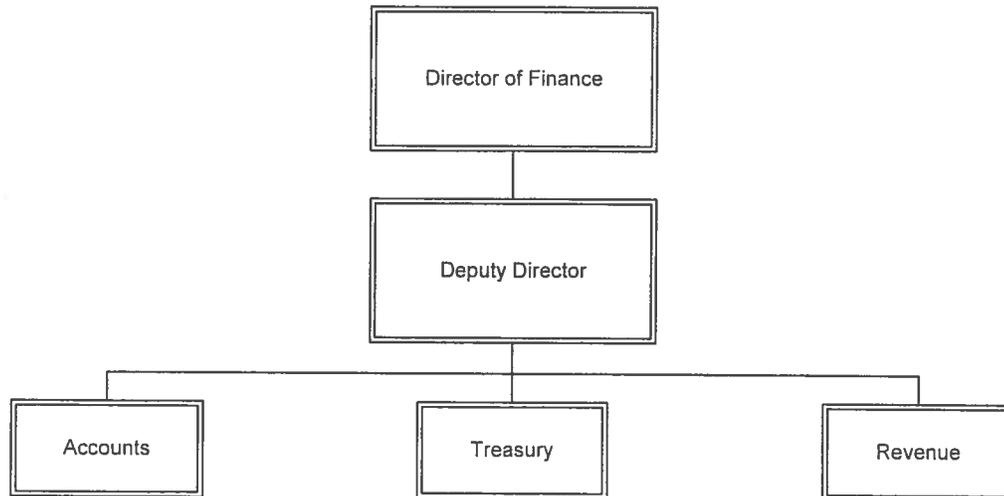
Randall J. Landes
Director of Finance

Wanda J. Gunter
Deputy Director

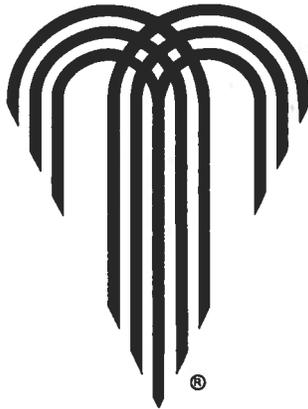
Eric B. Clevenger
City Controller

Tammy Queen
City Treasurer

Mari Ruck
Commissioner of
Revenue



CITY OF FOUNTAINS
HEART OF THE NATION



KANSAS CITY
MISSOURI

Independent Accountants' Report on Financial Statements and Supplementary Information

The Honorable Mayor and Members
of the City Council
City of Kansas City, Missouri

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Kansas City, Missouri (the City) as of and for the year ended April 30, 2012, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City'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 Kansas City Board of Police Commissioners (Police Department), Port Authority of Kansas City, Missouri (Port Authority), Maintenance Reserve Corporation (MRC), Performing Arts Community Improvement District (PACID) and American Jazz Museum (AJM), all of which are included as discretely presented component units, which represent approximately 36% of total assets and 64% of total revenues of the aggregate discretely presented component units as of and for the year ended April 30, 2012, respectively. Those financial statements were audited by other accountants whose reports thereon have been furnished to us and our opinion on the aggregate discretely presented component units, insofar as it relates to the amounts included for the Police Department, Port Authority, MRC, PACID and AJM, is based solely on the reports of the other accountants.

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. The financial statements of Kansas City International Airport - Community Improvement District, Metropolitan Ambulance Service Trust, MRC, Employees' Retirement System, Firefighters' Pension System, Police Retirement System and Civilian Employees' Retirement System were not audited in accordance with *Government Auditing Standards*. 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 reports of other accountants, 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 aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Kansas City, Missouri as of April 30, 2012, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Honorable Mayor and Members
of the City Council
City of Kansas City, Missouri
Page 2

As discussed in Note 16, during the year ended April 30, 2012, the City changed its method of accounting for fund balances in accordance with the Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund-Type Definitions*.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 25, 2012, on our consideration of the City'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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedules, schedules of funding progress and schedules of condition assessments and maintenance costs listed in the table of contents be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying introductory section, supplementary information and statistical section listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

BKD, LLP

Kansas City, Missouri
October 25, 2012

**Management's
Discussion
and Analysis**

City of Kansas City, Missouri
Management's Discussion and Analysis
April 30, 2012

Management's Discussion and Analysis (MD&A) offers readers a narrative overview and analysis of the financial activities of the City of Kansas City, Missouri (the City) for the fiscal year ended April 30, 2012. Readers are encouraged to consider the information presented here and in the City's financial statements, which follow this section. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

Financial Highlights

- The assets of the City (the primary government) exceeded its liabilities at the close of 2012 by \$4.660 billion. The unrestricted net assets are \$173.0 million. The unrestricted net assets of the City's governmental activities are in a \$24.5 million deficit. The unrestricted net assets of the City's business-type activities are \$197.4 million and may be used to meet the ongoing obligations of the City's water, sewer and airports business-type activities.
- The City's total net assets increased \$110.0 million in 2012. Net assets of the governmental activities increased by \$27.9 million, which represents a 0.98% increase from 2011 and business-type net assets increased \$82.0 million, which represents a 4.87% increase from 2011.
- As of the close of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$495.5 million. The combined governmental funds fund balance increased \$34.1 million from the prior year's ending fund balance. Approximately \$194.6 million of the governmental funds' fund balance is considered unrestricted at April 30, 2012.
- The general fund reported a total fund balance of \$44.7 million at the end of the current fiscal year. There was a \$2.7 million (excluding the restatement of beginning fund balance) decrease in the total fund balance for the year. Approximately \$43.9 million of the fund balance is considered unrestricted at April 30, 2012. A portion of the fund balance is committed to a stabilization arrangement or emergency reserve in the amount of \$34.6 million. The emergency reserve represents 8.2% of total general fund expenditures.
- The long-term obligations of the City's governmental activities increased by \$135.7 million or 8.21%. The long-term obligations of the City's business-type activities increased by \$95.7 million or 11.63%.

Overview of the Financial Statements

The MD&A is an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. The report contains both required and other supplementary information in addition to the financial statements.

Government-wide Financial Statements

The government-wide financial statements provide readers with a broad overview of the City's finances.

The statement of net assets presents information concerning the City's assets and liabilities; the difference between the two is reported as net assets. Increases and decreases in net assets serve as an indicator of the City's financial position.

City of Kansas City, Missouri
Management's Discussion and Analysis
April 30, 2012

The statement of activities presents information displaying 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 the timing of the cash flows. Thus, revenues and expenses reported in this statement for some items will result in cash flows in future fiscal periods (for example, uncollected taxes and earned but unused vacation leave).

Both of these government-wide financial statements distinguish functions of the City 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 or charges (business-type activities). The governmental activities of the City include general government, public safety (police, fire and municipal court), public works, neighborhood development, health, culture and recreation, convention facilities and economic development. The business-type activities of the City include three enterprise activities: a water system, a sanitary sewer system and aviation.

The government-wide financial statements include not only the City itself (known as the primary government), but include the Port Authority, Land Clearance for Redevelopment Authority, Economic Development Corporation, Economic Development Corporation (EDC)—Charitable Trust, Maintenance Reserve Corporation, Performing Arts Community Improvement District, Tax Increment Financing Commission, American Jazz Museum, Kansas City Board of Police Commissioners, KCI Airport Community Improvement District, Downtown Economic Stimulus Authority of Kansas City, Missouri and Metropolitan Ambulance Services Trust. Financial information for these discretely presented component units is reported separately from the financial information presented for the primary government itself. Complete financial statements of these component units, which include their management's discussion and analysis (MD&A), may be obtained from their respective administration offices.

In addition, the financial statements include the Kansas City Municipal Assistance Corporation (KCMAC) and the Police and Civilian Retirement Systems as blended component units.

The government-wide financial statements can be found on pages A-18 to A-20.

Fund Financial Statements

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

Governmental Funds

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

City of Kansas City, Missouri
Management's Discussion and Analysis
April 30, 2012

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 will 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.

Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the general fund and the capital improvements fund, which are considered major funds. Data from the other governmental funds is combined into a single, aggregated presentation.

The governmental funds financial statements can be found on pages A-21 to A-24.

Proprietary Funds

The City maintains two types of proprietary funds - enterprise funds and internal service funds. Enterprise funds report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water, sanitary sewer (including storm water) and airport operations. The one internal service fund is used to account for a self-funded healthcare system for city employees and retirees. The services provided by this fund predominantly benefit the governmental rather than the business-type functions and it is included within governmental activities in the government-wide financial statements shown in this report.

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 the water fund, sewer fund (including storm water and sanitary sewer) and airports fund, which are considered major funds of the City. The one internal service fund is separately presented in the proprietary fund financial statements.

The proprietary fund financial statements can be found on pages A-25 to A-29.

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's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City uses fiduciary funds to account for the retirement plans for regular employees, firefighters, police officers and civilian employees of the police department, funds held for employee memorials, municipal correctional facility inmate canteen operations, special deposits, municipal court appearance bonds, tax increment financing tax deposits, police department grants and payroll and insurance benefits.

The fiduciary fund financial statements can be found on pages A-30 to A-31.

City of Kansas City, Missouri
Management's Discussion and Analysis
April 30, 2012

Discretely Presented Component Units

The discretely presented component unit financial statements provide separate information for the Port Authority of Kansas City, Missouri, Tax Increment Financing Commission and the Police Department. The remaining discretely presented component units are aggregated and presented in a single column.

The discretely presented component unit statements can be found on pages A-32 to A-33.

Notes to the Basic Financial Statements

The notes provide additional information essential to fully understand the data provided in the government-wide and fund financial statements.

The notes to the basic financial statements can be found on pages A-34 to A-143.

Other Information

In addition to the financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's budgetary compliance and progress in funding its obligation to provide pension benefits and other post-employment benefits to its employees and condition assessments on infrastructure assets accounted for using the modified approach. Required supplementary information can be found on pages A-144 to A-150.

The City uses the modified approach when accounting for street surfacing, bridges/culverts and street lighting and uses straight-line depreciation when accounting for curbs, sidewalks, retaining walls, traffic signals, signage, and guard rails. The City began reporting street surfacing, bridges/culverts and street lighting retroactively with the audit for the period ending April 30, 2003, curbs and sidewalks retroactively with the audit for the period ending April 30, 2006 and traffic signals, guardrails and signage retroactively with the audit for the period ending April 30, 2007.

Government-wide Financial Analysis

As noted earlier, net assets serve as a useful indicator of the results of the City's operations. The City's (the primary government) assets exceeded liabilities by \$4.660 billion at the close of the most recent fiscal year. At the end of the prior fiscal year, assets exceeded liabilities by \$4.550 billion indicating that the government improved its financial position during the year. Governmental activities assets (exceeding liabilities) increased by \$27.9 million (from \$2.865 billion to \$2.893 billion) and business type activities assets (exceeding liabilities) increased by \$82.0 million (from \$1.685 billion to \$1.767 billion).

The largest portion of the City's net assets, \$4.316 billion or 92.6%, consists of its investment in capital assets (for example, land, buildings, land improvements, monuments and fountains, machinery and equipment and infrastructure) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

City of Kansas City, Missouri
Management's Discussion and Analysis
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Net Assets						
<i>(In thousands)</i>						
	Governmental Activities		Business-type Activities		Total	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
Current and other assets	\$ 693,511	\$ 677,438	\$ 583,479	\$ 453,913	\$ 1,276,990	\$ 1,131,351
Capital assets	<u>4,166,574</u>	<u>4,020,877</u>	<u>2,134,166</u>	<u>2,080,290</u>	<u>6,300,740</u>	<u>6,101,167</u>
Total assets	4,860,085	4,698,315	2,717,645	2,534,203	7,577,730	7,232,518
Deferred outflows	<u>26,547</u>	<u>17,849</u>	<u>-</u>	<u>-</u>	<u>26,547</u>	<u>17,849</u>
Long-term liabilities outstanding	1,787,187	1,651,522	918,287	822,587	2,705,474	2,474,109
Other liabilities	<u>206,653</u>	<u>198,536</u>	<u>32,215</u>	<u>26,504</u>	<u>238,868</u>	<u>225,040</u>
Total liabilities	1,993,840	1,850,058	950,502	849,091	2,944,342	2,699,149
Deferred inflows	<u>-</u>	<u>1,258</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,258</u>
Net assets:	<u>\$ 2,892,792</u>	<u>\$ 2,864,848</u>	<u>\$ 1,767,143</u>	<u>\$ 1,685,112</u>	<u>\$ 4,659,935</u>	<u>\$ 4,549,960</u>
Investment in capital assets, net of related debt	\$ 2,860,901	\$ 2,866,915	\$ 1,455,098	\$ 1,410,030	\$ 4,315,999	\$ 4,276,945
Restricted	56,360	17,937	114,600	119,715	170,960	137,652
Unrestricted	<u>(24,469)</u>	<u>(20,004)</u>	<u>197,445</u>	<u>155,367</u>	<u>172,976</u>	<u>135,363</u>
Total net assets	<u>\$ 2,892,792</u>	<u>\$ 2,864,848</u>	<u>\$ 1,767,143</u>	<u>\$ 1,685,112</u>	<u>\$ 4,659,935</u>	<u>\$ 4,549,960</u>

An additional portion of the City's net assets, \$171.0 million or 3.7%, represents resources that are subject to external restrictions as to how they may be used. It is important to note that, although the total unrestricted net assets are \$173.0 million, the unrestricted net assets of the City's business-type activities (\$197.4 million) may not be used to fund governmental activities. Total net assets of the City increased from fiscal year 2011 to fiscal year 2012 by \$110.0 million or 2.4%, due to the continued investment in capital assets and increases to unrestricted net assets by the business-type activities. A ten percent increase in water rates and a fifteen percent increase in sewer rates contributed to the \$42.1 million increase in unrestricted net assets of the business-type activities.

Governmental Activities

Governmental activities realized \$990.6 million in revenues and \$962.6 million in expenses for fiscal year 2012. The primary government as a whole realized \$1.410 billion in revenues and \$1.300 billion in expenses for fiscal year 2012.

Business-type Activities

Business-type activities had increases in net assets of \$82.0 million, which is a 4.87% increase from prior year. The increase in net assets was attributable in large part to the capital improvement programs of the Water Services Department for replacements and extensions to water and sewer lines and treatment plants. A ten percent increase in water rates, a fifteen percent increase in sewer rates and increased parking revenue at the KCI airport contributed to the \$82.0 million increase in net assets of the business-type activities.

City of Kansas City, Missouri
Management's Discussion and Analysis
April 30, 2012

Components of the increase/decrease are as follows:

Changes in Net Assets
(In thousands)

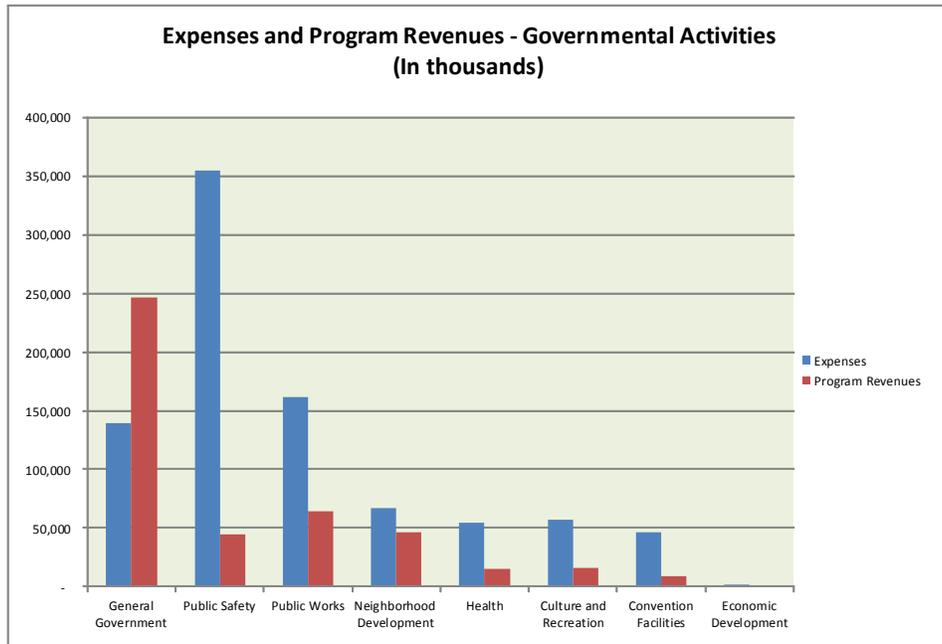
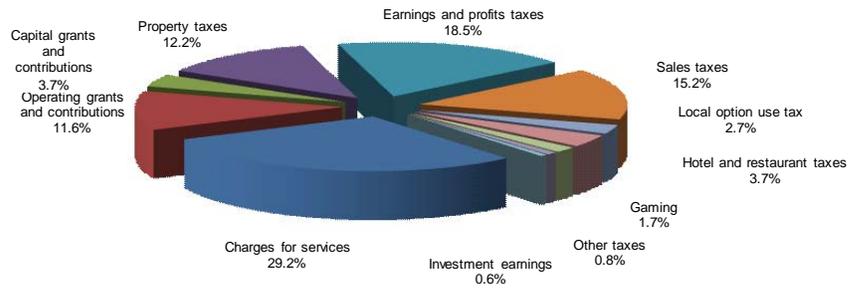
	Governmental Activities		Business-type Activities		Total	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
Revenues						
Program Revenues						
Charges for services	\$ 289,733	\$ 325,460	\$ 375,427	\$ 351,593	\$ 665,160	\$ 677,053
Operating grants and contributions	114,875	138,770	155	265	115,030	139,035
Capital grants and contributions	36,739	15,843	35,920	38,482	72,659	54,325
General revenues						
Property taxes	121,189	123,155	-	-	121,189	123,155
Earnings and profits taxes	183,662	191,425	-	-	183,662	191,425
Sales taxes	150,941	137,820	-	-	150,941	137,820
Local option use taxes	26,364	24,432	-	-	26,364	24,432
Hotel and restaurant taxes	36,244	34,751	-	-	36,244	34,751
Gaming taxes	16,873	17,588	-	-	16,873	17,588
Railroad and utility taxes	5,404	4,794	-	-	5,404	4,794
Cigarette taxes	2,781	2,711	-	-	2,781	2,711
Investment earnings	5,769	7,103	7,549	7,078	13,318	14,181
Total revenues	<u>990,574</u>	<u>1,023,852</u>	<u>419,051</u>	<u>397,418</u>	<u>1,409,625</u>	<u>1,421,270</u>
Expenses						
General government	139,636	121,989	-	-	139,636	121,989
Public safety	354,495	350,145	-	-	354,495	350,145
Public works	161,870	129,398	-	-	161,870	129,398
Neighborhood development	66,847	99,172	-	-	66,847	99,172
Health	54,489	52,844	-	-	54,489	52,844
Culture and recreation	57,211	54,601	-	-	57,211	54,601
Convention facilities	46,653	42,942	-	-	46,653	42,942
Economic development	2,003	13,591	-	-	2,003	13,591
Unallocated depreciation	1,232	1,205	-	-	1,232	1,205
Interest on long-term debt	78,194	73,400	-	-	78,194	73,400
Water	-	-	97,010	84,305	97,010	84,305
Sewer	-	-	92,288	86,576	92,288	86,576
Aviation	-	-	147,722	147,155	147,722	147,155
Airport Special Facility	-	-	-	5,911	-	5,911
Total expenses	<u>962,630</u>	<u>939,287</u>	<u>337,020</u>	<u>323,947</u>	<u>1,299,650</u>	<u>1,263,234</u>
Increase/decrease in net assets	27,944	84,565	82,031	73,471	109,975	158,036
Net assets – beginning of year	2,864,848	2,780,283	1,685,112	1,611,641	4,549,960	4,391,924
Net assets – end of year	<u>\$ 2,892,792</u>	<u>\$ 2,864,848</u>	<u>\$ 1,767,143</u>	<u>\$ 1,685,112</u>	<u>\$ 4,659,935</u>	<u>\$ 4,549,960</u>

City of Kansas City, Missouri

Management's Discussion and Analysis

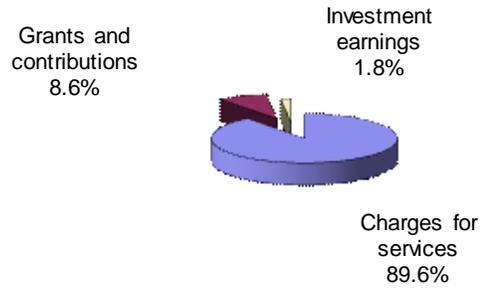
April 30, 2012

Revenues - Governmental Activities

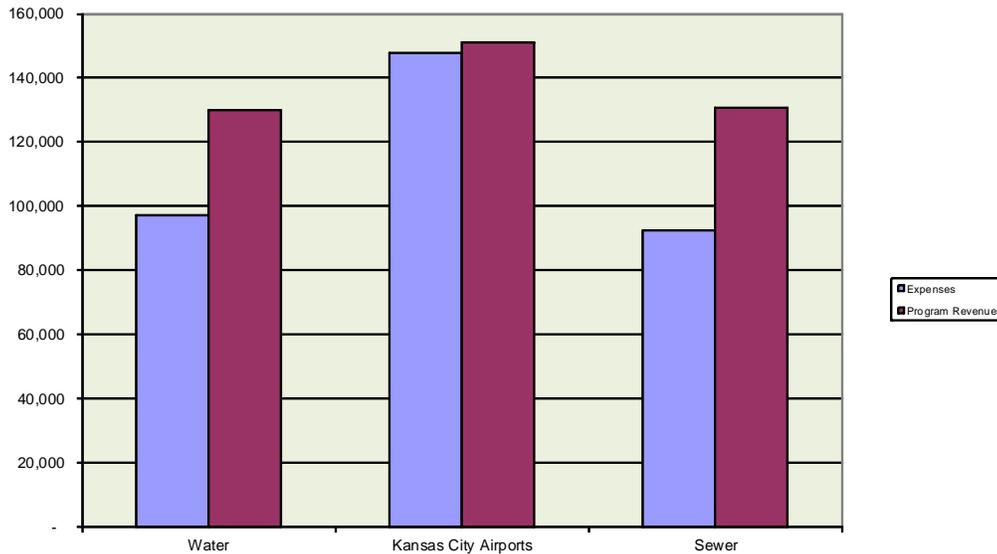


City of Kansas City, Missouri
Management's Discussion and Analysis
April 30, 2012

Revenues - Business-type Activities



Expenses and Program Revenues - Business-type Activities
(In thousands)



City of Kansas City, Missouri
Management's Discussion and Analysis
April 30, 2012

Financial Analysis of the Government's Funds

The City uses fund accounting to ensure and demonstrate compliance with finance-related requirements.

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unrestricted fund balance may serve as a measure of a government's net resources available for future use.

As of April 30, 2012, the City's governmental funds have combined ending fund balances of \$495.5 million. The total fund balance increased by \$34.1 million during fiscal year 2012. The fund balances for governmental funds are reported using classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The five categories of governmental fund balance are nonspendable, restricted, committed, assigned and unassigned. The committed, assigned and unassigned classifications are considered to be unrestricted and these total to \$194.6 million for all governmental funds.

Major Funds

The general fund is the chief operating fund of the City. At April 30, 2012, the total fund balance of the general fund was \$44.7 million and expenditures were \$423.8 million. The total fund balance decreased by \$2.7 million (excluding the restatement of beginning fund balance) during fiscal year 2012. The unrestricted portion of the fund balance totals to \$43.9 million. A portion of the general fund's fund balance is committed to a stabilization arrangement or emergency reserve in the amount of \$34.6 million. It is useful to compare the amount of the emergency reserve to total fund expenditures. The emergency reserve represents 8.2% of the total fund expenditures.

The relatively small \$2.7 million or 5.6% decrease in total fund balance is attributable to a variety of factors. Some of the large variances from the prior year include a:

- \$5.2 million decrease in tax revenues
- \$12.3 million decrease in licenses, permits and franchise fee revenues
- \$6.6 million decrease in service charge revenues
- \$2.8 million increase in rent and concession revenues
- \$5.4 million decrease in general government expenditures
- \$3.9 million decrease in public works expenditures
- \$3.6 million increase in neighborhood development expenditures
- \$1.5 million decrease in culture and recreation expenditures
- \$1.5 million decrease in convention facilities expenditures
- \$2.0 million decrease in transfers out

The capital improvements fund is the City's other major governmental fund. At April 30, 2012, the total fund balance of the capital improvements fund was \$128.9 million and expenditures were \$104.0 million.

City of Kansas City, Missouri
Management's Discussion and Analysis
April 30, 2012

The total fund balance decreased by \$10.2 million during fiscal year 2012. The unrestricted portion of fund balance totals to \$128.9 million. It may be useful to compare the amount of unrestricted fund balance to total fund expenditures. The unrestricted portion of fund balance represents 123.9% of the total fund expenditures.

The water fund, sewer fund (including storm water) and the airports funds, all of which are business-type activities, are also major funds. At April 30, 2012, unrestricted net assets of the water fund were \$57.0 million, while total net assets were \$537.2 million. As a measure of the water fund's liquidity, it may be useful to compare unrestricted net assets to total fund operating expenses. Unrestricted net assets represent 65.5% of the total fund operating expenses.

There was \$73.4 million in unrestricted net assets for the sewer fund and total net assets of \$710.7 million. As a measure of the sewer fund's liquidity, it may be useful to compare unrestricted net assets to total fund operating expenses. Unrestricted net assets represent 85.2% of the total fund operating expenses.

For the airports funds, there was \$67.0 million in unrestricted net assets, with total net assets of \$519.3 million. As a measure of the airports fund's liquidity, it may be useful to compare unrestricted net assets to total fund operating expenses. Unrestricted net assets represent 50.3% of the total fund operating expenses.

General Fund Budgetary Highlights

During fiscal year 2012, there was a \$3.2 million decrease in appropriations for expenditures and other financing uses between the original and final amended budget and a \$3.1 million increase in estimated revenues and other financing sources. The actual expenditures and other financing uses were under the final amended budget by \$22.0 million and actual revenues and other financing sources were under the final amended budget by \$23.6 million. Individual department variances between actual expenditures and final budget were normal variances in most instances. However, General Services, City Manager, Contingent Appropriation, Public Works and operating transfers out had large variances. The variance for General Services was primarily due to not spending all available appropriations for debt repayment on financed vehicles. The City Manager variance was primarily due to not spending all available appropriations for salary expense in the office of management and budget, waste management training and contractual services for the emergency management office. A portion of the contingent appropriation was not needed to cover unexpected expenditures. The Public Works variance was primarily due to not spending all available appropriations for a variety of projects or activities. The three largest variances were for salary expense in their executive and administrative offices, street preservation and maintenance and bridge preservation and maintenance. The operating transfers out variances were primarily due to not transferring all available appropriations to the Motor Fuel Tax Fund, Convention and Tourism Fund, Community Centers Fund and STIF East Village Fund.

Capital Assets and Debt Administration

Capital Assets

The City uses the modified approach when accounting for street surfacing, bridges/culverts and street lighting and uses straight-line depreciation when accounting for curbs, sidewalks, traffic signals, signage,

City of Kansas City, Missouri
Management's Discussion and Analysis
April 30, 2012

guard rails, buildings, improvements, machinery and equipment, land improvements and fountains and monuments. The City's investment in capital assets, net of related debt, for governmental and business-type activities as of April 30, 2012 amounts to \$4.316 billion. This investment in capital assets, net of related debt, includes land, buildings, improvements, machinery and equipment, land improvements, monuments/fountains and other works of art, street surfacing, bridges/culverts, curbs, sidewalks, street lighting, traffic signals, signage, retaining walls and guard rails. The total increase in the City's investment in capital assets, net of related debt, for fiscal year 2012 was 0.9% (a 0.2% decrease for governmental activities and a 3.2% increase for business-type activities).

Major capital asset events during fiscal year 2012 included the following:

- Capital assets, net of depreciation and disposals, increased \$199.6 million.

Governmental capital assets, net of depreciation and disposals, increased by \$145.7 million, mainly due to: \$18.73 million for the new South Patrol Police Station, \$9.88 million for parks and trails, \$18.26 million for the public safety radio system, \$7.06 million for Longview Park Aquatics Center, \$4.75 million for Northeast Community Center, and \$87.02 million spent for various infrastructure projects.

- Business type capital asset additions, net of depreciation and disposals, had a net increase of \$53.9 million mainly due to:
 - \$9.5 million decrease for depreciation of Aviation assets
 - \$31.0 million for water utility lines and improvements
 - \$32.4 million for sewer utility lines and improvements

During fiscal year 2012, the conditions of the City's three networks of infrastructure assets accounted for using the modified approach had the following changes.

The overall condition level of the roadway system went from 78.13 in FY 2011 to 68.37 in FY 2012 on a rating scale of 100, indicating the overall condition dropped to a poor condition. The City's intent is to obtain an overall rating of not less than 80. The City will determine during fiscal year 2013 what steps will be taken to bring the roadway system's overall condition level to an established condition level.

The overall condition level of the bridges went from 76.32 in FY 2011 to 76.54 in FY 2012 on a rating scale of 100, indicating the overall condition maintained a better condition. The City's intent is that at least 75% of the bridges should be at a good or better condition (a condition level of 65 or better), with no more than 10% being in substandard condition (a condition level of less than 45).

The overall condition level of the street lighting went from 92.68 in FY 2011 to 93.90 in FY 2012 on a rating scale of 100, indicating the overall condition maintained a better condition. The City's intent is to obtain an overall rating of not less than 90 with no more than 10% being below the better condition rating.

During fiscal year 2012, the actual amount of dollars expended to preserve and maintain the roadway system, bridges and street lighting assets were 26.8%, 10.4% and 67.3% of the amount needed, respectively.

City of Kansas City, Missouri
Management's Discussion and Analysis
April 30, 2012

Capital Assets
(In thousands)

	Governmental Activities		Business-type Activities		Total	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
Land/permanent right of way	\$ 349,638	\$ 339,873	\$ 53,326	\$ 51,791	\$ 402,964	\$ 391,664
Works of art	174	74			174	74
Buildings & improvements	1,199,844	1,135,668	1,105,710	1,096,052	2,305,554	2,231,720
Monuments & fountains	122,568	121,526			122,568	121,526
Temporary right of way	612	558			612	558
Land improvements	215,590	201,059			215,590	201,059
Machinery and equipment	212,186	164,933	202,686	197,131	414,872	362,064
Infrastructure-modified	2,172,682	2,074,380			2,172,682	2,074,380
Infrastructure-depreciated	173,018	155,937	1,821,086	1,717,383	1,994,104	1,873,320
Accumulated depreciation	(601,207)	(532,138)	(1,206,816)	(1,130,785)	(1,808,023)	(1,662,923)
Construction in progress	321,469	359,007	158,174	148,718	479,643	507,725
Total	\$ 4,166,574	\$ 4,020,877	\$ 2,134,166	\$ 2,080,290	\$ 6,300,740	\$ 6,101,167

Additional information on the City's capital assets can be found in Note 6 on pages A-77 to A-80.

Long-term Debt

As of April 30, 2012, the City (the primary government) had total bonded debt outstanding of approximately \$2.50 billion. Of this amount, \$449.3 million was comprised of debt backed by the full faith and credit of the government. Additionally, the City has outstanding debt of \$1.19 billion of limited obligation revenue bonds. The remainder of the City's debt represents bonds secured solely by specified revenue sources of the water, sewer, and airport systems totaling approximately \$856.05 million.

Long-term Debt
(In thousands)

	Governmental Activities		Business-type Activities		Total	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
Bonded debt outstanding:						
General obligation bonds	\$ 449,290	\$ 341,540	\$ -	\$ -	\$ 449,290	\$ 341,540
Revenue bonds	-	-	856,046	774,295	856,046	774,295
Special assessment debt with government commitment	-	700	-	-	-	700
Limited obligation debt	1,191,494	1,195,101	-	-	1,191,494	1,195,101
Total	\$ 1,640,784	\$ 1,537,341	\$ 856,046	\$ 774,295	\$ 2,496,830	\$ 2,311,636

City of Kansas City, Missouri
Management's Discussion and Analysis
April 30, 2012

The City's total debt increased from fiscal year 2010-11 by \$185.2 million primarily due to \$433.6 million in principal payments and refunding bonds, offset by the following bonds issued during the fiscal year ending April 30, 2012:

- \$5.8 million of Master Lease Purchase Agreement (Fleet Acquisition Projects)
- \$2.0 million MTFC Loan Fifth Draw, (Paseo Bridge Project)
- \$4.3 million Sanitary Sewer Revenue Bonds, Series 2009B Additional Draw (Sanitary Sewer System Project) ⁽¹⁾
- \$89.2 million Sanitary Sewer Revenue Bonds, Series 2012A (Sanitary Sewer System Project)
- \$47.7 million Water Revenue Bonds, Series 2012A (Water System Project)
- \$216.9 million City of Kansas City, Missouri General Obligation Improvement and Refunding Bonds, Series 2012A (Refunding of Series 2003F and 2004F General Obligation Bonds and funding the Basic Infrastructure, Zoo and Public Safety Projects)
- \$16.0 million Special Obligation Bonds, Series 2012A (Revenue System and Public Infrastructure Projects)
- \$59.3 million Special Obligation Taxable Refunding and Improvement Bonds, Series 2012B (Full refunding of Planned Industrial Expansion Authority Leasehold Revenue Bonds, Series 2001, Kansas City Municipal Assistance Corporation Leasehold Revenue Bonds, Series 2001A, partial refunding of Kansas City, Missouri Special Obligation Bonds, Series 2010B, partial redemption of Bank of America, N.A. promissory note and funding the Downtown Residential and 63rd and Prospect Projects)
- \$177.5 million Industrial Development Authority of the City of Kansas City, Missouri ("IDA") Refunding Revenue Bonds (Converting IDA Variable Rate Demand Tax-exempt Revenue Bonds, Series 2005B, 2006A and 2006B to fixed rate bonds)

- (1) The \$16 million par amount was not actually delivered at bond closing by the Missouri Department of Natural Resources (the "Purchaser" of the bonds). The Purchaser will fund requisition reimbursements made by the City ("Purchase Price Installment") from time to time. The accumulative total of the Purchase Price Installment less principal repayment will equal the outstanding principal of the bonds.

(Note: In connection with the issuance of an alternate irrevocable direct-pay letter of credit provider for the City of Kansas City, Missouri Variable Rate Demand Tax-exempt Special Obligation Bonds (H. Roe Bartle Convention Center Project), Series 2008E and 2008F (collectively referred to herein as "Bartle Hall Bonds") and the amendment and restatement of the Series 2008E original indenture, the City remarketed the Bartle Hall Bonds and issued a remarketing supplement to the original official statement. The remarketing of the bonds is not considered as a new bond issuance and therefore it is not included in the above list of new bonds.)

City of Kansas City, Missouri
Management's Discussion and Analysis
April 30, 2012

As of April 30, 2012, the City's bond credit ratings are shown in the following table:

Type of Bonds Issued	Moody's Rating	Standard and Poor's Rating	Fitch's Rating
General obligation bonds	Aa2	AA	AA
Kansas City, Missouri Special Obligation Bonds (Series 2012A and 2012B)	A1	AA-	A+
Water revenue bonds (senior lien bonds)	Aa2	AA+	Not rated
Sewer revenue bonds (junior lien bonds)	Aa2	AA	Not rated
Airport revenue bonds (senior lien bonds)	A2	A+	A
Airport revenue bonds (subordinate lien bonds)	A3	A	A-
Airport PFC bonds	A3	A	A

Article VI, Sections 26(b) and (c) of the state constitution permits the City, by a vote of the qualified electors, to incur indebtedness for City purposes in an aggregate amount not to exceed 10% of the assessed value of property within the City. Article VI, Section 26(d) of the state constitution permits the City, by a vote of the qualified electors, to incur indebtedness for the purposes of acquiring right-of-way, construction, extending and improving streets and improving sanitary or storm sewer systems in an aggregate amount not to exceed 10% of the assessed value of property within the City. Article VI, Section 26(e) of the state constitution permits the City, by a vote of the qualified electors, to incur indebtedness for the purposes of purchasing or constructing waterworks, electric or other light plants in an aggregate amount not to exceed 10% of the assessed value of property within the City. The aggregate limit of GO debt is 20% of the assessed value of property within the City.

The City's constitutional debt limit calculated as of April 30, 2012 is \$1.4 billion. The City's current legal debt margin is \$916 million, which takes into account outstanding general obligation bonds less debt service fund balances totaling \$447 million. Additional information regarding the City's long-term debt can be found in Note 7 on pages A-81 to A-112 of this report.

Economic Factors and Next Year's Budgets and Rates

- Per the Bureau of Labor Statistics, the unemployment rate, not seasonally adjusted data for the Kansas City metropolitan statistical area at April 30, 2012 was 6.6%, which is 1.2 percentage points lower than the rate one year ago. This compares favorably to the state and national unemployment rates of 6.9% and 7.7%, respectively.
- Inflationary trends in the Kansas City metropolitan statistical area from the first half of 2011 to the first half of 2012 per the Consumer Price Index – all urban consumers (CPI-U), not seasonally adjusted data reflect a 2.6% increase in the region as compared to national indices of a 2.3% increase from April 2011 to April 2012.

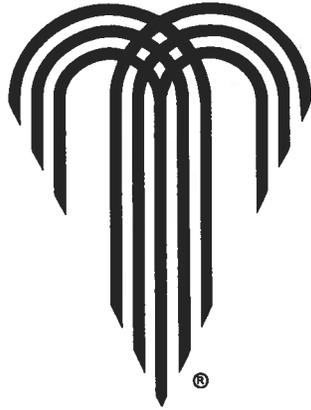
Both of these factors are considered in preparing the City's budget.

City of Kansas City, Missouri
Management's Discussion and Analysis
April 30, 2012

Request for Information

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to show accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City Controller's Office, 414 East 12th Street, Suite 302, Kansas City, Missouri 64106.

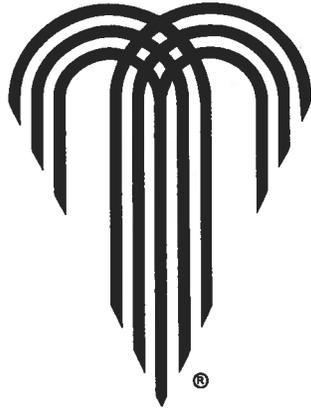
CITY OF FOUNTAINS
HEART OF THE NATION



KANSAS CITY
MISSOURI

**Basic
Financial
Statements**

CITY OF FOUNTAINS
HEART OF THE NATION



KANSAS CITY
MISSOURI

City of Kansas City, Missouri
Statement of Net Assets
April 30, 2012
(In thousands of dollars)

	Primary Government			Discretely Presented Component Units
	Governmental Activities	Business- Type Activities	Total	
Assets				
Cash and investments	\$ 470,030	\$ 204,930	\$ 674,960	\$ 29,374
Receivables, net				
Taxes	77,134	-	77,134	-
Accounts	10,198	33,881	44,079	654
Interest	1,387	686	2,073	8
Other	359	550	909	3,690
Special assessments—net	3,580	11	3,591	-
Due from other governments	21,779	3,238	25,017	3,175
Due from primary government	-	-	-	8,294
Due from component units	7,003	-	7,003	-
Inventories	-	3,605	3,605	2,091
Prepaid items	-	473	473	-
Bond issue costs - net	13,433	9,427	22,860	4,282
Other assets	-	-	-	3,299
Restricted assets				
Cash and short-term investments	88,608	313,609	402,217	102,680
Accounts receivable	-	3,198	3,198	29,459
Accrued interest receivable	-	1,043	1,043	-
Net long-term lease receivable	-	8,828	8,828	-
Capital assets, nondepreciable	2,843,963	211,500	3,055,463	14,636
Capital assets, depreciable, net	1,322,611	1,922,666	3,245,277	37,964
Total assets	4,860,085	2,717,645	7,577,730	239,606
Deferred Outflows				
Accumulated decrease in fair value of hedging derivatives	26,547	-	26,547	-

City of Kansas City, Missouri
Statement of Net Assets
April 30, 2012
(In thousands of dollars)

	<u>Primary Government</u>		<u>Total</u>	<u>Discretely Presented Component Units</u>
	<u>Governmental Activities</u>	<u>Business- Type Activities</u>		
Liabilities				
Accounts payable	\$ 55,668	\$ 19,234	\$ 74,902	\$ 4,081
Other accrued items	28,538	3,468	32,006	6,729
Construction contracts and retainages payable	7,017	2,687	9,704	-
Internal balances	8,135	(8,135)	-	-
Prepaid lease revenue	-	2,891	2,891	-
Due to primary government	-	-	-	7,003
Due to component units	8,294	-	8,294	-
Unearned revenue	16,980	-	16,980	1,415
Accrued interest	50,003	10,570	60,573	3,001
Other liabilities	32,018	1,500	33,518	13,480
Long-term liabilities				
Due within one year	73,839	56,180	130,019	51,988
Demand bonds due within one year	3,816	-	3,816	-
Claims payable due within one year	9,470	2,926	12,396	-
Due in more than one year	1,586,845	825,960	2,412,805	678,175
Claims payable due in more than one year	27,127	8,323	35,450	-
Net pension obligations due in more than one year	38,006	12,162	50,168	70,384
Other post employment benefits due in more than one year	48,084	12,736	60,820	10,926
Total liabilities	<u>1,993,840</u>	<u>950,502</u>	<u>2,944,342</u>	<u>847,182</u>
Net Assets (Deficit)				
Investment in capital assets, net of related debt	2,860,901	1,455,098	4,315,999	53,178
Restricted for				
Grants	2,526	-	2,526	-
Principal and interest	53,034	41,210	94,244	124,263
Insurance reserves	800	-	800	-
Aviation operations	-	73,390	73,390	-
Special programs	-	-	-	8,236
Unrestricted (deficit)	(24,469)	197,445	172,976	(793,253)
Total net assets (deficit)	<u>\$ 2,892,792</u>	<u>\$ 1,767,143</u>	<u>\$ 4,659,935</u>	<u>\$ (607,576)</u>

City of Kansas City, Missouri
Statement of Activities
Year Ended April 30, 2012
(In thousands of dollars)

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Assets			Discretely Presented Component Units
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government Business-Type Activities	Total	
Primary Government								
Governmental activities								
General government	\$ 139,636	\$ 186,656	\$ 59,522	\$ -	\$ 106,542	\$ -	\$ 106,542	\$ -
Public safety	354,495	37,787	6,997	-	(309,711)	-	(309,711)	-
Public works	161,870	27,611	-	36,739	(97,520)	-	(97,520)	-
Neighborhood development	66,847	18,850	27,166	-	(20,831)	-	(20,831)	-
Health	54,489	3,277	12,107	-	(39,105)	-	(39,105)	-
Culture and recreation	57,211	8,068	7,467	-	(41,676)	-	(41,676)	-
Convention facilities	46,653	7,324	1,616	-	(37,713)	-	(37,713)	-
Economic development	2,003	160	-	-	(1,843)	-	(1,843)	-
Unallocated depreciation	1,232	-	-	-	(1,232)	-	(1,232)	-
Interest on long-term debt and amortization of bond issue costs	78,194	-	-	-	(78,194)	-	(78,194)	-
Total governmental activities	<u>962,630</u>	<u>289,733</u>	<u>114,875</u>	<u>36,739</u>	<u>(521,283)</u>	<u>-</u>	<u>(521,283)</u>	<u>-</u>
Business-type activities								
Water	97,010	125,247	-	4,515	-	32,752	32,752	-
Kansas City airports	147,722	133,844	155	17,075	-	3,352	3,352	-
Sewer	92,288	116,336	-	14,330	-	38,378	38,378	-
Total business-type activities	<u>337,020</u>	<u>375,427</u>	<u>155</u>	<u>35,920</u>	<u>-</u>	<u>74,482</u>	<u>74,482</u>	<u>-</u>
Total primary government	<u>\$ 1,299,650</u>	<u>\$ 665,160</u>	<u>\$ 115,030</u>	<u>\$ 72,659</u>	<u>(521,283)</u>	<u>74,482</u>	<u>(446,801)</u>	<u>-</u>
Total component units	<u>\$ 355,380</u>	<u>\$ 12,183</u>	<u>\$ 200,625</u>	<u>\$ 13,314</u>				<u>(129,258)</u>
General Revenues								
Taxes								
Property taxes, levied for general purposes					111,174	-	111,174	-
Property taxes, levied for debt service					10,015	-	10,015	-
Earnings and profits taxes					183,662	-	183,662	-
Sales taxes					150,941	-	150,941	1,450
Local option use taxes					26,364	-	26,364	-
Hotel and restaurant taxes					36,244	-	36,244	-
Gaming taxes					16,873	-	16,873	-
Railroad and utility taxes					5,404	-	5,404	-
Cigarette taxes					2,781	-	2,781	-
Tax increment financing revenues					-	-	-	103,734
Investment earnings					5,769	7,549	13,318	118
Miscellaneous—contributions					-	-	-	4
Total general revenues and transfers					<u>549,227</u>	<u>7,549</u>	<u>556,776</u>	<u>105,306</u>
Change in net assets					27,944	82,031	109,975	(23,952)
Net Assets, Beginning of Year, as restated					2,864,848	1,685,112	4,549,960	(583,624)
Net Assets, Ending of Year					<u>\$ 2,892,792</u>	<u>\$ 1,767,143</u>	<u>\$ 4,659,935</u>	<u>\$ (607,576)</u>

City of Kansas City, Missouri
Governmental Funds Balance Sheet
April 30, 2012
(In thousands of dollars)

	General	Capital Improvements	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 78,601	\$ 119,663	\$ 263,521	\$ 461,785
Receivables				
Taxes	48,887	11,570	36,181	96,638
Municipal court	3,550	-	-	3,550
Accounts	4,802	-	13,901	18,703
Special assessments	7,613	-	6,908	14,521
Interest and dividends	476	488	394	1,358
Other	360	-	1,327	1,687
Allowance for uncollectible receivables	(16,102)	-	(28,194)	(44,296)
Due from other governments	209	6,200	15,370	21,779
Due from other funds	394	17,643	7,870	25,907
Due from component units	7,003	-	-	7,003
Restricted assets - cash and short-term investments	634	-	87,974	88,608
Total assets	\$ 136,427	\$ 155,564	\$ 405,252	\$ 697,243
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ 16,270	\$ 11,396	\$ 28,002	\$ 55,668
Other accrued items	4,375	58	3,657	8,090
Construction contracts and retainages payable	-	2,065	4,952	7,017
Due to other funds	10,997	3,376	19,669	34,042
Due to fiduciary funds	8,401	3,675	6,223	18,299
Due to component units	7,164	-	1,130	8,294
Deferred income	44,536	6,140	14,226	64,902
Other liabilities	-	-	5,394	5,394
Total liabilities	91,743	26,710	83,253	201,706
Fund Balances				
Restricted	800	-	300,109	300,909
Committed	38,385	100,065	5,142	143,592
Assigned	5,499	28,789	22,066	56,354
Unassigned	-	-	(5,318)	(5,318)
Total fund balances	44,684	128,854	321,999	495,537
Total liabilities and fund balances	\$ 136,427	\$ 155,564	\$ 405,252	\$ 697,243

City of Kansas City, Missouri
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Assets
April 30, 2012
(In thousands of dollars)

Fund balances—total governmental funds	\$	495,537
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds:		
Governmental capital assets		4,767,781
Less: accumulated depreciation		(601,207)
Net effect of capital assets		4,166,574
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due		(50,003)
Revenues that are deferred in the governmental funds due to the City not receiving cash within sixty days are recognized as revenue in the governmental activities in the statement of net assets		47,922
Bond issue costs, net of related amortization, are not recorded as an asset in the governmental funds		13,433
Accumulated net decrease in fair value of hedging derivatives are not reported in the governmental funds		26,547
Interest rate swap liabilities and assets are not reported in the governmental funds		(26,547)
Long-term obligations, including bonds and notes payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds		
Bonds and notes payable		(1,640,784)
Unamortized premium on bond issues		(45,311)
Deferred discount on bond issues		9,821
Deferred charges on refunding		40,713
Pension obligations are not recorded as a liability in the governmental funds		(38,006)
Other post employment benefits are not recorded as a liability in the governmental funds		(48,084)
Compensated absences		(28,939)
Claims payable		(36,597)
Net effect of long-term obligations		(1,787,187)
Internal Service funds are used by management to charge the cost of certain activities to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net assets		6,516
Net assets of governmental activities	\$	2,892,792

City of Kansas City, Missouri
Governmental Funds Statement of Revenues, Expenditures
and Changes in Fund Balances
Year Ended April 30, 2012
(In thousands of dollars)

	General	Capital Improvements	Non-Major Governmental Funds	Total Governmental Funds
Revenues				
Taxes	\$ 278,705	\$ 63,227	\$ 201,394	\$ 543,326
Licenses, permits and franchises	114,738	-	23,016	137,754
Fines and forfeitures	15,245	-	564	15,809
Rents and concessions	4,446	-	14,784	19,230
Investment income and interest	1,416	2,229	(5,730)	(2,085)
Charges for services	44,536	-	35,841	80,377
Intergovernmental revenues	5,322	13,633	86,125	105,080
Special assessments	515	-	6,716	7,231
Contributions	1,271	21,934	4,108	27,313
Other	6,227	3,102	12,179	21,508
Total revenues	<u>472,421</u>	<u>104,125</u>	<u>378,997</u>	<u>955,543</u>
Expenditures				
Current				
General government	85,762	2,366	26,672	114,800
Fire	84,455	-	44,396	128,851
Public works	29,168	20,799	35,904	85,871
Neighborhood development	26,865	1,615	36,590	65,070
Health	-	-	52,778	52,778
Culture and recreation	6,512	2,702	29,368	38,582
Convention facilities	-	-	30,478	30,478
Nondepartmental	-	-	2,486	2,486
Police	184,854	-	7,893	192,747
Intergovernmental				
KCATA	-	-	44,746	44,746
Debt service				
Principal retirement	1,865	-	70,679	72,544
Interest	403	-	62,119	62,522
Fiscal agent fees	5	-	2,244	2,249
Bond issue costs	-	-	3,640	3,640
Swap settlement payment	-	-	5,306	5,306
Capital outlay				
Public works	678	53,706	91,228	145,612
Health	-	-	343	343
Culture and recreation	59	20,417	11,222	31,698
Convention facilities	-	-	2,798	2,798
Neighborhood development	-	432	2,770	3,202
Fire	171	-	3,285	3,456
Police	151	-	578	729
General government	2,818	1,923	28,838	33,579
Total expenditures	<u>423,766</u>	<u>103,960</u>	<u>596,361</u>	<u>1,124,087</u>
Excess (deficiency) of revenues over expenditures	<u>48,655</u>	<u>165</u>	<u>(217,364)</u>	<u>(168,544)</u>
Other Financing Sources (Uses)				
Transfers in	7,867	736	151,784	160,387
Transfers out	(59,189)	(13,128)	(88,070)	(160,387)
Issuance of debt	-	2,000	189,873	191,873
Premium on bond issue	-	-	11,249	11,249
Discount on bond issue	-	-	(737)	(737)
Issuance of refunding debt	-	-	285,639	285,639
Premium on refunding bond issue	-	-	20,073	20,073
Discount on refunding bond issue	-	-	(714)	(714)
Payment to refund bond escrow agent	-	-	(304,776)	(304,776)
Other financing sources (uses), net	<u>(51,322)</u>	<u>(10,392)</u>	<u>264,321</u>	<u>202,607</u>
Net change in fund balances	<u>(2,667)</u>	<u>(10,227)</u>	<u>46,957</u>	<u>34,063</u>
Fund Balances, Beginning of Year, as restated	<u>47,351</u>	<u>139,081</u>	<u>275,042</u>	<u>461,474</u>
Fund Balances, End of Year	<u>\$ 44,684</u>	<u>\$ 128,854</u>	<u>\$ 321,999</u>	<u>\$ 495,537</u>

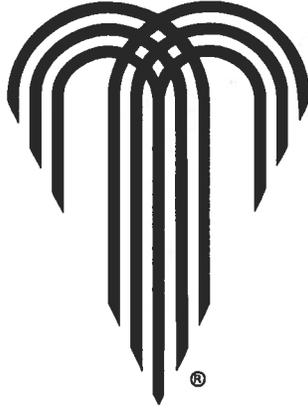
See Notes to Basic Financial Statements

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City of Kansas City, Missouri
Reconciliation of the Governmental Funds Statement of Revenues,
Expenditures and Changes in Fund Balances to the Statement of Activities
Year Ended April 30, 2012
(In thousands of dollars)

Net change in fund balances—total governmental funds	\$	34,063
<p>Amounts reported for governmental activities in the statement of activities are different because:</p> <p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The following is the detail of the amount by which capital outlays exceeded depreciation in the current period:</p>		
Capital outlay		221,417
Depreciation		(72,931)
Capital outlay- loss on disposal of assets and decreases to construction in progress balances		(5,413)
Contributions of capital assets do not provide current financial resources and are not reported as revenues in the funds		8,806
Contribution of capital assets to the proprietary funds are not reported as expenditures by the governmental funds		(6,182)
Net effect of capital assets		145,697
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds		(7,612)
<p>Interest expense on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due:</p>		
Change in accrued interest payable		(8,560)
<p>The issuance of long-term debt (for example, bonds, notes and loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. 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:</p>		
Bond and note proceeds, including premium/discount		(507,383)
Repayment of principal (bonds, loans, capitalized lease obligations)		72,544
Defeasance of debt refunding		301,525
Amortization of premium/discount, net		6,708
Bond issue costs		3,640
Amortization of bond issue costs		(2,804)
Deferred charge on refunding		16,468
Amortization of deferred charge on refunding		(3,223)
Net effect of long-term debt		(112,525)
<p>Long-term obligations are not payable from current financial resources and are not reported as liabilities of the governmental funds</p>		
Change in net pension asset/obligation		(8,957)
Change in other post employment benefits		(4,183)
Change in claims payable		(7,258)
Change in compensated absences		(1,906)
Net effect of other long-term obligations		(22,304)
Net effect of all long-term obligations		(134,829)
<p>Internal service funds are used by management to charge the costs of various activities internally to individual funds. The change in net assets of certain activities of internal service funds is reported with governmental activities</p>		
Change in net assets of governmental activities		(815)
	\$	<u>27,944</u>

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City of Kansas City, Missouri
Proprietary Funds Statement of Net Assets
April 30, 2012
(In thousands of dollars)

Assets	<u>Business-type Activities—Enterprise Funds</u>				Governmental Activities Internal Service Fund KCMO Healthcare
	<u>Water</u>	<u>Kansas City Airports</u>	<u>Sewer</u>	<u>Total</u>	
Current Assets					
Cash and cash equivalents	\$ 3,174	\$ 4,345	\$ 4,250	\$ 11,769	\$ 8,245
Investments	8,851	11,608	12,053	32,512	-
Receivables					
Accounts	24,069	2,678	25,364	52,111	1,163
Interest and dividends	174	267	245	686	29
Allowance for uncollectible receivables	(9,688)	(598)	(7,944)	(18,230)	-
Notes receivable - current	550	-	-	550	-
Due from other governments	-	3,238	-	3,238	-
Due from other funds	30	2,366	9	2,405	-
Prepaid items	-	473	-	473	-
Inventories	2,415	789	401	3,605	-
Total unrestricted assets	<u>29,575</u>	<u>25,166</u>	<u>34,378</u>	<u>89,119</u>	<u>9,437</u>
Restricted assets					
Cash and cash equivalents	5,704	5,274	8,916	19,894	-
Investments	15,479	15,268	30,618	61,365	-
Accounts receivable	-	3,198	-	3,198	-
Interest receivable	252	345	446	1,043	-
Total restricted assets	<u>21,435</u>	<u>24,085</u>	<u>39,980</u>	<u>85,500</u>	<u>-</u>
Total current assets	<u>51,010</u>	<u>49,251</u>	<u>74,358</u>	<u>174,619</u>	<u>9,437</u>
Noncurrent Assets					
Restricted assets—investments	59,262	74,969	98,119	232,350	-
investments	43,459	58,005	59,185	160,649	-
Notes receivable	8,828	-	-	8,828	-
Due from other funds	-	6,148	-	6,148	-
Capital assets, nondepreciable	95,998	47,159	68,343	211,500	-
Capital assets, depreciable, net	585,379	602,240	735,047	1,922,666	-
Special assessments, net	11	-	-	11	-
Bond issue costs, net	4,265	2,286	2,876	9,427	-
Total noncurrent assets	<u>797,202</u>	<u>790,807</u>	<u>963,570</u>	<u>2,551,579</u>	<u>-</u>
Total assets	<u>\$ 848,212</u>	<u>\$ 840,058</u>	<u>\$ 1,037,928</u>	<u>\$ 2,726,198</u>	<u>\$ 9,437</u>

City of Kansas City, Missouri
Proprietary Funds Statement of Net Assets
April 30, 2012
(In thousands of dollars)

	<u>Business-type Activities—Enterprise Funds</u>				Governmental Activities Internal Service Fund KCMO Healthcare
	<u>Water</u>	<u>Kansas City Airports</u>	<u>Sewer</u>	<u>Total</u>	
Liabilities					
Current liabilities					
Accounts payable	\$ 5,280	\$ 8,761	\$ 5,193	\$ 19,234	\$ 24
Compensated absences	608	471	500	1,579	-
Other accrued expense	2,004	227	1,237	3,468	2,897
Due to other funds	388	-	30	418	-
Prepaid lease revenue	-	2,891	-	2,891	-
Claims payable	1,518	326	1,082	2,926	-
Total liabilities payable from unrestricted assets	<u>9,798</u>	<u>12,676</u>	<u>8,042</u>	<u>30,516</u>	<u>2,921</u>
Liabilities payable from restricted assets					
Matured bonds and coupons	-	289	-	289	-
Accrued interest and fiscal agent fees	4,080	1,989	4,501	10,570	-
Customer deposits and other liabilities	1,211	-	-	1,211	-
Construction contracts and retainages payable	1,761	-	926	2,687	-
Revenue bonds, portion due within one year	18,100	20,245	16,256	54,601	-
Total liabilities payable from restricted assets	<u>25,152</u>	<u>22,523</u>	<u>21,683</u>	<u>69,358</u>	<u>-</u>
Total current liabilities	<u>34,950</u>	<u>35,199</u>	<u>29,725</u>	<u>99,874</u>	<u>2,921</u>
Noncurrent liabilities					
Compensated absences	2,214	1,663	1,666	5,543	-
Pension liability	4,311	4,244	3,607	12,162	-
Claims payable	4,469	744	3,110	8,323	-
Post retirement liability	4,526	4,412	3,798	12,736	-
Revenue bonds, less current portion	260,557	274,513	285,347	820,417	-
Total noncurrent liabilities	<u>276,077</u>	<u>285,576</u>	<u>297,528</u>	<u>859,181</u>	<u>-</u>
Total liabilities	<u>311,027</u>	<u>320,775</u>	<u>327,253</u>	<u>959,055</u>	<u>2,921</u>
Net Assets					
Invested in capital assets, net of related debt	470,155	355,499	629,444	1,455,098	-
Restricted for					
Principal and interest	10,009	23,386	7,815	41,210	-
Airline operations	-	73,390	-	73,390	-
Unrestricted	57,021	67,008	73,416	197,445	6,516
Total net assets	<u>\$ 537,185</u>	<u>\$ 519,283</u>	<u>\$ 710,675</u>	<u>\$ 1,767,143</u>	<u>\$ 6,516</u>

City of Kansas City, Missouri
Proprietary Funds Statement of Revenues, Expenses
and Changes in Fund Net Assets
Year Ended April 30, 2012
(In thousands of dollars)

	Business-type Activities—Enterprise Funds				Governmental Activities Internal Service Fund KCMO Healthcare
	Water	Kansas City Airports	Sewer	Total	
Operating Revenues					
Charges for services	\$ 118,221	\$ 105,616	\$ 111,681	\$ 335,518	\$ 50,083
Other	7,026	1,305	4,651	12,982	60
Total operating revenues	<u>125,247</u>	<u>106,921</u>	<u>116,332</u>	<u>348,500</u>	<u>50,143</u>
Operating Expenses					
Salaries, wages and employee benefits	27,650	29,544	25,021	82,215	-
Supplies and materials	10,169	4,281	5,316	19,766	-
Utilities	8,379	-	8,857	17,236	-
Contractual services	12,836	43,878	16,181	72,895	342
Repairs and maintenance	12,883	-	7,629	20,512	-
Insurance	1,315	-	831	2,146	1,609
Claims	-	-	-	-	46,401
Claims-administration	-	-	-	-	2,750
Depreciation and amortization	13,793	55,625	22,376	91,794	-
Other	18	-	-	18	-
Total operating expenses	<u>87,043</u>	<u>133,328</u>	<u>86,211</u>	<u>306,582</u>	<u>51,102</u>
Operating income (loss)	<u>38,204</u>	<u>(26,407)</u>	<u>30,121</u>	<u>41,918</u>	<u>(959)</u>
Nonoperating Revenues (Expenses)					
Investment income	1,458	3,174	2,917	7,549	144
Interest expense and fiscal agent fees	(9,775)	(14,091)	(6,077)	(29,943)	-
Passenger facility charges	-	20,887	-	20,887	-
Customer facility charges	-	6,036	-	6,036	-
Grants	-	155	-	155	-
Other revenue	-	-	4	4	-
Other expense	(192)	(303)	-	(495)	-
Total nonoperating revenues (expenses), net	<u>(8,509)</u>	<u>15,858</u>	<u>(3,156)</u>	<u>4,193</u>	<u>144</u>
Income (loss) before capital contributions	29,695	(10,549)	26,965	46,111	(815)
Capital contributions	4,515	17,075	14,330	35,920	-
Change in net assets	34,210	6,526	41,295	82,031	(815)
Net Assets, Beginning of Year	502,975	512,757	669,380	1,685,112	7,331
Net Assets, End of Year	<u>\$ 537,185</u>	<u>\$ 519,283</u>	<u>\$ 710,675</u>	<u>\$ 1,767,143</u>	<u>\$ 6,516</u>

City of Kansas City, Missouri
Proprietary Funds Statement of Cash Flows
Year Ended April 30, 2012
(In thousands of dollars)

	<u>Business-type Activities—Enterprise Funds</u>				Governmental Activities Internal Service Fund KCMO Healthcare
	<u>Water</u>	<u>Kansas City Airports</u>	<u>Sewer</u>	<u>Total</u>	
Operating Activities					
Cash received from customers	\$ 126,378	\$ 110,016	\$ 117,687	\$ 354,081	\$ 49,913
Cash paid to suppliers	(50,676)	(47,952)	(42,719)	(141,347)	(51,557)
Cash paid to employees	(26,043)	(27,789)	(23,703)	(77,535)	-
Other cash paid for operations	-	-	-	-	(180)
Net cash provided by (used in) operating activities	<u>49,659</u>	<u>34,275</u>	<u>51,265</u>	<u>135,199</u>	<u>(1,824)</u>
Noncapital Financing Activities					
Loan to general fund, repayment	-	1,890	-	1,890	-
Proceeds from operating grants	-	155	-	155	-
Net cash provided by noncapital financing activities	<u>-</u>	<u>2,045</u>	<u>-</u>	<u>2,045</u>	<u>-</u>
Capital and Related Financing Activities					
Acquisition and construction of capital assets	(35,639)	(44,739)	(32,632)	(113,010)	-
Proceeds from issuance of revenue bonds and notes, net of premium and discount	52,462	-	102,298	154,760	-
Proceeds from capital contributions	-	17,281	-	17,281	-
Principal paid on revenue bond maturities, notes and equipment contracts	(17,384)	(19,555)	(15,013)	(51,952)	-
Interest paid on revenue bonds, notes and equipment contracts	(10,594)	(15,020)	(8,853)	(34,467)	-
Refunding of bond principal	-	-	(7,530)	(7,530)	-
Proceeds from sale of capital assets	58	89	85	232	-
Debt issuance costs	(435)	-	(635)	(1,070)	-
Proceeds from notes	484	-	-	484	-
Passenger facility charges	-	20,887	-	20,887	-
Customer facility charges	-	6,036	-	6,036	-
Net cash provided by (used in) capital and related financing activities	<u>(11,048)</u>	<u>(35,021)</u>	<u>37,720</u>	<u>(8,349)</u>	<u>-</u>
Investing Activities					
Purchase of investments	(104,206)	(110,419)	(183,580)	(398,205)	-
Proceeds from sales and maturities of investments	63,472	106,840	93,233	263,545	-
Interest and dividends on investments	1,332	3,694	3,282	8,308	165
Net cash provided by (used in) investing activities	<u>(39,402)</u>	<u>115</u>	<u>(87,065)</u>	<u>(126,352)</u>	<u>165</u>
Net increase (decrease) in cash and cash equivalents	(791)	1,414	1,920	2,543	(1,659)
Cash and Cash Equivalents, Beginning of Year	9,669	8,205	11,246	29,120	9,904
Cash and Cash Equivalents, End of Year	<u>\$ 8,878</u>	<u>\$ 9,619</u>	<u>\$ 13,166</u>	<u>\$ 31,663</u>	<u>\$ 8,245</u>
Components of Cash and Cash Equivalents, End of Fiscal Year					
Unrestricted	\$ 3,174	\$ 4,345	\$ 4,250	\$ 11,769	\$ 8,245
Restricted	5,704	5,274	8,916	19,894	-
	<u>\$ 8,878</u>	<u>\$ 9,619</u>	<u>\$ 13,166</u>	<u>\$ 31,663</u>	<u>\$ 8,245</u>

City of Kansas City, Missouri
Proprietary Funds Statement of Cash Flows (Continued)
Year Ended April 30, 2012
(In thousands of dollars)

	<u>Business-type Activities—Enterprise Funds</u>				Governmental Activities Internal Service Fund KCMO Healthcare
	<u>Water</u>	<u>Kansas City Airports</u>	<u>Sewer</u>	<u>Total</u>	
Reconciliation of operating income (loss) to net cash provided by operating activities					
Operating income (loss)	\$ 38,204	\$ (26,407)	\$ 30,121	\$ 41,918	\$ (959)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities					
Depreciation and amortization	13,793	55,625	22,376	91,794	-
Changes in assets and liabilities					
Decrease (increase) in accounts receivables	922	4,050	839	5,811	(230)
Decrease (increase) in inventories	(74)	85	83	94	-
Decrease (increase) in prepaid items	-	50	-	50	-
Decrease (increase) in due to and from other funds, net	(38)	-	538	500	-
Increase (decrease) in current liabilities, excluding debt obligations	(3,688)	1,255	(2,288)	(4,721)	-
Increase (decrease) in liabilities payable from restricted assets, excluding debt obligations	1,294	-	1,065	2,359	-
Increase (decrease) in prepaid lease revenue	-	(924)	-	(924)	-
Increase (decrease) in claims liability	(915)	(766)	(1,743)	(3,424)	-
Increase (decrease) in other accrued expenses	161	1,307	274	1,742	(635)
Total adjustments	<u>11,455</u>	<u>60,682</u>	<u>21,144</u>	<u>93,281</u>	<u>(865)</u>
Net cash provided by (used in) operating activities	<u>\$ 49,659</u>	<u>\$ 34,275</u>	<u>\$ 51,265</u>	<u>\$ 135,199</u>	<u>\$ (1,824)</u>
Noncash activities					
Contributions of capital assets	\$ 4,515	\$ -	\$ 14,330	\$ 18,845	\$ -
Increase (decrease) in fair value of investments	203	399	427	1,029	-
Accounts payable incurred for the purchase of capital assets	5,052	-	5,255	10,307	-

City of Kansas City, Missouri
Fiduciary Funds Statement of Net Assets
April 30, 2012
(In thousands of dollars)

	Pension Trusts	Private Purpose Trusts	Agency Funds
Assets			
Cash and cash equivalents	\$ 17	\$ 916	\$ 19,027
Investments			
U.S. government securities	186,438	-	-
Municipal bonds	1,790	-	-
Corporate bonds and notes	125,077	-	-
Common and preferred stock	504,480	-	-
Equity exchange-traded-funds	51,244	-	-
Fixed income exchange-traded-funds	24,120	-	-
Government mortgage-backed securities	16,527	-	-
Asset-backed securities	3,289	-	-
Commercial mortgage-backed securities	2,553	-	-
Collateralized mortgage obligations	4,715	-	-
Partnerships-equity	44,817	-	-
Partnerships-fixed income	26,136	-	-
Private investment funds	8,019	-	-
Real estate funds	32,230	-	-
Foreign equities	70,433	-	-
Foreign debt obligations	4,972	-	-
Emerging market equities	33,891	-	-
Collective trusts—equities	417,503	-	-
Collective trusts—fixed income	261,032	-	-
Collective trusts—hedge funds	35,808	-	-
Collective trust—real estate	42,390	-	-
Commodities funds	4,417	-	-
Warrants	2	-	-
Futures contracts and options	38	-	-
Short-term investment funds	105,552	-	-
Hedge fund of funds	76,883	-	-
Receivables			
Interest and dividends	2,854	2	5
Other	10,076	-	17
Due from other funds	-	-	16,890
Due from the City	3,082	-	-
Securities lending collateral	281,095	-	-
Office equipment - net of depreciation	9	-	-
Total assets	<u>2,381,489</u>	<u>918</u>	<u>35,939</u>
Liabilities			
Accounts payable	42,219	-	23,587
Due to fiduciary funds	-	-	1,673
Securities lending collateral	281,095	-	-
Deposits	-	-	10,679
Total liabilities	<u>323,314</u>	<u>-</u>	<u>35,939</u>
Net assets held in trust for pension benefits and other purposes	<u>\$ 2,058,175</u>	<u>\$ 918</u>	<u>\$ -</u>

City of Kansas City, Missouri
Fiduciary Funds Statement of Changes in Net Assets
Year Ended April 30, 2012
(In thousands of dollars)

	Pension Trusts	Private Purpose Trusts
Additions		
City contributions	\$ 50,792	\$ -
Employee contributions	22,380	-
Total contributions	73,172	-
Investment income (expense)		
Investment income	34,474	3
Net depreciation in fair value of investments	(20,003)	-
Investment expense	(9,566)	-
Securities lending income	773	-
Securities lending expense	(54)	-
Net investment income	5,624	3
Total additions	78,796	3
Deductions		
Pension benefits	133,862	-
Employee refunds	4,983	-
Administrative expense	996	-
Total deductions	139,841	-
Net increase (decrease)	(61,045)	3
Net Assets, Beginning of Year	2,119,220	915
Net Assets, End of Year	\$ 2,058,175	\$ 918

City of Kansas City, Missouri
Discretely Presented Component Units Combining Statement of Net Assets
April 30, 2012
(In thousands of dollars)

Assets	Port Authority of Kansas City, Missouri	Tax Increment Financing Commission	Police Department	Other	Total
Cash and short-term investments	\$ 3,130	\$ 36	\$ 16,494	\$ 9,714	\$ 29,374
Receivables					
Accounts	55	-	256	343	654
Notes	-	-	-	2,865	2,865
Interest	3	-	1	4	8
Other	-	-	4	821	825
Due from other governments	-	-	3,175	-	3,175
Due from primary government	-	-	7,355	939	8,294
Inventories	-	-	2,050	41	2,091
Restricted assets					
Cash and short-term investments	1,561	98,819	1,620	680	102,680
Receivables	-	29,459	-	-	29,459
Capital assets, nondepreciable	11,649	1,087	-	1,900	14,636
Capital assets, depreciable, net	8,484	-	26,946	2,534	37,964
Assets held for redevelopment	799	-	-	2,257	3,056
Bond issue costs, net	-	4,282	-	-	4,282
Other assets	117	-	-	126	243
Total assets	<u>25,798</u>	<u>133,683</u>	<u>57,901</u>	<u>22,224</u>	<u>239,606</u>
Liabilities					
Accounts payable	70	468	788	2,755	4,081
Interest payable	-	3,001	-	-	3,001
Compensated absences—current	-	-	7,347	-	7,347
Current maturities of debt	-	44,470	-	171	44,641
Other accrued expense	-	-	6,475	254	6,729
Due to primary government	148	-	4,993	1,862	7,003
Compensated absences—noncurrent	-	-	29,470	-	29,470
Deferred income	89	-	931	395	1,415
Net pension obligation	-	-	70,384	-	70,384
Long-term debt	-	648,705	-	-	648,705
Net OPEB obligation	-	-	10,926	-	10,926
Other liabilities	655	547	8,043	4,235	13,480
Total liabilities	<u>962</u>	<u>697,191</u>	<u>139,357</u>	<u>9,672</u>	<u>847,182</u>
Net Assets (Deficit)					
Invested in capital assets, net of related debt	20,932	1,087	26,946	4,213	53,178
Restricted for					
Debt service	-	124,263	-	-	124,263
Special programs	1,561	-	4,759	1,916	8,236
Unrestricted	2,343	(688,858)	(113,161)	6,423	(793,253)
Total net assets (deficit)	<u>\$ 24,836</u>	<u>\$ (563,508)</u>	<u>\$ (81,456)</u>	<u>\$ 12,552</u>	<u>\$ (607,576)</u>

City of Kansas City, Missouri
Discretely Presented Component Units Combining Statement of Activities
Year Ended April 30, 2012
(In thousands of dollars)

Functions/Programs	Program Revenues				Net (Expenses) Revenues and Changes in Net Assets					
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Port Authority of Kansas City, Missouri	Tax		Police Department	Other	Total
						Increment Financing Commission				
Port Authority of Kansas City, Missouri	\$ 2,699	\$ 2,243	\$ 36	\$ -	\$ (420)	\$ -	\$ -	\$ -	\$ -	\$ (420)
Tax Increment Financing Commission	107,416	976	3,165	1,087	-	(102,188)	-	-	-	(102,188)
Police Department	222,970	3,818	195,155	3,024	-	-	(20,973)	-	-	(20,973)
Other	22,295	5,146	2,269	9,203	-	-	-	(5,677)	-	(5,677)
Total	<u>\$ 355,380</u>	<u>\$ 12,183</u>	<u>\$ 200,625</u>	<u>\$ 13,314</u>	<u>(420)</u>	<u>(102,188)</u>	<u>(20,973)</u>	<u>(5,677)</u>		<u>(129,258)</u>
General revenues										
Sales tax					-	-	-	1,450		1,450
Investment earnings					7	94	3	14		118
Miscellaneous—contributions					-	-	-	4		4
Tax increment financing revenues					-	103,734	-	-		103,734
Total general revenues					<u>7</u>	<u>103,828</u>	<u>3</u>	<u>1,468</u>		<u>105,306</u>
Change in net assets					(413)	1,640	(20,970)	(4,209)		(23,952)
Net assets (deficit)—beginning, as restated					25,249	(565,148)	(60,486)	16,761		(583,624)
Net assets (deficit)—ending					<u>\$ 24,836</u>	<u>\$ (563,508)</u>	<u>\$ (81,456)</u>	<u>\$ 12,552</u>		<u>\$ (607,576)</u>

City of Kansas City, Missouri
Notes to Basic Financial Statements
April 30, 2012

Note 1: Nature of Operations and Summary of Significant Accounting Policies

The City of Kansas City, Missouri (the City) was incorporated in 1850 and covers an area of approximately 319 square miles in Jackson, Clay, Platte and Cass counties in Missouri. The City is a charter city and utilizes a council/manager form of government. The City provides services to its residents in many areas, including public safety, water and sewer services, community environment and development, recreation and various social services.

The accounting and reporting policies of the City conform to U.S. generally accepted accounting principles (GAAP) applicable to local governments. The following is a summary of the more significant accounting policies and practices of the City.

Financial Reporting Entity

The accompanying financial statements present the City's primary government and component units over which the City is financially accountable. Financial accountability is based primarily on operational or financial relationships with the City (as distinct from legal relationships).

Component units are reported in the City's financial statements as follows:

Blended Component Units

The following legally separate entities are component units that are, in substance, a part of the City's general operations.

Kansas City Municipal Assistance Corporation (KCMAC) is governed by a seven-member board appointed by the city manager. Although it is legally separate from the City, KCMAC is reported as if it were part of the primary government because its sole function is the financing of municipal projects for the City. The activities of KCMAC are included in the accompanying financial statements as part of the nonmajor governmental funds. KCMAC does not have separately issued financial statements.

The *Police Retirement System* and the *Civilian Employees' Retirement System* are governed by a single seven-member board, as defined by state statutes. The City is not legally responsible to pay the pension contribution for the two police pension plans directly to the pension systems, but provides funding on behalf of the Board of Police Commissioners. The funding requirement is separate and apart from the funding requirement of the Board of Police Commissioners. These retirement systems are reported as if they are a part of the City because their sole function is to administer police benefit programs the City is required to provide. The activities of the retirement systems are included in the accompanying financial statements as pension trust funds.

City of Kansas City, Missouri

Notes to Basic Financial Statements

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Discretely Presented Component Units

The component units' column in the financial statements includes the financial data of the City's other component units. They are reported in a separate column to emphasize they are legally separate from the City.

1. Port Authority of Kansas City, Missouri (Port Authority) is responsible for the planning and development of the Missouri River within the City's corporate limits. The mayor appoints all seven members of the board of commissioners. The City is able to impose its will on the Port Authority. The complete financial statements may be obtained by writing to the Port Authority at 300 Wyandotte, Suite 100, Kansas City, Missouri 64105 or by calling 816.559.3750.
2. Tax Increment Financing (TIF) Commission uses tax increment financing as a method to finance redevelopment project expenses through payments in lieu of taxes and economic activity taxes. The mayor appoints all six members of the TIF board of commissioners. The complete financial statements may be obtained by writing to TIF at 1100 Walnut St., Suite 1700, Kansas City, Missouri 64106 or by calling 816.221.0636.
3. The Kansas City Board of Police Commissioners (Police Department) provides police services for the City and is governed by a five-member board. The mayor is a member, with the four remaining members appointed by the governor of Missouri. Under state statutes, the City must provide funding to the board amounting to at least 20% of the City's general revenues. Further, the board cannot levy taxes or issue bonded debt, powers that are held by the City, to the benefit of the board. As a result of the board's fiscal dependency upon the City, the City is financially accountable for the board. The complete financial statements may be obtained by writing to The Kansas City Board of Police Commissioners at 1125 Locust, Kansas City, Missouri 64106 or by calling 816.234.5055.
4. Economic Development Corporation (EDC) is a business and economic development organization. City officials constitute 15 of the 43 members of the EDC board of directors. The City is financially accountable for EDC. The City provides EDC's major source of revenue and approves its annual budget. The complete financial statements may be obtained by writing to EDC at 1100 Walnut St., Suite 1700, Kansas City, Missouri 64106 or by calling 816.221.0636.
5. EDC—Charitable Trust merges public and private funds and development incentives to acquire, construct, maintain and operate redevelopment projects. EDC-Charitable Trust has a five-member board of directors consisting of four Economic Development Corporation (EDC) board members, including a city council member and the president of EDC. The City has provided significant funding, by use of federal grants, to EDC-Charitable Trust, which reflects EDC-Charitable Trust's dependence on the City. The complete financial statements may be obtained by writing to EDC-Charitable Trust at 1100 Walnut St., Suite 1700, Kansas City, Missouri 64106 or by calling 816.221.0636.

City of Kansas City, Missouri
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6. Land Clearance for Redevelopment Authority (LCRA) eliminates blight within the City limits by acquiring and preparing land for redevelopment. The mayor appoints all five members of the board of commissioners. LCRA annually receives a significant amount of revenues from the City. The complete financial statements may be obtained by writing to LCRA at 1100 Walnut St., Suite 1700, Kansas City, Missouri 64106 or by calling 816.221.0636.
7. Maintenance Reserve Corporation (MRC) administers a home maintenance program provided to certain homeowners participating in loan programs formerly administered for the City by the Housing and Economic Development Financial Corporation. MRC is governed by a four-member board of directors appointed by the city manager. Funding of MRC's activities is provided primarily by federal grants obtained by the City. The complete financial statements may be obtained by writing to the City of Kansas City, Missouri, Finance Department at 414 E. 12th Street, Suite 302, Kansas City, Missouri 64106 or by calling 816.513.1187.
8. Downtown Economic Stimulus Authority of Kansas City, Missouri (DESA) reviews development projects vying to use the state revenues authorized by the Missouri DESA and makes formal recommendations to the City Council and the Missouri Development Finance Board. The mayor appoints 12 of the 13 members of the board of commissioners. The City is able to impose its will on the DESA. The complete financial statements may be obtained by writing to the Downtown Economic Stimulus Authority at 1100 Walnut St., Suite 1700, Kansas City, Missouri 64106 or by calling 816.221.0636.
9. Kansas City International Airport—Community Improvement District (KCICID) provides a financial benefit to the City by collecting sales and use taxes to address economic, social and infrastructure needs within the district as well as providing management, operational and ownership duties for all real and personal property either owned, leased to, or from the KCICID. The mayor appoints all five members of the KCICID board of directors. The complete financial statements may be obtained by writing to the Kansas City, Missouri International Airport at 601 Brasilia Ave., Kansas City, Missouri 64153 or by calling 816.243.3000.
10. Performing Arts Community Improvement District (PACID) provides a financial benefit to the City by collecting sales taxes and fees, rents and other charges within the district for the purpose of funding the expansion and improvements of the downtown Kansas City, Missouri area surrounding Bartle Hall and the Performing Arts Center. The mayor appoints all eight members of the board of directors. The complete financial statements may be obtained by writing to the City of Kansas City, Missouri, Finance Department at 414 E. 12th St., Suite 302, Kansas City, Missouri 64106 or by calling 816.513.1187.
11. The American Jazz Museum (AJM) is responsible for overseeing the construction/renovation and maintenance of the Jazz Hall of Fame, the GEM Theatre, the Negro Baseball Hall of Fame (the Cultural Facility) and the Museum. The City appoints a voting majority of the governing body and can impose its will upon AJM. The complete financial statements may be obtained by writing the AJM at 1616 East 18th Street, Kansas City, Missouri 64108 or by calling 816.474.8463.

City of Kansas City, Missouri
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12. Metropolitan Ambulance Service Trust (MAST) formerly provided municipal ambulance services. The mayor appoints all seven members of the MAST board of trustees. MAST as a legal trust is still in existence. However, the responsibility for providing ambulance services has been integrated into the KCMO Fire Department. The trust may provide a financial benefit or impose a financial burden upon the City. The complete financial statements may be obtained by writing to the Kansas City, Missouri Fire Department at 6750 Eastwood Trafficway, Kansas City, Missouri 64129 or by calling 816.924.1700.

Basis of Presentation

Government-wide Financial Statements

The government-wide statement of net assets and statement of activities report the overall financial activity of the City and its component units, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities of the City. These statements distinguish between the governmental and business-type activities of the City. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the government-wide and business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (a) charges paid by the recipients for goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements

The fund financial statements provide information about the City's funds, including its fiduciary funds. Separate statements for each fund category—governmental, proprietary and fiduciary—are presented. The emphasis on fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

The City reports the following major governmental funds:

General Fund

The general fund is the main operating fund of the City and accounts for all financial transactions not accounted for in other funds. The general operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are financed through revenues received by the general fund.

City of Kansas City, Missouri
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Capital Improvements Fund

The capital improvements fund is used to account for the financing of capital improvement projects not financed by other funds or by long-term debt. Revenues received by this fund come primarily from a sales tax allocation for capital improvements and from federal and state grants and other contributions.

The City reports the following major enterprise funds:

Water Fund

The water fund accounts for activities of the City's water distribution system. Revenues are derived mainly from water service and installation charges.

Kansas City Airports Fund

The Kansas City airports fund accounts for the operations of the City's two airports: Kansas City International Airport (KCI) and the Charles B. Wheeler Downtown Airport. Revenues are derived principally from hangar and terminal building rental, landing fees and parking.

Sewer Fund

The sewer fund accounts for the activities of the wastewater collection and treatment system. Revenues are derived primarily from sewer users' service charges and fees.

The City reports the following additional fund types:

Internal Service Fund

This fund accounts for a self-funded healthcare plan for City employees and retirees.

Pension Trust Funds

These funds account for moneys held in trust by the City for pension benefits. The City uses pension trust funds to account for the retirement plans for regular employees, firefighters, police officers and civilian employees of the Police Department.

Private Purpose Trust Funds

These funds account for moneys held in trust by the City, other than those reported in pension trust funds, under which principal and income benefits individuals, private organizations, or other governments. The City uses private purpose trusts to account for funds held for employee memorials, municipal correctional facility inmate canteen operations and various donations provided to the City by citizens and other parties.

Agency Funds

These funds account for moneys held on behalf of others as their agent. The City uses agency funds to account for various special deposits, municipal court appearance bonds, Police Department grants, payroll and insurance benefits, Tax Increment Financing district receipts and other various deposits.

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Basis of Accounting

The government-wide, proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flow takes place. Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, income taxes, sales taxes, grants, entitlements and donations. On an accrual basis, revenues from property taxes are recognized in the period for which the levy is intended to finance. For example, the calendar 2011 levy is recognized as revenue for the year ended April 30, 2012. Revenues from assessed taxes, principally income, sales and utility franchise taxes, are recognized in the fiscal year in which the underlying exchange transaction occurs. Revenue from grants and other contributions are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been met. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the City must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the City on a reimbursement basis.

Governmental funds 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 the liability is incurred, as under accrual accounting. However, principal and interest on general long-term debt, claims and judgments and compensated absences are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Significant revenue sources that are susceptible to accrual include property taxes, sales taxes, utility franchise taxes, earnings taxes, interest and certain state and federal grants and entitlements. All other revenue sources, including licenses and permits, fines and forfeitures and miscellaneous revenues, are considered to be measurable and available only when cash is received.

Enterprise fund revenues and expenses are classified as either operating or nonoperating. Operating revenues and expenses generally result from providing services in connection with ongoing operations. Operating revenue includes activities that have characteristics of exchange transactions, including charges for services. Nonoperating revenue includes activities that have the characteristics of nonexchange transactions, such as grants, subsidies and investment income. Operating expenses include the cost of service, payroll, administrative expenses, contractual services and depreciation. All expenses not meeting the above criteria are classified as nonoperating.

City of Kansas City, Missouri

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Private-sector standards of accounting and financial reporting issued prior to December 1, 1989 generally are followed in both the government-wide and enterprise fund financial statements to the extent that those standards do not conflict with, or contradict guidance of, the Governmental Accounting Standards Board (GASB). The City also has the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

Adoption of New Accounting Pronouncements

Effective May 1, 2011, the City adopted GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund-Type Definitions* (GASB Statement No. 54). The objective of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The adoption of this statement required a re-statement of beginning of the year fund balance for certain governmental fund types.

Effective May 1, 2011, the City adopted GASB Statement No. 59, *Financial Instruments Omnibus* (GASB Statement No. 59). The objective of this Statement is to update and improve existing standards regarding financial reporting and disclosure requirements of certain financial instruments and external investment pools for which significant issues have been identified in practice. The adoption of this statement did not materially impact the financial statements.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with maturities of three months or less from date of acquisition.

Investments

All investments are reported at fair value. The fair value of marketable securities is based on quotations that are generally obtained from national securities exchanges. Where marketable securities are not listed on an exchange, quotations are obtained from brokerage firms or national pricing services.

Inventories

Inventories are stated at cost (average or first-in, first-out), which is not in excess of market. Inventories consist primarily of materials and supplies held for consumption. The cost is recorded as an expense at the time individual inventory items are used in the proprietary funds. Governmental funds record an expenditure at the time of the purchase of the inventory item. The balance of inventory items in the governmental funds is not considered significant.

City of Kansas City, Missouri
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Capital Assets

Capital assets include land, buildings, improvements, equipment and infrastructure assets (roads, bridges, storm sewers and similar items) and are included in the applicable governmental or business-type activities columns in the government-wide financial statements and proprietary fund financial statements. Capital assets are defined by the City as assets with a cost greater than a certain minimum capitalization threshold and an estimated useful life of more than one year. The minimum capitalization thresholds are \$5,000 for land, equipment, vehicles, buildings, infrastructure and monuments, \$25,000 for land improvements and \$100,000 for building improvements. All purchased fixed assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated fixed assets are valued at their estimated fair market value on the date received. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

The City elected the modified approach for certain infrastructure assets (roadway system, bridges and street lighting) while the remaining infrastructure assets are depreciated.

The modified approach for reporting infrastructure assets takes into consideration the fact that many infrastructure assets may reasonably be expected to continue to function indefinitely if they are adequately preserved and maintained. Therefore, these particular assets would not be depreciated over a useful life. The City has established an asset management system and has committed to maintain the following networks of infrastructure assets at a predetermined condition level as determined by the City's Public Works Department; (1) roadway system, (2) bridges and (3) street lighting. The Required Supplementary Information section of this report provides additional information regarding the condition assessments and the estimated and actual costs to maintain these assets.

Major outlays for capital improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of the business-type activities and proprietary funds is included as part of the capitalized value of the assets constructed. Interest capitalized is computed by applying the effective interest rate on the borrowings each year to the average balance of the applicable costs incurred, net of investment income. Interest in the amount of \$5,215,286 was capitalized in 2012.

Property, buildings, equipment and infrastructure are depreciated using the straight-line method over the following estimated lives:

Primary Government	Years
Buildings and improvements	10 to 100
Improvements other than buildings	10 to 100
Airport runways, aprons and roads	15
Utility lines and improvements	40 to 100
Machinery and equipment	2 to 20
Infrastructure	10 to 30
Water utility plant	40 to 100
Temporary right of way	Life of the agreement
Fountains, sculptures and monuments	40

City of Kansas City, Missouri
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Water utility plants and utility lines and improvements are depreciated on a composite basis over 40 to 100 years. Machinery and equipment are depreciated on a unit basis over 2 to 20 years. At the time of retirement or other disposition of assets for which depreciation is computed on the composite method, the original cost of the assets is removed from the asset and accumulated depreciation accounts and no retirement gain or loss is recorded. For retirements of assets for which depreciation is computed on the unit method, the asset and related depreciation are removed from the asset and accumulated depreciation accounts. When the asset is sold, the difference between the net carrying value and any proceeds is recorded as income or loss.

Compensated Absences

City employees are granted vacation and sick leave in varying amounts. Vacation is accumulated at an annual rate of 10 to 23 days, depending on the employee's length of service. Sick leave is accumulated at the rate of 3.7 hours per two-week pay period, with the exception of firefighters, and emergency medical services personnel assigned a 24-hour shift who accumulate 5.5 hours. The maximum amount of vacation that may be carried forward is 2.5 times the amount earned in a year. Sick leave with pay may be accumulated up to a limit of 3,000 hours. Upon separation from service, employees may convert accrued sick leave at the ratio of four hours of sick leave to one hour of vacation leave credit. Retiring employees 55 years or older with at least 25 years of creditable service; employees who are to receive a line-of-duty disability pension; and employees who qualify for a City pension and retire with a normal retirement, take early retirement at age 60 or thereafter, or die are entitled to sick leave credit at the rate of two hours of sick leave to one hour of vacation leave credit.

The liability for compensated absences reported in the government-wide and proprietary fund has been calculated using the vesting method in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Long-term Obligations

In the government-wide and proprietary fund financial statements, long-term debt and obligations are reported in the statements of net assets as liabilities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bond issuance costs are deferred and amortized over the life of the bonds using the straight-line method. Gains/losses on refunding bonds are deferred and amortized over the shorter of the new bond's life or the remaining life of the refunded bonds. Bonds payable are reported net of the applicable bond premium or discount.

In the governmental fund financial statements, bond premiums and discounts, as well as issuance costs, are recognized during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. Gains/losses on refunding bonds are not broken out separately within the other financing sources/uses section.

City of Kansas City, Missouri
Notes to Basic Financial Statements
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Fund Balance - Governmental Funds

The fund balances for the City's governmental funds are displayed in five components:

Nonspendable - Nonspendable fund balances are not in a spendable form or are required to be maintained intact.

Restricted - Restricted fund balances may be spent only for the specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may be changed or lifted only with the consent of resource providers.

Committed - Committed fund balances may be used only for the specific purposes as determined by the City Council of Kansas City Missouri. The City Council must adopt an ordinance or resolution in order to commit a portion of fund balance. Commitments may be changed or removed only by similar action by the City Council.

Assigned - Assigned fund balances are intended to be used by the City for specific purposes as determined by the Manager of Procurement Services, the City Manager and Department Directors, the Board of Parks and Recreation Commissioners and the Director of Finance. The Manager of Procurement Services, the City Manager and Department Directors and the Board of Parks and Recreation Commissioners may establish an assigned fund balance per Section 2-1753, Sections 2-1582 through 2-1595 and Section 1008 respectively of the City's Code of Ordinances by entering into a contract with an outside entity and encumbering the funds needed to fulfill the contract. The Director of the Finance Department may establish an assigned fund balance per Section 2-1954 (f) (1) (b) of the Code of Ordinances by establishing a countercyclical reserve. The countercyclical reserve, when combined with the emergency reserve, shall not be greater than two months of general fund operating expenditures.

In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.

Unassigned - Unassigned fund balance is the residual classification for the general fund and includes all amounts not contained in the other classifications.

The City considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The City applies committed amounts first, followed by assigned amounts, and then unassigned amounts when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

City of Kansas City, Missouri
Notes to Basic Financial Statements
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	General	Capital Improvements	Nonmajor Governmental	Total Governmental
Restricted				
Workers compensation self insurance	\$ 800	\$ -	\$ -	\$ 800
Principal and interest	-	-	53,034	53,034
General government	-	-	32,691	32,691
Fire	-	-	2,513	2,513
Public works	-	-	170,342	170,342
Neighborhood development	-	-	7,965	7,965
Health	-	-	2,526	2,526
Culture and recreation	-	-	30,020	30,020
Convention and entertainment	-	-	46	46
KCATA	-	-	972	972
Total restricted	800	-	300,109	300,909
Committed				
Stabilization arrangement	34,555	-	-	34,555
General government	89	-	-	89
Public works	431	31,200	17	31,648
Neighborhood development	615	413	1,012	2,040
Culture and recreation	-	6,631	34	6,665
Reappropriations	2,695	61,821	4,079	68,595
Total committed	38,385	100,065	5,142	143,592
Assigned				
General government	3,887	1,942	667	6,496
Fire	148	-	225	373
Public works	216	4,969	1,074	6,259
Neighborhood development	910	420	827	2,157
Health	-	-	320	320
Culture and recreation	155	4,789	1,511	6,455
Convention and entertainment	-	-	680	680
Police	183	-	-	183
Residual fund balance	-	16,669	16,762	33,431
Total assigned	5,499	28,789	22,066	56,354
Unassigned				
	-	-	(5,318)	(5,318)
Total fund balances	\$ 44,684	\$ 128,854	\$ 321,999	\$ 495,537

City of Kansas City, Missouri

Notes to Basic Financial Statements

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Stabilization Arrangement

The City Council per Section 2-1954 (f) (1) (a) of the Code of Ordinances has established a stabilization arrangement (emergency reserve). The emergency reserve portion of committed fund balance shall not be less than one month of general fund operating expenditures. The emergency reserve is available to address one-time operational emergencies, unexpected revenue reductions and/or unanticipated expenditure requirements occurring within a fiscal year. Funds may be withdrawn from this emergency reserve when an emergency has been recognized by ordinance prior to fiscal year end, the fund's budgeted contingency is exhausted, the countercyclical reserve has been exhausted, and the withdrawal is needed to prevent the fund from ending the fiscal year with a negative unassigned fund balance. An ordinance appropriating funds from the emergency reserve shall include language stating the City Council is waiving the fund balance and reserve policy for a use of the emergency reserve.

The Code of Ordinances does not specify a time frame for the initial funding of the stabilization amount. However, once the stabilization amount has initially been fully funded, if it should fall below its floor, the Director of Finance or Budget Officer will prepare and present to the City Council a plan to replenish the stabilization amount. The City Council must approve and adopt a plan within 12 months after the stabilization amount first falls below its floor, which establishes a time frame to restore the reserve to, at minimum, its floor level.

Net Assets

In the government-wide and proprietary fund financial statements, equity is displayed in three components as follows:

- *Investment in Capital Assets, Net of Related Debt*—This consists of capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- *Restricted*—This consists of net assets that are legally restricted by outside parties or by law through constitutional provisions or enabling legislation. When both restricted and unrestricted resources are available for use, it is generally the City's policy to use restricted resources first, then unrestricted resources as they are needed.
- *Unrestricted*—This consists of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

Interfund Transactions

Transactions between City funds are accounted for as revenues and expenditures or expenses in the funds involved if they are similar to transactions with organizations external to City government.

Reimbursements for expenditures made on behalf of another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the reimbursed fund.

City of Kansas City, Missouri

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

Special Assessments

The City acts as an agent on certain construction projects financed by third-party lenders and repaid by assessments to property owners benefited. The City reports these arrangements in the agency funds, special revenue funds and enterprise funds as special assessments receivable and deposits.

Contributions and Grants

Governmental-wide Financial Statements—Contributions and grants for both capital and operating purposes are broken out by function under program revenues.

Governmental Funds—Contributions and grants for both capital and operating purposes are included in revenues.

Proprietary Funds—Contributions of, or for, capital assets (including those received from other City funds), grants and assistance received from other governmental units for the acquisition of capital assets are reported in changes in net assets.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

New Accounting Pronouncements Not Adopted

In December 2009, the GASB issued Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans* (GASB Statement No. 57). The objective of this Statement is to address issues related to the use of the alternative measurement method and the frequency and timing of measurements by employers that participate in agent multiple-employer other postemployment benefit (OPEB) plans (that is, agent employers). The City will implement GASB Statement No. 57 beginning with the year ended April 30, 2013.

In November 2010, the GASB issued Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements* (GASB Statement No. 60). The objective of this Statement is to improve financial reporting by addressing issues related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. This Statement also provides guidance for governments that are operators in an SCA. The City will implement GASB Statement No. 60 beginning with the year ended April 30, 2013.

City of Kansas City, Missouri
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In November 2010, the GASB issued Statement No. 61, *The Financial Reporting Entity: Omnibus—an amendment of GASB Statements No. 14 and No. 34* (GASB Statement No. 61). The objective of this Statement is to improve financial reporting for a governmental financial reporting entity. This Statement modifies certain requirements for inclusion of component units in the financial reporting entity. This Statement also amends the criteria for reporting component units as if they were part of the primary government (that is, blending) in certain circumstances. This Statement also clarifies the reporting of equity interests in legally separate organizations. It requires a primary government to report its equity interest in a component unit as an asset. The City will implement GASB Statement No. 61 beginning with the year ended April 30, 2014.

In June 2011, the GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* (GASB Statement No. 63). This Statement provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. Concepts Statement No. 4, *Elements of Financial Statements*, introduced and defined those elements as a consumption of net assets by the government that is applicable to a future reporting period, and an acquisition of net assets by the government that is applicable to a future reporting period, respectively. The City will implement GASB Statement No. 63 beginning with the year ended April 30, 2013.

In June 2011, the GASB issued Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions—an amendment of GASB Statement No. 53* (GASB Statement No. 64). The objective of this Statement is to clarify whether an effective hedging relationship continues after the replacement of an interest rate swap counterparty or swap counterparty's credit support provider. This Statement sets forth criteria that establish when the effective hedging relationship continues and hedge accounting should continue to be applied. The City will implement GASB Statement No. 64 beginning with the year ended April 30, 2013.

In March 2012, the GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities* (GASB Statement No. 65). This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The City will implement GASB Statement No. 65 beginning with the year ended April 30, 2014.

In March 2012, the GASB issued Statement No. 66, *Technical Corrections—2012—an amendment of GASB Statements No. 10 and No. 62* (GASB Statement No. 66). The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The City will implement GASB Statement No. 66 beginning with the year ended April 30, 2014.

City of Kansas City, Missouri
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In June 2012, the GASB issued Statement No. 67, *Financial Reporting for Pension Plans—an amendment of GASB Statement No. 25* (GASB Statement No. 67). The objective of this Statement is to improve financial reporting by state and local governmental pension plans. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency.

This Statement replaces the requirements of Statements No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and No. 50, *Pension Disclosures*, as they relate to pension plans that are administered through trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The requirements of Statements 25 and 50 remain applicable to pension plans that are not administered through trusts covered by the scope of this Statement and to defined contribution plans that provide postemployment benefits other than pensions. The City will implement GASB Statement No. 67 beginning with the year ended April 30, 2015.

In June 2012, the GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27* (GASB Statement No. 68). The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency.

This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement. The City will implement GASB Statement No. 68 beginning with the year ended April 30, 2016.

The City has not completed its assessment of the impact of the adoption of these statements.

City of Kansas City, Missouri
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Note 2: Deposits and Investments

Primary Government

Deposits

The City maintains a cash and investment pool that is available for use by all funds. The pool is comprised of demand and time deposits, repurchase agreements, and other investments with maturities of less than five years. At April 30, 2012, the carrying amount (book value) of the City's deposits, including certificates of deposit and the collateralized money market account was approximately \$43,534,000, which was covered by federal depository insurance or by collateral held by the City's agents under joint custody agreements in accordance with the City's administrative code. A difference exists between book and bank balances of approximately \$12,249,000 due to deposits in transit and other reconciling items.

On August 25, 2011, the City Council approved Ordinance No. 110641 to authorize the Director of Finance to pledge \$650,000 from the City's current time deposit ("CD") with Mazuma Credit Union as collateral for a \$1,200,000 line of credit issued to the Jazz District Redevelopment Corporation ("JDRC"). The Director of Finance has the option to renew the time deposit and pledge the CD for one additional one-year term. JDRC is utilizing the line of credit to finance the construction costs of certain redevelopment projects within the Historic 18th & Vine Jazz District. The pledging of the CD as collateral does not create a liability for the City unless JDRC is in default on the line of credit. As of April 30, 2012, the City is not aware of any default by JDRC on the line of credit.

Investments – Pooled and Non-Pooled

The City is empowered by City Charter to invest in the following types of securities:

1. United States Treasury Securities (Bills, Notes, Bonds and Strips). The City may invest in obligations of the United States government for which the full faith and credit of the United States are pledged for the payment of principal and interest.
2. United States Agency/GSE Securities. The City of Kansas City, Missouri may invest in obligations issued or guaranteed by any agency of the United States Government and in obligations issued by any government sponsored enterprise (GSE) which have a liquid market and a readily determinable market value that are described as follows:
 - a. U.S. Govt. Agency Coupon and Zero Coupon Securities.
 - b. U.S. Govt. Agency Callable Securities. Restricted to securities callable at par only.
 - c. U.S. Govt. Agency Step-Up Securities. The coupon rate is fixed for an initial term. At coupon date, the coupon rate rises to a new, higher fixed interest rate.

City of Kansas City, Missouri
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- d. U.S. Govt. Agency Floating Rate Securities. Restricted to coupons with no interim caps that reset at least quarterly and that float off of only one index.
 - e. U.S. Govt. Agency Mortgage-Backed Securities (MBS, CMO, Pass-Thru Securities). Restricted to securities with final maturities of five (5) years or less or have the final projected payment no greater than four (4) years when analyzed in a +300 basis point interest rate environment. Restricted to obligations of FNMA, FHLB, FHLMC and GNMA only.
3. Repurchase Agreements. The City may invest in contractual agreements between the City and commercial banks or primary government securities dealers. The Bond Market Association's guidelines for the Master Repurchase Agreement will be used and will govern all repurchase agreement transactions. All repurchase agreement transactions will be either physical delivery or tri-party.
 4. Bankers' Acceptances. The City may invest in bankers' acceptances issued by domestic commercial banks possessing the highest rating issued by Moody's Investor Services, Inc. or Standard & Poor's Corporation.
 5. Commercial Paper. The City may invest in commercial paper issued by domestic corporations, which has received the highest rating issued by Moody's Investor Services, Inc. or Standard & Poor's Corporation. Eligible paper is further limited to issuing corporations that have total assets in excess of five hundred million dollars (\$500,000,000) and are not listed on Credit Watch with negative implications by any nationally recognized rating agency at the time of purchase. In addition, the City's portfolio may not contain commercial paper of any one corporation, the total value of which exceeds 2% of the City's aggregate investment portfolio.
 6. Any full faith and credit obligations of the State of Missouri rated at least A or A2 by Standard & Poor's or Moody's.
 7. Any full faith and credit obligations of any county in which the city is located rated at least AA or Aa2 by Standard & Poor's or Moody's.
 8. Any full faith and credit obligations of any school district in Kansas City, Missouri rated at least AA or Aa2 by Standard & Poor's or Moody's.
 9. Any full faith and credit obligations or revenue bonds of the City of Kansas City, Missouri rated at least AA or Aa2 by Standard & Poor's or Moody's.
 10. Any municipal obligation as defined in (6), (7), (8) or (9) that is not rated but either pre-refunded or escrowed to maturity with U.S. Treasury Securities as to both principal and interest.

City of Kansas City, Missouri
Notes to Basic Financial Statements
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Interest Rate Risk

Interest rate risk is the risk that the fair value of the City's investments will decrease as a result of an increase in interest rates. As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy limits the final maturity on any security owned to a maximum of five years. In addition, the City compares the weighted average maturity of its portfolio to the weighted average maturity of the Merrill Lynch 1-3 year Government/Agency index, and relative to the index, may decrease the weighted average maturity of the portfolio during periods of rising interest rates or increase it during periods of declining rates. As of April 30, 2012, the City had the following investments and maturities (amounts are in thousands):

Investment Type	Fair Value	Investment Maturities (in Years)				Weighted Average
		Less Than 1	1 – 2	2 – 3	3 – 5	
Pooled investments						
Municipal Securities	\$ 2,072	\$ 2,072	\$ -	\$ -	\$ -	0.76
U.S. Treasury bills	19,998	19,998				0.12
U.S. Treasury notes/bonds	138,667	65,578	31,005	31,664	10,420	1.49
U.S. Agency discounts	4,994	4,994	-	-	-	0.76
U.S. Agencies – noncallable	401,250	151,140	131,965	13,455	104,690	1.78
U.S. Agencies – callable	105,341	45,215	30,165	9,999	19,962	1.80
Mortgage-backed agency	9,513	9,513	-	-	-	0.41
Total pooled	<u>681,835</u>	<u>298,510</u>	<u>193,135</u>	<u>55,118</u>	<u>135,072</u>	<u>1.59</u>
Non-pooled investments						
U.S. Agencies – noncallable	219,759	77,734	109,561	24,540	7,924	1.35
U.S. Agencies – callable	<u>53,155</u>	<u>46,635</u>	<u>-</u>	<u>3,001</u>	<u>3,519</u>	<u>0.70</u>
Total non-pooled	<u>272,914</u>	<u>124,369</u>	<u>109,561</u>	<u>27,541</u>	<u>11,443</u>	<u>1.22</u>
	<u>\$ 954,749</u>	<u>\$ 422,879</u>	<u>\$ 302,696</u>	<u>\$ 82,659</u>	<u>\$ 146,515</u>	<u>1.53</u>

Callable Agency Securities. The City actively monitors its callable bond portfolio with respect to probability of call relative to market rates of interest. As of April 30, 2012, the total fair value of the City's callable bond portfolio (pooled and restricted) is \$158,495,887.

Mortgage-Backed Securities. The City has invested in a collateralized mortgage obligation security issued by the Federal National Mortgage Association (FNMA). Details of that security are as follows:

City of Kansas City, Missouri
Notes to Basic Financial Statements
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FNR 2006-17 A, \$100,000,000 original par value. The security has a fixed coupon rate of 5.50% and pays principal and interest monthly. The security was purchased on January 12, 2012, and although has a stated final maturity of April 25, 2033, the security is the first tranche that began receiving principal payments. Based on current prepayment speeds using industry-standard modeling, the City's principal amount should be fully retired by April 30, 2013. At April 30, 2012, the security had a remaining face value of \$9,425,782, a book value of \$9,613,931, and a fair market value of \$9,514,196.

Credit Risk

Credit risk is the risk that the City will not recover its investments due to the ability of the counterparty to fulfill its obligation. In order to prevent over concentration by investment type and thereby mitigate credit risk, the City's Investment Policy provides for diversification of the portfolio by investment type as follows:

<u>Investment Type</u>	<u>Maximum</u>
U.S. Treasury Securities and Government Guaranteed Securities	100%
Collateralized Time and Demand Deposits	100%
U.S. Government Agency and GSE Securities	80%
Collateralized Repurchase Agreements	50%
U.S. Agency Callable Securities	30%
Commercial Paper	30%
Bankers Acceptances	30%
Qualified Municipal Obligations	10%

As of April 30, 2012, the City had the following pooled and non-pooled investment balances which are rated by both Moody's and Standard & Poor's (amounts are in thousands):

	<u>Fair Value</u>	<u>Moody's/ S&P Ratings</u>
U.S. Treasury securities	\$ 158,665	Aaa/AA+
U.S. Agency securities	794,012	Aaa/AA+
Municipal obligations	<u>2,072</u>	Aa2/AA
	<u>\$ 954,749</u>	

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its deposits, investments or collateral securities that are in the possession of an outside party (i.e., the City's safekeeping institution).

City of Kansas City, Missouri

Notes to Basic Financial Statements

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The City's investment policy requires that all funds on deposit with any financial institution be secured with collateral securities in an amount equal to at least 102 percent of the deposit less any amount insured by the Federal Deposit Insurance Corporation (FDIC), or any other governmental agency performing a similar function. As of April 30, 2012, all deposits were adequately and fully collateralized.

The City's investment policy requires that all investment securities be held in the City's name in the City's safekeeping account at its safekeeping institution, thereby mitigating custodial credit risk. As of April 30, 2012, all investment securities were in the City's name in the City's safekeeping accounts at its safekeeping institutions. In addition, all collateral securities were in the City's joint custody account(s) at the Federal Reserve Bank and were either U.S. Treasury (U.S. Government guaranteed) or U.S. Agency (Aaa/AA+ rated) obligations.

Concentration of Credit Risk

More than 5 percent of the City's investments are in the following U.S. Agency discount note/securities: Federal Farm Credit Bank, Federal Home Loan Bank, Federal Home Loan Mortgage Corporation and Federal National Mortgage Association. These investments are 10%, 24%, 21% and 26%, respectively, of the City's total investments. In our opinion, the debt securities issued by these agencies do not have an explicit government guarantee, but rather an implied guarantee, and therefore the City does not impose limits as to the concentration of any one agency. However, total agency securities in the portfolio are limited by the investment policy to 80% of the total portfolio value.

Investments – Trustee-Held

In the normal course of business, the City finances various projects by issuing debt in the form of municipal bonds. Cash raised by the issuance of such debt is placed with a trustee bank. All investment activity within such accounts is governed by the City's Investment Policy, except that excess cash is allowed by the bond indentures to be invested in overnight, U.S. Government and U.S. Agency money market funds.

Interest Rate Risk

Interest rate risk is the risk that the fair value of the City's trustee-held investments will decrease as a result of an increase in interest rates. As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy limits the final maturity on any trustee-held security owned to a maximum of five years. In addition, covenants in the bond documents often limit the final maturity of such investments to shorter periods of time. As of April 30, 2012, the City had the following trustee-held investments and maturities (amounts are in thousands):

City of Kansas City, Missouri
Notes to Basic Financial Statements
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Investment Type	Fair Value	Investment Maturities (in Years) Less Than 1	Weighted Average
Trustee-held investments			
Money market funds	\$ 98,589	\$ 98,589	0.01
U.S. Treasury STRIPs	199	199	0.55
	<hr/>	<hr/>	<hr/>
Total	\$ 98,788	\$ 98,788	0.01
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Credit Risk

Credit risk is the risk that the City will not recover its investments due to the ability of the counterparty to fulfill its obligation. In order to mitigate credit risk, the City limits its trustee-held investment activity to overnight money market funds (as described above), U.S. Government securities and U.S. Agency securities.

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its deposits, investments or collateral securities that are in the possession of an outside party (i.e., the Trustee bank). As of April 30, 2012, all trustee-held investment securities were in the City's name in the Trustee bank's safekeeping accounts at the Federal Reserve Bank, thereby mitigating custodial credit risk.

Summary

The following is a complete listing of cash and investments held by the City at April 30, 2012 (*in thousands*):

Deposits	\$ 43,534
Investments	954,749
Trustee accounts	98,788
Imprest funds	<hr/> 49
	<hr/>
Total	\$ 1,097,120
	<hr/> <hr/>

City of Kansas City, Missouri
Notes to Basic Financial Statements
April 30, 2012

The deposits and investments of the City at April 30, 2012 are reflected in the financial statements as follows (*in thousands*):

	Government- Wide Statement of Net Assets	Fiduciary Funds Statement of Net Assets (Excluding Pension Trusts)	Total
Cash and short-term investments	\$ 674,960	\$ 19,943	\$ 694,903
Restricted cash and short-term investments	<u>402,217</u>	<u>-</u>	<u>402,217</u>
Total	<u><u>\$ 1,077,177</u></u>	<u><u>\$ 19,943</u></u>	<u><u>\$ 1,097,120</u></u>

Pension Systems

Employees' Retirement System

Deposits and Investments

The City administrative code and ordinances passed by the City Council provide that the Employees' Retirement System (the Plan) investments may include, but are not limited to, obligations of the United States government, State of Missouri, municipal corporations, including school districts, corporate bonds, real estate mortgages and common and preferred stocks, collective trusts and derivatives. The Plan purchases investments from U.S. Securities and Exchange Commission registered securities broker-dealers and banks through its investment managers. Investments in United States Treasury obligations are held at the Federal Reserve Bank through the customer account of a financial institution.

Securities Lending Transactions

City ordinances and the Plan's Board policies permit the Plan to use investments of the Plan to enter into securities lending transactions – loans of securities to broker-dealers and other entities for collateral with a simultaneous agreement to return the collateral for the same securities in the future.

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The Plan has contracted with Northern Trust as its third-party lending agent to lend domestic equity and debt securities for cash collateral of not less than 102% of the market value and international debt and equity securities of not less than 105% of the market value. At April 30, 2012, management believes the Plan has no credit risk exposure to borrowers because the amounts the Plan owes the borrowers exceed the amounts the borrowers owe the Plan. Contracts with the lending agent require it to indemnify the Plan if borrowers fail to return the securities, if the collateral is inadequate to replace the securities lent or if the borrowers fail to pay the Plan for income distributions by the securities' issuers while the securities are on loan; therefore, non-cash collateral is not recorded as an asset or liability on the financial statements.

	<i>(in thousands)</i>
Market value of securities loaned	<u>\$ 68,686</u>
Market value of cash collateral received from borrowers	\$ 69,880
Market value of non-cash collateral received from borrowers	<u>757</u>
Total market value of collateral	<u>\$ 70,637</u>

All securities loans can be terminated on demand by either the Plan or the borrower. The cash collateral received on each security loan was invested in accordance with the Plan investment guidelines, in short-term funds. The maturities of the resulting investments generally match the maturities of the securities lending arrangements themselves. The Plan is not permitted to pledge or sell collateral received unless the borrower defaults.

City of Kansas City, Missouri
Notes to Basic Financial Statements
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At April 30, 2012, the Plan had the following investments and maturities (*in thousands*):

Type	Fair Value	Maturities in Years				Loaned Under Securities Lending Agreements
		Less than 1	1-5	6-10	More than 10	
U.S. Treasuries	\$ 582	\$ -	\$ 414	\$ -	\$ 168	\$ 582
U.S. Federal agencies	13,159	6,997	399	3,599	2,164	2,417
U.S. Government index linked bonds	1,808	-	-	647	1,161	647
U.S. Government backed mortgages	38,517	-	-	82	38,435	-
Municipal bonds	1,790	-	122	123	1,545	-
Asset-backed securities	3,289	-	367	76	2,846	-
Commercial mortgage-backed securities	2,553	-	156	533	1,864	-
Collateralized mortgage obligations	4,715	-	-	-	4,715	-
Foreign debt obligations	4,972	829	3,409	446	288	2,481
Corporate bonds - domestic	25,934	2,005	4,231	12,216	7,482	2,761
Corporate bonds - foreign	10,912	1,194	3,475	4,834	1,409	3,482
Money market funds	26,990	26,990	-	-	-	-
Collective trusts - fixed income	144,064	144,064	-	-	-	-
		<u>\$ 182,079</u>	<u>\$ 12,573</u>	<u>\$ 22,556</u>	<u>\$ 62,077</u>	
Warrants	2					-
Domestic preferred stocks	46					-
Domestic common stocks	258,820					49,568
Foreign equities	8,294					6,748
Partnerships	20,823					-
Private investment funds	8,019					-
Futures contracts and options	38					-
Collective trusts-equities	280,326					-
Collective trusts-real estate	23,744					-
	<u>\$ 879,397</u>					<u>\$ 68,686</u>

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Plan will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Consistent with the Plan's securities lending policy, \$68,685,706 was held by the counterparty that was acting as the Plan's agent in securities lending transactions.

City of Kansas City, Missouri
Notes to Basic Financial Statements
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Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to the Plan. The Plan's policy is that fixed income securities must have a minimum investment quality of "B" at the time of purchase. The weighted average credit rating of the portfolio must have a minimum investment quality of "A." As of April 30, 2012, the Plan's fixed income assets that are not government guaranteed represented 95% of the fixed income portfolio. The following table summarizes the Plan's fixed income portfolio exposure levels and credit qualities at April 30, 2012.

Average credit quality and exposure levels of nongovernment guaranteed securities (*in thousands*):

Fixed Income Security Type	Fair Value April 30, 2012	Percentage of all Fixed Income Assets	S&P Weighted Average Credit Quality	Ratings Dispersion Requiring Further Exposure
U.S. Federal agencies	\$ 10,689	3.83%	AA+	See below
U.S. governmental backed mortgages	28,399	10.17%	AA+	See below
Municipal bonds	1,790	0.64%	AA-	See below
Asset-backed securities	3,289	1.18%	BBB	See below
Commercial mortgage-backed securities	2,553	0.91%	A+	See below
Collateralized mortgage obligations	4,715	1.69%	B-	See below
Foreign debt obligations	4,972	1.78%	A+	See below
Corporate bonds - domestic	25,934	9.29%	BBB+	See below
Corporate bonds - foreign	10,912	3.91%	A-	See below
Money market funds	26,990	9.66%	Not rated	None
Collective trusts-fixed income	144,064	51.58%	Not rated	None
Total investments	<u>\$ 264,307</u>	<u>94.64%</u>		

Each portfolio is managed in accordance with operational guidelines that are specific as to permissible credit quality ranges, exposure levels within individual quality tiers and the average credit quality of the overall portfolios.

Credit risk for derivative instruments held by the Plan results from counterparty risk assumed by the Plan. This is essentially the risk that the borrower will be unable to meet its obligation. Information regarding the Plan's credit risk related to derivatives is found under the derivatives disclosures found below.

City of Kansas City, Missouri
Notes to Basic Financial Statements
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Concentration of Credit Risk

Concentration of credit risk is the risk of loss that may be attributed to the magnitude of a government's investment in a single issue. The Plan's policy for each specific portfolio limits investments in any corporate entity to no more than 5% of the market value of the account for actively managed portfolios, excluding U.S. Government and agency obligations. As of April 30, 2012, there were no investments in any corporate entity greater than 5%.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. This risk is managed within the portfolio using the effective duration of option-adjusted methodology. The Plan's policy is to manage duration to a maximum 25% of underweighting/overweighting relative to the Barclays Aggregate Bond Index.

Effective duration of fixed income assets by security type at April 30, 2012 (*in thousands*):

Fixed Income Security Type	Fair Value April 30, 2012	Percentage of all Fixed Income Assets	Weighted Average Effective Duration (Years)
U.S. Treasuries	\$ 582	0.2%	11.8
U.S. Federal agencies	13,159	4.7%	5.3
U.S. Government index linked bonds	1,808	0.6%	22.5
U.S. Government backed mortgages	38,517	13.8%	28.3
Municipal bonds	1,790	0.6%	34.7
Asset-backed securities	3,289	1.2%	21.1
Commercial mortgage-backed securities	2,553	0.9%	27.3
Collateralized mortgage obligations	4,715	1.7%	26.0
Foreign debt obligations	4,972	1.8%	2.8
Corporate bonds - domestic	25,934	9.3%	12.1
Corporate bonds - foreign	10,912	3.9%	8.5
Money market funds	26,990	9.7%	**
Collective trusts - fixed income	144,064	51.6%	**
	<u>\$ 279,285</u>	<u>100.0%</u>	

***A common or commingled collective trust (CCT) is a vehicle that provides for collective investment and reinvestment of assets contributed from the Plan. The Plan actually owns an interest in the underlying assets of the CCT and the money market funds and the unit values are based on the fair value of their underlying assets. The CCT and money market funds do not have a maturity date, even though their underlying assets do have maturity dates. Therefore, the effective duration of the assets is not applicable.*

City of Kansas City, Missouri
Notes to Basic Financial Statements
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Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely impact the fair value of an investment. The Plan's currency risk exposure, or exchange rate risk, primarily reside within the Plan's foreign debt obligations and foreign equity holdings through the Plan's various asset managers. The Plan's policy for each specific portfolio does not place limits on the amount of foreign exposure that can be held by the individual asset managers. The Plan had no derivative investments at April 30, 2012 invested in foreign financial instruments.

Derivative Financial Instruments

Some of the Plan's managers invest in derivative securities. A derivative security is an investment whose payoff depends upon the value of other assets, such as bond and stock prices, a market index or commodity prices. The Plan's derivative investments included futures, options, and swaps. These derivatives are used to add incremental value at the margin and to hedge or reduce risk. They were used mainly to adjust yield curve exposure, add yield and adjust the duration of the portfolio. Derivative transactions involve, to varying degrees, credit risk and market risk. Credit risk is the possibility that a loss may occur because a party to a transaction fails to perform according to terms. This risk is minimized by using exchange-traded futures and options. Market risk is the possibility that a change in interest or currency rates will cause the value of a financial instrument to decrease or become more costly to settle. The market risk associated with derivatives, the prices of which are constantly fluctuating, is regulated by imposing strict limits as to the types, amounts and degree of risk that investment managers may undertake. The Board and senior management approve these limits. The Plan's investment consultant reviews the risk positions of the investment managers on a regular basis to monitor compliance with the limits.

The Plan's investment managers utilize financial futures to replicate an underlying security they desire to hold (sell) in the portfolio. In certain instances, it may be beneficial to own a futures contract rather than the underlying security (arbitrage). Financial future contracts are also used to improve the yield or adjust the duration of the portfolio. Financial futures contracts are agreements to buy or sell a specified amount at a specified delivery or maturity date for an agreed-upon price. The market values of the futures contracts vary from the original contract price; a gain or loss is recognized and paid to or received from the clearinghouse. Financial futures represent an off balance sheet obligation, as there are no balance sheet assets or liabilities associated with those contracts. The cash or securities to meet these obligations are held in the investment portfolio.

The Plan's investment managers utilize options in an effort to add value to the portfolio (collect premiums) or protect (hedge) a position in the portfolio. Options are agreements that give one party the right, but not the obligation, to buy or sell a specific amount of an asset for a specific price (called the strike price) on or before a specified expiration date. As the writer of financial options, the Plan receives a premium at the outset of the agreement and bears the risk of an unfavorable change in the price of the instrument underlying the option. As the purchaser, the Plan pays a premium at the outset of the agreement and the counterparty bears the risk of an unfavorable change in the price of the financial instrument underlying the option.

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The Plan's investment managers utilize swaps in an effort to adjust interest rate and yield curve exposure and substitute for physical securities. Interest rate swaps are agreements between two counter-parties to exchange future cash flows. These are generally fixed vs. variable flows, and can be either received or paid. Long swap positions (receive fixed) increase exposure to long-term interest rates; short positions (pay fixed) decrease exposure.

The Plan's collective trusts also invest in various derivatives; however, these holdings are not reflected in the following table. The following table presents the futures and options positions held by the Plan as of April 30, 2012 (*contract principal and fair value in thousands*):

	April 30, 2012		
	Number of Contracts	Contract Principal*	Fair Value of Futures/ Options
Domestic			
Fixed income futures purchased			
2-year note due June 2012	1	\$ 221	\$ -
U.S. Ultra bond due June 2012	15	2,367	-
5-year note due June 2012	29	3,590	-
Fixed income futures sold			
90-day Eurodollar due December 2014	85	21,026	-
10-year note due June 2012	73	9,657	-
U.S. long bond due June 2012	2	286	-
Fixed income written call options			
U.S. 10-year future option due June 2012	16	292	(2)
U.S. 10-year future option due June 2012	16	948	(9)
Fixed income purchased call options			
U.S. 10-year future option due June 2012	16	1,871	38
Fixed income written put options			
2-year Eurodollar due December 2012	45	2,750	(7)
U.S. bond future due May 2012	16	206	(2)
U.S. bond future due May 2012	16	43	-
Fixed income purchased put options			
2-year Eurodollar due December 2012	45	5,253	17
U.S. bond future due May 2012	16	455	6
Index swaps-fixed leg receiver			
Pay Markit IOS.FN30.450.10 for			
1-month LIBOR matures January 2041	1,128	151	(1)
Pay Markit IOS.FN30.450.10 for			
1-month LIBOR matures January 2041	1,128	151	(1)
		<u>\$</u>	<u>39</u>

*Contract principal amounts shown represent the fair value of the underlying assets the contracts control. These are shown to present the volume of the transactions, but do not reflect the extent to which positions may offset one another. These amounts do not represent the much smaller amounts potentially subject to risk. Contract principal values also do not represent actual statement of plan net asset values.

City of Kansas City, Missouri
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The changes in fair value of the investment derivative instruments approximates their fair value at April 30, 2012 and are reported in net depreciation in fair value of investments in the Fiduciary Funds Statement of Changes in Net Assets.

Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of net assets.

Firefighters' Pension System

Deposits and Investments

The City administrative code and ordinances passed by the City Council provide that the Firefighters' Pension System (the Firefighters' Plan) investments may include, but are not limited to, obligations of the United States government, State of Missouri, municipal corporations that include school districts, corporate bonds, real estate mortgages and common and preferred stocks. The Firefighters' Plan purchases investments from U.S. Securities and Exchange Commission registered securities broker-dealers and banks through its investment managers. Investments in United States Treasury obligations are held at the Federal Reserve Bank through the customer account of a financial institution.

Securities Lending Transactions

City ordinances and the Firefighters' Plan's Board policies permit the Firefighters' Plan to use investments of the Firefighters' Plan to enter into securities lending transactions – loans of securities to broker-dealers and other entities for collateral with a simultaneous agreement to return the collateral for the same securities in the future.

The Firefighters' Plan has contracted with Northern Trust as its third-party lending agent to lend domestic equity and debt securities for cash collateral of not less than 102% of the market value and international debt and equity securities of not less than 105% of the market value. At April 30, 2012, management believes the Firefighters' Plan has no credit risk exposure to borrowers because the amounts the Firefighters' Plan owes the borrowers exceed the amounts the borrowers owe the Firefighters' Plan. Contracts with the lending agent require it to indemnify the Firefighters' Plan if borrowers fail to return the securities, if the collateral is inadequate to replace the securities lent or if the borrowers fail to pay the Plan for income distributions by the securities' issuers while the securities are on loan; therefore, non-cash collateral is not recorded as an asset or liability on the financial statements.

City of Kansas City, Missouri
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(in thousands)

Market value of securities loaned	\$	29,335
Market value of cash collateral received from borrowers	\$	30,162
Market value of non-cash collateral received from borrowers		49
Total market value of collateral	\$	30,211

All securities loans can be terminated on demand by either the Firefighters' Plan or the borrower. The cash collateral received on each security loan was invested, in accordance with the Firefighters' Plan investment guidelines, in short-term funds. The maturities of the resulting investments generally match the maturities of the securities lending arrangements themselves. The Plan is not permitted to pledge or sell collateral received unless the borrower defaults.

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Plan will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Consistent with the Plan's securities lending policy, \$29,335,473 was held by the counterparty that was acting as the Plan's agent in securities lending transactions.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to the Firefighters' Plan. As of April 30, 2012, the Firefighters' Plan's fixed income assets that are not government guaranteed represented 100% of the fixed income portfolio. The Firefighters' Plan has not established a policy in regard to credit risk. The following table summarizes the Firefighters' Plan's fixed income portfolio exposure levels and credit qualities at April 30, 2012:

Average Credit Quality and Exposure levels of Nongovernment Guaranteed Securities *(in thousands)*:

Fixed Income Security Type	Fair Value April 30, 2012	Percentage of all Fixed Income Assets	Weighted Average Credit Quality	Ratings Dispersion Requiring Further Exposure
Money market funds	\$ 12,006	9.3%	Not rated	None
Collective trusts - fixed income	116,968	90.7%	Not rated	None
	\$ 128,974	100.0%		

City of Kansas City, Missouri
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Each portfolio is managed in accordance with operational guidelines that are specific as to permissible credit quality ranges, exposure levels within individual quality tiers and the average credit quality of the overall portfolios.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss that may be attributed to the magnitude of a government's investment in a single issuer. The Firefighters' Plan's policy for each specific portfolio limits investments in any corporate entity to no more than 5% of the market value of the account for actively managed portfolios, excluding U.S. government and agency obligation. As of April 30, 2012, there were no investments in any corporate entity greater than 5%.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Plan has not established a policy with regard to interest rate risk. The Plan actually owns an interest in the underlying assets of the collective trusts and the money market funds and the unit values are based on the fair value of their underlying assets. The collective trusts and money market funds do not have a maturity date, even though their underlying assets do have maturity dates.

Risks and Uncertainties

The Firefighters' Plan invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of net assets.

Civilian Employees' Retirement System and Police Retirement System

Deposits

Custodial credit risk is the risk that, in the event of a bank failure, a government's deposits may not be returned to it. The Civilian Employees' Retirement System and Police Retirement System's (the Civilian and Police Plans) deposit policies for custodial credit risk require compliance with the provisions of state law.

State law requires collateralization of all deposits with federal depository insurance; bonds and other obligations of the U.S. Treasury, U.S. agencies or instrumentalities or the state of Missouri; bonds of any city, county, school district or special road district of the state of Missouri; bonds of any state; or a surety bond having an aggregate value at least equal to the amount of the deposits. The Plans had no bank balances exposed to custodial credit risk at April 30, 2012.

City of Kansas City, Missouri
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Investments

For the year ended April 30, 2012, Northern Trust was the master custodian for substantially all of the securities of the Plan. The investments held by the Plan are managed by thirteen Board-appointed money managers. Each of the money managers has a different asset allocation based on Board approved policy. The Plan may legally invest in direct obligations of and other obligations guaranteed as to principal by the U.S. Treasury and U.S. agencies and instrumentalities, real estate, partnerships, corporate bonds, commodities and equity securities.

Securities Lending Transactions

State statutes and the Civilian and Police Plans' board policies permit the Civilian and Police Plans to use investments of the Civilian and Police Plans to enter into securities lending transactions—loans of securities to broker-dealers and other entities for collateral with a simultaneous agreement to return the collateral for the same securities in the future.

The Civilian and Police Plans have contracted with Northern Trust as their third-party lending agent to lend domestic equity and debt securities for cash collateral of not less than 102% of the market value and international debt and equity securities of not less than 105% of the market value. Contracts with the lending agent require it to indemnify the Civilian and Police Plans, if borrowers fail to return the securities, if the collateral is inadequate to replace the securities lent, or if the borrowers fail to pay the Civilian and Police Plans for income distributions by the securities' issuers while the securities are on loan; therefore, noncash collateral is not recorded as an asset or liability on the financial statements.

	Civilian	Police
	<i>(In thousands)</i>	
Market value of securities loaned	\$ 28,404	\$ 148,449
Market value of cash collateral received from borrowers	\$ 29,102	\$ 151,951
Market value of non-cash collateral received from borrowers	18	38
Total market value of collateral	\$ 29,120	\$ 151,989

All securities loans can be terminated on demand by either the Civilian and Police Plans or the borrower. The cash collateral received on each security loan was invested, in accordance with the Civilian and Police Plans investment guidelines, in short-term funds. The maturities of the resulting investments generally match the maturities of the securities lending arrangements themselves. The Civilian and Police Plans are not permitted to pledge or sell collateral received unless the borrower defaults.

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At April 30, 2012, the Civilian and Police Plans had the following investments and maturities (in thousands):

Type	Fair Value	Maturities in Years				Loaned Under Securities Lending Agreements
		Less than 1	1-5	6-10	More than 10	
		\$	\$	\$	\$	
U.S. Treasury obligations	\$ 12,557	\$ 1,810	\$ 5,372	\$ 3,501	\$ 1,874	\$ 12,557
U.S. agencies obligations	2,002	532	502	507	461	-
Index linked government bonds	2,956	96	1,760	1,100	-	2,956
Corporate bonds	10,854	815	3,471	4,340	2,228	2,425
Government mortgage-backed securities	1,914	-	-	164	1,750	-
Money market mutual funds	5,806	5,806	-	-	-	-
Fixed income exchange-traded-funds	2,614	2,614	-	-	-	-
		\$ 11,673	\$ 11,105	\$ 9,612	\$ 6,313	
Common and preferred stock	21,266					9,682
Equity exchange-traded-funds	6,842					637
Real estate funds	3,686					-
Partnerships - equity	2,620					-
Partnerships - fixed income	3,325					-
Emerging market equities	4,251					-
Commodities funds	4,417					-
Hedge fund of funds	9,561					-
Foreign equities	7,333					147
	\$ 102,004					\$ 28,404

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Notes to Basic Financial Statements
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Police Retirement System

Type	Fair Value	Maturities in Years				Loaned Under Securities Lending Agreements
		Less than 1	1-5	6-10	More than 10	
U.S. Treasury obligations	\$ 79,375	\$ 13,072	\$ 32,869	\$ 20,078	\$ 13,356	\$ 77,233
U.S. agencies obligations	14,803	4,046	3,513	3,653	3,591	-
Corporate bonds	77,377	4,733	26,102	30,628	15,914	11,400
Government mortgage-backed securities	14,613	-	-	1,264	13,349	-
Index linked government bonds	20,679	664	10,747	9,268	-	20,353
Money market mutual funds	60,750	60,750	-	-	-	-
Fixed income exchange-traded-funds	21,506	21,506	-	-	-	-
		<u>\$ 104,771</u>	<u>\$ 73,231</u>	<u>\$ 64,891</u>	<u>\$ 46,210</u>	
Equity exchange-traded-funds	44,402					-
Corporate stocks	144,270					38,887
Real estate funds	28,544					-
Hedge fund of funds	67,322					-
Partnerships-equity	21,374					-
Partnerships-fixed income	22,811					-
Foreign equities	51,915					576
Emerging markets equity	29,640					-
	<u>\$ 699,381</u>					<u>\$ 148,449</u>

Interest Rate Risk

The money market mutual funds and fixed income exchange-traded funds are presented as an investment with a maturity of less than one year because they are redeemable in full immediately. The debt securities are presented in their respective category based on final maturity date. The Civilian and Police Plans' investment policies do not specifically address exposure to fair value losses arising from rising interest rates.

Credit Risk

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. It is the Civilian and Police Plans' policies to limit their investments in corporate bonds to those that are rated Baa or better by credit rating agencies. The Civilian and Police Plans' portfolios must have an average rating of A or better in the aggregate as measured by at least one credit rating agency. At April 30, 2012, the Civilian and Police Plans' investments in corporate bonds were rated BBB+ or better by Standard & Poor's. U.S. Treasury obligations and index

City of Kansas City, Missouri

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linked government bonds were explicitly guaranteed by the U.S. Government. Additionally, the Civilian and Police Plans' investments in U.S. agencies obligations not directly guaranteed by the U.S. Government (including Federal National Mortgage Association, Federal Home Loan Banks and Federal Home Loan Mortgage Corporation) were rated A or better by Standard & Poor's. The Civilian and Police Plans' investments in government mortgage-backed securities, money market mutual funds and fixed income exchange-traded-funds were not rated by Standard & Poor's. These bond rating requirements do not apply to the high yield portion of the fixed income portfolio.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Civilian and Police Plans will not be able to recover the value of their investments or collateral securities that are in the possession of an outside party. Consistent with the Civilian Employees' Retirement System's securities and lending policy, \$28,404,120 was held by the counterparty that was acting as the system's agent in securities lending transactions. In addition, consistent with the Police Retirement System's securities and lending policy, \$148,449,440 was held by the counterparty that was acting as the system's agent in securities lending transactions.

Concentration of Credit Risk

The Civilian and Police Plans limit the amounts that may be invested in any one security at 5% to 15% of total plan assets.

Foreign Currency Risk

This risk relates to adverse effects on the fair value of an investment from changes in exchange rates. The Civilian and Police Plans' investment policies permits investments in international equities, American Depository Receipts (ADRs), warrants, rights, 144A securities, convertible bonds and U.S. registered securities whose principal markets are outside of the United States. All foreign equities held are denominated in U.S. dollars.

Derivative Financial Instruments

Some of the Police Retirement System's Plan managers invest in derivative securities. A derivative security is an investment where settlement depends upon the value of the underlying assets, such as bond and stock prices, a market index or commodity prices. During the year, derivative investments included only commodity futures. Derivative transactions involve, to varying degrees, credit risk and market risk. Credit risk is the possibility that a loss may occur because a party to a transaction fails to perform according to terms. This risk is minimized by investing in derivatives that are regulated by overseeing agencies and are guaranteed by clearinghouses. Market risk is the possibility that a change in interest or currency rates will cause the value of a financial instrument to decrease or become more costly to settle.

The Police Retirement System's Plan investment managers utilize commodity futures to obtain market exposure and to take advantage of mispricing opportunities. In certain instances, it may be beneficial to own a futures contract rather than the underlying security. Commodity futures contracts are agreements to buy or sell a specified amount at a specified delivery or maturity date for an agreed-upon price. When a position is taken in a futures contract, a margin is posted and the contract is subject to daily mark-to-market adjustments.

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The fair value and notional amounts of investment derivative instruments outstanding at April 30, 2012 are as follows (*fair value in thousands*):

Commodity Future	Number of Contracts		Maturity Date	Fair Value
	Long	(Short)		
Aluminum	8		December 2012	\$ (23)
Aluminum	18		June 2012	(107)
Brent Crude Oil	11		December 2012	85
Brent Crude Oil	3		July 2012	(12)
Cattle	15		August 2012	(62)
Cattle	8		June 2012	(34)
Cocoa	8		July 2012	(5)
Coffee	8		July 2012	(123)
Copper	2		August 2012	5
Copper	4		December 2012	(4)
Copper	1		June 2012	(4)
Corn	33		December 2012	(22)
Corn	6		July 2012	4
Corn	3		September 2012	2
Cotton	9		December 2012	(30)
Cotton	5		July 2012	(10)
Crude Oil	24		December 2013	74
Crude Oil	13		December 2014	6
Feeder Cattle	3		August 2012	(9)
Gas Natural	30		August 2012	(88)
Gas Natural	14		July 2012	27
Gas Natural	12		October 2012	(27)
Gas Oil	3		December 2012	(11)
Gas Oil	1		June 2012	6
Gas RBOB	6		June 2012	80
Gas RBOB	1		September 2012	(1)
Gold	17		June 2012	10
Heating Oil	8		December 2012	(3)
Hogs	14		December 2012	(27)
Hogs	1		October 2012	(3)
Kansas City Wheat	8		July 2012	(12)
Lead	4		June 2012	13
Minn Wheat	6		July 2012	(11)
NY Copper	7		December 2012	6
NY Copper	8		September 2012	31
Nickel	4		June 2012	(55)
Palladium	2		June 2012	(4)
Platinum	3		July 2012	(16)
Robusta Coffee	8		July 2012	(3)
Silver	6		July 2012	(22)
Soybean Meal	9		December 2012	13
Soybean Meal	4		July 2012	17
Soybean Oil	7		December 2012	(4)
Soybean Oil	5		July 2012	9
Soybeans	4		March 2012	4
Soybeans	17		November 2012	110
Sugar	38		July 2012	(108)
Wheat	11		December 2012	(9)
Wheat	4		July 2012	(2)
Zinc	4		December 2012	5
Zinc	4		June 2012	(14)
				\$ (358)

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The changes in fair value of the commodity futures approximates their fair value at April 30, 2012 and are reported in net depreciation in fair value of investments in the Fiduciary Funds Statement of Changes in Net Assets.

Note 3: Intergovernmental Receivables

Intergovernmental receivables for the year ended April 30, 2012 are as follows (*in thousands*):

	General	Capital Improvements	Nonmajor Funds	Kansas City Airports	Total Inter- Governmental Receivables
Federal government grants and reimbursements for:					
Airport Improvement Programs	\$ -	\$ -	\$ -	\$ 3,238	\$ 3,238
Domestic Preparedness Equipment	-	-	20	-	20
Air Quality Control	-	-	232	-	232
Federal Aid Urban	-	6,200	2,862	-	9,062
HOME Investment Program	-	-	2,552	-	2,552
Economic Development Initiative	-	-	528	-	528
Assistance to Firefighters	-	-	150	-	150
Shelter Plus Care	-	-	49	-	49
Grants to Encourage Arrest Policies & Enforcement of Protection Orders	-	-	114	-	114
Tuberculosis Outreach	-	-	37	-	37
Home Visiting Blocks	-	-	25	-	25
Supportive Housing	111	-	-	-	111
Emergency Shelter	59	-	-	-	59
Homeless Prevention and Rapid Rehousing	-	-	56	-	56
Neighborhood Stabilization	-	-	563	-	563
Energy Efficiency Block Grant	-	-	1,024	-	1,024
HIV Surveillance and Prevention	-	-	249	-	249
Ryan White Title II	-	-	312	-	312
Housing Opportunities for Persons with AIDS	-	-	367	-	367
Sexually Transmitted Disease Prevention	-	-	34	-	34
Community Development Block Grant	-	-	1,078	-	1,078
Justice Assistance Grant	-	-	440	-	440
Home Weatherization	-	-	2,237	-	2,237
Brownfields Development	25	-	-	-	25
Lead Poisoning Prevention	-	-	21	-	21
Other	14	-	66	-	80
	<u>209</u>	<u>6,200</u>	<u>13,016</u>	<u>3,238</u>	<u>22,663</u>
State of Missouri grants and reimbursements for:					
Motor Vehicle Fuel Tax	-	-	2,354	-	2,354
Total intergovernmental receivable	<u>\$ 209</u>	<u>\$ 6,200</u>	<u>\$ 15,370</u>	<u>\$ 3,238</u>	<u>\$ 25,017</u>

City of Kansas City, Missouri
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Note 4: Tax Revenues

Tax revenues of the governmental funds, including interest and penalties, are as follows (*in thousands*):

	General	Capital Improvement	Nonmajor Governmental Funds	Total Governmental Funds Tax Revenues
Earnings and profit	\$ 182,246	\$ -	\$ 721	\$ 182,967
Sales	-	63,227	87,715	150,942
General property	51,518	-	70,126	121,644
Hotel and restaurant	140	-	36,086	36,226
Local option use tax	22,762	-	3,601	26,363
Gaming	16,874	-	-	16,874
Railroad and utility	2,384	-	3,145	5,529
Cigarette	2,781	-	-	2,781
	<u>\$ 278,705</u>	<u>\$ 63,227</u>	<u>\$ 201,394</u>	<u>\$ 543,326</u>

The City's property tax is levied each November 1 on the assessed value as of the prior January 1 for all real and personal property located in the City within the counties of Jackson, Platte, Clay and Cass and is due by December 31. A lien is placed on the personal property effective November 1 and is removed when payment is made. Property taxes are delinquent on January 1 for all properties within Jackson, Platte, Clay and Cass counties.

Assessed values are established by the Jackson, Clay, Platte and Cass County assessors subject to review by the counties' Board of Equalization and State Tax Commission. The City is permitted by state statutes to levy taxes up to \$1.00 per \$100 of assessed valuation for general government purposes other than payment of principal and interest on long-term debt; up to \$0.72 per \$100 of assessed valuation for public health, hospital and recreational grounds; up to \$0.02 per \$100 of assessed valuation for museums; and in unlimited amounts for the payment of principal and interest on long-term debt. Article X, Sections 16 through 24, of the Missouri Constitution, known as the "Hancock Amendment," imposes limits on state and local government taxation and spending. Under the Hancock Amendment, the City may not increase the current levy of any tax, license, or fee above its mandated level without the approval of the required majority of the qualified voters of the City voting thereon. Property tax levies per \$100 assessed valuation for the year ended April 30, 2012 follow:

Fund	Levy
General	\$ 0.6786
Public health	0.7135
Museum	0.0188
Debt service	0.1400
Total general levy rate	<u>\$ 1.5509</u>

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Currently, the City collects 2 and 3/8 percent of sales tax for the following purposes:

- One percent for capital improvements, authorized through December 31, 2018
- One-half percent for Public Mass Transportation, authorized through December 31, 2015
Approximately 7.5% of the tax is dedicated for capital improvement of interstate transportation system and does not expire
- One-quarter percent for the City’s fire department to be used for operations and improvements, authorized through December 31, 2016
- One-quarter percent to fund a capital plan for public safety, authorized through June 30, 2026
- Three-eighths percent sales tax for the KCATA, authorized through March 31, 2024

The City collects a convention and tourism tax comprised of the following:

- Two percent on food, beverage and liquor sales from restaurants (the restaurant tax). The receipts are restricted to capital expenditures, including debt service requirements for sports, convention, tourism and exhibition facilities including Truman Sports Complex, Barney Allis Plaza, Bartle Hall and the Municipal Auditorium.
- Seven and one-half percent on gross receipts of hotel and motel room sales (the hotel tax)—40% of the gross receipts for the Convention and Visitors Association, 10% for the neighborhood tourism development fund and the remaining 50% for operating costs and capital expenses.

The City collects an earnings and profits tax equal to the following:

- A levy of 1% on earnings of all Kansas City, Missouri residents and all nonresidents working in Kansas City, Missouri
- A levy of 1% on business net profits

Note 5: Interfund Transactions, Receivables, Payables and Transfers

Payments to the general fund by the enterprise funds for certain administrative, information and technology, accounting, legal and other services for the year ended April 30, 2012 are as follows (*in thousands*):

Water fund	\$	5,112
Airports fund		4,368
Sewer fund		4,447
Total	\$	13,927

City of Kansas City, Missouri
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Individual interfund receivable and payable balances at April 30, 2012 are as follows (*in thousands*):

Payables	Receivables										
	Governmental Funds										
	Major Governmental		Nonmajor Governmental	Total	Fiduciary Funds		Enterprise Funds				
	Fund— General	Fund— Capital Improvements			Pension Trust Funds	Agency Funds	Water	Sewer	Airports	Total	Total
Major governmental funds											
General fund	\$ -	\$ -	\$ 2,477	\$ 2,477	\$ 1,409	\$ 6,992	\$ -	\$ 6	\$ 8,514	\$ 8,520	\$ 19,398
Capital improvements	-	-	3,376	3,376	-	3,675	-	-	-	-	7,051
Nonmajor governmental funds	9	17,643	2,017	19,669	-	6,223	-	-	-	-	25,892
Total governmental funds	9	17,643	7,870	25,522	1,409	16,890	-	6	8,514	8,520	52,341
Fiduciary Funds - Agency	-	-	-	-	1,673	-	-	-	-	-	1,673
Major enterprise funds:											
Water	385	-	-	385	-	-	-	3	-	3	388
Sewer	-	-	-	-	-	-	30	-	-	30	30
Total enterprise funds	385	-	-	385	-	-	30	3	-	33	418
Total	<u>\$ 394</u>	<u>\$ 17,643</u>	<u>\$ 7,870</u>	<u>\$ 25,907</u>	<u>\$ 3,082</u>	<u>\$ 16,890</u>	<u>\$ 30</u>	<u>\$ 9</u>	<u>\$ 8,514</u>	<u>\$ 8,553</u>	<u>\$ 54,432</u>

City of Kansas City, Missouri
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The City initiates interfund receivables and payables for various reasons. The reasons for the major receivables and payables during the current fiscal year are as follows:

General Fund Payable to Nonmajor Governmental Funds

- Amounts owed to cover fund deficits in other funds

General Fund Payable to Pension Trust Funds

- Represents contributions owed to the pension trust funds

General Fund Payable to Agency Funds

- Reimbursement for tax increment financing (TIF) activity. Economic activities taxes are collected by the general fund, but are required to be transferred to the TIF agency fund as reimbursement for eligible project costs incurred on TIF projects

General Fund Payable to Sewer Fund

- Reimbursement for various operating costs

General Fund Payable to KC Airports

- Amounts owed for principal and interest on interfund borrowing made to repay certain historical TIF liability amounts

Capital Improvement Payable to Nonmajor Governmental Funds

- Amounts owed to cover fund deficits in other funds

Capital Improvement Payable to Agency Funds

- Reimbursement for tax increment financing (TIF) activity. Economic activities taxes are collected by the capital improvements fund, but are required to be transferred to the TIF agency fund as reimbursement for eligible project costs incurred on TIF projects

Nonmajor Governmental Funds Payable to the General Fund

- Due to interest owed on cash deficits in the funds

Nonmajor Governmental Funds Payable to the Capital Improvements Fund

- Due to interfund cash borrowing to cover cash deficits

Nonmajor Governmental Funds Payable to the Nonmajor Governmental Funds

- Amounts owed to cover fund deficits in other funds

City of Kansas City, Missouri
Notes to Basic Financial Statements
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Nonmajor Governmental Funds Payable to Agency Funds

- Reimbursement for tax increment financing (TIF) activity. Economic activities taxes are collected by the nonmajor governmental funds, but are required to be transferred to the TIF agency fund as reimbursement for eligible project costs incurred on TIF projects

Fiduciary Funds – Agency Payable to Pension Trust Funds

- Represent contributions owed to the pension trust funds

Water Fund Payable to General Fund

- Reimbursement for various operating costs

Water Fund Payable to Sewer Fund

- Reimbursement for various operating costs

Sewer Fund Payable to Water Fund

- Reimbursement for various operating costs

Interfund transfers for the year ended April 30, 2012 are as follows (*in thousands*):

	Transfers into			
	Major Governmental Funds			Total Transfers
	General Fund	Capital Improvements Fund	Nonmajor Governmental Funds	
Transfers out of				
Major governmental funds:				
General fund	\$ -	\$ -	\$ 59,189	\$ 59,189
Capital improvements fund	120	-	13,008	13,128
Nonmajor governmental funds	<u>7,747</u>	<u>736</u>	<u>79,587</u>	<u>88,070</u>
Total Transfers	<u>\$ 7,867</u>	<u>\$ 736</u>	<u>\$ 151,784</u>	<u>\$ 160,387</u>

The City initiates transfers between funds for various reasons. The reasons for the majority of transfers during the current fiscal year are as follows:

General Fund to Nonmajor Governmental Funds

- General operating subsidies
- Interfund transfers to eliminate fund deficits
- Interfund transfers to fund debt service payments

City of Kansas City, Missouri
Notes to Basic Financial Statements
April 30, 2012

Capital Improvements Fund to General Fund

- Interfund transfers to fund project costs

Capital Improvements Fund to Nonmajor Governmental Funds

- Transfers were made to fund project costs or fund debt service payments

Nonmajor Governmental Funds to General Fund

- Transfers were made from various nonmajor governmental funds to close out project funds or repay prior year interfund transfers to cover fund deficits

Nonmajor Governmental Funds to Capital Improvements Fund

- Transfers were made from various nonmajor governmental funds to close out project funds or repay prior year interfund transfers to cover fund deficits

Nonmajor Governmental Funds to Nonmajor Governmental Funds

- Transfers were made between various nonmajor governmental funds to fund debt service for certain outstanding bonds and notes

City of Kansas City, Missouri
Notes to Basic Financial Statements
April 30, 2012

Note 6: Capital Assets

Capital asset activity for the year ended April 30, 2012 is as follows (*in thousands*):

	Primary Government - Governmental Activities			
	Balance April 30, 2011	Additions	Deductions	Balance April 30, 2012
Nondepreciable capital assets				
Land and permanent right of way	\$ 339,873	\$ 11,005	\$ (1,240)	\$ 349,638
Works of art and historical treasures	74	100	-	174
Infrastructure	2,074,380	98,350	(48)	2,172,682
Construction in progress	359,007	197,190	(234,728)	321,469
Total nondepreciable capital assets	2,773,334	306,645	(236,016)	2,843,963
Depreciable capital assets				
Temporary right of way	558	54	-	612
Land improvements	201,059	14,531	-	215,590
Buildings and improvements	1,135,668	69,289	(5,113)	1,199,844
Machinery and equipment	164,933	50,205	(2,952)	212,186
Fountains, statues and monuments	121,526	1,042	-	122,568
Infrastructure	155,937	17,081	-	173,018
Total depreciable capital assets	1,779,681	152,202	(8,065)	1,923,818
Less accumulated depreciation				
Temporary right of way	(206)	(143)	-	(349)
Land improvements	(56,699)	(10,980)	-	(67,679)
Buildings and improvements	(273,787)	(32,373)	1,882	(304,278)
Machinery and equipment	(111,987)	(17,942)	1,980	(127,949)
Fountains, statues and monuments	(31,400)	(3,383)	-	(34,783)
Infrastructure	(58,059)	(8,110)	-	(66,169)
Total accumulated depreciation	(532,138)	(72,931)	3,862	(601,207)
Total depreciable capital assets, net	1,247,543	79,271	(4,203)	1,322,611
Total governmental activities capital assets, net	\$ 4,020,877	\$ 385,916	\$ (240,219)	\$ 4,166,574

City of Kansas City, Missouri
Notes to Basic Financial Statements
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Depreciation expense was charged to functions as follows (*in thousands*):

General government	\$ 6,580
Public safety (police, fire and municipal courts)	9,192
Public works	20,485
Convention facilities	15,702
Culture and recreation	16,294
Neighborhood development	2,761
Health	685
Unallocated	<u>1,232</u>
 Total depreciation expense—governmental activities	 <u><u>\$ 72,931</u></u>

	Primary Government—Business-Type Activities			
	Balance April 30, 2011	Additions	Deductions	Balance April 30, 2012
Water				
Nondepreciable capital assets				
Land and permanent right of way	\$ 3,966	\$ 6	\$ -	\$ 3,972
Construction in progress	<u>82,685</u>	<u>41,176</u>	<u>(31,835)</u>	<u>92,026</u>
 Total nondepreciable capital assets	 <u>86,651</u>	 <u>41,182</u>	 <u>(31,835)</u>	 <u>95,998</u>
Depreciable capital assets				
Buildings and improvements	150,999	2,221	(202)	153,018
Utility lines and improvements	533,504	28,188	(1,561)	560,131
Machinery and equipment	<u>52,093</u>	<u>5,041</u>	<u>(6,332)</u>	<u>50,802</u>
Total depreciable capital assets	<u>736,596</u>	<u>35,450</u>	<u>(8,095)</u>	<u>763,951</u>
Less accumulated depreciation				
Buildings and improvements	(77,536)	(2,267)	202	(79,601)
Utility lines and improvements	(63,466)	(8,519)	1,561	(70,424)
Machinery and equipment	<u>(31,920)</u>	<u>(2,816)</u>	<u>6,189</u>	<u>(28,547)</u>
Total accumulated depreciation	<u>(172,922)</u>	<u>(13,602)</u>	<u>7,952</u>	<u>(178,572)</u>
 Total depreciable capital assets, net	 <u>563,674</u>	 <u>21,848</u>	 <u>(143)</u>	 <u>585,379</u>
 Total water capital assets	 <u><u>\$ 650,325</u></u>	 <u><u>\$ 63,030</u></u>	 <u><u>\$ (31,978)</u></u>	 <u><u>\$ 681,377</u></u>

City of Kansas City, Missouri
Notes to Basic Financial Statements
April 30, 2012

	Primary Government—Business-Type Activities			
	Balance April 30, 2011	Additions	Deductions	Balance April 30, 2012
Kansas City Airports				
Nondepreciable capital assets				
Land	\$ 37,863	\$ -	\$ -	\$ 37,863
Construction in progress	8,108	44,318	(43,130)	9,296
Total nondepreciable capital assets	<u>45,971</u>	<u>44,318</u>	<u>(43,130)</u>	<u>47,159</u>
Depreciable capital assets				
Buildings and improvements	650,351	5,687	-	656,038
Airport runways, aprons and roads	536,334	37,443	-	573,777
Machinery and equipment	95,540	1,439	(1,404)	95,575
Total depreciable capital assets	<u>1,282,225</u>	<u>44,569</u>	<u>(1,404)</u>	<u>1,325,390</u>
Less accumulated depreciation				
Buildings and improvements	(248,995)	(24,243)	-	(273,238)
Airport runways, aprons and roads	(333,040)	(27,132)	-	(360,172)
Machinery and equipment	(87,226)	(3,918)	1,404	(89,740)
Total accumulated depreciation	<u>(669,261)</u>	<u>(55,293)</u>	<u>1,404</u>	<u>(723,150)</u>
Total depreciable capital assets, net	<u>612,964</u>	<u>(10,724)</u>	<u>-</u>	<u>602,240</u>
Total Kansas City airports capital assets	<u>\$ 658,935</u>	<u>\$ 33,594</u>	<u>\$ (43,130)</u>	<u>\$ 649,399</u>

City of Kansas City, Missouri
Notes to Basic Financial Statements
April 30, 2012

	Primary Government—Business-Type Activities			
	Balance April 30, 2011	Additions	Deductions	Balance April 30, 2012
Sewer				
Nondepreciable capital assets				
Land and permanent right of way	\$ 9,962	\$ 1,545	\$ (16)	\$ 11,491
Construction in progress	57,925	36,522	(37,595)	56,852
Total nondepreciable capital assets	<u>67,887</u>	<u>38,067</u>	<u>(37,611)</u>	<u>68,343</u>
Depreciable capital assets				
Buildings and improvements	294,702	2,518	(566)	296,654
Utility lines and improvements	647,545	42,249	(2,616)	687,178
Machinery and equipment	49,498	9,337	(2,526)	56,309
Total depreciable capital assets	<u>991,745</u>	<u>54,104</u>	<u>(5,708)</u>	<u>1,040,141</u>
Less accumulated depreciation				
Buildings and improvements	(194,890)	(6,883)	528	(201,245)
Utility lines and improvements	(57,375)	(12,065)	2,616	(66,824)
Machinery and equipment	(36,337)	(3,155)	2,467	(37,025)
Total accumulated depreciation	<u>(288,602)</u>	<u>(22,103)</u>	<u>5,611</u>	<u>(305,094)</u>
Total depreciable capital assets, net	<u>703,143</u>	<u>32,001</u>	<u>(97)</u>	<u>735,047</u>
Total sewer capital assets	<u>\$ 771,030</u>	<u>\$ 70,068</u>	<u>\$ (37,708)</u>	<u>\$ 803,390</u>
Total business-type activities capital assets	<u>\$ 2,080,290</u>	<u>\$ 166,692</u>	<u>\$ (112,816)</u>	<u>\$ 2,134,166</u>

City of Kansas City, Missouri
Notes to Basic Financial Statements
April 30, 2012

Note 7: Long-Term Obligations

The following is a summary of long-term obligations of the City for the year ended April 30, 2012
(in thousands):

	Payable at			Payable at	Amounts
	May 1, 2011	Additions	Reductions	April 30, 2012	Due Within
					One Year
Primary government					
Governmental activities					
General obligation bonds	\$ 341,540	\$ 216,895	\$ 109,145	\$ 449,290	\$ 14,455
Special assessment debt - full faith and credit	700	-	700	-	-
Bonds - KCMAC	230,351	-	30,315	200,036	11,800
Implied loans - off market swaps	9,290	-	5,409	3,881	109
Bonds - PIEA	17,880	-	11,900	5,980	375
Special obligations	494,137	75,265	12,731	556,671	11,863
MTFC loan	6,878	2,000	867	8,011	1,203
Bonds - IDA	342,665	177,530	183,680	336,515	8,205
Bonds - TIFC, LCRA	36,280	-	3,170	33,110	3,435
Notes payable - HUD 108	10,260	-	855	9,405	855
Notes payable - various	47,360	5,822	15,297	37,885	15,715
Net pension obligation -					
Employees' Retirement System	18,129	17,465	12,192	23,402	-
Firefighters' Pension System	10,920	14,213	10,529	14,604	-
Net other post-employment benefit obligation	43,901	6,118	1,935	48,084	-
Compensated absences	27,033	5,802	3,896	28,939	5,824
Claims payable	29,339	31,045	23,787	36,597	9,470
	<u>1,666,663</u>	<u>552,155</u>	<u>426,408</u>	<u>1,792,410</u>	<u>83,309</u>
Add unamortized premium	21,047	31,322	7,058	45,311	-
Less					
Deferred charge on refunding	27,468	16,468	3,223	40,713	-
Discount	8,720	1,451	350	9,821	-
	<u>1,651,522</u>	<u>\$ 565,558</u>	<u>\$ 429,893</u>	<u>\$ 1,787,187</u>	<u>\$ 83,309</u>
Total governmental activities long-term liabilities	<u>\$ 1,651,522</u>	<u>\$ 565,558</u>	<u>\$ 429,893</u>	<u>\$ 1,787,187</u>	<u>\$ 83,309</u>

The general fund and certain special revenue funds have typically been used in prior years to liquidate the compensated absences, pension, claims payable and other postemployment benefit obligation liabilities for the governmental activities.

City of Kansas City, Missouri
Notes to Basic Financial Statements
April 30, 2012

	Payable at			Payable at		Amounts
	May 1,			April 30,		Due Within
	2011	Additions	Reductions	2012		One Year
Business-type activities						
Water						
Revenue bonds	\$ 210,120	\$ 47,725	\$ 14,040	\$ 243,805		\$ 14,625
Capital lease	30,728	-	3,345	27,383		3,475
Add unamortized premium	8,531	4,811	428	12,914		-
Less						
Deferred charge on refunding	6,083	-	711	5,372		-
Discount	-	73	-	73		-
Net pension obligation -						
Employees' Retirement System	3,363	3,137	2,189	4,311		-
Net other post employment benefit						
obligation	4,179	511	164	4,526		-
Compensated absences	2,632	548	358	2,822		608
Claims payable	6,903	1,779	2,695	5,987		1,518
Total Water	<u>260,373</u>	<u>58,438</u>	<u>22,508</u>	<u>296,303</u>		<u>20,226</u>
Sewer						
Revenue bonds and loans	219,692	93,509	22,543	290,658		16,256
Add unamortized premium	2,910	9,098	441	11,567		-
Less						
Deferred charge on refunding	5	217	13	209		-
Discount	364	91	42	413		-
Net pension obligation -						
Employees' Retirement System	2,822	2,597	1,812	3,607		-
Net other post employment benefit						
obligation	3,518	413	133	3,798		-
Compensated absences	2,032	471	337	2,166		500
Claims payable	5,935	460	2,203	4,192		1,082
Total Sewer	<u>236,540</u>	<u>106,240</u>	<u>27,414</u>	<u>315,366</u>		<u>17,838</u>

City of Kansas City, Missouri
Notes to Basic Financial Statements
April 30, 2012

	Payable at May 1, 2011	Additions	Reductions	Payable at April 30, 2012	Amounts Due Within One Year
Kansas City Airports					
Revenue bonds	\$ 313,755	\$ -	\$ 19,555	\$ 294,200	\$ 20,245
Add unamortized premium	2,650	-	657	1,993	-
Less					
Deferred charge on refunding	967	-	344	623	-
Discount	871	-	59	812	-
Net pension obligation –					
Employees' Retirement System	3,279	3,193	2,228	4,244	-
Net other post-employment benefit					
obligation	4,071	502	161	4,412	-
Compensated absences	1,922	667	455	2,134	471
Claims payable	1,835	(441)	324	1,070	326
	<u>325,674</u>	<u>3,921</u>	<u>22,977</u>	<u>306,618</u>	<u>21,042</u>
Total Kansas City Airports					
Total business-type					
activities long-term					
liabilities	822,587	168,599	72,899	918,287	59,106
Total primary					
government	<u>\$ 2,474,109</u>	<u>\$ 734,157</u>	<u>\$ 502,792</u>	<u>\$ 2,705,474</u>	<u>\$ 142,415</u>

City of Kansas City, Missouri
Notes to Basic Financial Statements
April 30, 2012

	Payable at May 1, 2011	Additions	Reductions	Payable at April 30, 2012	Amounts Due Within One Year
Component units					
Tax Increment Financing Commission					
Long-term debt	\$ 118,628	\$ 32,600	\$ 7,663	\$ 143,565	\$ 7,470
Reimbursable developer project costs	560,397	34,023	44,810	549,610	37,000
Police Department					
Net pension obligation					
Police Retirement System	40,775	32,345	16,477	56,643	-
Civilian Retirement System	11,773	5,114	3,146	13,741	-
Net OPEB obligations	5,901	6,590	1,565	10,926	-
Compensated absences	34,612	12,432	10,227	36,817	7,347
Other Component Units					
EDC	229	-	58	171	171
	<u>772,315</u>	<u>123,104</u>	<u>83,946</u>	<u>811,473</u>	<u>51,988</u>
Total component units long-term liabilities	<u>\$ 772,315</u>	<u>\$ 123,104</u>	<u>\$ 83,946</u>	<u>\$ 811,473</u>	<u>\$ 51,988</u>

City of Kansas City, Missouri
Notes to Basic Financial Statements
April 30, 2012

The annual requirements to retire bonds, notes and leases outstanding on April 30, 2012, including interest payments, are as follows (*in thousands*):

Governmental Activities

Fiscal Year	General Obligation		General Obligation (BABS)		Street Light		Neighborhood Improvement District		Special Obligations		MTFC Loan		IDA	
	Full Faith & Credit		Full Faith & Credit		Full Faith & Credit		Full Faith & Credit		Full Faith & Credit		Full Faith & Credit		Full Faith & Credit	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2013	\$ 9,970	\$ 14,857	\$ -	\$ 527	\$ 4,455	\$ 1,993	\$ 30	\$ 16	\$ 11,863	\$ 22,853	\$ 1,203	\$ 336	\$ 8,205	\$ 16,433
2014	19,665	15,490	-	527	7,625	1,781	30	15	12,814	22,384	1,254	286	10,130	16,088
2015	20,675	14,888	-	527	8,025	1,400	30	13	15,016	21,998	1,306	233	12,185	15,619
2016	21,770	14,319	-	527	8,450	1,004	35	12	12,931	21,504	1,361	178	13,560	15,077
2017	22,940	13,711	-	527	8,660	587	35	11	16,115	21,151	1,418	121	13,820	14,410
2018-2022	134,750	54,440	2,305	2,637	3,335	488	195	28	109,139	115,808	1,469	62	83,375	61,201
2023-2027	138,275	25,690	7,890	845	-	-	-	-	112,984	107,563	-	-	82,765	40,793
2028-2032	30,145	3,039	-	-	-	-	-	-	109,914	74,082	-	-	102,535	15,809
2033-2037	-	-	-	-	-	-	-	-	113,120	24,841	-	-	9,940	347
2038-2042	-	-	-	-	-	-	-	-	42,775	4,743	-	-	-	-
Total	\$ 398,190	\$ 156,434	\$ 10,195	\$ 6,117	\$ 40,550	\$ 7,253	\$ 355	\$ 95	\$ 556,671	\$ 436,927	\$ 8,011	\$ 1,216	\$ 336,515	\$ 195,777

Fiscal Year	KCMAC		PIEA Bonds		Bonds Payable - LCRA Muehlebach and TIF		Other Notes and Lease Purchases		Implied Notes		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
	2013	\$ 11,800	\$ 6,380	\$ 375	\$ 332	\$ 3,435	\$ 1,497	\$ 16,570	\$ 1,663	\$ 109	\$ 249	\$ 68,015
2014	12,635	5,841	405	312	3,635	1,358	8,778	1,058	118	247	77,089	65,387
2015	13,490	5,260	435	291	3,460	1,210	6,776	780	124	234	81,522	62,453
2016	16,260	4,635	345	268	3,670	1,042	4,206	575	132	225	82,720	59,366
2017	13,575	3,871	370	249	2,585	863	3,530	432	141	217	83,189	56,150
2018-2022	74,082	26,214	2,290	906	8,215	2,797	6,575	954	868	927	426,598	266,462
2023-2027	33,169	47,654	1,760	202	5,310	1,399	855	26	1,017	602	384,025	224,774
2028-2032	25,025	67,639	-	-	2,800	70	-	-	1,107	274	271,526	160,913
2033-2037	-	-	-	-	-	-	-	-	265	15	123,325	25,203
2038-2042	-	-	-	-	-	-	-	-	-	-	42,775	4,743
Total	\$ 200,036	\$ 167,494	\$ 5,980	\$ 2,560	\$ 33,110	\$ 10,236	\$ 47,290	\$ 5,488	\$ 3,881	\$ 2,990	\$ 1,640,784	\$ 992,587

City of Kansas City, Missouri
Notes to Basic Financial Statements
April 30, 2012

Business-type Activities and Component Units

Fiscal Year	Water		Sewer		Storm Loan		PFC		Airport		Total Business-Type Activities	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2013	\$ 18,100	\$ 11,293	\$ 15,873	\$ 13,223	\$ 383	\$ 67	\$ 5,090	\$ 4,947	\$ 15,155	\$ 9,098	\$ 54,601	\$ 38,628
2014	18,236	11,120	16,343	12,568	389	61	5,320	4,693	19,950	8,257	60,238	36,699
2015	19,053	10,397	16,805	11,812	396	54	5,575	4,427	20,880	7,289	62,709	33,979
2016	17,009	9,664	15,907	11,018	403	48	5,840	4,148	21,570	6,248	60,729	31,126
2017	17,707	8,932	14,459	10,275	409	42	6,125	3,856	22,585	5,128	61,285	28,233
2018-2022	75,972	33,901	68,352	41,929	2,054	107	35,505	14,371	64,510	12,646	246,393	102,954
2023-2027	52,710	19,051	52,865	27,779	141	7	35,485	4,547	24,890	4,399	166,091	55,783
2028-2032	34,230	9,009	52,174	16,138	26	-	-	-	5,720	136	92,150	25,283
2033-2037	18,171	2,113	33,679	4,555	-	-	-	-	-	-	51,850	6,668
2038-2042	-	-	-	-	-	-	-	-	-	-	-	-
Total	\$ 271,188	\$ 115,480	\$ 286,457	\$ 149,297	\$ 4,201	\$ 386	\$ 98,940	\$ 40,989	\$ 195,260	\$ 53,201	\$ 856,046	\$ 359,353

Fiscal Year	TIF		EDC		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2013	\$ 7,470	\$ 8,235	\$ 171	\$ -	\$ 7,641	\$ 8,235
2014	8,330	8,216	-	-	8,330	8,216
2015	8,820	7,722	-	-	8,820	7,722
2016	9,875	7,196	-	-	9,875	7,196
2017	11,279	6,597	-	-	11,279	6,597
2018-2022	53,489	22,691	-	-	53,489	22,691
2023-2027	28,907	8,925	-	-	28,907	8,925
2028-2032	15,055	1,677	-	-	15,055	1,677
2033-2037	340	27	-	-	340	27
2038-2042	-	-	-	-	-	-
Total	\$ 143,565	\$ 71,286	\$ 171	\$ -	\$ 143,736	\$ 71,286

City of Kansas City, Missouri
Notes to Basic Financial Statements
April 30, 2012

Bonds, Notes and Lease Purchase payables at April 30, 2012 are comprised of the following issues:

Description	Date of Maturity	Range of Interest Rates	Optional Redemption Dates/ Redemption Price	Outstanding Balance
General Obligation				
Kansas City Zoo/Liberty Memorial/Other Cap Imp, Series 2007A	February 1, 2027	4.00% - 5.00%	The bonds maturing on and after 2/1/18 are subject to the following optional redemptions: 2/1/17 and thereafter – 100%, as a whole or in part at any time.	\$ 75,085,000
Kansas City Capital Impr/Zoo 2008A	February 1, 2028	3.00% - 5.00%	The bonds maturing on and after 2/1/19 are subject to the following optional redemptions: 2/1/18 and thereafter – 100%, as a whole or in part, at any time.	38,685,000
Kansas City Capital Improvement/ Refunding 2010A	February 1, 2022	2.00% - 5.00%	The bonds maturing on and after 2/1/21 are subject to the following optional redemptions: 2/1/20 and thereafter – 100%, as a whole or in part, at any time.	21,910,000
Kansas City Capital Improvement / Refunding 2011A	February 1, 2031	2.50% - 5.00%	The bonds maturing on and after 2/1/22 are subject to the following optional redemptions: 2/1/21 and thereafter – 100%, as a whole or in part, at any time.	45,615,000
Kansas City Capital Improvement/ Refunding 2012A	February 1, 2032	2.00% - 5.00%	The bonds maturing on and after 2/1/23 are subject to the following optional redemptions: 2/1/22 and thereafter – 100%, as a whole or in part, at any time.	216,895,000
Total General Obligation Bonds Outstanding				<u>\$ 398,190,000</u>
General Obligation				
Kansas City RZED Series 2010B	February 1, 2025	4.90% - 5.35%	The bonds, at the option of the City, in whole or in part, on any date upon the occurrence of an Extraordinary Event equal to the greater of the principal amount to be redeemed or the sum of the present values of the remaining scheduled debt service payments. The bonds maturing on and after 2/1/21 are subject to the following optional redemptions: 2/1/20 and thereafter – 100%, as a whole or in part, at any time.	\$ 10,195,000
Total General Obligation RZED Bonds Outstanding				<u>\$ 10,195,000</u>

City of Kansas City, Missouri
Notes to Basic Financial Statements
April 30, 2012

Description	Date of Maturity	Range of Interest Rates	Optional Redemption Dates/ Redemption Price	Outstanding Balance
Streetlight Project, Series 2007A	February 1, 2017	4.00% - 5.00%	Optional redemption is not applicable to the streetlight refunding portion of Series 2007A. The streetlight refunding portion matures on 2/1/2017.	\$ 34,490,000
Streetlight Project, Series 2011A	February 1, 2022	2.50% - 5.00%	The bonds maturing on and after 2/1/22 are subject to the following optional redemptions: 2/1/21 and thereafter – 100%, as a whole or in part, at any time.	6,060,000
Total General Obligation Streetlight Bonds				<u>\$ 40,550,000</u>
General Obligation Bonds NID General Obligation Bonds NID Series 2011A	February 1, 2022	2.50% - 5.00%	The bonds maturing on and after 2/1/22 are subject to the following optional redemptions: 2/1/21 and thereafter – 100%, as a whole or in part, at any time.	\$ 355,000
Total General Obligation NID Bonds Outstanding				<u>\$ 355,000</u>

City of Kansas City, Missouri
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Description	Date of Maturity	Range of Interest Rates	Optional Redemption Dates/ Redemption Price	Outstanding Balance
KCMAC Bonds Zona Rosa, ERP and Refunding, Series 2003C	April 1, 2023	2.50% - 5.00%	Bonds maturing on and after 4/1/14 are subject to the following optional redemptions: 4/1/13 and thereafter – 100%, as a whole or in part, at any time.	\$ 23,230,000
KCMAC Bonds Tow Lot & Prospect North, Series 2004B-2	April 15, 2024	2.13% - 4.25%	Bonds are subject to redemption at the following optional redemption: 4/15/14 and thereafter – 100%, as a whole or in part, at any time.	6,730,000
KCMAC Bonds Bartle, Series 2004B-1 (CABS)	April 15, 2032	4.82% - 5.34% (CAB's yield)	Capital Appreciation Bonds (CABS) are not subject to optional call.	64,411,041
KCMAC Bonds Municipal Auditorium Parking Garage/ Music Hall and Bartle Hall, Series 2006A	April 15, 2026	4.25% -5.00%	Bonds maturing in the years 2017, 2021 through 2026, inclusive, and \$6,500,000 in aggregate principal amount maturing in the year 2020 are subject to optional redemption on and after 4/15/16, in whole or in part at any time at a price equal to 100%.	97,465,000
KCMAC Bonds Kemper Arena Refunding, Series 2006B	April 15, 2016	3.50% - 4.00%	The bonds are not subject to optional call.	8,200,000
Total KCMAC Bonds Outstanding				<u>\$ 200,036,041</u>
Promissory Note				
B.A. Promissory Note	April 30, 2013	Variable	Subject to prepayment.	\$ 5,438,000
Total East Village Promissory Note				<u>\$ 5,438,000</u>
Other Notes Payable (Lease Purchase)				
Other Notes Payable	Various	Various	Subject to prepayment.	\$ 32,447,227
				<u>\$ 32,447,227</u>
Loan				
MTFC Loan	November 19, 2017	4.20%	Subject to prepayment.	\$ 8,010,729
Total MTFC Loan				<u>\$ 8,010,729</u>
Loan				
Implied Loan				\$ 3,191,815
Bartle Hall Swap 2008E	April 15, 2034	6.43%	Not Applicable	
Implied Loan				689,073
Bartle Hall Swap 2008F	April 15, 2025	6.99%	Not Applicable	
Total Implied Loans				<u>\$ 3,880,888</u>

City of Kansas City, Missouri
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Description	Date of Maturity	Range of Interest Rates	Optional Redemption Dates/ Redemption Price	Outstanding Balance
PIEA Bonds Taxable Lease Revenue (300 Wyandotte) Series 2005	January 1, 2025	4.90% - 5.70%	Bonds maturing in the year 2017 and thereafter are subject to the following optional redemptions: 1/1/16 and thereafter – 100%; as a whole or in part at any time.	\$ <u>5,980,000</u>
Total PIEA Bonds Outstanding				\$ <u>5,980,000</u>
Special Obligation Bonds KCMO Special Obligation Bonds 2008A (Various Projects)	March 1, 2028	3.00% - 5.00%	Bonds maturing in the year 2019 and thereafter are subject to redemption in whole or in part, at the option of the City, on any day on and after March 1, 2018, at par, plus interest accrued to the redemption date.	\$ 22,380,000
KCMO Special Obligation, Series 2008B (East Village)	April 15, 2031	3.75% - 5.00%	The Series 2008B Bonds maturing in the year 2019 and thereafter are subject to redemption and payment prior to maturity, at the option of the City, on and after April 15, 2018, in whole or in part at any time, at par, plus interest accrued to the redemption date.	28,820,000
KCMO Special Obligation, Series 2008C Downtown Arena Project	April 1, 2040	4.00% - 5.50%	The Series 2008C Bonds maturing in the year 2019 and thereafter are subject to redemption and payment prior to maturity, at the option of the City, on and after April 1, 2018, in whole or in part at any time, at par, plus interest accrued to the redemption date.	196,630,000

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Description	Date of Maturity	Range of Interest Rates	Optional Redemption Dates/ Redemption Price	Outstanding Balance
KCMO Special Obligation, Series 2008D Downtown Arena Project	April 1, 2040	6.43% - 7.83%	The Series 2008D bonds are subject to optional redemption and payment at any time, at the option of the City, as a whole or in part at a redemption price equal to the greater of (i) 100% of the principal amount thereof or (ii) the discounted value thereof, together, in either case, with accrued interest to the redemption date.	\$ 15,460,000
KCMO Special Obligation, Series 2008E Bartle Hall Convention Center Project	April 15, 2034	Variable Rate Bonds - Series 2008E initially bear interest in the weekly interest rate period	The Series 2008E bonds bearing interest at a weekly interest rate are subject to optional redemption by the City, in whole or in part, at any time, at a redemption price equal to the principal amount thereof to be redeemed, plus accrued but unpaid interest to the redemption date.	81,400,000
KCMO Special Obligation, Series 2008F Bartle Hall Convention Center Project	April 15, 2025	Variable Rate Bonds - Series 2008F initially bear interest in the weekly interest rate period	The Series 2008F bonds bearing interest at a weekly interest rate are subject to optional redemption by the City, in whole or in part, at any time, at a redemption price equal to the principal amount thereof to be redeemed, plus accrued but unpaid interest to the redemption date.	20,865,000
KCMO Special Obligation Series 2009A 909 Walnut Parking Facility Project	February 1, 2024	Variable Rate Bonds - Series 2009A initially bear interest in the weekly interest rate period	The Series 2009A bonds bearing interest at a weekly interest rate are subject to optional redemption by the City, in whole or in part, at any time, at a redemption price equal to the principal amount thereof to be redeemed, plus accrued but unpaid interest to the redemption date.	6,745,000
KCMO Special Obligation Series 2009B President Hotel Project	March 1, 2028	Variable Rate Bonds - Series 2009B initially bear interest in the weekly interest rate period	The Series 2009B bonds bearing interest at a weekly interest rate are subject to optional redemption by the City, in whole or in part, at any time, at a redemption price equal to the principal amount thereof to be redeemed, plus accrued but unpaid interest to the redemption date.	16,115,000

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Description	Date of Maturity	Range of Interest Rates	Optional Redemption Dates/ Redemption Price	Outstanding Balance
KCMO Special Obligation Series 2009C Chouteau I-35 Project	March 1, 2024	Variable Rate Bonds - Series 2009C initially bear interest in the weekly interest rate period	The Series 2009C bonds bearing interest at a weekly interest rate are subject to optional redemption by the City, in whole or in part, at any time, at a redemption price equal to the principal amount thereof to be redeemed, plus accrued but unpaid interest to the redemption date.	\$ 5,655,000
KCMO Special Obligation Series 2009D Chouteau I-35 Project	March 1, 2023	Variable Rate Bonds - Series 2009D initially bear interest in the weekly interest rate period	The Series 2009D bonds bearing interest at a weekly interest rate are subject to optional redemption by the City, in whole or in part, at any time, at a redemption price equal to the principal amount thereof to be redeemed, plus accrued but unpaid interest to the redemption date.	4,915,000
KCMO Special Obligation Series 2009E Performing Arts Center Garage	February 1, 2029	3.10% - 6.98%	Not subject to optional redemption.	50,520,630
KCMO Special Obligation Series 2010A East Village Project	April 15, 2031	2.00% - 5.00%	Bonds maturing in year 2021 and thereafter are subject to redemption in whole or in part, on any day on and after April 15, 2020 at 100% of the principal amount thereof, plus interest accrued to the redemption date.	5,260,000
KCMO Special Obligation Series 2010B Various Refunding	January 1, 2021	3.00% - 4.125%	Bonds maturing in year 2021 and thereafter are subject to redemption in whole or in part, on any day on and after January 1, 2020 at 100% of the principal amount thereof, plus interest accrued to the redemption date.	15,935,000
KCMO Special Obligation Series 2010C Muehlebach DSR and Refunding Bonds	April 1, 2019	1.427% - 5.511%	Except for Extraordinary Optional Redemption, the bonds are not subject to redemption.	10,705,000
KCMO Special Obligation Series 2012A Various Capital Projects	March 1, 2032	2.00% - 5.00%	Bonds maturing on March 1, 2023 and thereafter are subject to redemption in whole or in part, on any day on and after March 1, 2022 at 100% of the principal amount thereof, plus interest accrued to the redemption date.	15,985,000
KCMO Special Obligation Series 2012B Various Capital Project and Refunding	March 1, 2032	1.46% - 5.25%	Bonds maturing on March 1, 2023 and thereafter are subject to redemption in whole or in part, on any day on and after March 1, 2022 at 100% of the principal amount thereof, plus interest accrued to the redemption date.	59,280,000
Total Special Obligation Bonds				\$ 556,670,630

City of Kansas City, Missouri
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Description	Date of Maturity	Range of Interest Rates	Optional Redemption Dates/ Redemption Price	Outstanding Balance
Land Clearance Redevelopment Authority for Special Obligations Bonds outstanding				
LCRA Refunding Bonds Series 2005E Muehlebach Refunding/Parking Garage	December 1, 2018	3.50% - 5.00%	Bonds maturing on and after 12/1/16 are subject to the following optional redemptions: 12/1/2015 and thereafter—100%, as a whole or in part at any time.	\$ 18,595,000
Total LCRA Bonds outstanding				\$ <u>18,595,000</u>
Industrial Development Authority (IDA) Bonds				
IDA Bonds Century Towers Project, Series 2001	July 1, 2021	3.32%	The Series 2001 bonds shall be subject to redemption and payment prior to maturity, as a whole at any time or in part on the first business day of any month, at a redemption price equal to the sum of (a) 100% of the principal amount thereof, (b) the amount of the Breakage Premium and (c) accrued interest to the redemption date.	\$ 13,980,000
IDA Bonds KC Live Project, S Series 2005A	December 1, 2032	4.00% - 5.50%	Following the fixed rate conversion date, the Series 2005A bonds maturing on or after December 1, 2018 are subject to redemption and payment prior to maturity, at the option of Authority, which at the written direction from the City, in whole or in part at any time, on and after December 1, 2017 at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the redemption date thereof.	110,885,000
IDA Civic Mall/Cherry Inn, Series 2006C	December 1, 2015	4.00% - 5.00%	Series 2006C are not subject to optional call.	2,885,000
IDA Bonds Uptown/Midtown Refunding Series 2007A	April 1, 2022	4.00% - 5.00%	Bonds maturing in the year 2018 and thereafter are subject to the following optional redemptions: 4/1/17 and thereafter – 100%; as a whole or in part at any time.	33,360,000
IDA Bonds KC Live Project Refunding Series 2011A	September 1, 2032	2.00% - 5.50%	Bonds maturing in the year 2022 and thereafter are subject to the following optional redemptions: 9/1/21 and thereafter - 100%, from time to time as a whole or in part.	175,405,000
Total IDA Bonds				\$ <u>336,515,000</u>

City of Kansas City, Missouri
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Description	Date of Maturity	Range of Interest Rates	Optional Redemption Dates/ Redemption Price	Outstanding Balance
Tax Increment Financing (TIF) Bonds:				
TIF Blue Parkway Town Center, Series 2004	July 1, 2027	3.50% - 5.00%	Bonds maturing on and after 7/1/14 are subject to optional redemption at par in whole or in part at any time equal to 100% of par amount.	\$ 14,515,000
Total TIF Bonds Outstanding				<u>\$ 14,515,000</u>
Notes HUD				
HUD - 108				
Beacon Hill	August 1, 2022	4.27%-6.27%	Notes for the Housing Developments so named. Terms are for \$500,000 and \$355,000 annual principal payments, respectively.	\$ 5,500,000
18th and Vine	August 1, 2022	4.27%-6.27%		3,905,000
Total HUD 108 Notes Outstanding				<u>\$ 9,405,000</u>
Water Revenue Bonds, and Leases				
Revenue Bonds, Water Subordinate Series 2008A	December 1, 2027	4.66%	Bonds may be called for redemption and payment prior to their stated maturity on June 1, 2018 and, thereafter, 100% as a whole or in part at any time in such amounts for each stated maturity.	\$ 31,355,000
Revenue Bonds, Water Refunding and Improvement Revenue Bonds Series 2009A	December 1, 2032	2.00% - 5.25%	Bonds maturing on and after December 1, 2019 are subject to redemption prior to maturity, at the option of the City, in whole or in part at any time on or after Dec. 1, 2018 at the principal amount thereof, together with accrued interest thereon to date of redemption at a price equal to 100%.	164,725,000
Revenue Bonds, Water Improvement Revenue Bonds Series 2012A	December 1, 2036	1.00% - 4.50%	Bonds maturing on and after December 1, 2022 are subject to redemption prior to maturity, at the option of the City, in whole or in part at any time on or after December 1, 2021, at the principal amount thereof, together with accrued interest thereon to date of redemption at a redemption price equal to 100%.	47,725,000
Water AMR Lease, 2009	December 25, 2017	3.44%	Subject to prepayment.	7,477,139
Water AMR Lease, 2009	December 25, 2019	4.06%	Subject to prepayment.	19,905,795
Total Water Revenue Bonds and Leases				<u>\$ 271,187,934</u>

City of Kansas City, Missouri
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Description	Date of Maturity	Range of Interest Rates	Optional Redemption Dates/ Redemption Price	Outstanding Balance
Sewer Revenue Bonds, Leases and Loans				
Revenue Bonds Sewer System, Series 1992B (State Revolving Fund)	July 1, 2013	4.50% - 6.55%	Original optional redemption was as follows: Bonds maturing 7/1/13 may be called for redemption and payment in whole or in part on each June 1 and December 1 at 100% on and after 6/1/04, commencing 6/1/02. This optional redemption was amended by ordinance No. 010579 wherein the City irrevocably and unconditionally waives its right to optionally redeem certain bond maturities covered during the redemption period.	\$ 205,000
Revenue Bonds Water Pollution Control, Series 1995B (State Revolving Fund)	January 1, 2015	4.50% - 7.75%	Original optional redemption was as follows: Bonds maturing on and after 1/1/06 may be called for redemption in whole or in part on each June 1 and December 1 - 100% on and after 12/1/06, commencing commencing 12/1/04. This optional redemption was amended by ordinance No. 010579 wherein the City irrevocably and unconditionally waives its right to optionally redeem certain bond maturities covered during the redemption period.	4,285,000
Revenue Bonds Water Pollution Control, Series 1996A (State Revolving Fund)	January 1, 2016	3.60% - 7.00%	Original optional redemption was as follows: Bonds maturing on and after 1/1/07 may be called for redemption in whole or in part on any date at 100% on and after 1/1/08, commencing 1/1/06. This optional redemption was amended by ordinance No. 010579 wherein the City irrevocably and unconditionally waives its right to optionally redeem certain bond maturities covered during the redemption period.	7,150,000
Revenue Bonds Sewer, Series 1997A, (State Revolving Fund)	January 1, 2017	3.95% - 5.75%	Original optional redemption was as follows: Bonds maturing on and after 1/1/08 may be called for redemption in whole or in part on any date with the consent of bondowner or on each interest payment date commencing 1/1/07 at 100% on and after 1/1/09. This optional redemption was amended by ordinance No. 010579 wherein the City irrevocably and unconditionally waives its right to optionally redeem certain bond maturities covered during the redemption period.	6,505,000

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Description	Date of Maturity	Range of Interest Rates	Optional Redemption Dates/ Redemption Price	Outstanding Balance
Revenue Bonds Sewer, Series 1998A, (State Revolving Fund)	January 1, 2019	3.90% - 5.25%	Bonds maturing on and after 1/1/09 are subject to redemptions in whole or in part on any date with the consent of the bondholder or on each June 1 and December 1 commencing 6/1/08 at the following redemption prices: 6/1/08 - 5/31/09 - 101%; 6/1/09 - 5/31/10 - 100.5%; 6/1/10 and thereafter - 100%.	\$ 4,230,000
Revenue Bonds Sewer, Series 1999A, (State Revolving Fund)	January 1, 2020	3.625% - 5.25%	Original optional redemption was as follows: Bonds maturing on and after 1/1/10 may be called for redemption in whole or in part on any date with the consent of the bondowner or on each June 1 and December 1 commencing 6/1/09 at the following redemption dates and prices: 6/1/09 to 5/31/10 - 101% 6/1/10 to 5/31/11 - 100.5% 6/1/11 and thereafter- 100% This optional redemption was amended by ordinance No. 040140 wherein the City irrevocably and unconditionally waives its right to optionally redeem certain bond maturities covered during the redemption period.	3,020,000
Revenue Bonds Sewer, Series 2000A, (State Revolving Fund)	July 1, 2020	4.60% - 5.75%	Original optional redemption was as follows: Series 2000A maturing on 7/1/11 may be called for redemption and payment prior to maturity in whole or in part on any date with the consent of the bondowner or each June 1 and December 1, commencing 6/1/10 at the redemption price of 100%. This optional redemption was amended by ordinance No. 040140 wherein the City irrevocably and unconditionally waives its right to optionally redeem certain bond maturities covered during the redemption period.	6,495,000
Revenue Bonds Sewer, Series 2000B, (State Revolving Fund)	July 1, 2020	4.25% - 5.625%	Original optional redemption was as follows: Series 2000B maturing 7/1/13 may be called for redemption and payment prior to maturity in whole or in part on any date on and after 9/1/10 with the consent of the bondowner or on each June 1 and December 1, commencing 12/1/10 at the redemption price of 100%. This optional redemption was amended by ordinance No. 040140 wherein the City irrevocably and unconditionally waives its right to optionally redeem certain bond maturities covered during the redemption period.	5,855,000

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Description	Date of Maturity	Range of Interest Rates	Optional Redemption Dates/ Redemption Price	Outstanding Balance
Revenue Bonds Sewer, Series 2001B, (State Revolving Fund)	July 1, 2022	3.00% - 5.375%	Bonds maturing on 7/1/22 may be called for redemption and payment prior to maturity as a whole or in part on any date on and after 6/1/11 with the consent of bondowner or on each June 1 and December 1 commencing 6/1/11 without premium.	\$ 10,305,000
Revenue Bonds Sewer, Series 2002J	July 1, 2022	2.00% - 5.50%	The bonds maturing on 7/1/13 and thereafter may be called for redemption and payment prior to maturity as a whole or in part on any date with the consent of bondholder or on each June 1 and December 1, commencing 12/1/12 without premium.	6,125,000
Revenue Bonds Sewer, Series 2004A	January 1, 2024	2.00% - 4.75%	Bonds maturing on and after 1/1/15 are subject to the following optional redemptions: 1/1/14 and thereafter - 100%, as a whole at any time or in part, on any interest payment date.	13,450,000
Revenue Bonds Sewer, Series 2004H	January 1, 2025	3.00% - 5.25%	Bonds maturing on 1/1/15 and thereafter, except as provided below, may be called for redemption prior to maturity in whole or in part on any date with the consent of the bondowner or on each June 1 and December 1, commencing 12/1/13 at the redemption price of 100%. Bonds maturing on 1/19, 1/20 and 1/21 are not subject to redemption.	7,280,000
Revenue Bonds Sewer, Series 2005B	January 1, 2025	3.00% - 5.00%	Bonds maturing on and after 1/1/16 are subject to the following optional redemption: 1/1/15 and thereafter - 100%, as a whole at any time or in part, on any interest payment date.	11,430,000
Revenue Bonds Sewer Series 2007A	January 1, 2032	4.00% - 5.00%	Bonds maturing on and after 1/1/18 are subject to the following optional redemption: 1/1/17 and thereafter - 100%, as a whole or in part at any time.	35,750,000
Revenue Bonds Sewer Series 2009A	January 1, 2034	2.50% - 5.25%	Bonds maturing on and after 1/1/20 are subject to the following optional redemption: 1/1/19 and thereafter - 100%, as a whole or in part at any time.	65,765,000
Revenue Bonds Sewer Series 2009B	January 1, 2030	1.48%	At the option of the City, with the prior written consent of the owner of the bonds may be called for redemption and payment prior to stated maturity in whole or in part at any time, at the redemption price of 100%.	9,576,203
Revenue Bonds Sewer Series 20011A	January 1, 2037	2.00% - 5.00%	Bonds maturing on and after 1/1/22 are subject to the following optional redemption: 1/1/21 and thereafter - 100%, as a whole or in part at any time.	89,030,000
Total Sewer Revenue Bonds				<u>\$ 286,456,203</u>

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Description	Date of Maturity	Range of Interest Rates	Optional Redemption Dates/ Redemption Price	Outstanding Balance
Storm Water Loan				
Storm Water Loan, Series 2000	December 1, 2020	1.70%	Not applicable	\$ 626,300
Storm Water Loan, Series 2001 & 2002	December 1, 2021	1.60%	Not applicable	3,152,000
Storm Water Loan, Series 2007	June 1, 2027	1.40%	Not applicable	422,400
Total Storm Water Loans Outstanding				<u>\$ 4,200,700</u>
Airport Revenue Bonds Gen Imp, Series 2003A	September 1, 2027	3.60% - 5.75%	Bonds maturing on and after 9/1/13 are subject to the following optional redemptions: 9/1/12 and thereafter - 100%, as a whole or in part, on any interest payment date.	\$ 66,415,000
Airport Revenue Bonds Gen Imp, Series 2003B	September 1, 2018	4.25% - 5.375%	Bonds maturing on and after 9/1/13 are subject to the following optional redemptions: 9/1/12 and thereafter - 100%, as a whole or in part, on any interest payment date.	53,055,000
Airport Revenue Bonds Gen Imp, Series 2004E	September 1, 2012	3.00% - 5.25%	No optional redemptions.	7,025,000
Airport Revenue Bonds Subordinated Taxable Imp CFC Series 2005C	September 1, 2020	5.00% - 5.25%	Bonds maturing on 9/1/16 and after are subject to the following optional redemptions: 9/1/15 and thereafter - 100%, as a whole or in part, on any interest payment date.	40,670,000
Airport Revenue Bonds Gen Impr. Refunding Series 2008A	September 1, 2014	4.00% - 5.00%	No optional redemptions.	28,095,000
Total Airport Revenue Bonds Outstanding				<u>\$ 195,260,000</u>
Passenger Facility Charge (PFC)				
Revenue Bonds:				
PFC Revenue Bonds, Series 2001	April 1, 2026	5.00%	The bonds maturing on and after 4/1/12 are subject to the following optional redemptions: 4/1/11 to 3/31/12 - 101%; 4/1/12 to 3/31/13 - 100.5%; 4/1/13 and thereafter - 100%, as a whole at any time or in part, on any interest payment date.	\$ 98,940,000
Total PFC Bonds Outstanding				<u>\$ 98,940,000</u>

City of Kansas City, Missouri
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Variable Rate Demand Bonds

The City has issued various variable rate demand bonds (“Bonds”) amounting to \$135,695,000 at April 30, 2012. These Bonds are remarketed by remarketing agents on a periodic basis and they receive an annual fee of 8 basis points (0.08%) of the outstanding principal amount of the Bonds. The Bonds are supported by liquidity agreements in the event the Bonds are not able to be remarketed. As of April 30, 2012, the liquidity agreements have varying expiration dates from April 8, 2014 through March 15, 2015. Any advances made under the liquidity agreements are generally converted to installment loans payable over a period of two (2) to five (5) years. The additional portion of the bonds that could be required to be repaid within one year under the demand provisions or the liquidity agreements is not reflected as current in the schedules above, but has been included as Demand bonds due within one year in the statement of net assets. At April 30, 2012, all variable rate bonds had been successfully remarketed. The interest rates on each of the Bonds for the last week of April 2012 were used for calculating estimated future interest payments on the Bonds.

Note: The following are the remarketing agents for the City’s special obligation variable rate demand bonds: (a) Wells Fargo Brokerage Services, LLC for Series 2009A, (b) Merrill Lynch, Pierce, Fenner and Smith Inc. for Series 2009B, 2009C and 2009D and (c) Citigroup Global Markets, Inc. for Series 2008E and 2008F.

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The following table shows the various terms of the liquidity agreements for each of the Bonds:

Issuer	Bond Name	Purpose	Bonds Subject to Purchase on the Demand of Bondholders	LOC Provider (1)	LOC Expiration	LOC Annual Fee (2)	LOC Commitment	LOC Fee Paid in Fiscal Year 2012 (3)	Bank Bonds	Term Loan Repayment	Term Loan Rate
Special Obligation (City)	City of Kansas City, Missouri Variable Rate Demand Special Obligation Refunding Bonds, Series 2008E (H. Roe Bartle Convention Center Project)	To refund Series 2004A bonds, which funded the H. Roe Bartle Convention Center Project	Yes. Need to be purchased on a business day not prior to the 7th day after the date of the delivery bondholders' notice	Sumitomo Mitsui Banking Corporation	8/3/2014	0.85%	Principal of bonds plus 45 days interest at 10% per annum	\$628,175	None	Five years, payable in ten equal semi-annual payments beginning from the earlier of (a) the six-month anniversary of the Termination Date of the LOC or (b) such earlier date as maybe requested by the City	Days 1-30: Base Rate. Days 31-90: Base Rate plus 1.00%. Days 91+ Base Rate plus 2.00%. Base Rate = higher of LIBOR Index Rate plus 3.00%. Prime Rate plus 2.00%. Fed. Funds plus 3.00% or SIFMA plus 3.00%
Special Obligation (City)	City of Kansas City, Missouri Variable Rate Demand Special Obligation Refunding Bonds, Series 2008F (H. Roe Bartle Convention Center Project)	To refund Series 2005 bonds, which funded the H. Roe Bartle Convention Center Project	Yes. Need to be purchased on a business day not prior to the 7th day after the date of the delivery bondholders' notice	Sumitomo Mitsui Banking Corporation	8/3/2014	0.85%	Principal of bonds plus 45 days interest at 10% per annum	\$180,846	None	Five years, payable in ten equal semi-annual payments beginning from the earlier of (a) the six-month anniversary of the Termination Date of the LOC or (b) such earlier date as maybe requested by the City	Days 1-30: Base Rate. Days 31-90: Base Rate plus 1.00%. Days 91+ Base Rate plus 2.00%. Base Rate = higher of LIBOR Index Rate plus 3.00%. Prime Rate plus 2.00%. Fed. Funds plus 3.00% or SIFMA plus 3.00%
Special Obligation (City)	City of Kansas City, Missouri Variable Rate Demand Taxable Special Obligation Refunding Bonds, Series 2009A (909 Walnut Parking Facility Project)	To pay portion of the costs in the development of the 909 Walnut Parking Facility Project	Yes. Need to be purchased on a business day not prior to the 7th day after the date of the delivery bondholders' notice	U.S. Bank, NA	3/15/2015	1.00%	Principal of bonds plus 35 days interest at 10% per annum	\$111,463	None	Two years, payable in equal quarterly principal installments beginning first quarter 180 days from the liquidity drawing	Days 1-90: Base Rate plus 1.50%. Days 91-180: Base Rate plus 2.50%. Days 181+: Base Rate plus 3.50%. Base Rate = higher of Prime and 2.00% plus one-month LIBOR
Special Obligation (City)	City of Kansas City, Missouri Variable Rate Demand Special Obligation Refunding Bonds, Series 2009C and 2009D (Chouteau I-35 Project)	To refund the Series 2003A and 2003B bonds, which funded the Chouteau I-35 Redevelopment Project	Yes. Need to be purchased on a business day not prior to the 7th day after the date of the delivery bondholders' notice	JPMorgan Chase Bank, NA	4/8/2014	1.50%	Principal of bonds plus 39 days interest at 10% per annum	\$172,395	None	Three years, payable every six months in equal principal installments beginning the sixth month immediately following the Term Loan Start Date	Days 1-90: higher of Prime plus 1.50%. Fed. Funds plus 2.00% or 8.50%. Days 91+: higher of Prime plus 2.50%. Fed. Funds plus 3.00% or 8.50%
Special Obligation (City)	City of Kansas City, Missouri Variable Rate Demand Taxable Special Obligation Refunding Bonds, Series 2009B (President Hotel Project)	To refund the Series 2004 bonds, which funded the President Hotel Redevelopment Project	Yes. Need to be purchased on a business day not prior to the 7th day after the date of the delivery bondholders' notice	JPMorgan Chase Bank, NA	4/8/2014	1.50%	Principal of bonds plus 39 days interest at 10% per annum	\$255,159	None	Three years, payable every six months in equal principal installments beginning the sixth month immediately following the Term Loan Start Date	Days 1-90: higher of Prime plus 1.50%. Fed. Funds plus 2.00% or 8.50%. Days 91+: higher of Prime plus 2.50%. Fed. Funds plus 3.00% or 8.50%

Notes:

- (1) The KC Live Bonds, Series 2005B, 2006A and 2006B variable demand rate bonds were converted to fixed rate bonds in June 2011. Hence, the JPMorgan Chase Bank irrevocable direct-pay letter of credit was terminated and is not included in the table above. On August 2011 Sumitomo Mitsui Banking Corporation replaced Bank of America, NA and Dexia Credit Local as the new irrevocable direct-pay letter credit provider for Bartle Hall Series 2008E and 2008F, respectively.
- (2) Subject to adjustment based on the City's current credit ratings. Does not include LOC renewal fee and closing costs.
- (3) City paid a total of \$514,073 (excludes renewal closing costs) in Fiscal Year 2011-12 for LOC fees for KC Live Series 2005B, 2006A and 2006B to JPMorgan Chase Bank.
\$157,161 of the \$628,175 Bartle Hall Series 2008E LOC fee was paid to Bank of America, NA and the remainder to Sumitomo Mitsui Banking Corporation.
\$59,564 of the \$180,846 Bartle Hall Series 2008F LOC fee was paid to Dexia Credit Local and the remainder to Sumitomo Mitsui Banking Corporation.

City of Kansas City, Missouri
Notes to Basic Financial Statements
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Special Obligation Bonds Refunding (KC Live Bonds)

On June 1, 2011, at the request of the City, the Industrial Development Authority of the City of Kansas City, Missouri (the "IDA") refunded its Variable Rate Demand Revenue Bonds, Series 2005B, 2006A and 2006B (the "IDA Refunded Bonds") to decrease the City's overall interest rate exposure and to create budget certainty.

To affect the refunding, the IDA issued its Refunding Revenue Bonds (the "Series 2011A Bonds") in the principal amount of \$177,530,000 to refund the IDA Refunded Bonds, to make the required termination payments in connection with the termination of certain qualified derivative instruments related to the Series 2005B and 2006A Bonds, and to pay costs of issuance.

The Series 2011A Bonds had a final maturity of September 1, 2032 and had fixed interest rates ranging from 2.00% to 5.50%. The total debt service on the Series 2011A Bonds is \$298,056,858, assuming the bonds are not refunded prior to maturity. Total debt service on the IDA Refunded Bonds, had the bonds not been refunded, would have been \$292,457,884. This estimate was based on the following interest rate and fee assumptions: a) Series 2005B and Series 2006A of 3.60%; b) Series 2006B of 2.60% and c) Support fee of 185bp.

As mentioned above, a portion of the Series 2011A bond proceeds were used to terminate the swap agreements with UBS AG, Stamford Branch and Barclays Bank PLC in the termination amounts of \$8,390,000 and \$4,551,000, respectively.

As a result of these actions, the IDA Refunded Bonds are considered to be defeased and the liability for those bonds and related implied loan associated with the off market interest rate swap derivative have been removed from the long-term obligations.

Sanitary Sewer System Revenue Bonds Refunding

On November 17, 2011, the City issued Sanitary Sewer System Improvement & Refunding Bonds, Series 2011A to refund the following:

- Current Refunding Sanitary Sewer System Improvement Bonds, Series 2002D-1 ("Series 2002D-1 Refunded Bonds")

The total par amount of the Series 2011A bonds was \$89,175,000. A total of \$82,605,000 of this par amount was new money to finance the Sanitary Sewer System Project. The Series 2002D-1 was refunded to reduce the City's total debt service payment. On November 17, 2011, \$7,712,227 was directly sent to the escrow agent of Series 2002D-1 Refunded Bonds to call them on January 1, 2012. As a result of these actions, the Series 2002D-1 Refunded Bonds are considered to be defeased and the liability for those bonds has been removed from the long-term obligation. Refer to the table on page A-105 for additional refunding information.

City of Kansas City, Missouri
Notes to Basic Financial Statements
April 30, 2012

General Obligation Bonds Refunding

On March 22, 2012, the City issued General Obligation Improvement and Refunding Bonds, Series 2012A to refund the following bonds (collectively, the “General Obligation Refunded Bonds”):

- Advanced Refunding - General Obligation Bonds (Downtown/Neighborhood Project), Series 2003F (“Series 2003F Refunded Bonds”)
- Advanced Refunding - General Obligation Bonds (Various Projects), Series 2004F (“Series 2004F Refunded Bonds”)

The total par amount of Series 2012A bonds was \$216,895,000. A total of \$124,285,000 of this par amount was new money to finance the City’s Basic Infrastructure, Zoo and Public Safety Projects. The General Obligation Refunded Bonds were refunded to reduce the City’s total debt service payment. On March 22, 2012, \$15,984,712 and \$85,405,010 were directly sent to the escrow agent of Series 2003F and 2004F Refunded Bonds, respectively. The 2003F and 2004F Refunded Bonds are due to be called on February 1, 2013 and February 1, 2014, respectively. As a result of these actions, the General Obligation Refunded Bonds are considered to be defeased and the liability for those bonds has been removed from the long-term obligation. Refer to the table on page A-104 for additional refunding information.

Special Obligation Bonds Refunding/Redemption

On March 29, 2012, the City issued Taxable Special Obligation Refunding and Improvement Bonds, Series 2012B (“Special Obligation Bonds, Series 2012B”) to refund and partially redeem the following bonds (collectively, the “Special Obligation Refunded Bonds”) and promissory note (the “Bank of America Promissory Note”), respectively:

- Partial Redemption Bank of America Promissory Note
- Partial Advanced Refunding of Special Obligation Bonds (11th and Oak Parking Garage Project), Series 2010B (“Special Obligation Series 2010B Refunded Bonds”)
- Current Refunding of Kansas City Municipal Assistance Corporation Leasehold Revenue Bonds (11th & Oak Parking Garage Project), Series 2001A (“KCMAC Series 2001A Refunded Bonds”)
- Current Refunding of Planned Industrial Expansion Authority of Kansas City, Missouri (Kemper Arena Garage Project), Series 2001 (“PIEA Series 2001A Refunded Bonds”)

The total par amount of the Special Obligation Bonds, Series 2012B bonds was \$59,280,000. A total of \$30,840,000 of this par amount was new money to finance the City’s 63rd and Prospect Redevelopment and Downtown Residential Projects. The KCMAC Series 2001A and PIEA Series 2001A Refunded Bonds were refunded to reduce the City’s total debt service payment and the Special Obligation Series 2010B Refunded Bonds were refunded to provide the City flexibility in the usage of the garage. On March 29, 2012, the trustee/escrow agent received escrow funds totaling \$11,212,965, \$14,640,993 and \$2,463,262 to refund PIEA Series 2001, KCMAC Series 2001A and Special Obligation Series 2010B Refunded Bonds, respectively. The PIEA Series 2001 and KCMAC 2001A Refunded Bonds were called on March 30, 2012. The Special

City of Kansas City, Missouri
Notes to Basic Financial Statements
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Obligation Series 2010B Refunded Bonds principal and interest payments will be paid and discharged at their respective maturity dates. As a result of these actions, the Special Obligation Refunded Bonds are considered to be defeased and the liability for those bonds has been removed from the long-term obligation. Refer to the table on page A-104 for additional refunding information.

On December 20, 2010, the City entered into a taxable floating rate promissory note with Bank of America, N.A. in the amount of \$9,838,000. The proceeds of the note were used to pay costs of the acquisition by the City of certain property within the East Village Redevelopment Project. A portion of the Special Obligation Bonds, Series 2012B was used to redeem \$4,400,000 of the Bank of America Promissory Note principal outstanding.

On May 9, 2011, the City entered into an amended lease agreement (“Lease Agreement”) with Swope Community Builders (“SCB”) in which the Lease Agreement requires SCB to pay the City base rent approximately equal to the debt service on the Bank of America Promissory Note, but only to the extent of \$5,438,000 principal outstanding. The City decided to redeem the principal portion not covered by the Lease Agreement to a longer term in order to decrease the City’s overall interest rate exposure and to create budget certainty. The Bank of America Promissory Note interest rate is based on a BBA LIBOR Daily Floating Rate plus 1.50%.

City of Kansas City, Missouri
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Refunded Bonds	Type of Refunding	Optional Call Dates	Par Amount of Refunding Bonds	Interest Range Refunding Bonds	Principal Amount Refunded *	Interest Range of Refunded Bonds	Amount Escrowed	Types of Investments Purchased	Total	Gross	Economic
									Years of Savings/ Dissavings	Savings/ Dissavings	Gain
General Obligation, Series 2003F	Advanced	2/1/2013	\$ 14,625,000	2.00% - 5.00%	\$ 15,345,000	2.50% - 5.00%	\$ 15,984,712	Tnote	10.86	\$ 1,925,868	\$ 1,797,550
General Obligation, Series 2004F	Advanced	2/1/2014	77,985,000	2.00% - 5.00%	78,175,000	3.00% - 5.00%	85,405,010	Tnote	11.86	7,779,108	7,292,744
General Obligation, Series 2010B	Advanced	N/A	2,485,000	1.46% - 3.41%	2,205,000	3.00% - 4.00%	2,463,262	SLGS	6.92	(244,812)	(155,151)
KCMAC, Series 2001A	Current	3/30/2012	11,730,000	1.46% - 3.41%	14,510,000	4.00% - 5.00%	14,640,993	Uninvested	6.92	1,466,685	958,910
PIEA, Series 2001	Current	3/30/2012	9,745,000	1.45% - 4.13%	10,920,000	4.95% - 7.00%	11,212,965	Uninvested	9.92	2,544,828	1,765,991
Total			\$ 116,570,000		\$ 121,155,000		\$ 129,706,942			\$ 13,471,677	\$ 11,660,044

* Series 2001A and 2001 both have a redemption premium of \$72,550 and \$109,200, respectively. The principle portion of Series 2010B allocable to the 11th & Oak Parking Garage maturing in the years 2013 through 2019 were the only bonds redeemed within the 2010B Series.

Calculation of Escrow Monies	G.O. 2003F	G.O. 2004F	Special Obligation	KCMAC	PIEA
			2010B	2001A	2001
Par Amount	\$ 14,625,000	\$ 77,985,000	\$ 2,485,000	\$ 11,730,000	\$ 9,745,000
Net/Premium	1,349,180	7,658,189	-	-	-
Transfer from Prior Issue DSR Funds	-	-	-	2,487,756	1,545,000
Transfer from Construction Funds	97,127	230,165	-	518,488	-
Less:					
Cost of Issuance	(26,842)	(136,703)	(9,055)	(42,741)	(35,508)
Rebate Fund	(674)	(3,596)	-	-	-
Project Fund	-	-	(1,581)	(737)	2,327
Underwriter's Discount	(59,079)	(328,045)	(11,102)	(51,773)	(43,854)
Escrow Deposits	\$ 15,984,712	\$ 85,405,010	\$ 2,463,262	\$ 14,640,993	\$ 11,212,965

City of Kansas City, Missouri
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Refunded Bonds	Type of Refunding	Optional Call Dates	Par Amount of Refunding Bonds	Interest Range Refunding Bonds	Principal Amount Refunded	Interest Range of Refunded Bonds	Amount Escrowed	Types of Investments Purchased	Total	Gross	Economic
									Years of Savings/ Dissavings	Savings/ Dissavings	Gain
Sanitary Sewer Series 2002D-1	Current	1/1/2012	\$ 6,570,000	2.00% - 5.00%	\$ 7,530,000	4.00% - 5.375%	\$ 7,712,227	SLGS	10.12	\$ 1,256,752	\$ 1,074,781

Calculation of Escrow Monies Series 2002D-1

Par Amount	\$ 6,570,000
Net/Premium	883,149
Other Sources	312,521
Less:	
Cost of Issuance	(23,208)
Rebate Fund	(737)
Underwriter's Discount	(27,919)
Additional Proceeds	(1,579)
	<hr/>
Escrow Deposits	<u><u>\$ 7,712,227</u></u>

City of Kansas City, Missouri
Notes to Basic Financial Statements
April 30, 2012

Derivative Instruments

At April 30, 2012, the City has the following two interest rate swap derivative instruments outstanding (amounts in thousands):

Derivative Instrument	Type	Objective	Counterparty	Optional Notional Amount	Notional Amount as of April 20, 2012	Effective Date	Termination Date	Cash (Paid) Received	Terms
A	Pay-fixed interest rate swap	Hedge interest rate risk on Series 2008E Bonds (Bartle Hall Project)	CitiBank, N.A.	\$ 80,885	\$ 80,885	Amended - 8/13/2008 Original - 10/19/2004	4/15/2034	\$ 35	Pay 3.677% Receive 68% of the USD-LIBOR-BBA
B	Pay-fixed interest rate swap	Hedge interest rate risk on Series 2008F Bonds (Bartle Hall Project)	CitiBank, N.A.	20,610	20,610	Amended - 8/13/2008 Original - 1/19/2005	4/15/2025	35	Pay 3.667% Receive 68% of the USD-LIBOR-BBA

Outstanding Derivative Instruments

Citibank, N.A., (the “Swap Counterparty”) and the Kansas City Municipal Assistance Corporation (“KCMAC”) previously entered into a certain ISDA Master Agreement (derivative instruments A & B) dated as of October 18, 2004, including Schedule, Credit Support Annex and Confirmations (the “Original Derivative Instrument – Bartle Hall Project”) with respect to the KCMAC Series 2004A and Series 2005 Bonds (collectively referred to herein as “KCMAC Refunded Bonds”). The KCMAC Refunded Bonds were issued to finance the City’s H. Roe Bartle Convention Center Project.

The City refunded the KCMAC Refunded Bonds by issuing its Kansas City, Missouri Special Obligation Refunding Bonds, Series 2008E and 2008F (collectively referred to herein as “City Refunding Bonds”). At the time of the refunding, KCMAC assigned to the City all of its rights and obligations under the Original Derivative Instrument - Bartle Hall Project pursuant to an Assignment and Assumption Agreement among KCMAC, the City and the Swap Counterparty.

Terminated Derivative Instruments

At the start of fiscal year 2012, the Industrial Development Authority of Kansas City, Missouri (“IDA”) had an ISDA Master Agreement (“Swap Agreements”) with UBS AG, Stamford Branch (“UBS AG”) and Barclays Bank PLC (“Barclays”), (the “KC Live Swap Counterparties”), including Schedule, Credit Support Annex and Confirmation with respect to the IDA Series 2005B and Series 2006A Bonds (collectively referred to herein as “Hedged IDA KC Live Bonds”). The Hedged IDA KC Live Bonds and other IDA KC Live Bonds were issued to finance the KC Live Downtown Redevelopment Project. In April 2011, the City passed an ordinance, which requested the IDA to refund the IDA KC Live Bonds that were then in a variable rate mode, including the Hedged IDA KC Live Bonds with fixed rate mode bonds (the “Refunding Bonds”) and to terminate the Swap Agreements. A portion of the proceeds of the Refunding Bonds was used to pay for the termination payment on the Swap Agreements. The City and IDA agreed to pay termination payments to UBS AG and Barclays in the amount of \$8,390,000 and \$4,551,000, respectively. The Swap Agreements were effectively terminated on May 18, 2011, and the Refunding Bonds were issued June 1, 2011.

City of Kansas City, Missouri
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Through a competitive bidding process, Barclays had previously replaced Lehman Brothers Special Financing Inc. (“LBSF”) as the swap counterparty under the LBSF Derivative Instrument (LBSF-IDA 2007 Derivative Instrument) relating to the Hedged IDA KC Live Bonds. On October 3, 2008, LBSF instituted a proceeding under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court in the Southern District of New York. Filing a petition for protection under the bankruptcy code triggered certain default provisions in the LBSF-IDA 2007 Derivative Instrument, permitting a termination of the LBSF-IDA 2007 Derivative Instrument. December 5, 2008 was the designated early termination date. The IDA, on behalf of the City, made a swap termination payment to LBSF in accordance with the LBSF-IDA 2007 Derivative Instrument.

Subsequent to December 5, 2008, LBSF questioned the City’s calculation of the market value on the termination date and the amount of the termination payment, including such matters as the number of Reference Market-maker bids received, the validity of one of the bidders as a Reference Market-maker, the interest rate used by the City for the calculation, the City’s legal and swap advisor fees that were deducted from the termination payment and the like. After discussions between the parties, a settlement amount was agreed upon and on January 5, 2012, the City Council passed an ordinance approving the settlement of the dispute and payment of the settlement amount.

Fair Values (At-market Portion)

Table A

Derivative Instrument	April 30, 2011 Asset (Liability)	April 30, 2012 Asset (Liability)
A	\$ (8,409,133)	\$ (22,177,973)
B	(1,922,171)	(4,368,660)
	\$ (10,331,304)	\$ (26,546,633)

Table B (*in thousands*)

Governmental Activities	Change in Fair Value		Fair Value at April 30, 2012		
	Classification	Amount	Classification	Amount	Notional
Cash flow hedges:					
Pay-fixed interest rate swaps	Deferred outflows	\$ 16,215	Other liabilities	\$ 26,547	\$ 101,495

As of the end of the current period, all of the City’s interest rate derivatives are effective cash flow hedges and were classified as hedging derivatives in its financial statement. The fair value of the at-market portion is reported as other assets and deferred inflows if positive and other liabilities and deferred outflows if negative on the statement of net assets.

City of Kansas City, Missouri
Notes to Basic Financial Statements
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The fair value of the interest rate swaps were estimated using the zero-coupon method. This method calculates the future net settlement payments required by the swap, assuming that the current forward rates implied by the yield curve correctly anticipate future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement on the swap.

Hybrid Instruments

In August 2008, the City refunded its Series 2004A and 2005 bonds - Bartle Hall Project and amended the two associated pay-fixed swaps with Citibank N.A., without terminating the existing derivative instruments. As a result, the two pay-fixed swaps with Citibank N.A., now hedging Series 2008E and 2008F, had “off-market” terms at the time of the refunding and are accounted for as hybrid instruments in the City’s financial statements. The implied loans on these swaps aggregated \$3,880,888 at April 30, 2012.

Risks

Credit Risk—All derivative instruments rely upon the performance of swap counterparties. The City is exposed to the risk that its counterparty may become unable to fulfill its financial obligations under the derivative instrument. The City measures the extent of this risk based upon the counterparty credit ratings and the fair value of the respective derivative instrument. The credit ratings of the City’s single counterparty (Citibank) as of April 30, 2012 are shown in the following table:

Derivative Instrument	Counterparty	Moody’s Credit Rating (1)	S&P Credit Rating (2)	Fitch Credit Rating (3)
A & B	Citibank N.A.	A1 (4)	A	A

Source: Moody’s and S&P ratings - Derivativ - Derivative Management Services Report. Fitch’s rating – Fitch Ratings website.

- (1) Senior Unsecured Debt Rating
- (2) Long Term Local Issuer Credit Rating
- (3) Long Term Issuer Default Rating
- (4) Moody’s downgraded Citibank N.A. credit rating to A3 from A1 on June 21, 2012.

To mitigate the risk of counterparty non-performance, the City’s swap policy includes collateral posting requirements. Under the Credit Support Annex for derivative instrument A & B, the Amended Derivative Instrument, the counterparty will post collateral in the event that its credit rating is downgraded below A2 /A or not rated from Moody’s and Standard & Poor’s, respectively. The City is not required to post collateral.

As of April 30, 2012, the City was not exposed to actual credit risk under the derivative instrument because each instrument had a negative fair value. However, should interest rates change and the fair value of the swap become positive, the City would be exposed to credit risk in the amount of the derivative instrument’s fair value. In the event Citibank, N.A. has to post collateral, it should be in the form of cash or debt obligations issued by the U.S. Treasury Department or any other collateral acceptable to the Secured Party.

City of Kansas City, Missouri
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The City's swap policy does not require that derivative instruments include netting arrangements across multiple transactions. Derivative instruments A and B do not provide netting provisions across multiple transactions, but they allow netting payments within the same transaction.

The at-market and off-market fair value of derivative instruments A and B are in liability positions of \$26,546,633 and \$3,880,888, respectively, at April 30, 2012. The aggregate fair value is negative \$30,427,521. This represents the maximum loss that would be recognized at the reporting date if all counterparties failed to perform as contracted. There is no posted collateral to net against the aforementioned fair value.

The contracts for derivative instruments A and B are held by Citibank, N.A. and comprise approximately 100% of the net exposure to credit risk.

Termination Risk— Termination risk is generally referred to as the risk that a derivative instrument could be terminated causing the City to owe a termination payment as a result of any of several events, which may include: a ratings downgrade of the swap counterparty; covenant violations by either party; bankruptcy of either party; a swap payment default of either party; and other default events as defined by the derivative instrument. Any such termination may require the City to make significant termination payments in the future. The approximate amount of termination payment that the City would have to pay if each of the derivative instruments were terminated on April 30, 2012 is approximately \$30,427,521. The provisions of the agreements related to each derivative instrument allow for the offset of certain reimbursable costs related to the termination process.

To further mitigate the effect of termination risk relative to derivative instruments A and B, the agreements contain certain safeguards which include (i) collateral posting requirements as discussed in the preceding Credit Risk section and (ii) except for certain types of termination events there is no automatic early termination.

Derivative instruments A and B may be terminated, if the underlying rating of the City's obligations that are subject to annual appropriation falls below "BBB" from S&P or below "Baa2" from Moody's.

While there is no optional termination language in the confirmations of derivative instruments A and B, Citibank, N.A. may accommodate the City to terminate the derivative instruments early, subject to credit approval.

If, at the time of termination, a swap has a negative fair value, the City could be liable to the counterparty for a payment equal to the derivative instrument's fair value. If any of the derivative instruments are terminated, either the associated variable rate bonds would no longer be hedged with a synthetic fixed interest rate or the nature of the basis risk associated with the derivative instrument may change. As of April 30, 2012, the City is not aware of any pending event that would lead to a termination event with respect to any of its existing derivative instruments, which are in force and effect as of such date.

City of Kansas City, Missouri
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Basis Risk—Each of the derivative instruments is associated with certain debt obligations. The debt associated with each of the derivative instrument pays interest at variable interest rates. The City receives variable payments under the derivative instrument. To the extent these variable payments are not equal to the variable interest payments on the associated debt, there may be either a net loss or net benefit to the City.

Tax risk is an extreme form of basis risk in which changes in the trading relationship between taxable and tax-exempt bonds reduce swap receipts to the point that they are insufficient to offset portions of any variable rate bond payments. Tax risk is inherent in any unhedged tax-exempt variable rate bonds issued by the City.

For Fiscal Year 2011-2012, the following were the weekly average interest rates on the City’s swap agreements:

Derivative Instrument	*Weekly Average Variable Interest Rate	Weekly Average SIFMA Index	Weekly Average 68% of USD-LIBOR-BBA
A	0.135%	0.144%	0.159%
B	0.538%	0.144%	0.159%

*Based on weekly rate resets by the remarketing agents.

Rollover Risk—Rollover risk occurs when the term of the derivative instrument is not coincident with the repayment term of the underlying debt obligation. Derivative instruments A and B have terms equal to the repayment terms of the underlying debt obligations.

Interest Rate Risk—The City is exposed to interest rate risk on its interest rate derivative instruments. On its pay-fixed, receive-variable interest rate swaps, to the extent these variable payments are not equal to the variable interest payments on the associated debt, there may be either a net loss or net benefit to the City.

Projected Debt Service Requirements—As of April 30, 2012, the projected debt service requirements for the City’s hedged variable rate debt, net of swap payments (assuming current interest rates remain constant and the swap receipt rate is equal to 68% of the USD-LIBOR–BBA) for derivative instruments A and B, are shown in the tables that follow. As short-term interest rates vary, the variable rate bond interest payments and net swap payments will also vary in the future.

City of Kansas City, Missouri
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Bartle Hall Series 2008E

Fiscal Year	Principal	Interest at 4.725%	Total Payment
2013		\$ 3,845,906	\$ 3,845,906
2014		3,845,906	3,845,906
2015		3,845,906	3,845,906
2016		3,845,906	3,845,906
2017		3,845,906	3,845,906
2018-2022		19,229,529	19,229,529
2023-2027		19,229,529	19,229,529
2028-2032	\$ 24,965,000	19,229,529	44,194,529
2033-2034	<u>56,435,000</u>	<u>4,048,832</u>	<u>60,483,832</u>
Total	<u>\$ 81,400,000</u>	<u>\$ 80,966,949</u>	<u>\$ 162,366,949</u>

Assumptions

- Synthetic Fixed – 3.68%
- Swap Inefficiency in the last week of Fiscal Year 2012 – 0.07%
- Remarketing, LOC and other fees – 0.98%

Bartle Series 2008F

Fiscal Year	Principal	Interest at 4.715%	Total Payment
2013		\$ 983,722	\$ 983,722
2014		983,722	983,722
2015		983,722	983,722
2016		983,722	983,722
2017		983,722	983,722
2018-2022		4,918,611	4,918,611
2023-2025	\$ 20,865,000	2,843,436	23,708,436
Total	<u>\$ 20,865,000</u>	<u>\$ 12,680,657</u>	<u>\$ 33,545,657</u>

Assumptions

- Synthetic Fixed – 3.67%
- Swap Inefficiency in the last week of Fiscal Year 2012 – 0.07%
- Remarketing, LOC and other fees – 0.98%

City of Kansas City, Missouri
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Contingencies

The City's derivative instruments do not include provisions that require the City to post collateral. The collateral posted is to be in the form of cash or debt obligations issued by the U.S. Treasury Department or any other collateral acceptable to the Secured Party.

Discretely Presented Component Units

Information about specific component unit debt is available in their separately issued financial statements.

Conduit Debt

The City has issued Chapter 100 debt for economic development from time to time. This debt was issued for the benefit of third parties and the City has no obligation beyond the rents, revenues and receipts derived by the City from the project. Debt outstanding of this nature includes taxable industrial revenue bonds of \$334,978,215 as follows: MasterCard International, LLC (Series 2003D), \$36,382,000, Amerisource-Bergen (Series 2003E-1), \$17,511,666 Amerisource-Bergen (Series 2003E-2), \$10,462,005, Bayer Cropscience (Series 2004I), \$40,000,000, Cerner Properties, Inc. (Series 2005J), \$18,643,507, H&R Block (Series 2005I) \$31,000,000 Cerner Properties, Inc. (Series 2007A), \$72,300,133, Cerner Properties Inc. South Campus (Series 2008A), \$14,802,508, Cerner Properties, Inc. (Series 2008B), \$90,771,401, Cerner Corporation Internal Data Center Project (Series 2011A), \$904,995 and Applebee's (Series 2011B), \$2,200,000.

Note 8: Lease Agreements

Following are descriptions of the City's major lease agreements:

Business-type Activities

Kansas City Airports Fund (Lessor)

The Department has a five-year use and lease agreement (the Agreement) with certain air carriers serving Kansas City International Airport (signatory carriers) effective through April 30, 2014. Pursuant to the agreement, signatory air carriers have agreed to a guaranteed minimum amount of rentals and fees based upon expected levels of use of airport facilities. Further, the Agreement provides the determination for the landing fees and apron, terminal and passenger boarding rents at the KCI airport, along with granting certain rights and privileges to air carriers, both passenger and cargo. The agreement provides for an annual settlement, post fiscal year end close, whereby the rates and charges are recalculated using audited financial statements to determine any airline over/under payment. For the year ended April 30, 2012, \$2,174,869 was due from the airlines.

City of Kansas City, Missouri
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Minimum future rentals scheduled to be received on operating leases that have initial or remaining noncancelable terms in excess of one year for each of the next five years and, thereafter, at April 30, 2012 are as follows (*in thousands*):

<u>Fiscal Year</u>		
2013	\$	8,988
2014		8,047
2015		7,576
2016		6,472
2017		6,272
2018-2022		23,718
2023-2027		17,488
2028-2032		8,731
2033-2037		6,414
2038-2042		1,440
2043-2047		<u>621</u>
Total	\$	<u>95,767</u>

Note 9: Related Parties

Lease Agreements with Related Party

Port Authority of Kansas City, Missouri

On May 14, 1993, the City entered into a long-term lease agreement for certain real property fronting along the Missouri River (the Property) with the Port Authority of Kansas City, Missouri. Effective September 21, 2011, the original lease was superseded and replaced by the "First Amended and Restated Lease Agreement" ("Restated Lease"). Under the Restated Lease the property continues to be leased for development purposes and the expiration date was changed to be midnight on August 20, 2056.

As rent, the Port Authority is required to set aside for use by the City fifty percent of the total gross revenue received by the Port Authority attributable to operations of the leased property. Currently, all of the operating revenues from the property are attributable to the Isle of Capri Casino lease described below. The City is to use the amounts set aside for capital; public improvements or development or redevelopment projects within specified boundaries, primarily within the riverfront area.

City of Kansas City, Missouri
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In March of 1993, the Port Authority entered into a development agreement (Development Agreement) with Hilton Hotels Corporation (Hilton), whereby Hilton agreed to develop certain portions of the Property for riverboat gambling (the Casino Property). In addition, the Port Authority, as the landlord and Hilton, as the tenant, entered into a long-term lease agreement for the Casino Property. On August 21, 1995, the Port Authority and Hilton entered into an amended and restated lease for the Casino Property (as subsequently amended on October 31, 1995 and on June 10, 1996, the Casino Lease).

The Casino Lease provided for an initial 10-year term, beginning on the "Opening Date" of the casino, which was October 18, 1995, so the initial 10-year term expired on October 18, 2005. The tenant is deemed to have elected to renew the Casino Lease for subsequent 5-year renewal terms (for a total of eight 5-year renewal terms, if all are elected) unless the tenant notifies the Port Authority at least 12 months before the end of the immediately preceding term negating the deemed election. No such notice was provided to the Port Authority, so the parties are in the second year of the second 5-year renewal term.

Hilton's rights and obligations under the Development Agreement and the Casino Lease were assigned to and assumed by the Isle of Capri Casinos (IOC) during fiscal year 2001, so that IOC is the current tenant of the Casino Property. On August 15, 2005, the Port Authority and IOC entered into an Amended and Restated Development Agreement in which the Port Authority and IOC agreed to amend and restate the Hilton development Agreement.

Beginning on the Opening Date and continuing during the remainder of the initial 10-year term, the tenant was to pay a minimum net annual rent of \$2,000,000 per year, in advance, on the Opening Date and on the date of each and every annual anniversary of the Opening Date thereafter. The agreement provides for increases in the minimum net annual rent for each renewal term by the percentage of change in the Consumer Price Index (CPI) as of the Opening Date to the Consumer Price Index as of the first day of any such renewal term. Effective October 18, 2011 and based on the change in the Consumer Price Index, the minimum net annual rent for the second renewal term was increased to \$2,860,657. In addition to the minimum net annual rent, the tenant throughout the term of the lease (including renewal periods) is required to pay as percentage rent an amount equal to 3.25% of gross revenues (as defined in the agreement) less the minimum net annual rent paid in advance. During the year ended April 30, 2012, there was \$3,157,976 of total lease revenue (net annual rent) attributable to the Isle of Capri Casino lease.

Note 10: Benefit Plans

Substantially all City employees and elected officials of the City, as well as employees of the Police Department, are covered by contributory defined benefit retirement plans: Employees' Retirement System, Firefighters' Pension System, Police Retirement System and Civilian Employees' Retirement System. These plans pay a monthly pension to qualified individuals upon retirement. The amount is based upon a combination of years of service and annual salary.

City of Kansas City, Missouri
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Plan Descriptions

The retirement board of the Police Retirement System of Kansas City, Missouri (the Board) administers the Civilian and Police Plans, contributory, single-employer, defined benefit public employee retirement plans. The City is not legally responsible to pay the pension contribution for the two police pension plans directly to the pension systems, but provides funding on behalf of the Board of Police Commissioners. The amount reported in the City's general fund as police expenditures comprises all costs of the Police Department, including these pension contributions. The amount reported in the Police Department discretely presented component unit combining statement of changes in net assets as operating grants and contributions includes the City's on-behalf payment to fund the two pension plans.

The Civilian and Police Plans were established by Missouri Statute 86.013 which states, "In all cities of this state that now have or may hereafter attain a population of five hundred thousand or more, there are hereby created and established retirement or pension systems for the purpose of providing retirement allowances for policemen of such cities; except that, any city which establishes a police retirement system under any other provisions of this chapter prior to attaining a population of five hundred thousand or more, may elect to continue its police retirement system under such other provisions of this chapter, and the provisions of sections 86.010 to 86.193 shall not apply to any city which makes such election. Each such system shall be under the management of a board of trustees herein described and shall be known as "The Police Retirement System of (name of city)" and by such name all of its business shall be transacted, all of its funds invested, and all of its cash and securities and other property held. The retirement systems so created shall begin operation as of the first day of October, 1929."

The retirement board of the Police Retirement System of Kansas City, Missouri, shall consist of 7 members as follows:

- a. The president of the board of police commissioners of said cities, ex officio. If the said president shall be absent from any meeting of such board of trustees for any cause whatsoever, he may be represented by any member of the board of police commissioners who in such case shall have full power to act as a member of the said board of trustees.
- b. The comptroller of the said cities, ex officio. If the said comptroller shall be absent from any meeting of such board of trustees for any cause whatsoever, he may be represented by either the deputy comptroller or the first assistant comptroller who in such case shall have full power to act as a member of the said board of trustees.
- c. Two members to be appointed by the mayor of said cities to serve for a term of two years; provided, however, that the term of office of the first two trustees so appointed shall begin immediately upon their appointment and shall expire one year from the date the retirement system becomes operative and two years from the date the retirement system becomes operative, respectively.

City of Kansas City, Missouri
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- d. Three members to be elected by the members of the retirement system of said cities for a term of three years; provided, however, that the term of office of the first three members so elected shall begin immediately upon their election and shall expire one year from the date the retirement system becomes operative, two years from the date the retirement system becomes operative and three years from the date the retirement system becomes operative, respectively.

The board of trustees of the Employees' Retirement System of the City of Kansas City, Missouri (the Board) administers the Employees' Retirement System of the City (the Employees' Plan), a contributory, single-employer, defined benefit public employee retirement plan.

The Employees' Retirement System was established in the code of ordinances under part II, Chapter II, Article IX, Division 2, section 2-1172 which states, "All full-time, permanent employees in the classified and unclassified services shall become members of the retirement system as a condition of employment, including, all full-time, permanent former MAST employees who became city employees as of April 25, 2010, and who did not become members of the Fire Fighters' Pension System. Former MAST employees have the option within 60 days of the passage of this ordinance to elect to become members of this plan in lieu of participation in the defined contribution plan set out in Division 10. Also included in membership are those who have retired in circumstances establishing eligibility for an annuity in this pension system and inactive members on leave of absence."

The board of trustees of the Employee's Retirement System of the City of Kansas City, Missouri shall consist of nine members, including the director of human resources and director of finance, Seven shall be appointed by the mayor as follows:

- a. One shall be a retired member of the system
- b. Four, other than the forgoing, shall be recognized business and/ or civic leaders with financial backgrounds, such as investments, management of employees benefit plans, who are not employees of the city. At the mayor's option, one of this group may be a city council person with a financial background who shall serve as an ex-officio member of the board with a right to vote.
- c. Two shall be active employees and members of the retirement system as recommended by the union.
- d. In the event that Local 42, IAFF, has 200 or more members, including retirees, participating in the Employees' Retirement System, Local 42 will have one designated member who will be vested with the same voting rights as the other trustees.

The board of trustees of the Firefighters' Pension System of the City of Kansas City, Missouri (the Board) administers the Firefighters' Pension System of the City (the Firefighters' Plan), a contributory, single-employer, defined benefit public employee retirement plan.

City of Kansas City, Missouri
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The Firefighters' Pension System was established in the code of ordinances under part II, Chapter II, Article IX, Division 2, section 2-1252 which states, "(a) *Generally*. All persons who become firefighters shall become members of the pension system set out in this division as a condition of employment. (b) *Effective date*. Membership shall begin on the first day of employment and shall cease upon termination of employment or death. (c) Solely for the purpose of determining whether a member has incurred a break in service, any leave of absence granted by an employer, up to 12 weeks, that qualifies under the Family and Medical Leave Act (FMLA) shall not be counted as a break in service for purposes of determining eligibility and vesting."

The board of trustees of the Firefighters' Pension System of the City of Kansas City, Missouri shall consist of eight persons, which board shall be constituted as follows:

- a. The fire chief, ex officio;
- b. The director of finance, ex officio;
- c. The director of human resources, ex officio;
- d. The city treasurer, ex officio;
- e. Three members to be elected by the members of the pension system with nominations and vote by secret written ballot, at an election supervised by the ex officio members of the board of trustees, for terms of three years each, respectively; provided however, one of the first three members so elected shall serve for one year, one member for two years, and the third member for three years from the date such pension system becomes operative, and thereafter all members so elected shall serve for terms of three years each, respectively; and
- f. One retiree member to be jointly appointed by Local 42 and Local 3808 of the International Association for Fire Fighters; provided however, the retiree member shall have all the rights and responsibilities of the trustees on the board, but non-voting, and therefore shall not be counted towards a quorum.

The Boards are responsible for establishing or amending plan provisions. The Boards issue publicly available financial reports that include financial statements and required supplementary information. The financial reports may be obtained by writing to:

Employees or Firefighters' Pension Systems

The Retirement Division
City Hall-10th Floor
414 East 12th Street
Kansas City, MO 64106
816.513.1928

City of Kansas City, Missouri
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Police or Civilian Pension Systems

The Retirement Board of the Police Retirement
System of Kansas City, Missouri
1328 Agnes
Kansas City, MO 64127
816.482.8138

Funding Policy

The Civilian and Police Plans' funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to accumulate sufficient assets to pay benefits when due. The employer contributions are determined by the Board. Level percentages of payroll employer contribution rates are determined using the individual entry age normal method.

Contributions for the Civilian and Police Plans, respectively, total \$4,370,860 and \$25,370,816 (\$3,146,124 and \$16,476,608 employer and \$1,224,736 and \$8,894,208 employee). Significant actuarial assumptions used included: (a) rate of return on the investment of present and future assets of 7.75% per year compounded annually; (b) projected salary increases based on years of service; (c) postretirement benefit increases of 3% per year of the original base pension granted annually.

As a condition of participation in the Police Retirement System, members are required to contribute a certain percentage of their compensation until they retire. For the year ended April 30, 2012, members contributed 10.55% of their annual base earnings without consideration for overtime or other incentive pay amounts. The City contributes the balance required to pay pensions and maintain the system on an actuarially sound basis and that would fund the normal cost and amortize the net unfunded actuarial liability.

The City contributions amounted to 19.70% of compensation for the year ended April 30, 2012. The actual contribution rates approved by the plan have been less than the rates recommended by the actuary for the past nine years. The ultimate viability of the plan is dependent upon the relationship of actual plan experience with the underlying actuarial assumptions and/or sufficient funding by the City to meet future cash flow needs. The most recent actuarial valuation was performed as of April 30, 2011 and was available in developing the budget for the year ending April 30, 2013.

As a condition of participation in the Civilian Employees' Retirement System, members are required to contribute 5% of their salary to the plan. The City contributes the balance required to pay pensions and maintain the system on an actuarially sound basis. For the year ended April 30, 2012, the City contributed at a rate of 13.14% of members' salaries. The actual contribution rates approved by the plan have been less than the rates recommended by the actuary for the past ten years. The ultimate viability of the plan is dependent upon the relationship of actual plan experience with the underlying actuarial assumptions and/or sufficient funding by the City to meet future cash needs. The most recent actuarial valuation was performed as of April 30, 2011 and was available in developing the budget for the year ending April 30, 2013.

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As of April 30, 2011, the most recent actuarial valuation date, the Police Retirement System was 76% funded. The actuarial accrued liability for benefits was \$940.6 million and actuarial value of assets was \$715.8 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$224.8 million. The covered payroll (annual payroll of active employees covered by the plan) was \$88.4 million, and the ratio of the UAAL to the covered payroll was 254%. The Civilian Employees' Retirement System was 75% funded. The actuarial accrued liability for benefits was \$137.0 million and the actuarial value of assets was \$102.5 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$34.5 million. The covered payroll was \$25.2 million, and the ratio of the UAAL to the covered payroll was 137%.

The Employees' Retirement System Plan's funding is provided by contributions from the Employees' Retirement System plan members, the City and earnings on investments. Members contribute 4% of base salary. The City's contribution is set by the City Council in conjunction with its approval of the annual budget based on information provided by the Employees' Retirement System Plan's consulting actuary and the Board. The actual contribution rates approved by the City Council have been less than the rates recommended by the actuary for four of the last seven years.

The recommended contribution rate is determined by the Employees' Retirement System Plan's consulting actuary using the entry age normal actuarial cost funding method. Significant actuarial assumptions used to compute contribution requirements are the same as those used to compute the actuarial accrued liability.

Based upon the April 30, 2010 actuarial valuation, which was the most recent actuarial data available when the budget was developed for the year ended April 30, 2012, the actuary recommended a City contribution rate of 18.04% for general employees. The City contributed at a rate of 12.03% in 2012 for general employees. The City's contribution rate was 19.50% for judges and elected officials for 2012.

As of April 30, 2011, the most recent actuarial valuation date, the Employees' Retirement System was 80% funded. The actuarial accrued liability for benefits was \$1,011.0 million and actuarial value of assets was \$806.8 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$204.2 million. The covered payroll was \$163.1 million, and the ratio of the UAAL to the covered payroll was 125%.

The Firefighters' Pension System plan's funding is provided by contributions from the Firefighters' Pension System plan members, the City and earnings on investments. Firefighters contribute 9.55% of base salary and an additional 1.0% to fund the health insurance subsidy. The City's contribution is set by the City Council in conjunction with its approval of the City's annual budget based on information provided by the Firefighters' Plan's consulting actuary and the Board. The actual contribution rates approved by the City Council have been less than the rates recommended by the actuary for four of the last seven years.

The recommended contribution rate is determined by the Firefighters' Plan's consulting actuary using the entry age normal actuarial cost funding method. Significant actuarial assumptions used to compute contribution requirements are the same as those used to compute the actuarial accrued liability.

City of Kansas City, Missouri
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Based upon the April 30, 2010 actuarial valuations, which was the most recent actuarial data available when the budget was developed for the year ended April 30, 2012, the actuary recommended a City contribution rate of 24.70%. The Board recognized a scheduled City contribution rate of 19.6% for 2012. The City Council approved a City contribution rate of 19.6% (and 2% to fund the health insurance subsidy) for the year ended April 30, 2012. The City Council also approved an additional fixed health insurance subsidy of \$100 per retiree starting November 1, 2010, and increasing to \$200 on November 1, 2011. The additional amount is contributed to the pension system and paid to the pensioners on their monthly check. For the fiscal year ended April 30, 2012, \$1,148,600 was contributed for the additional fixed health insurance subsidy.

As of April 30, 2011, the most recent actuarial valuation date, the Firefighters' Pension System was 82% funded. The actuarial accrued liability for benefits was \$528.5 million and actuarial value of assets was \$432.5 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$95.9 million. The covered payroll was \$52.0 million and the ratio of the UAAL to the covered payroll was 185%.

The Schedule of Funding Progress, presented as Required Supplementary Information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Administrative Expenses

Actuarial investment management and bank trustee fees and expenses are included in the Civilian and Police Plans' administrative expenses when incurred. The Police Department provides office space without any direct charge to the plans. The Employees' Pension System and the Firefighters' Pension System administrative salaries, duplicating, telecommunications and travel expenses are included in the plans administrative expenses when incurred. The City provides office space, administrative and clerical services of the Human Resources Department and the accounting services of the Finance Department without any direct charge to the Employees' Pension System or the Firefighters' Pension System.

The annual pension cost and net pension asset (obligation) as of April 30, 2012, are as follows (*in thousands*):

	Police Retirement System	Civilian Employees' Retirement System	City Employees' Retirement System	Firefighters' Retirement System
Annual required contribution	\$ (31,757)	\$ (4,944)	\$ (26,327)	\$ (14,046)
Interest on net pension obligation	(3,160)	(913)	(2,069)	(846)
Adjustment to annual required contribution	2,572	743	2,003	679
Annual pension cost	<u>(32,345)</u>	<u>(5,114)</u>	<u>(26,393)</u>	<u>(14,213)</u>
Contributions made	16,477	3,146	18,422	10,529
Change in net pension obligations	(15,868)	(1,968)	(7,971)	(3,684)
Net pension obligations, beginning of year	<u>(40,775)</u>	<u>(11,773)</u>	<u>(27,593)</u>	<u>(10,920)</u>
Net pension obligations, end of year	<u>\$ (56,643)</u>	<u>\$ (13,741)</u>	<u>\$ (35,564)</u>	<u>\$ (14,604)</u>

City of Kansas City, Missouri
Notes to Basic Financial Statements
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The annual required contribution for the current year was determined as part of the May 1, 2011, actuarial valuation using the following methods and assumptions for each of the plans:

	Police Retirement System and Civilian Retirement System	Employees' Retirement System	Firefighters' Retirement System
Valuation date	April 30, 2011	April 30, 2011	April 30, 2011
Actuarial cost method	Individual entry age normal	Entry age normal	Entry age normal
Amortization method	Level percent closed	20-year layered amortization, closed level percent of pay for all years except the 5/1/09 Plan Year (30-year layered)	30-year closed level percent of pay for changes to the UAAL on or after 5/1/2008
Remaining amortization period	15 years	26.3 years	27 years
Actuarial assumptions			
Investment rate of return	7.75% per annum	7.50% per annum	7.75% per annum
Projected Salary Increases	4.0% to 9.75%*	4.0% to 8.0% per annum**	3.0% to 8.0% per annum**
Inflation Rate	3.00% per annum		
Cost of Living Adjustments	3.0%, simple **	3.0%, simple **	3.0%, simple**

* Projected salary increases are based on years of service

** Includes inflation rate of 3%.

City of Kansas City, Missouri
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The information presented below was determined as part of the actuarial valuations as of the dates indicated. Additional information as of the latest actuarial valuation follows:

Schedule of Employer Contributions
(in thousands)

	Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Asset (Obligation)
Police Retirement System	4/30/2010	\$ 23,865	70%	\$ (22,618)
	4/30/2011	34,689	48%	(40,775)
	4/30/2012	32,345	51%	(56,643)
Civilian Employees' Retirement System	4/30/2010	4,138	80%	(9,410)
	4/30/2011	5,548	57%	(11,773)
	4/30/2012	5,114	62%	(13,741)
Employees' Retirement System	4/30/2010	29,762	64%	(18,348)
	4/30/2011	27,834	67%	(27,593)
	4/30/2012	26,393	70%	(35,564)
Firefighters' Pension System	4/30/2010	17,149	61%	(8,196)
	4/30/2011	12,959	79%	(10,920)
	4/30/2012	14,213	74%	(14,604)

The net pension obligation of the Employees' Retirement System as of April 30, 2012, is reported in the following activity and funds *(in thousands)*:

Governmental Activity	\$ (23,402)
Water Fund	(4,311)
Sewer Fund	(3,607)
Aviation Fund	(4,244)
Total	\$ (35,564)

City of Kansas City, Missouri
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Actuarial Value of Assets

Police and Civilian – The Plans adopted a new asset smoothing method effective with the April 30, 2011 valuation.

- a. The actuarial value of the beginning of the year; plus
- b. The contributions less benefits paid during the year; plus
- c. Interest at the assumed net rate of investment return on an actuarial basis; plus
- d. 20% of the difference between actual and assumed investment return on the market value of assets.
- e. The resulting actuarial value of assets is constrained to fall within a corridor of 80% to 120% at market value.

Employees' – The Plan has adopted a smoothed-market method of valuing assets called the "Expected Asset Method," which recognizes the fair market value of assets. The following represents the components of the asset valuation:

- a. The actuarial value of the beginning of the year; plus
- b. The contributions less benefits paid during the year; plus
- c. Interest at the assumed net rate of investment return on an actuarial basis; plus
- d. 25% of the difference between market value and the sum of a, b and c.
- e. If the actuarial value of assets is less than 85% or more than 110% of the market value, an adjustment is made to the actuarial value to bring the value within the corridor.

Firefighters' – The Plan has adopted the five-year, smoothed-market method of valuing assets, which recognizes the fair market value of assets. The following represents the components of the asset valuation:

- a. The actuarial value of the beginning of the year; plus
- b. The contributions less benefits and expenses paid during the year; plus
- c. Interest at the assumed net rate of investment return on an actuarial basis; plus
- d. 20% of the gain/(loss) (difference between the market value of assets and the expected value of assets) for the year plus 20% of each of the four prior years gains/(losses).
- e. If the actuarial value of assets is less than 80% or more than 120% of the market value, an adjustment is made to the actuarial value to bring the value within this corridor.

City of Kansas City, Missouri
Notes to Basic Financial Statements
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Membership Information

The following chart shows active members, the number vested members, number of retirees, and the number of beneficiaries in pay status as of May 1, 2011, from the most recent actuary report:

	Employees’ Pension System	Firefighters’ Pension System	Police Retirement System	Civilian Retirement System
Active members vested	2,594 *	544	571	433
Nonvested	704	400	801	116
Retirees and beneficiaries				
currently receiving benefits	2,123	876	1,209	199
Terminated members entitled				
to but not yet receiving benefits				
and inactive due refunds	162	9	13	19
	<u>5,583</u>	<u>1,829</u>	<u>2,594</u>	<u>767</u>

*Included in the April 30, 2012 Plan’s membership count is approximately 150 former MAST employees who chose to participate in the Plan over a defined contribution plan offered by the City (see Note 14). There are approximately 30 individuals who have not yet made the election. Should these individuals choose to be members of this Plan, they will become immediately vested.

Note 11: Postemployment Benefits Other than Pensions

City of Kansas City, Missouri

Effective May 1, 2007, the City of Kansas City, Missouri (the City), adopted Governmental Accounting Standard Board Statement No. 45 (GASB 45), *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pension, (OPEB)*. This statement requires the accounting for the annual cost of other postemployment benefits and the related outstanding liability using an actuarial approach similar to pensions. The City implemented GASB 45 prospectively (zero net obligation at transition).

Plan Description

The City sponsors a single-employer, defined benefit healthcare plan that provides health care benefits to retirees’ and their dependents, including medical and pharmacy coverage.

The City requires the retirees to pay 100% of the same medical premium charged to active participants. The rates being paid by retirees for benefits are typically lower than those for individual health insurance policies. The difference between these amounts is the implicit rate subsidy, which is considered an OPEB under GASB 45.

Retirees and spouses have the same benefits as active employees. Retiree coverage terminates either when the retiree becomes covered under another employer health plan, or when the retiree reaches Medicare eligibility age, which is currently age 65. Spousal coverage is available until the retiree becomes covered under another employer health plan, attains Medicare eligibility age or dies.

City of Kansas City, Missouri
Notes to Basic Financial Statements
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Funding Policy

GASB Statement No. 45 does not require funding of the OPEB liability and at this time, the liability for the City is unfunded. Contributions are made to the plan on a pay-as-you-go basis.

For the year ended April 30, 2012, retirees receiving benefits contributed \$5,152,726 for current premiums (approximately 68.28% of total aged adjusted premiums based on implied City contributions of \$2,393,560), through their required contracted amount paid to the Health Care Trust Fund of Kansas City for the plan of the retirees' choosing. Total age adjusted premiums for the year were \$7,546,286.

Annual OPEB Cost and NET OPEB Obligation

The City's annual OPEB cost is calculated on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan and changes in the City's net OPEB obligation.

Normal cost	\$	(3,646)
Amortization of unfunded actuarial accrued liability		(4,736)
Annual required contribution		(8,382)
Interest on net OPEB obligation		(2,505)
Adjustment to annual required contribution		3,343
Annual OPEB cost		(7,544)
Contributions made (employer)		2,393
Change in net OPEB obligation		(5,151)
Net OPEB obligation, beginning of year		(55,669)
Net OPEB obligation, end of year	\$	(60,820)

The Employee/Firefighter annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for the fiscal years indicated were as follows:

Fiscal Year	Annual	Percentage	Net
Ending	OPEB	of AOC	OPEB
Cost (AOC)	Contributed	(Obligation)	
4/30/2010	\$ 21,336	16%	\$ (50,440)
4/30/2011	7,381	29%	(55,669)
4/30/2012	7,544	32%	(60,820)

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The net OPEB obligation as of April 30, 2012, is reported in the following activity and funds (*in thousands*):

Governmental Activity	\$ (48,084)
Water Fund	(4,526)
Airports Fund	(4,412)
Sewer Fund	<u>(3,798)</u>
 Total	 <u>\$ (60,820)</u>

Funded Status and Funding Progress

As of May 1, 2010, the most recent actuarial valuation date, the Plan was 0.0 percent funded. The actuarial accrued liability for benefits was \$76.6 million and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$76.6 million. The covered payroll (annual payroll of active employees covered by the plan) was \$205.9 million, and the ratio of UAAL to the covered payroll was 37 percent.

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

Actuarial Methods and Assumptions

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

In the May 1, 2010 actuarial valuation, the individual entry age actuarial cost method was used. The actuarial assumptions included a 4.5% investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets (of which there are none) and on the employer's own investments calculated based on the funded level of the plan at the valuation date and an annual healthcare cost trend rate of 9-10 percent annually, reduced by decrements to an ultimate rate of 4.5% after eleven years. The assumed inflation rate is 3%. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at April 30, 2011 was thirty years.

City of Kansas City, Missouri
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The rates of salary increases used for individual members are in accordance with the following table:

% Increase in Salary at Sample Ages-Employees			
Sample Ages	Merit & Seniority	Base (Economic)	Increase Next Year
20	2.00	4.00	6.00
25	2.00	4.00	6.00
30	2.00	4.00	6.00
35	1.50	4.00	5.50
40	1.00	4.00	5.00
45	1.00	4.00	5.00
50	0.50	4.00	4.50

% Increase in Salary at Sample Ages-Firefighters			
Sample Ages	Merit & Seniority	Base (Economic)	Increase Next Year
25	5.00	3.00	8.00
30	3.00	3.00	6.00
35	2.00	3.00	5.00
40	1.00	3.00	4.00
45	0.50	3.00	3.50
50	0.50	3.00	3.50
55	0.50	3.00	3.50
60	0.50	3.00	3.50

The May 1, 2010 actuarial valuation included the following changes in assumptions:

1. Medicare eligibility: In the prior valuation, it was assumed that 25% of firefighter retirees hired before 1987 would not be eligible for Medicare. It was determined that this assumption was not holding true for the current retirees (all were Medicare eligible). For the current valuation, all retirees are assumed to be eligible for Medicare at attainment of age 65.
2. Participation and election assumptions: In the prior valuation, it was assumed that 90% of eligible retirees would elect coverage at retirement and that 100% of those electing would elect 2-person coverage. This was determined to be overly conservative for an access only plan (a plan where the retiree pays the full blended premium), and was not being observed in the actual retiree elections. For the current valuation, 50% participation was assumed with 85% of males participating electing 2-person coverage and 55% of females participating electing 2-person coverage.

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The plan has also had favorable claims experience during the period since the previous valuation. The premiums charged have been the same for fiscal years 2010 through 2012, while standard medical trend assumptions are 9-10% per year. This favorable claims experience, along with the assumption changes mentioned above, substantially reduced the plan's liabilities and annual required contribution. The following summarizes the actuarial gain of each of the changes mentioned above (*in millions*):

Removing 25% Medicare ineligible assumption	\$	18
Changing participation and election assumptions		85
Favorable claims experience		41
Total	\$	144

Kansas City Board of Police Commissioners

Plan Description

The Kansas City, Missouri Board of Police Commissioners (the Board) sponsors a single-employer, defined benefit healthcare plan that provides health care benefits to Department retirees' and their dependents, including medical and pharmacy coverage. Participants include police and civilian members of the Department.

Retirees (including an elected coverage for spouses and dependents) are eligible for the same benefits as active employees. Retiree coverage terminates either when the retiree becomes covered under another employer health plan, when the retiree elects to participate in Medicare or dies. Retirees have the option of utilizing the Department's healthcare plan as secondary coverage to Medicare benefits. Additionally, retirees have a one-time option, before the age of 65, to rejoin the plan should they ever terminate coverage.

Under Governmental Accounting Standards Board Statement (GASB) No. 45, the difference between the premium rate charged to retirees and the estimated rate that would be applicable to those retirees if acquired of them as a separate group is an implicit rate subsidy, which is considered an other postemployment benefits (OPEB) under the standard. Prior to May 1, 2011, the Board required the retirees to pay 30% more than premiums charged for active employees. The Board committed to eliminating the 30% surcharge effective May 1, 2011.

Funding Policy

GASB Statement No. 45 does not require funding of the OPEB liability and the Board has chosen not to fund it. Board policy dictates the payment of retiree claims as they become due.

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Annual OPEB Cost and NET OPEB Obligation

The annual OPEB cost is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize the unfunded actuarial liability over a period not to exceed thirty years. The following table shows components of the Board's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Board's net OPEB obligation.

Normal cost	\$	(3,295)
Amortization of unfunded actuarial accrued liability		(3,384)
Annual required contribution		(6,679)
Interest on net OPEB obligation		(265)
Adjustment to annual required contribution		354
Annual OPEB cost		(6,590)
Contributions made (employer)		1,565
Change in net OPEB obligation		(5,025)
Net OPEB obligation, beginning of year		(5,901)
Net OPEB obligation, end of year	\$	(10,926)

The annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2012 were as follows:

Fiscal Year Ended	Annual OPEB Cost (AOC)	Percentage of AOC Contributed	Net OPEB (Obligation)
4/30/2011	\$ 6,422	8%	\$ (5,901)
4/30/2012	6,590	24%	(10,926)

Funded Status and Funding Progress

GASB Statement No. 45 does not require funding of an OPEB liability and, at this time, the liability is unfunded. Contributions are made to the plan on a pay-as-you-go basis.

As of April 30, 2010, the most recent actuarial valuation date, the actuarial accrued liability for benefits was \$54.2 million, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$54.2 million. The covered payroll (annual payroll of active employees covered by the plan) was \$116.6 million, and the ratio of UAAL to the covered payroll was 46%.

City of Kansas City, Missouri
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Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the health care cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplemental information following the notes to the basic financial statements, presents trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

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

In the April 30, 2010 actuarial valuation, the individual entry age actuarial cost method was used. The actuarial assumptions included a 4.5 percent investment rate of return, which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual health care cost trend rate, reduced by decrements to an ultimate rate of 4.5 percent after 11 years. The inflation rate is assumed to be 3%. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at April 30, 2010 was 30 years.

City of Kansas City, Missouri
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The rates of salary increases used for individual members are in accordance with the following table:

Years of Service	% Increase in Salary at Years of Service-Police		
	General Wage Growth	Merit and Longevity	Total
0	4.00	5.75	9.75
1	4.00	5.50	9.50
2	4.00	4.50	8.50
3	4.00	4.00	8.00
4	4.00	4.00	8.00
5	4.00	4.00	8.00
10	4.00	3.50	7.50
15	4.00	0.00	4.00
20	4.00	0.00	4.00
25	4.00	0.00	4.00

Years of Service	% Increase in Salary at Years of Service-Civilian		
	General Wage Growth	Merit and Longevity	Total
0	4.00	5.75	9.75
1	4.00	4.75	8.75
2	4.00	3.75	7.75
3	4.00	2.75	6.75
4	4.00	2.25	6.25
5	4.00	2.10	6.10
10	4.00	1.60	5.60
15	4.00	1.00	5.00
20	4.00	0.55	4.55
25	4.00	0.25	4.25

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Note 12: Commitments and Contingencies

Purchase and Construction Commitments

At April 30, 2012, purchase and construction contract commitments, including obligations for capital outlay, are as follows (*in thousands*):

General	\$	6,634
Capital improvements		50,364
Nonmajor governmental		59,310
Water		30,762
Kansas City Airports		43,422
Sewer		62,904
Total	\$	253,396

Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City is self-insured for workers' compensation and general liability exposures. The general fund (the Fund) is used to account for these exposures. The City has purchased insurance to limit the exposure to \$1,000,000 on workers' compensation claims per occurrence occurring prior to fiscal year 1997, \$500,000 exposure for all claims originating in fiscal year 1997, \$400,000 exposure for all claims originating in fiscal year 1998, \$2,000,000 exposure for all claims originating in fiscal years 2003 through 2007 and \$1,000,000 exposure for all claims originating thereafter. The City also purchases an excess liability policy to cover torts, which are not barred by sovereign immunity. The policy has a \$2,600,000 retention and a \$5,000,000 loss limit. Current sovereign tort immunity statutes and law limit general liability and automobile claim exposure to a maximum of \$378,814 per person and \$2,525,423 per occurrence. Settled claims have not exceeded the self-insured retention in any of the past three fiscal years.

The City also maintains commercial insurance coverage for those areas not covered by the City's self-insurance programs, such as excess general liability, property, law enforcement and auto. Settled claims have not exceeded commercial insurance coverage for the past three years.

All funds of the City participate in the program and make payments to the Fund based on estimates of the amounts needed to pay prior and current year claims. The claims liability of \$36,597,274, \$5,987,364, \$4,191,835 and \$1,069,449 for the governmental activities and the Water, Sewer and Aviation Fund, respectively, at April 30, 2012 is based on the requirement that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

City of Kansas City, Missouri
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The total claims liability reported in the governmental activities and business-type activities are as follows (*in thousands*):

	Beginning of Year	Current Claims and Estimate Changes	Claim Payments	End of Year	Due Within One Year
2012	\$ 44,012	\$ 32,843	\$ 29,009	\$ 47,846	\$ 12,396
2011	35,687	22,343	14,018	44,012	11,712
2010	33,627	12,881	10,821	35,687	9,637

Federal Grant Funds

Use of federal, state and locally administered grant funds is subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grant.

The Department of Homeland Security—Office of Inspector General (OIG) did audit certain public assistance funds awarded to the City. The City received a pass-through award of \$28.44 million from the State of Missouri, State Emergency Management Agency (SEMA), a Federal Emergency Management Agency (FEMA) grantee for damages resulting from a severe winter ice storm that took place on January 29, 2002.

The audit was issued on July 28, 2006 to the Regional Director of FEMA Region VII and has questioned \$9,301,699 of previously reimbursed costs to the City. The audit recommends that the Regional Director disallow the full \$9,301,699. The Regional Director has not provided a response to the audit.

The City has decided to not further contest questioned costs of \$874,100 and has recorded this amount as a liability in the financial statements. The City believes that it is reasonably possible that additional amounts may be owed; however, since the Regional Director has not responded to the audit findings, the amount and outcome cannot be reasonably estimated and no additional liability has been recorded.

Sewer Overflow Control Plan

The City submitted a plan to control overflows from the City’s combined and separate sanitary sewer systems to the United States Environmental Protection Agency (the EPA) and the Missouri Department of Natural Resources (the MDNR). The control plan is being driven by requirements of the Clean Water Act and by policies of the EPA. The City has reached an agreement with the federal government, in the form of a consent decree that includes a sewer overflow control plan, resolution of past Clean Water Act violations, and the imposition of a penalty. The Consent Decree was lodged on May 18, 2010, with the United States District Court for the Western District of Missouri and on September 27, 2010 the court issued an order approving and entering the

City of Kansas City, Missouri
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Consent Decree. A separate agreement has been reached with the State, resolving past sewer overflow violations, imposing a penalty, and developing a sewer overflow response plan. The City has been timely fulfilling its obligations under this settlement.

The current estimated capital cost of this control plan is \$2.5 billion (2008 dollars) over twenty-five years. In addition, there will be a substantial increase in annual expenditures for operation and maintenance. It is anticipated that this plan will be funded primarily from the City's sewer fund, which is separate from the general fund. The City does not anticipate that the City's general fund will be relied upon to assist in the financing of the control plan; however, further future analysis will be required. Specifically, upon approval and implementation of the control plan, specific financing strategies to offset the cost of the control plan will be evaluated and implemented, which could include appropriation of moneys from the City's general fund.

Litigation

On December 1, 2009, BBA US Holdings, Inc. ("BBA") and its subsidiary, Executive Beechcraft, Inc. ("Executive Beechcraft"), filed a petition in the Circuit Court of Jackson County, Missouri, (Case No. 0916CV-36906) against the City and other defendants relating to a transaction involving BBA's acquisition of Topeka Aircraft, Inc., (including its subsidiary, Executive Beechcraft, Inc., operating a fixed base operation at the Charles B. Wheeler Downtown Airport (the "Downtown Airport")). In its lawsuit, BBA alleges that the City misrepresented certain facts thereby causing BBA to overpay for its purchase of Topeka Aircraft, Inc., in an amount yet to be determined. The City denies the allegations and is vigorously contesting BBA's claim. The City has filed counterclaims alleging that Executive Beechcraft failed to pay fuel flowage and landing fees owed to the City. As of the date hereof, the City is not able to make an estimate of any reasonable probability of an unfavorable outcome or any range of a possible loss. If the outcome of this lawsuit were to be unfavorable, any damages would be payable solely from Aviation funds.

Note 13: Fund Deficits

The ARRA stimulus grant fund (special revenue fund) has a deficit balance of \$3,083,890 due to not receiving reimbursement of expenditures. Future grant reimbursements from the federal government will cover the deficit.

The Neighborhood Stabilization grant fund (special revenue fund) has a deficit balance of \$754,543 due to not receiving reimbursement of expenditures. Future grant reimbursements from the federal government will cover the deficit.

The Justice Assistance grant fund (special revenue fund) has a deficit balance of \$100,405 due to not receiving reimbursement of expenditures. Future grant reimbursements from the federal government will cover the deficit.

The Community Development Block Grant fund (special revenue fund) has a deficit balance of \$1,378,986 due to not receiving reimbursement of expenditures. Future grant reimbursements from the federal government will cover the deficit.

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Note 14: Subsequent Events

Reappropriation of Fund Balance

On March 8, 2012, April 12, 2012 and April 26, 2012, the City Council passed Ordinance 120200, Committee Substitute for Ordinance No. 120341 and Committee Substitute for Ordinance No. 120377, respectively. These ordinances authorized certain unencumbered and unexpended appropriations from fiscal year 2012 to be reappropriated to fiscal year 2013 and for certain uncollected revenues in fiscal year 2012 to be re-estimated in fiscal year 2013. The net of these amounts are included in committed fund balance in the City’s financial statements for each of the respective funds.

These net reappropriations are summarized in the following table (*in thousands*):

General fund	\$ 2,695
Capital improvements fund	61,821
Nonmajor governmental funds	<u>4,079</u>
Total governmental funds	<u><u>\$ 68,595</u></u>

Employees’ Retirement System (ERS)

On April 26, 2010, more than 300 individuals previously employed by the Metropolitan Ambulance Services Trust (MAST) became employees of the City. The former MAST employees became eligible to participate in the Plan if they elected to not participate in a separate defined contribution plan. Formal elections to participate in the Plan started in fiscal year 2012 and were ongoing as of April 30, 2012. Approximately 150 of these employees have elected to participate in the Plan and 30 employees have not yet made an election.

The City’s ordinance went into effect October 1, 2011, credited these employees with service since April 26, 2010, and provided prior service benefits. The employees must remain employed for 18 months following April 26, 2010 to be vested in the prior service benefit. Management is awaiting an election response from all individuals before calculating the final impact to the actuarial accrued liability. The April 30, 2011 actuarial valuation included all of the former MAST employees as participants with service credit starting on April 26, 2010. The estimate for the prior service benefit as of April 30, 2011, assuming all former MAST employees elected to participate in the Plan, was expected to increase the actuarial accrued liability by approximately \$24,000,000.

Debt Issuances

In May 2012, the City issued its tax-exempt industrial revenue bonds Series 2012A (“Series 2012A”) and taxable industrial revenue bonds Series 2012B (“Series 2012B”) (collectively referred to herein as the “Heartland Sheets LLC Chapter 100 Bonds”) in an amount not to exceed \$9,500,000 and \$5,500,000, respectively. The Heartland Sheets LLC Chapter 100 Bonds will finance the construction and furnishing of a manufacturing facility (“Project”). The Series 2012A and 2012B bonds were sold to Key Government Finance Inc. and Heartland Sheets LLC (“Company”), respectively. The City and the Company entered into a lease agreement (“Heartland

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Sheets LLC Lease Agreement”) pursuant to which the City acquired the Project and leased it back to the Company. The Heartland Sheets LLC Chapter 100 Bonds are solely payable from rents, revenues and receipts derived by the City under the Heartland Sheets LLC Lease Agreement.

In June 2012, the Missouri Department of Natural Resources (“DNR”) requested the paying agent for the Storm Water Grant and Loan, Series 2007 (“Series 2007 Loan”) to close the project fund account and used the remaining balance in the account (\$70,710) to prepay the Series 2007 Loan. On the date on which the Series 2007 Loan was prepaid in part, the paying agent applied the excess debt service reserve amount (\$11,230) to the partial prepayment of the Series 2007 Loan. After the application of these funds plus the City’s net scheduled principal payment (\$21,460), the Series 2007 Loan outstanding balance as of June 30, 2012 was \$319,000.

In July 2012, the Industrial Development Authority of the City of Kansas City, Missouri (“IDA”) and the City exercised their rights to redeem the IDA Taxable Leasehold Revenue Bonds (Century Towers Redevelopment Project) Series 2001 (“Series 2001 Bonds”) in accordance with the provisions of the Trust Indenture. The amount necessary to redeem the Series 2001 Bonds and pay certain fees was \$14,515,679 (consisting of outstanding principal of \$13,980,000, accrued interest of \$233,281, breakage premium of \$288,130 and closing fees of \$14,267). The redemption of the Series 2001 Bonds was funded from loan proceeds obtained by the Developer of the Century Towers Redevelopment Project through private financing and the remaining funds from various trustee accounts.

The City Council, through Ordinance No. 990532, authorized the acceptance of financing from U.S. Department of Housing and Urban Development (“HUD”) Loan Guarantee Assistance in the amount of \$10,000,000 (“HUD Loan”) for redeveloping the Beacon Hill Development Project. The ordinance also authorized the execution of an agreement with the Housing and Economic Development Financial Corporation (“HEDFC”) for \$10,000,000 to implement the redevelopment activities. In January 2011, the U.S. District Court for the Western District of Missouri, in the case filed by the City against the HEDFC, directed the receiver to separate certain HEDFC funds derived from Community Development Block Grant (“CDBG”) to pay-off the HUD Loan when opportunity to do so next arose. In August 2012, the HUD Loan was redeemed in the amount of \$5,656,700 (consisting of outstanding principal of \$5,500,000 and accrued interest of \$156,700).

In August 2012, the voters of Kansas City, Missouri overwhelmingly approved the authorization of \$500 million in sanitary sewer revenue bonds. The bonds will finance the federally mandated sewer modernization project.

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Note 15: Pledged Revenues

The City has pledged specific revenue streams to secure the repayment of certain outstanding debt issues. The following table lists those revenues and the corresponding debt issue along with the purpose of the debt, the amount and term of the pledge remaining, the current fiscal year principal and interest on the debt, the amount of pledged revenue recognized during the current fiscal year and the approximate percentage of the revenue stream that has been committed if estimable (*in thousands*):

Issue	Type Revenue Pledged	Amount of Revenue Pledged	General Purpose for Debt	Term of Commitment	% of Revenue Pledged	Principal & Interest Paid for the Year	Pledged Revenue Recognized for the Year
Water Revenue Bonds and Capital Lease Agreements (2008A, 2009A, 2012A, Automated Meter Reader 2009)	Revenues derived from the Water fund	\$ 386,669	To finance improvements to the water systems and facilities, to cover installation of automated meter reading system and lab equipment	through 2037	26	\$ 27,975	\$ 58,628
Sewer Revenue Bonds (1992B, 1995A, 1996A, 1997A, 1998A, 1999A, 2000A, 2000B, 2001A, 2001B, 2002D1, 2002D2, 2002J, 2004A, 2004H, 2005B, 2007A, 2009A, 2009B, 2011A)	Revenues of the sewer fund	435,753	To finance improvements to sewer system and facilities	through 2037	33	(1) 25,048	53,288
Stormwater Loans (2000, 2001-02, 2007)	Revenues of the stormwater fund	4,587	To finance improvements to stormwater system	through 2028	14	451	2,126
General Improvement Airport Revenue Bonds (2003A, 2003B, 2004E, 2008A)	Revenues from airport operations	197,712	To fund all or portions of the costs on constructing and rehabilitating airport facilities	through 2028	10-20	18,787	33,148
Consolidated Rental Car Facility Bonds (2005C)	Revenues from airport operations (Customer Facility Charge)	50,748	To fund the costs of constructing a consolidated rental car facility	through 2021	5	5,710	5,710
Passenger Facility Charge Revenue Bonds Series 2001	Passenger Facility Charge revenues generated from the operation of the airport	139,927	To fund a portion of the cost of constructing and rehabilitating the airport terminals	through 2026	48	10,066	20,887

(1) Gross Debt Service.

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Issue	Type Revenue Pledged	Amount of Revenue Pledged	General Purpose for Debt	Term of Commitment	% of Revenue Pledged	Principal & Interest Paid for the Year	Pledged Revenue Recognized for the Year
*KCMAC (KCMAC 1998B)	Leasehold revenue payments	\$ -	To fund Truman Medical Center parking garage and office facilities.	through 2012	100	(3) \$ 1,698	(2) \$ 1,699
*KCMAC (KCMAC 2003C-1 and Special Obligation 2010B)	A portion of future sales tax generated from funds with the Zona Rosa Transportation Development District and Capital Improvement Sales Tax	14,147	To finance public improvements within Zona Rosa Development	through 2023	100	1,290	1,825
*KCMAC (Prospect North Project) (KCMAC 2004B-1 and Special Obligation 2010B)	TIF revenues, payment in lieu of taxes and certain economic activity taxes generated from the Prospect North TIF plan	11,421	To finance development of the Prospect North TIF plan	through 2022	100	958	-
*KCMAC (Refunding 1994B Portion) (KCMAC 2003C)	Vehicle License Fees	-	To finance construction and renovation of community centers	through 2012	100	(3) 1,859	2,291
*KCMAC and LCRA (Auditorium Plaza Garage Project) (KCMAC 2006A Issuance Auditorium Plaza Garage Portion, LCRA Series 2005-E Auditorium Plaza Garage Portion)	Net operating revenue of the Auditorium Plaza Garage	6,070	To finance Auditorium Plaza Garage	through 2020	100	662	351
*Special Obligation 2010C Refunding MDFB Taxable Infrastructure (Valentine Shopping Center) (Series 1998)	Net operating income from rental properties and excess TIF/STIF from Uptown theater	1,918	To finance Valentine Shopping Center project	through 2018	100	321	-
*IDA Taxable Leasehold Revenue Bonds (Century Towers) (2001)	Rents of the building	16,691	To finance Century Towers redevelopment project	through 2022	100	1,252	1,206

(2) \$859,000 Debt Service Reserve funded part of final maturity redemption. Debt Service Reserve is included in the Revenue Recognized amount.

(3) Bonds were fully paid in Fiscal Year 2011-12.

*The City believes that the revenues pledged for the respective debt issues do not meet the definition of pledged revenues under GASB 48. Although these bonds may have dedicated revenues, they are ultimately secured by the annual appropriation pledge of the City. The City believes that showing the specific revenue streams that are used to pay principal and interest on the debt is beneficial to the respective bondholders.

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April 30, 2012

Issue	Type Revenue Pledged	Amount of Revenue Pledged	General Purpose for Debt	Term of Commitment	% of Revenue Pledged	Principal & Interest Paid for the Year	Pledged Revenue Recognized for the Year
*Special Obligation VRDO Refunding and Improvement Revenue Bonds Series 2009C & D (Refunding TIFC Series 2003C (Tax-Exempt) and Refunding Series 2003D (Taxable))	TIF Revenues	\$ 11,925	To finance I-35 and Chouteau Project	through 2024	100	(4) \$ 802	\$ 915
*TIFC Improvement Revenue Bonds (TIFC Series 2004)	TIF/STIF Revenues	21,764	To finance the construction of the Blue Parkway business district	through 2028	100	1,008	671
*Special Obligation VRDO Improvement Revenue Bonds Series 2009A (Refunding TIFC Series 2005 Issuance)	TIF/STIF Revenues, parking revenues and Special Assessment revenues	7,415	Refunding of bonds originally used to construct and equip 909 Walnut parking garage	through 2024	100	(4) 424	394
*Special Obligation VRDO Improvement Revenue Bonds Series 2009B (TIFC Refunding Taxable Series 2004)	TIF/STIF Revenues	19,128	Refunding of bonds originally used to finance the refurbishing of the President Hotel	through 2028	100	(4) 788	1,406
*IDA Refunding Revenue Bonds 2005A and 2011A (IDA Series 2005A, remarketed 2005B, 2006A and 2006B)	TIF/STIF revenues, Transportation Development District revenues and DESA revenues	470,192	To finance KC Live Project	through 2033	100	(4) 16,806	4,494
*Special Obligation 2008C and 2008D Refunding Bonds refunding IDA VRDO Improvement Revenue Bonds (IDA Series 2005C, 2005D, and 2006E)	Future car rental and hotel fees net of Convention and Visitors Bureau share; User Fees	418,427	To finance the building of a downtown arena	through 2040	100	13,810	13,301
*LCRA Leasehold Revenue Refunding Bonds and Special Obligation Taxable Revenue Bonds (LCRA 2005E and Special Obligation Series 2010C)	TIF/STIF Revenues	23,750	To finance the Muehlebach Hotel Project	through 2019	100	3,578	2,578
*PIEA Taxable Industrial Revenue Bonds (2005)	Neighborhood Development District Special Assessments and TIF revenues	8,540	To finance the 300 Wyandotte Parking Garage Project	through 2025	100	695	263
*IDA Refunding and Improvement Revenue Bonds (2006C)	Certain TIF revenues	3,227	To finance the Civic Mall Refunding and Cherry Street Inn demolition project	through 2016	100	794	635
*IDA Refunding Revenue Bonds (MDFB Series 1998) (2007A)	TIF/STIF revenues associated with the redevelopment areas	2,050	To finance the Uptown theater project	through 2017	100	387	377

(4) Amounts include support costs paid on variable rate bonds.

*The City believes that the revenues pledged for the respective debt issues do not meet the definition of pledged revenues under GASB 48. Although these bonds may have dedicated revenues, they are ultimately secured by the annual appropriation pledge of the City. The City believes that showing the specific revenue streams that are used to pay principal and interest on the debt is beneficial to the respective bondholders.

City of Kansas City, Missouri
Notes to Basic Financial Statements
April 30, 2012

Issue	Type Revenue Pledged	Amount of Revenue Pledged	General Purpose for Debt	Term of Commitment	% of Revenue Pledged	Principal & Interest Paid for the Year	Pledged Revenue Recognized for the Year
*IDA Refunding Revenue Bonds (MDFB Series 2000A) (2007A)	TIF/STIF revenues associated with the redevelopment areas	\$ 40,132	To finance the Midtown Retail District project	through 2022	100	\$ 3,877	\$ 5,110
*Special Obligation 2008 Refunding and Improvement Revenue Bonds, Second Street	Revenues from TIF revenues from the redevelopment area	1,547	To finance improvements to Second Street redevelopment area	through 2026	100	70	158
*Special Obligation 2008 Refunding and Improvement Revenue Bonds, Hodge Park Shoal Creek Golf Courses	Revenues from golf operations	5,918	To refinance the KCMAC 1998 construction of Hodge Park, Shoal Creek golf courses	through 2023	100	540	639
*Special Obligation 2008B and 2010A Improvement Revenue Bonds, East Village Project	TIF/STIF Revenues	55,314	To finance parking garage and public improvements	through 2031	100	2,056	1,787
*Bank of America Promissory Note and Special Obligation Series 2012B	Revenues include Payments under a Lease with Swope Community Builders Association	12,989	To finance land acquisition	through 2032	100	186	25

*The City believes that the revenues pledged for the respective debt issues do not meet the definition of pledged revenues under GASB 48. Although these bonds may have dedicated revenues, they are ultimately secured by the annual appropriation pledge of the City. The City believes that showing the specific revenue streams that are used to pay principal and interest on the debt is beneficial to the respective bondholders.

Note 16: Restatements

Primary Government

Governmental Accounting Standards Board Statement No. 54 - Fund Balance Reporting and Governmental Fund-Type Definitions (GASB Statement No. 54):

The City adopted GASB Statement No. 54 effective May 1, 2011. Fund balance reclassifications made to conform to the provisions of this Statement should be applied retroactively by restating fund balance for all prior periods presented. In adopting this statement, the City determined that certain special revenue funds did not meet the revised governmental fund type definition and these funds have been reclassified as part of the general fund.

City of Kansas City, Missouri
Notes to Basic Financial Statements
April 30, 2012

The cumulative effect of this reclassification to the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance as of May 1, 2011 is summarized below (*in thousands*):

	General Fund	Nonmajor Governmental Funds
Fund balance as originally reported April 30, 2011	\$ 46,270	\$ 276,123
Amount of reclassifications	1,081	(1,081)
Fund balance as restated April 30, 2011	\$ 47,351	\$ 275,042

The City also determined that the Liberty Memorial Endowment Fund, which had previously been reported as a permanent fund, should be reclassified and reported as a special revenue fund. However, both the previous fund classification and revised fund classification are nonmajor governmental funds. Consequently, there is no cumulative effect of this reclassification to the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance as of May 1, 2011.

The cumulative effect of this reclassification to the Nonmajor Governmental Funds - Combining Statement of Revenues, Expenditures and Changes in Fund Balances as of May 1, 2011 is summarized below (*in thousands*):

	Special Revenue Funds	Liberty Memorial Endowment Fund
Fund balance as originally reported April 30, 2011	\$ 79,204	\$ 17,137
Amount of reclassifications	17,137	(17,137)
Fund balance as restated April 30, 2011	\$ 96,341	\$ -

The cumulative effect of all reclassifications to the Nonmajor Governmental Funds - Combining Statement of Revenues, Expenditures and Changes in Fund Balances as of May 1, 2011 is summarized below (*in thousands*):

	Special Revenue Funds	Liberty Memorial Endowment Fund
Fund balance as originally reported April 30, 2011	\$ 79,204	\$ 17,137
Amount of reclassifications	16,056	(17,137)
Fund balance as restated April 30, 2011	\$ 95,260	\$ -

City of Kansas City, Missouri
Notes to Basic Financial Statements
April 30, 2012

Component Unit – Port Authority of Kansas City, Missouri

During fiscal year 2012, the Port Authority of Kansas City, Missouri determined that certain amounts previously reported as due to the City of Kansas City, Missouri (primary government) and as accounts payable should be reported as restricted net assets and as restricted fund balance.

The cumulative effect to the total net assets presented on the discretely presented component units combining statement of activities for the Port Authority of Kansas City, Missouri as of May 1, 2011 is summarized below (*in thousands*):

Net assets as originally reported April 30, 2011	\$ 23,691
Due to primary government	653
Accounts payable	<u>905</u>
Net assets as restated April 30, 2011	<u><u>\$ 25,249</u></u>

Component Unit – Performing Arts Community Improvement District

During fiscal year 2012, the Performing Arts Community Improvement District determined that certain amounts previously reported as construction in progress should have been reported as capital expenditures.

The cumulative effect to the total net assets presented on the other component units combining statement of activities for the Performing Arts Community Improvement District as of May 1, 2011 is summarized below (*in thousands*):

Net assets as originally reported April 30, 2011	\$ 41,195
Construction in progress	<u>(41,078)</u>
Net assets as restated April 30, 2011	<u><u>\$ 117</u></u>

Component Units – Combined

The cumulative effect of both component unit restatements to the total net assets presented on the statement of activities for all component units as of May 1, 2011 is summarized below (*in thousands*):

Net assets as originally reported April 30, 2011	\$ (544,104)
Due to primary government	653
Accounts payable	905
Construction in progress	<u>(41,078)</u>
Net assets as restated April 30, 2011	<u><u>\$ (583,624)</u></u>

City of Kansas City, Missouri
Notes to Basic Financial Statements
April 30, 2012

Component Units – Reclassification of Presentation

During fiscal year 2012, the City determined that the Port Authority of Kansas City, Missouri should be presented separately on the discretely presented component units combining statement of net assets and activities and that the Land Clearance for Redevelopment Authority should be combined with all others. The reclassification had no impact to the discretely presented component units' presentation as a whole.

**Required
Supplementary
Information**

City of Kansas City, Missouri
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule – General Fund
Year Ended April 30, 2012
(In thousands of dollars)

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 283,345	\$ 283,345	\$ 280,955	\$ (2,390)
Licenses, permits and franchises	126,018	126,118	114,382	(11,736)
Fines and forfeitures	20,202	20,202	15,115	(5,087)
Rents and concessions	1,086	1,086	1,054	(32)
Investment income and interest	3,092	3,092	1,486	(1,606)
Charges for services	23,322	23,779	21,538	(2,241)
Intergovernmental revenues	5,675	5,927	5,088	(839)
Special assessments	430	530	515	(15)
Other	3,536	4,179	4,309	130
Total revenues	<u>466,706</u>	<u>468,258</u>	<u>444,442</u>	<u>(23,816)</u>
Other financing sources:				
Operating transfers in	<u>2,131</u>	<u>3,631</u>	<u>3,837</u>	<u>206</u>
Total revenues and other financing sources	<u>\$ 468,837</u>	<u>\$ 471,889</u>	<u>\$ 448,279</u>	<u>\$ (23,610)</u>
Expenditures				
Mayor and City Council	\$ 3,758	\$ 3,602	\$ 3,507	\$ 95
City Clerk	481	481	445	36
City Auditor	1,205	1,266	1,246	20
General Services	19,725	19,639	18,023	1,616
Board of Election Commissioners	1,742	2,142	1,663	479
City Manager	11,282	11,500	9,988	1,512
Municipal Court	9,859	9,797	9,622	175
Finance	12,594	12,465	12,185	280
Law	3,574	3,525	3,454	71
Human Resources	3,705	3,840	3,541	299
Human Relations	1,120	1,310	1,090	220
Contingent Appropriation	4,748	1,100	1	1,099
Information Technology	14,670	14,172	13,923	249
City Planning and Development	4,733	4,419	3,680	739
Fire	84,029	83,882	83,854	28
Capital Projects	-	53	50	3
Public Works	28,778	27,565	25,674	1,891
Neighborhood and Community Services	24,702	24,890	24,075	815
Housing and Community Development	250	483	478	5
Parks and Recreation	8,085	8,049	8,003	46
Police	183,352	182,027	181,956	71
Total expenditures	<u>422,392</u>	<u>416,207</u>	<u>406,458</u>	<u>9,749</u>
Other financing uses:				
Operating transfers out	<u>56,444</u>	<u>59,474</u>	<u>47,228</u>	<u>12,246</u>
Total expenditures and other financing uses	<u>\$ 478,836</u>	<u>\$ 475,681</u>	<u>\$ 453,686</u>	<u>\$ 21,995</u>

City of Kansas City, Missouri
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule – General Fund
Year Ended April 30, 2012
(In thousands of dollars)

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues and other financing sources	\$ 468,837	\$ 471,889	\$ 448,279	\$ (23,610)
Expenditures and other financing uses	<u>478,836</u>	<u>475,681</u>	<u>453,686</u>	<u>21,995</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(9,999)	(3,792)	(5,407)	(1,615)
Net change in encumbrances, reserves and prior year adjustments	<u>-</u>	<u>-</u>	<u>6,780</u>	<u>6,780</u>
Net change in fund balance	<u>\$ (9,999)</u>	<u>\$ (3,792)</u>	1,373	<u>\$ 5,165</u>
Unreserved fund balance (budget basis):				
Beginning of year			<u>39,832</u>	
End of year			<u>\$ 41,205</u>	

City of Kansas City, Missouri
Required Supplementary Information (Unaudited)
Notes to Budgetary Comparison Schedules
Year Ended April 30, 2012

Budgetary Process

The reported budgetary data represent the final approved budget after amendments as adopted by the City Council. Amendments to the original budget were not material and unencumbered appropriations lapse at year-end. Encumbered appropriations at year-end are carried forward into the following year for final disposition. These procedures are followed in establishing the budget:

1. On or before January 15, the City Manager submits to the Mayor a proposed budget for the fiscal year commencing the following May 1. The budget includes proposed expenditures and the means of financing them.
2. On or before the second regular meeting of the City Council in February, the Mayor transmits to the Council the budget prepared by the City Manager, with any comments of the Mayor.
3. The City Council conducts a review of the budget, including hearings with the City Manager and department officers. Upon conclusion of its review and not later than the first regular meeting of the Council in March, the budget ordinance is introduced for consideration.
4. Public hearings are conducted to obtain taxpayer comments.
5. At the fourth regular meeting in March, the Council adopts the budget ordinance with or without alteration or amendment.

Financial Statement Presentation—Budget Basis

The City prepares legally adopted annual operating budgets for the general fund, special revenue funds (which include museum, park maintenance, boulevard maintenance, golf operations, motor fuel tax, trafficway maintenance, public mass transportation, parking garage, development services, ambulance services, KCATA sales tax, fire sales tax, public safety sales tax, health levy, police drug enforcement, neighborhood tourist development, convention and tourism, community centers, arterial street impact fee, domestic violence shelter operations, governmental grants, ARRA stimulus, community development block grant, Ryan White HIV/AIDS, housing opportunities for persons with AIDS, HUD lead-based paint grant, inmate security, home investment, special housing rehabilitation and liberty memorial trust), debt service funds (which include general debt and interest, streetlight debt, downtown arena debt, sewer special assessment, N.I.D. GO bond, STIF—12th and Wyandotte, STIF—Midtown, STIF—Uptown, STIF—Valentine, STIF—Hotel President, STIF—Brush Creek/Blue Parkway/Town Center, STIF—East Village, STIF—909 Walnut Tower, KC downtown redevelopment district, STIF—HOK Sport Garage and convention and sports complex) and capital projects funds (which include capital improvements and revolving public improvement). The City also prepares annual operating budgets for the enterprise funds; however, there is no requirement to report on these budgets. Therefore, the financial statements include a comparison of budget to actual only for the budgeted governmental funds.

The City's policy is to prepare the governmental fund types' annual budgets on a cash basis, which is modified to include encumbrances as the equivalent of expenditures.

City of Kansas City, Missouri
Required Supplementary Information (Unaudited)
Notes to Budgetary Comparison Schedules
Year Ended April 30, 2012

Unencumbered balances appropriated for one purpose may be transferred to another purpose within a department with approval of the Budget Officer, Director of Finance and the City Manager. Transfers of unencumbered balances appropriated for one department to any other department must be authorized by City Council ordinance. Unencumbered appropriations lapse at the end of the fiscal year.

Project budgets are adopted in the certain capital projects funds where appropriations do not lapse at fiscal year end.

Budgeting and Budgetary Control

The accounting principles employed by the City in its budgetary accounting and reporting system are designed to enhance budgetary control. Certain of these principles differ from those used to present financial statements in accordance with U.S. generally accepted accounting principles. The significant differences are the exclusion of accrued and deferred revenues and accrued expenditures and transfers out from the budgetary-basis statement.

Following is a reconciliation of these differences for the year ended April 30, 2012 (*in thousands*):

	General Fund
Net change in fund balance – budgetary basis	\$ 1,373
Adjustments	
To record accrual and deferral of revenues, net	32,009
To record accrual of expenditures and transfers out	<u>(36,049)</u>
Net change in fund balance – GAAP basis	<u>\$ (2,667)</u>

Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of moneys are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the funds. Other commitments include encumbrances that have been established for future planned expenditures where the purpose is known but a specific contract with a vendor has not yet been finalized.

City of Kansas City, Missouri
Required Supplementary Information (Unaudited)
Schedules of Funding Progress
Year Ended April 30, 2012
(In thousands)

Pension Systems						
Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Liability (AAL) Entry Age	(b-a) Unfunded AAL (UAAL)	(a/b) Funded Ratio	(c) Covered Payroll	[(b-a)/c] UAAL as a Percentage of Covered Payroll
Police Retirement System						
5/1/2009	\$ 641,177	893,559	252,382	71.76 %	\$ 89,884	280.79 %
5/1/2010	722,464	915,463	192,999	78.92	90,475	213.32
5/1/2011	715,764	940,609	224,845	76.10	88,445	254.22
Civilian Employees' Retirement System						
5/1/2009	\$ 86,333	124,990	38,658	69.07 %	\$ 27,581	140.16 %
5/1/2010	100,516	131,223	30,707	76.60	26,136	117.49
5/1/2011	102,523	137,040	34,517	74.81	25,239	136.76
Employees' Retirement System						
5/1/2009	\$ 704,069	966,779	262,710	72.83 %	\$ 160,201	163.99 %
5/1/2010	749,552	994,768	245,216	75.35	153,948	159.28
5/1/2011	806,793	1,010,996	204,203	79.80	163,114	125.19
Firefighters' Pension System						
5/1/2009	\$ 348,489	500,194	151,704	69.67 %	\$ 53,613	282.96 %
5/1/2010	435,428	516,600	81,172	84.29	51,934	156.30
5/1/2011	432,541	528,481	95,940	81.85	51,983	184.56
Other Post-Employment Benefits						
Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Liability (AAL) Entry Age	(b-a) Unfunded AAL (UAAL)	(a/b) Funded Ratio	(c) Covered Payroll	[(b-a)/c] UAAL as a Percentage of Covered Payroll
City of Kansas City - Employee/Firefighter Other Post-employment Benefits						
4/30/2006	\$ -	150,376	150,376	- %	\$ 193,387	77.76 %
4/30/2008	-	208,612	208,612	-	221,036	94.38
4/30/2010 (1)	-	76,574	76,574	-	205,882	37.19
Board of Police Commissioners - Police/Civilian Other Post-employment Benefits						
4/30/2010	\$ -	54,184	54,184	- %	\$ 116,611	46.47 %

(1) The May 1, 2010 actuarial valuation included the following changes in assumptions:

1. Medicare eligibility: In the prior valuations, it was assumed that 25% of firefighter retirees hired before 1987 would not be eligible for Medicare. It was determined that this assumption was not holding true for the current retirees (all were Medicare eligible). For the 2010 valuation, all retirees are assumed to be eligible for Medicare at attainment of age 65.
2. Participation and election assumptions: In the prior valuations, it was assumed that 90% of eligible retirees would elect coverage at retirement and that 100% of those electing would elect 2-person coverage. This was determined to be overly conservative for an access only plan (a plan where the retiree pays the full blended premium), and was not being observed in the actual retiree elections. For the 2010 valuation, 50% participation was assumed with 85% of males participating electing 2-person coverage and 55% of females participating electing 2-person coverage.

City of Kansas City, Missouri
Required Supplementary Information (Unaudited)
Schedules of Condition Assessments and Maintenance Costs
Year Ended April 30, 2012
(In thousands)

Condition Assessment

	Percentage in Good or Better Condition		
	2012	2011	2010
Roadway system	38.88%	52.71%	61.85%
Bridges	79.32	81.00	80.74
Street lighting	93.90	92.68	92.08
	Percentage in Fair Condition		
	2012	2011	2010
Roadway system	6.66%	7.61%	7.94%
Bridges	15.75	13.60	12.90
Street lighting	—	—	—
	Percentage in Substandard Condition		
	2012	2011	2010
Roadway system	54.46%	39.68%	30.21%
Bridges	4.93	5.40	6.36
Street lighting	6.10	7.32	7.92
	Overall Condition Level		
	2012	2011	2010
Roadway system	68.37%	78.13%	81.59%
Bridges	76.54	76.32	76.56
Street lighting	93.90	92.68	92.08

Estimated and Actual Costs to Maintain

	2012	2011	2010	2009	2008
Roadway system					
Estimated	\$ 101,454	\$ 84,413	\$ 67,674	\$ 58,425	\$ 49,533
Actual	<u>27,190</u>	<u>20,972</u>	<u>15,571</u>	<u>19,337</u>	<u>17,323</u>
Difference	<u>\$ (74,264)</u>	<u>\$ (63,441)</u>	<u>\$ (52,103)</u>	<u>\$ (39,088)</u>	<u>\$ (32,210)</u>
Bridges					
Estimated	\$ 8,577	\$ 8,577	\$ 8,582	\$ 8,582	\$ 7,711
Actual	<u>888</u>	<u>1,255</u>	<u>1,341</u>	<u>558</u>	<u>625</u>
Difference	<u>\$ (7,689)</u>	<u>\$ (7,322)</u>	<u>\$ (7,241)</u>	<u>\$ (8,024)</u>	<u>\$ (7,086)</u>
Street lighting					
Estimated	\$ 7,830	\$ 5,978	\$ 8,255	\$ 6,948	\$ 6,791
Actual	<u>5,273</u>	<u>5,138</u>	<u>5,355</u>	<u>5,797</u>	<u>5,003</u>
Difference	<u>\$ (2,557)</u>	<u>\$ (840)</u>	<u>\$ (2,900)</u>	<u>\$ (1,151)</u>	<u>\$ (1,788)</u>

City of Kansas City, Missouri
Required Supplementary Information (Unaudited)
Notes to Schedules of Condition Assessments and Maintenance Costs
Year Ended April 30, 2012
(In thousands)

As allowed by GASB Statement No. 34, the City has adopted an alternative process for recording depreciation expense on selected infrastructure assets. Under this alternative method, referred to as the modified approach, the City expends maintenance costs and does not report depreciation expense.

In order to utilize this approach, the City is required to:

- Maintain an asset management system to include up-to-date inventory of eligible infrastructure assets
- Perform a condition assessment
- Estimate each year the amount to maintain and preserve the assets
- Document that the assets are being preserved approximately at, or above, the established condition level.

Public Works has established a program to evaluate the condition of all pavements. The name of the program is the Street Distress Rating System (SDRS). This program rates all segments of pavement over a three-year period. The program measures actual physical defects in the pavement system that can be observed and quantified through visual inspection of the roadway surface. Broad categories include cracking, patching, depression and surface wear. The system calculates the Pavement Condition Index representing a value ranging from “0” to “100.” The City’s intent is to achieve and retain a system-wide average value of not less than “80.” The value of 80 represents a system that needs repairs and improvements. A rating of “90” to “100” would show an excellent condition, “80” to “89” good condition, “70” to “79” fair condition and below “70” poor condition.

The condition of bridges is measured using the Federal Highway Administration Rating System. The federal system uses a measurement scale that is based on a condition index ranging from zero for a failed bridge to 100 for a bridge in perfect condition. The condition index is used to classify bridges and culverts in good (75 rating and up) or better condition (65 to 75), fair condition (45 to 64) and substandard condition (less than 45). It is the City’s policy to maintain on average at least 75 percent of its bridge system at a good or better condition level. No more than 10 percent should be in the substandard condition. Condition assessments are determined every other year. All bridges are rated at least once every two years.

The condition of street lighting is measured using a system designed by the City. The system uses a measurement scale that is based on an assigned condition index to a streetlight of zero for failing or 100 for passing each measured factor and measures 16 different factors. The condition index is used to classify street lighting in better condition (90 and up), good condition (80 to 89), and substandard condition (less than 80). It is the City’s policy to maintain an overall average of at least 90 percent condition rating (better condition rating) for the entire street light system. No more than 10 percent of the entire street lighting system should be below the better condition rating. Condition assessments are determined every year. Streetlights are selected for condition assessments systematically by private contractor hired to assess and immediately repair all street lights inspected. The plan is to have 100 percent of all streetlights inspected, with corresponding repairs, every two years.

**Combining
and Individual
Fund Statements
and Schedules**

City of Kansas City, Missouri
Nonmajor Governmental Funds
Special Revenue Funds
April 30, 2012

Special revenue funds are used to account for the proceeds of specific revenue sources (other than certain capital projects and expendable trusts) that are legally restricted to expenditure for specified purposes.

Museum—Used to account for special museum taxes levied by the City and contributions to the Kansas City Museum for operating expenses.

Motor Fuel Tax—Accounts for the City’s allocations of the State of Missouri motor fuel tax and expenditures for reconstruction, maintenance, repair, policing and cleaning of roads and streets.

Trafficway Maintenance—Includes accounts of City operations relating to expenditures for maintenance, improvements and repairs of trafficways financed by trafficway maintenance taxes levied within the benefited districts.

Public Mass Transportation—Includes the accounts relating to the City-enacted sales tax and expenditures for transportation purposes, which include financial support of a public mass transportation system; construction and maintenance of streets, roads, bridges and airports; acquisition of lands and right-of-ways; and related planning and feasibility studies to the extent of tax revenues.

KCATA Sales Tax—Accounts for a 3/8% sales tax dedicated to fund the Kansas City Area Transit Authority operations.

Infrastructure and Maintenance—Accounts for the City’s collection of gaming revenues and fund expenditures for infrastructure and maintenance.

Park Maintenance and Boulevard Maintenance—Include accounts of City operations relating to the construction or maintenance of parks, parkways, boulevards and roads in the park districts to the extent of revenue from park maintenance and boulevard taxes levied against properties within the districts and revenues from vehicle licenses apportioned on the basis of park area.

Special Gifts—Parks and Recreation—The City receives donations from a variety of sources for parks and recreation facilities; the Parks Board of Commissioners approves expenditures to ensure they meet the contributor’s requirements.

Golf and Tennis—Includes accounts relating to the operation of the City’s golf courses. Revenues from golf course green fees are recorded in this fund and the fund balance is restricted for the purpose of acquiring, developing, or improving park and recreation lands or facilities.

Parking Garage—Used to account for the operation and maintenance of the 11th and Oak garage.

Fire Sales Tax—Used to account for a 0.25% sales tax dedicated to fund the operations of the City’s Fire Department.

Development Services—Used to account for the fee-supported operations of the City Planning and Development Department.

Ambulance Services—Used to account for the operations of the Fire Department’s Medical Bureau.

City of Kansas City, Missouri
Nonmajor Governmental Funds
Special Revenue Funds
April 30, 2012

Public Safety Sales Tax—Used to account for a 0.25% sales tax dedicated to fund public safety operations.

Neighborhood Stabilization—Used to account for funds related to the Neighborhood stabilization grant. The overall purpose of the program is to stabilize communities that have suffered from foreclosures and abandonment through the purchase and redevelopment of foreclosed and abandoned homes and residential properties.

Health—Used to account for property tax receipts dedicated to expenditures related to healthcare for the indigent.

Public Improvement Guarantee Fund—Used to account for deposits from private developers for various public improvement projects.

Police Drug Enforcement—Used to account for funds received from Jackson County for Police Department drug enforcement efforts. Revenues arise from a 0.25% sales tax assessed by Jackson County for drug enforcement activities.

Neighborhood Tourist Development—A fund established by Missouri state law requiring cities levying a convention and tourism tax to provide 10% of the receipts from the tax for the purpose of promoting cultural, social, ethnic, historic and recreation activities at the neighborhood level.

Convention and Tourism—A fund established by Missouri state law for the deposit of the City's convention and tourism tax. The fund is also used to account for the revenues and expenditures related to Bartle Hall operations.

Performing Arts Center—Used to account for the revenues and expenditures related to the Performing Arts Center garage.

Community Centers—Includes accounts relating to the construction financing and/or refurbishing of four community centers. Two of these centers are new, the Brush Creek Center and the Jerry Darter Community Center (located south of Bannister Road). Revenues from the vehicle license fees support the operating costs of the centers and associated debt service relating to construction.

Domestic Violence—Used to account for domestic violence-related fines collected for use in domestic violence shelter operations.

Special Housing Rehabilitation—This fund is used to record revenue from municipal court violations related to housing. Receipts finance repairs to houses of low-income homeowners.

Community Development Governmental Grants—Under the Community Development Block Grant Program, the City receives a certain amount of money from the U.S. government each year for a variety of uses within defined target areas and populations. These target areas and populations can generally be defined as suffering from various levels of economic distress. These revenues are deposited in the appropriate Community Development Block Grant fund.

City of Kansas City, Missouri
Nonmajor Governmental Funds
Special Revenue Funds
April 30, 2012

ARRA Stimulus Fund—Used to account for grants received through the American Recovery and Reinvestment Act of 2009 (ARRA).

Governmental Grants Fund—Other—Used to account for assistance from significant federal and state programs or agencies. These funds are operated by expending moneys received from the granting agencies in accordance with the specific terms of the grant agreements. In this report, Community Development Block Grant funds are presented separately, while the revenues and expenditures of other grant funds have been combined.

Liberty Memorial Endowment—Established to accumulate funds for future preservation of the Liberty Memorial and its museum. The primary source of revenue is the tax collections in excess of \$30,000,000 of the ½ of 1% sales tax that was in effect from May 1999 until September 2000 and the interest earned on these collections.

Justice Assistance Grant—Includes moneys received as a grant from the United States Department of Justice for various law enforcement activities.

Arterial Street Impact Fee—Used to account for revenues collected for arterial street impact fees, which are imposed on new developments proportionate with the costs the City will incur to provide arterial streets.

Inmate Security—Authorized for the purpose of supporting the Citywide development of an inmate biometric identification system.

Other—Primarily used to account for user fees and contributions collected for the purpose of neighborhood improvements, paying off lease purchase or repairs associated with Municipal Auditorium and providing upkeep on Union Cemetery.

City of Kansas City, Missouri
Nonmajor Governmental Funds
Debt Service Funds
April 30, 2012

The debt service funds are used to account for the accumulation of resources for and the payment of, general long-term debt principal and interest.

General Debt and Interest—Used to account for the payment of principal and interest on the City’s general obligation debt. The primary source of revenue is the City’s tax levy on tangible property.

KCMAC Fund—Used to account for the lease purchase activities and related debt service payments for the Kansas City Municipal Assistance Corporation’s (KCMAC) various debt issues, including the convention and sports complex.

STIF—12th and Wyandotte, Valentine, Midtown, Uptown, Tower 909 Walnut, Hotel President, Brush Cr/BluPkwy/TownCtr, HOK Sport Garage and East Village—Used to account for the collection of super-tax increment financing (STIF) taxes and payment of principal and interest on STIF bonds.

Streetlight Debt—Used to account for the payment of principal and interest on the City’s streetlight general obligation (GO) bond debt. The primary source of revenue is the City’s tax levy on tangible property.

MIDB Debt Service—Used to account for the payment of MIDB infrastructure loans. The primary source of revenue arose from special assessment collections.

KC Downtown Redevelopment District—Used to account for funds for the payment of principal and interest on the City’s bond debt to cover the cost of the KC Live Redevelopment.

Neighborhood Improvement District GO Bond—Used to account for the payment of principal and interest on the City’s general obligation debt issued for neighborhood improvement districts.

Downtown Arena Debt—Used to account for funds to fulfill the public’s obligation in financing the development and construction of the Sprint Arena in downtown Kansas City.

Special Assessment Sewer—Used to account for the payment of debt service on the City’s special assessment debt issued for improvements to the City’s sewer system. The primary source of revenue arises from special assessment collections.

Recovery Zone Bond—Used to account for the debt payments and IRS interest subsidy on the Taxable General Obligation Improvement Bonds 2010B.

Refunding Bond—Used to account for refunding of KCMAC 1999A, KCMAC 2001B-1, LCRA 1996A, Taxable PIEA 1998 Bonds and MDFB 1998 Bonds.

IDA Refunding – Midtown/Uptown—Used to account for the defeasance of the Missouri Development Finance Bonds, Series 1998 (Uptown Theater Redevelopment Project) and Series 2000A (Midtown Redevelopment Project). The other financing sources derive from the Industrial Development Authority (IDA) of the City of Kansas City, Missouri Infrastructure Refunding Revenue Bonds, Series 2007A.

City of Kansas City, Missouri
Nonmajor Governmental Funds
Capital Projects Funds
April 30, 2012

The capital projects funds account for resources used for the acquisition of capital facilities, except those financed by the proprietary fund and those budgeted in the general or special revenue funds, when resources are derived exclusively from the direct revenues for the fund and do not involve long-term borrowing.

General Government

IDA Refunding 2006C—Used to account for the costs of refunding the outstanding principal amount of the Ilus W. Davis Park Project, financing the acquisition of land in the vicinity of the Civic Mall and the demolition of any existing structures on that land and issuing the bonds.

Equipment Lease—To account for the acquisition of major equipment funded through lease-purchase arrangements.

General Obligation Series 2003F and 2004F—Used to account for the funds to be used for a variety of public improvements in the downtown area as well as surrounding communities.

General Obligation Series 2008A—Used to account for street preservation, park facilities improvements, community center maintenance and zoo facilities.

General Obligation Series 2010A and 2010B—Used to account for the issuance of general obligation ("G.O.") bonds for the purpose of paying for deferred maintenance and basic capital infrastructure ("Basic Capital Infrastructure Project"), such as streets, bridges, catch basins and other projects.

General Obligation Series 2011—Used to account for the issuance of general obligation ("G.O.") bonds for the purpose of paying for deferred maintenance and basic capital infrastructure, such as streets, parks, zoo and other projects.

General Obligation Series 2012A—Used to account for the issuance of general obligation ("G.O.") bonds for the purpose of financing basic infrastructure, KC Zoo Projects, Public Safety Projects and the refunding of G.O. Bond Series 2003F and 2004F.

Special Obligation Series 2009E—Used to account for the development, design and construction of a 1,000 space underground parking garage, including a green space/park area on the roof (the "Parking Garage") adjacent to the Performing Arts Center ("PAC"), fund a Debt Service Reserve Fund and pay certain costs of issuance.

Public Safety

Health Department Building—Used to account for the funds used in the construction of the Health Services Building at 24th and Troost. The building was completed during fiscal year 1997. The building is being partially financed through funds from Medicaid incentive moneys, which include federal as well as City dollars.

Bond Series 1995—To account for revenue raised through the sale of public safety series 1995 bonds to be used for the construction and equipping of a fire station.

City of Kansas City, Missouri
Nonmajor Governmental Funds
Capital Projects Funds
April 30, 2012

Convention Facilities

LCRA 1995A and 2005E Revenue Bonds—To account for the financing of the Municipal Auditorium remodeling.

Special Assessments

1991 and 1996 Series Sewer Special Assessment—To finance and account for expenditures associated with improvements of sanitary and storm sewer systems.

1997 General Obligation Refunding Bonds—To finance and account for the partial refunding of the Series 1991 and 1996A bond issues.

Street and Avenue—To construct and improve the City’s streets and avenues.

General Improvements—A revolving fund established by the sale of \$1,000,000 of general obligation bonds to provide money that can be advanced to pay engineering and other developmental costs for special assessments projects. After the projects are completed and special assessments are levied, the amount borrowed from this fund is repaid. The general obligation bonds financing this fund are serviced by the debt service fund.

Public Works

MIDB Infrastructure River Front—The purpose of the loan made by the former Missouri Economic Development Export and Infrastructure Board to the City is to pay for improvements, which include rebuilding concrete curbs and sidewalks, upgrading utilities and landscaping and installing pedestrian lights.

PIEA Taxable Kemper Garage—To finance and account for the construction of the Kemper-Butler garage.

PIEA Taxable HOK Parking Garage—To finance and account for the construction of the garage in the River Market.

MDFB Midtown Bond 1996—A redevelopment plan that provides for both public and private projects within a blighted area of the City. Projects under this plan include the “Mill Street Project” and the “Linwood Corridor Project.”

George E. Wolf—Used to account for the acquisition of land and the acquisition, improvement, construction and equipping of a multilevel public parking facility and related improvements and streetlights.

KC Live Series District 4—To account for the costs of the KC Live Redevelopment, the Blue Parkway Town Center District, KC Entertainment District and Sprint Arena.

City of Kansas City, Missouri
Nonmajor Governmental Funds
Capital Projects Funds
April 30, 2012

Special Obligation Series 2008—To account for construction of the Vehicle Impound Facility.

Special Obligation Series 2012A—To account for the purchase of a software system for revenue collection and funds to acquire and construct public infrastructure projects.

Special Obligation Series 2012B—To account for the full refunding of Planned Industrial Expansion Authority Leasehold Revenue Bonds, Series 2001, Kansas City Municipal Assistance Corporation Leasehold Revenue Bonds, Series 2001A, partial refunding of Kansas City, Missouri Special Obligation Bonds, Series 2010B, partial redemption of Bank of America, N.A. promissory note and funding Downtown Residential and 63rd and Prospect Projects.

KCMAC Other

KCMAC Kemper Remodeling —Projects include the addition of seating and modernization of Kemper Arena and the addition of seating, installation of elevators and various improvements at Municipal Auditorium.

Leasehold Revenue Capital Improvements 1994A —Application of Series 1994A includes land acquisition, demolition, tenant relocation, widening channel and the relocation of utilities within a federally funded flood control construction project.

Leasehold Capital Improvements 1998A Hodge Park—Used to account for the acquisition, construction, equipping and furnishing of an 18-hole golf course and related facilities at Hodge Park.

Series 2001-B1—The fund represents the tax-exempt portion of the Series 2001B bonds. This fund accounts for the acquisition and construction of certain public improvements consisting of streets and stormwater improvement, specifically for the Prospect North Road, Northwest Prairie View Road and Fairyland Projects.

Series 2001-B2—This fund represents the taxable portion of the 2001B bonds. This fund will account for the reimbursement of development soft costs incurred by the developers of the Prospect North Road Project and Northwest Prairie View Projects.

C3 ERP Project—The expenses included in this fund relate to the City’s implementation of an Enterprise Resource Planning project.

Bartle Hall Expansion 04A & 04B—These funds accounts for the construction of an expanded ballroom for the Bartle Hall Convention Center.

04B Bartle Taxable Bond Fund—This fund represents the taxable portion of the 2004B bonds. This fund accounts for the renovations and expansions at the Convention Center Complex.

04B Prospect North—This fund accounts for the expenses related to the completion of the Prospect North Road Project.

04B Tow Lot—This fund accounts for expenses related to the construction of a new tow lot facility.

City of Kansas City, Missouri
Nonmajor Governmental Funds
Capital Projects Funds
April 30, 2012

Series CI Zona Rosa—This fund accounts for the construction of a shopping district located by Interstate 29 and NW Barry Road.

KCMAC06A Music Hall—This fund accounts for the costs of remodeling the Music Hall.

KCMAC06B Refunding Revenue—This fund accounts for the refunding of KCMAC06B Kemper Arena.

Other

General Obligation Bond Fund 2007A—This fund accounts for street preservation, for traffic signal safety and bridge rehabilitation.

STIF Special Obligation 2008B—This fund accounts for funds to build a parking garage on 11th Street east of City Hall. Debt service on the Series 2008B Bonds will be funded by the local TIF, STIF and State Supplemental TIF revenues of the project and supported by an annual appropriation pledge of the City's general municipal revenues.

City of Kansas City, Missouri
Nonmajor Governmental Funds
Combining Balance Sheet
April 30, 2012
(In thousands of dollars)

Assets	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total Nonmajor Governmental Funds
Cash and cash equivalents	\$ 90,724	\$ 8,364	\$ 164,433	\$ 263,521
Receivables				
Taxes				
Real estate	8,734	1,493	-	10,227
Personal property	2,718	546	-	3,264
Motor vehicle	3,764	-	-	3,764
Sales	15,124	-	-	15,124
Hotel and restaurant tax	3,802	-	-	3,802
Total taxes	<u>34,142</u>	<u>2,039</u>	<u>-</u>	<u>36,181</u>
Accounts	13,901	-	-	13,901
Special assessments	1,758	3,099	2,051	6,908
Interest and dividends	130	113	151	394
Other	1	1,326	-	1,327
Allowance for uncollectible receivables	<u>(23,857)</u>	<u>(3,483)</u>	<u>(854)</u>	<u>(28,194)</u>
Total receivables	<u>26,075</u>	<u>3,094</u>	<u>1,348</u>	<u>30,517</u>
Due from other governments				
Grants receivable	13,016	-	-	13,016
Motor fuel	<u>2,354</u>	<u>-</u>	<u>-</u>	<u>2,354</u>
Total due from other governments	<u>15,370</u>	<u>-</u>	<u>-</u>	<u>15,370</u>
Due from other funds	4,494	442	2,934	7,870
Restricted assets—cash and short-term investments	<u>-</u>	<u>38,023</u>	<u>49,951</u>	<u>87,974</u>
Total assets	<u>\$ 136,663</u>	<u>\$ 49,923</u>	<u>\$ 218,666</u>	<u>\$ 405,252</u>
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ 19,372	\$ 498	\$ 8,132	\$ 28,002
Other accrued items	3,657	-	-	3,657
Construction contracts and retainages payable	1,870	7	3,075	4,952
Due to other funds	12,992	1,746	4,931	19,669
Due to fiduciary funds	6,223	-	-	6,223
Due to component units	621	-	509	1,130
Deferred income	10,417	2,612	1,197	14,226
Other liabilities	5,100	293	1	5,394
Total liabilities	<u>60,252</u>	<u>5,156</u>	<u>17,845</u>	<u>83,253</u>
Fund balances				
Restricted	66,724	43,599	189,786	300,109
Committed	3,034	-	2,108	5,142
Assigned	11,971	1,168	8,927	22,066
Unassigned	<u>(5,318)</u>	<u>-</u>	<u>-</u>	<u>(5,318)</u>
Total fund balances	<u>76,411</u>	<u>44,767</u>	<u>200,821</u>	<u>321,999</u>
Total liabilities and fund balances	<u>\$ 136,663</u>	<u>\$ 49,923</u>	<u>\$ 218,666</u>	<u>\$ 405,252</u>

City of Kansas City, Missouri
Nonmajor Special Revenue Funds
Combining Balance Sheet
April 30, 2012
(In thousands of dollars)

Assets	Museum	Motor Fuel Tax	Trafficway Maintenance	Public Mass Transportation	KCATA Sales Tax	Infrastructure and Maintenance	Park Maintenance	Boulevard Maintenance	Special Gifts—Parks and Recreation	Golf & Tennis	Parking Garage	Fire Sales Tax
Cash and cash equivalents	\$ 357	\$ 204	\$ 67	\$ 5,260	\$ 2,350	\$ 106	\$ 482	\$ 981	\$ 11,491	\$ 288	\$ 426	\$ 674
Receivables												
Taxes												
Real estate	214	-	392	-	-	-	815	178	-	-	-	-
Personal property	83	-	-	-	-	-	-	-	-	-	-	-
Motor vehicle	-	-	-	-	-	-	1,971	-	-	-	-	-
Sales	-	-	-	5,351	4,189	-	-	-	-	-	-	2,792
Hotel and restaurant tax	-	-	-	-	-	-	-	-	-	-	-	-
Total taxes	297	-	392	5,351	4,189	-	2,786	178	-	-	-	2,792
Accounts	-	-	-	-	-	-	3	-	-	41	-	-
Special assessments	-	-	-	-	-	-	-	-	-	-	-	-
Interest and dividends	-	-	-	-	-	-	-	-	40	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
Allowance for uncollectible receivables	(206)	-	(291)	-	-	-	(2,038)	(132)	-	-	-	-
Total receivables	91	-	101	5,351	4,189	-	751	46	40	41	-	2,792
Due from other governments												
Grants receivable	-	-	-	-	-	-	-	-	-	-	-	49
Motor fuel	-	2,354	-	-	-	-	-	-	-	-	-	-
Replacement	-	-	-	-	-	-	-	-	-	-	-	-
Total due from other governments	-	2,354	-	-	-	-	-	-	-	-	-	49
Due from other funds	-	-	-	-	-	-	63	-	-	-	59	-
Restricted assets—cash and short-term investments	-	-	-	-	-	-	-	-	-	-	-	-
Other assets												
Total assets	\$ 448	\$ 2,558	\$ 168	\$ 10,611	\$ 6,539	\$ 106	\$ 1,296	\$ 1,027	\$ 11,531	\$ 329	\$ 485	\$ 3,515
Liabilities and Fund Balances (Deficits)												
Liabilities												
Accounts payable	\$ 2	\$ 175	\$ 5	\$ 5,370	\$ 4,190	\$ -	\$ 80	\$ 162	\$ 18	\$ 2	\$ 466	\$ 83
Other accrued items	-	246	-	71	-	-	286	2	20	62	19	-
Construction contracts and retainages payable	-	-	67	-	-	56	-	15	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-	-	-	-	-
Due to fiduciary funds	-	-	-	1,282	1,377	-	-	-	-	-	-	919
Due to component units	-	-	-	-	-	-	-	-	-	-	-	-
Deferred income	67	-	59	-	-	-	518	26	-	-	-	-
Other liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	69	421	131	6,723	5,567	56	884	205	38	64	485	1,002
Fund balances (deficit)												
Restricted	379	2,137	-	3,888	972	-	-	-	11,493	-	-	2,513
Committed	-	-	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	37	-	-	50	412	822	-	265	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-	-	-
Total fund balances (deficit)	379	2,137	37	3,888	972	50	412	822	11,493	265	-	2,513
Total liabilities and fund balances (deficit)	\$ 448	\$ 2,558	\$ 168	\$ 10,611	\$ 6,539	\$ 106	\$ 1,296	\$ 1,027	\$ 11,531	\$ 329	\$ 485	\$ 3,515

City of Kansas City, Missouri
Nonmajor Special Revenue Funds
Combining Balance Sheet
April 30, 2012
(In thousands of dollars)

	Development Services	Ambulance Service	Public Safety Sales Tax	Neighborhood Stabilization	Health	Public Improvement Guarantee Fund	Police Drug Enforcement	Neighborhood Tourist Development	Convention and Tourism	Performing Arts Center	Community Centers	Domestic Violence	Special Housing Rehabilitation
Assets													
Cash and cash equivalents	\$ 538	\$ -	\$ 25,458	\$ -	\$ 1,949	\$ 6,553	\$ -	\$ 1,977	\$ 7,612	\$ 110	\$ 338	\$ 363	\$ 23
Receivables													
Taxes													
Real estate	-	-	-	-	7,135	-	-	-	-	-	-	-	-
Personal property	-	-	-	-	2,635	-	-	-	-	-	-	-	-
Motor vehicle	-	-	-	-	-	-	-	-	-	-	1,793	-	-
Sales	-	-	2,792	-	-	-	-	-	-	-	-	-	-
Hotel and restaurant tax	-	-	-	-	-	-	-	-	3,802	-	-	-	-
Total taxes	-	-	2,792	-	9,770	-	-	-	3,802	-	1,793	-	-
Accounts	24	13,833	-	-	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest and dividends	-	-	-	-	-	23	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	1	-	-
Allowance for uncollectible receivables	-	(11,482)	-	-	(6,786)	-	-	-	-	-	(1,303)	-	-
Total receivables	24	2,351	2,792	-	2,984	23	-	-	3,802	-	491	-	-
Due from other governments													
Grants receivable	-	-	-	563	-	-	-	-	-	-	-	114	-
Motor fuel	-	-	-	-	-	-	-	-	-	-	-	-	-
Replacement	-	-	-	-	-	-	-	-	-	-	-	-	-
Total due from other governments	-	-	-	563	-	-	-	-	-	-	-	114	-
Due from other funds		2,018					1,019						1,335
Restricted assets—cash and short-term investments													
Other assets													
Total assets	\$ 562	\$ 4,369	\$ 28,250	\$ 563	\$ 4,933	\$ 6,576	\$ 1,019	\$ 1,977	\$ 11,414	\$ 110	\$ 829	\$ 477	\$ 1,358
Liabilities and Fund Balances (Deficits)													
Liabilities													
Accounts payable	\$ 2	\$ 61	\$ 2,590	\$ 109	\$ 238	\$ -	\$ -	\$ 182	\$ 992	\$ 110	\$ 54	\$ 46	\$ 51
Other accrued items	183	426	-	-	188	-	-	-	1,924	-	63	7	1
Construction contracts and retainages payable	-	-	1,220	-	-	-	-	-	-	-	-	-	-
Due to other funds	-	3,085	-	607	2,018	-	951	-	-	-	-	-	381
Due to fiduciary funds	-	-	919	-	-	-	-	-	1,726	-	-	-	-
Due to component units	-	-	143	410	-	-	68	-	-	-	-	-	-
Deferred income	-	542	-	191	2,052	-	-	-	129	-	394	-	97
Other liabilities	-	-	-	-	-	5,100	-	-	-	-	-	-	-
Total liabilities	185	4,114	4,872	1,317	4,496	5,100	1,019	182	4,771	110	511	53	530
Fund balances (deficit)													
Restricted	-	-	23,378	-	-	1,476	-	1,795	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-	-	294	753
Assigned	377	255	-	-	437	-	-	-	6,643	-	318	130	75
Unassigned	-	-	-	(754)	-	-	-	-	-	-	-	-	-
Total fund balances (deficit)	377	255	23,378	(754)	437	1,476	-	1,795	6,643	-	318	424	828
Total liabilities and fund balances (deficit)	\$ 562	\$ 4,369	\$ 28,250	\$ 563	\$ 4,933	\$ 6,576	\$ 1,019	\$ 1,977	\$ 11,414	\$ 110	\$ 829	\$ 477	\$ 1,358

City of Kansas City, Missouri
Nonmajor Special Revenue Funds
Combining Balance Sheet
April 30, 2012
(In thousands of dollars)

	Community Development Governmental Grants	ARRA Stimulus	Other Governmental Grants	Liberty Memorial Endowment	Justice Assistance Grant	Arterial Street Impact Fee	Inmate Security	Other	Total
Assets									
Cash and cash equivalents	\$ -	\$ -	\$ 1,568	\$ 16,946	\$ 439	\$ 3,945	\$ 85	\$ 134	\$ 90,724
Receivables									
Taxes									
Real estate	-	-	-	-	-	-	-	-	8,734
Personal property	-	-	-	-	-	-	-	-	2,718
Motor vehicle	-	-	-	-	-	-	-	-	3,764
Sales	-	-	-	-	-	-	-	-	15,124
Hotel and restaurant tax	-	-	-	-	-	-	-	-	3,802
Total taxes	-	-	-	-	-	-	-	-	34,142
Accounts	-	-	-	-	-	-	-	-	13,901
Special assessments	3	-	-	-	-	-	-	1,755	1,758
Interest and dividends	-	-	-	52	1	14	-	-	130
Other	-	-	-	-	-	-	-	-	J
Allowance for uncollectible receivables	(3)	-	-	-	-	-	-	(1,616)	(23,857)
Total receivables	-	-	-	52	1	14	-	139	26,075
Due from other governments									
Grants receivable	4,216	6,211	1,424	-	439	-	-	-	13,016
Motor fuel	-	-	-	-	-	-	-	-	2,354
Replacement	-	-	-	-	-	-	-	-	-
Total due from other governments	4,216	6,211	1,424	-	439	-	-	-	15,370
Due from other funds	-	-	-	-	-	-	-	-	4,494
Restricted assets—cash and short-term investments	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-
Total assets	<u>\$ 4,216</u>	<u>\$ 6,211</u>	<u>\$ 2,992</u>	<u>\$ 16,998</u>	<u>\$ 879</u>	<u>\$ 3,959</u>	<u>\$ 85</u>	<u>\$ 273</u>	<u>\$ 136,663</u>
Liabilities and Fund Balances (Deficits)									
Liabilities									
Accounts payable	\$ 948	\$ 2,263	\$ 291	\$ 831	\$ 51	\$ -	\$ -	\$ -	\$ 19,372
Other accrued items	44	30	72	-	-	-	-	13	3,657
Construction contracts and retainages payable	193	291	-	-	-	28	-	-	1,870
Due to other funds	2,897	3,053	-	-	-	-	-	-	12,992
Due to fiduciary funds	-	-	-	-	-	-	-	-	6,223
Due to component units	-	-	-	-	-	-	-	-	621
Deferred income	1,513	3,658	103	-	929	-	-	139	10,417
Other liabilities	-	-	-	-	-	-	-	-	5,100
Total liabilities	5,595	9,295	466	831	980	28	-	152	60,252
Fund balances (deficit)									
Restricted	-	-	2,526	16,167	-	-	-	-	66,724
Committed	-	-	-	-	-	1,987	-	-	3,034
Assigned	-	-	-	-	-	1,944	85	121	11,971
Unassigned	(1,379)	(3,084)	-	-	(101)	-	-	-	(5,318)
Total fund balances (deficit)	(1,379)	(3,084)	2,526	16,167	(101)	3,931	85	121	76,411
Total liabilities and fund balances (deficit)	<u>\$ 4,216</u>	<u>\$ 6,211</u>	<u>\$ 2,992</u>	<u>\$ 16,998</u>	<u>\$ 879</u>	<u>\$ 3,959</u>	<u>\$ 85</u>	<u>\$ 273</u>	<u>\$ 136,663</u>

City of Kansas City, Missouri
Nonmajor Debt Service Funds
Combining Balance Sheet
April 30, 2012
(In thousands of dollars)

KCMAC

	General Debt and Interest	Convention and Sports Complex	Equipment Lease DS	Other	STIF - 12th and Wyandotte	STIF - Valentine	STIF - Mktown	STIF - Uptown	STIF - Tower - 909 Walnut	STIF - Hotel President	STIF - Brush Creek / Blue Pkwy	STIF - HOK
Assets												
Cash and cash equivalents	\$ 1,235	\$ 655	\$ 152	\$ -	\$ -	\$ 1	\$ 1,557	\$ 319	\$ -	\$ -	\$ -	\$ -
Receivables												
Taxes												
Real estate	1,493	-	-	-	-	-	-	-	-	-	-	-
Personal property	546	-	-	-	-	-	-	-	-	-	-	-
Total taxes	2,039	-	-	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-	-	-	-
Interest and dividends	83	10	-	-	-	-	5	-	-	-	-	-
Other	-	-	-	-	143	-	-	-	-	-	-	-
Allowance for uncollectible taxes	(1,418)	-	-	-	-	-	-	-	-	-	-	-
Allowance for uncollectible assessments	-	-	-	-	-	-	-	-	-	-	-	-
Total receivables	704	10	-	-	143	-	5	-	-	-	-	-
Due from other funds	-	-	-	442	-	-	-	-	-	-	-	-
Restricted assets—cash and short-term investments	-	38	6,316	-	3,688	-	6,621	-	47	2,271	2,007	-
Total assets	\$ 1,939	\$ 703	\$ 6,468	\$ -442	\$ 3,831	\$ 1	\$ 8,183	\$ 319	\$ 47	\$ 2,271	\$ 2,007	\$ -
Liabilities and Fund Balance												
Liabilities												
Accounts payable	\$ 11	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction contracts and retainages payable	-	-	-	-	-	-	-	-	-	-	-	-
Deferred income	438	-	-	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	442	144	-	-	-	47	6	473	-
Other liabilities	223	-	-	-	-	-	70	-	-	-	-	-
Total liabilities	672	-	-	442	144	-	70	-	47	6	473	-
Fund balance												
Restricted	1,267	703	6,468	-	3,687	1	8,113	319	-	2,265	1,534	-
Committed	-	-	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-	-	-
Total fund balance	1,267	703	6,468	-	3,687	1	8,113	319	-	2,265	1,534	-
Total liabilities and fund balance	\$ 1,939	\$ 703	\$ 6,468	\$ -442	\$ 3,831	\$ 1	\$ 8,183	\$ 319	\$ 47	\$ 2,271	\$ 2,007	\$ -

City of Kansas City, Missouri
Nonmajor Debt Service Funds
Combining Balance Sheet
April 30, 2012
(In thousands of dollars)

	STIF - East Village	Streetlight Debt	MIDB Debt Service	KC Downtown Redevelopment District	Neighborhood Improvement District	Downtown Arena Debt	Special Assessment Sewer	Recovery Zone Bond	Refunding Bond	IDA Refund Midtown/Uptown	Total
Assets											
Cash and cash equivalents	\$ 46	\$ -	\$ 28	\$ -	\$ 34	\$ 3,212	\$ 1,125	\$ -	\$ -	\$ -	\$ 8,364
Receivables											
Taxes											
Real estate	-	-	-	-	-	-	-	-	-	-	1,493
Personal property	-	-	-	-	-	-	-	-	-	-	546
Total taxes	-	-	-	-	-	-	-	-	-	-	2,039
Special assessments	-	-	9	-	-	-	3,090	-	-	-	3,099
Interest and dividends	-	-	-	-	-	-	15	-	-	-	113
Other	-	-	-	-	-	1,183	-	-	-	-	1,326
Allowance for uncollectible taxes	-	-	-	-	-	-	-	-	-	-	(1,418)
Allowance for uncollectible assessments	-	-	(9)	-	-	-	(2,056)	-	-	-	(2,065)
Total receivables	-	-	-	-	-	1,183	1,049	-	-	-	3,094
Due from other funds	-	-	-	-	-	-	-	-	-	-	442
Restricted assets—cash and short-term investments	493	-	-	634	-	12,981	-	-	2,927	-	38,023
Total assets	\$ 539	\$ -	\$ 28	\$ 634	\$ 34	\$ 17,376	\$ 2,174	\$ -	\$ 2,927	\$ -	\$ 49,923
Liabilities and Fund Balance											
Liabilities											
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 460	\$ -	\$ -	\$ 27	\$ -	\$ 498
Construction contracts and retainages payable	-	-	-	-	-	7	-	-	-	-	7
Deferred income	-	-	-	-	-	1,140	1,034	-	-	-	2,612
Due to other funds	-	-	-	634	-	-	-	-	-	-	1,746
Other liabilities	-	-	-	-	-	-	-	-	-	-	293
Total liabilities	-	-	-	634	-	1,607	1,034	-	27	-	5,156
Fund balance											
Restricted	539	-	-	-	34	15,769	-	-	2,900	-	43,599
Committed	-	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	28	-	-	-	1,140	-	-	-	1,168
Total fund balance	539	-	28	-	34	15,769	1,140	-	2,900	-	44,767
Total liabilities and fund balance	\$ 539	\$ -	\$ 28	\$ 634	\$ 34	\$ 17,376	\$ 2,174	\$ -	\$ 2,927	\$ -	\$ 49,923

City of Kansas City, Missouri
Nonmajor Capital Projects Funds
Combining Balance Sheet
April 30, 2012
(In thousands of dollars)

General Government

	IDA Refunding 2006C	Equipment Lease	General Obligation Series 2003F	General Obligation Series 2004F	General Obligation Series 2008A	General Obligation Series 2010A	General Obligation Series 2010B	General Obligation Series 2011	General Obligation Series 2012A	Special Obligation Series 2009E
Assets										
Cash and cash equivalents	\$ -	\$ -	\$ 82	\$ 1,293	\$ 1,948	\$ 7,073	\$ 258	\$ 17,707	\$ 120,752	\$ 197
Receivables										
Special assessments	-	-	-	-	-	-	-	-	-	-
Interest and dividends	-	-	-	-	-	-	-	38	98	1
Due from other funds	-	2,247	-	-	-	-	-	-	-	-
Allowance for uncollectible receivables	-	-	-	-	-	-	-	-	-	-
Total receivables	-	2,247	-	-	-	-	-	38	98	1
Restricted assets										
Cash and short-term investments	201	1,307	-	-	-	-	-	-	-	5,419
Total assets	\$ 201	\$ 3,554	\$ 82	\$ 1,293	\$ 1,948	\$ 7,073	\$ 258	\$ 17,745	\$ 120,850	\$ 5,617
Liabilities and Fund Balance										
Liabilities										
Accounts payable	\$ -	\$ 231	\$ 27	\$ 185	\$ -	\$ 3	\$ -	\$ 2,287	\$ 742	\$ -
Construction contracts and retainages payable	-	-	21	26	35	1,066	-	739	145	-
Due to other funds	175	1,480	-	-	-	-	-	-	-	-
Due to component units	-	-	-	-	-	-	-	-	-	509
Deferred income	-	-	-	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-	1	-	-
Total liabilities	175	1,711	48	211	35	1,069	-	3,027	887	509
Fund balances (deficit)										
Restricted	26	1,843	-	-	1,913	6,004	258	14,718	119,963	5,108
Committed	-	-	-	17	-	-	-	-	-	-
Assigned	-	-	34	1,065	-	-	-	-	-	-
Total fund balance	26	1,843	34	1,082	1,913	6,004	258	14,718	119,963	5,108
Total liabilities and fund balances	\$ 201	\$ 3,554	\$ 82	\$ 1,293	\$ 1,948	\$ 7,073	\$ 258	\$ 17,745	\$ 120,850	\$ 5,617

City of Kansas City, Missouri
Nonmajor Capital Projects Funds
Combining Balance Sheet
April 30, 2012
(In thousands of dollars)

	Public Safety		Convention Facilities		Special Assessments				Public Works	
	Health Department Building	Bond Series 1995	LCRA 1995A Revenue Bonds	LCRA 2005E Revenue Bonds	Series 1991 Sewer Special Assessment	Series 1996 Sewer Special Assessment	1997 General Obligation Refunding Bonds	Street and Avenue	General Improvements	MIDB Infrastructure River Front
Assets										
Cash and cash equivalents	\$ 841	\$ 55	\$ -	\$ -	\$ 2,702	\$ 340	\$ 1	\$ -	\$ 3,847	\$ 63
Receivables										
Spectral assessments	-	-	-	-	-	-	-	1	2,050	-
Interest and dividends	-	-	-	-	-	-	-	-	14	-
Due from other funds	-	-	22	4	-	-	-	-	-	-
Allowance for uncollectible receivables	-	-	-	-	-	-	-	(1)	(853)	-
Total receivables	-	-	22	4	-	-	-	-	1,211	-
Restricted assets										
Cash and short-term investments	-	-	-	-	-	-	-	-	-	-
Total assets	\$ 841	\$ 55	\$ 22	\$ 4	\$ 2,702	\$ 340	\$ 1	\$ -	\$ 5,058	\$ 63
Liabilities and Fund Balance										
Liabilities										
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 63	\$ -
Construction contracts and retainages payable	-	-	-	-	-	14	-	-	-	-
Due to other funds	-	-	22	4	-	-	-	-	-	-
Due to component units	-	-	-	-	-	-	-	-	1,197	-
Deferred income	-	-	-	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-	-	-	-
Total liabilities	-	-	22	4	-	14	-	-	1,260	-
Fund balances (deficit)										
Restricted	-	-	-	-	2,091	-	-	-	-	-
Committed	-	-	-	-	611	326	1	-	3,798	63
Assigned	841	55	-	-	2,702	326	1	-	3,798	63
Total fund balance	841	55	-	-	2,702	326	1	-	3,798	63
Total liabilities and fund balances	\$ 841	\$ 55	\$ 22	\$ 4	\$ 2,702	\$ 340	\$ 1	\$ -	\$ 5,058	\$ 63

City of Kansas City, Missouri
Nonmajor Capital Projects Funds
Combining Balance Sheet
April 30, 2012
(In thousands of dollars)

	Public Works							KCMAC Other			
	PIEA Taxable Kemper Garage	PIEA Taxable HOK Parking Garage	MDFB Midtown Bond 1996	George E. Wolf Parking Garage	KC Live Series District 4	Special Obligation Series 2008	Special Obligation Taxable Bond 2012A	Special Obligation Taxable Bond 2012B	KCMAC Kemper Remodeling	Leasehold Revenue Capital Improvement 1994A	Leasehold Capital Improvements 1998A Hodge Park
Assets											
Cash and cash equivalents	\$ 90	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 138	\$ 144
Receivables											
Special assessments	-	-	-	-	-	-	-	-	-	-	-
Interest and dividends	-	-	-	-	-	-	-	-	-	-	-
Due from other funds	-	13	49	-	-	-	-	-	207	84	-
Allowance for uncollectible receivables	-	-	-	-	-	-	-	-	-	-	-
Total receivables	-	13	49	-	-	-	-	-	207	84	-
Restricted assets											
Cash and short-term investments	-	-	-	-	1,277	1,336	15,919	15,379	-	-	-
Total assets	\$ 90	\$ 13	\$ 49	\$ -	\$ 1,277	\$ 1,336	\$ 15,919	\$ 15,379	\$ 207	\$ 222	\$ 144
Liabilities and Fund Balance											
Liabilities											
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,542	\$ 63	\$ -	\$ -	\$ -
Construction contracts and retainages payable	-	-	-	-	-	26	-	-	-	212	-
Due to other funds	-	13	49	-	353	909	-	-	207	-	-
Due to component units	-	-	-	-	-	-	-	-	-	-	-
Deferred income	-	-	-	-	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	-	13	49	-	353	935	2,542	63	207	212	-
Fund balances (deficit)											
Restricted	-	-	-	-	924	401	13,377	15,316	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-	-
Assigned	90	-	-	-	-	-	-	-	-	10	144
Total fund balance	90	-	-	-	924	401	13,377	15,316	-	10	144
Total liabilities and fund balances	\$ 90	\$ 13	\$ 49	\$ -	\$ 1,277	\$ 1,336	\$ 15,919	\$ 15,379	\$ 207	\$ 222	\$ 144

City of Kansas City, Missouri
Nonmajor Capital Projects Funds
Combining Balance Sheet
April 30, 2012
(In thousands of dollars)

	KCMAC Other													
	Series 2001- B1	Series 2001- B2	C3 ERP Project	KCMAC 04B Bartle Hall Expansion	KCMAC 04A Bartle Hall Expansion	KCMAC 04B Bartle Taxable Bond Fund	KCMAC 04B Prospect North	KCMAC 04B Tow Lot	KCMAC Series C1 Zona Rosa	KCMAC 06A Music Hall	KCMAC 06B Refunding Revenue	GO Bond Fund 2007A	STIF Special Oblig 2008B	Total
Assets														
Cash and cash equivalents	\$ -	\$ 4	\$ -	\$ -	\$ 2,318	\$ -	\$ -	\$ -	\$ -	\$ 416	\$ 31	\$ 4,133	\$ -	\$ 164,433
Receivables														
Special assessments	-	-	-	-	-	-	-	-	-	-	-	-	-	2,051
Interest and dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	151
Due from other funds	181	-	-	124	-	-	3	-	-	-	-	-	-	2,934
Allowance for uncollectible receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	(854)
Total receivables	181	-	-	124	-	-	3	-	-	-	-	-	-	4,282
Restricted assets														
Cash and short-term investments	-	-	4,983	9	-	-	37	987	-	633	-	-	2,464	49,951
Total assets	\$ 181	\$ 4	\$ 4,983	\$ 133	\$ 2,318	\$ -	\$ 40	\$ 987	\$ -	\$ 1,049	\$ 31	\$ 4,133	\$ 2,464	\$ 218,666
Liabilities and Fund Balance														
Liabilities														
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 430	\$ -	\$ -	\$ 20	\$ -	\$ 465	\$ -	\$ 1,009	\$ 65	\$ 8,132
Construction contracts and retainages payable	-	-	-	-	3	-	-	4	-	-	-	784	-	3,075
Due to other funds	181	-	566	133	-	-	40	-	-	-	-	-	799	4,931
Due to component units	-	-	-	-	-	-	-	-	-	-	-	-	-	509
Deferred income	-	-	-	-	-	-	-	-	-	-	-	-	-	1,197
Other liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	1
Total liabilities	181	-	566	133	433	-	40	24	-	465	-	1,793	864	17,845
Fund balances (deficit)														
Restricted	-	-	4,417	-	-	-	-	963	-	584	31	2,340	1,600	189,786
Committed	-	-	-	-	-	-	-	-	-	-	-	-	-	2,108
Assigned	-	4	-	-	1,885	-	-	-	-	-	-	-	-	8,927
Total fund balance	-	4	4,417	-	1,885	-	-	963	-	584	31	2,340	1,600	200,821
Total liabilities and fund balances	\$ 181	\$ 4	\$ 4,983	\$ 133	\$ 2,318	\$ -	\$ 40	\$ 987	\$ -	\$ 1,049	\$ 31	\$ 4,133	\$ 2,464	\$ 218,666

City of Kansas City, Missouri
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended April 30, 2012

(In thousands of dollars)

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total Nonmajor Governmental Funds
Revenues				
Taxes				
General property	\$ 60,076	\$ 10,050	\$ -	\$ 70,126
Railroad and utility	2,621	524	-	3,145
Sales	84,250	3,465	-	87,715
Earnings and profits	-	721	-	721
Hotel and restaurant	34,592	1,494	-	36,086
Local option use	3,592	9	-	3,601
Total taxes	185,131	16,263	-	201,394
Licenses, permits, and franchises	9,424	13,592	-	23,016
Fines and forfeitures	564	-	-	564
Rents and concessions	12,007	2,777	-	14,784
Investment income and interest	1,000	(7,012)	282	(5,730)
Charges for services	35,841	-	-	35,841
Intergovernmental	79,715	3,410	3,000	86,125
Special assessments	5,077	689	950	6,716
Contributions	1,739	2,369	-	4,108
Other	1,258	10,714	207	12,179
Total revenues	331,756	42,802	4,439	378,997
Expenditures				
Current				
General government	10,169	400	16,103	26,672
Fire	44,396	-	-	44,396
Public works	32,140	-	3,764	35,904
Neighborhood development	35,220	1,275	95	36,590
Health	52,778	-	-	52,778
Culture and recreation	29,142	-	226	29,368
Convention facilities	24,071	6,189	218	30,478
Nondepartmental	2,003	479	4	2,486
Police	7,893	-	-	7,893
Intergovernmental—KCATA	44,746	-	-	44,746
Debt service				
Principal retirement	855	69,824	-	70,679
Interest	557	61,562	-	62,119
Fiscal agent fees	-	2,142	102	2,244
Bond issue costs	-	1,688	1,952	3,640
Swap settlement payment	-	990	4,316	5,306
Capital outlay				
Public works	39,371	181	51,676	91,228
Health	343	-	-	343
Culture and recreation	6,484	-	4,738	11,222
Convention facilities	746	-	2,052	2,798
Neighborhood development	2,733	-	37	2,770
Fire	3,285	-	-	3,285
Police	578	-	-	578
General government	383	8	28,447	28,838
Total expenditures	337,893	144,738	113,730	596,361
Excess (deficiency) of revenues over expenditures	(6,137)	(101,936)	(109,291)	(217,364)
Other financing sources (uses)				
Transfers in	37,898	105,781	8,105	151,784
Transfers out	(50,610)	(26,244)	(11,216)	(88,070)
Issuance of debt	-	12,941	176,932	189,873
Premium on bond issue	-	-	11,249	11,249
Discount on bond issue	-	-	(737)	(737)
Issuance of refunding debt	-	164,589	121,050	285,639
Premium on refunding bond issue	-	10,805	9,268	20,073
Discount on refunding bond issue	-	(414)	(300)	(714)
Payment to refund bond escrow agent	-	(174,980)	(129,796)	(304,776)
Net other financing sources (uses)	(12,712)	92,478	184,555	264,321
Net change in fund balances	(18,849)	(9,458)	75,264	46,957
Fund balances, beginning of year, as restated	95,260	54,225	125,557	275,042
Fund balances, end of year	\$ 76,411	\$ 44,767	\$ 200,821	\$ 321,999

City of Kansas City, Missouri
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended April 30, 2012
(In thousands of dollars)

	Museum	Motor Fuel Tax	Trafficway Maintenance	Public Mass Transportation	KCATA Sales Tax	Infrastructure and Maintenance	Park Maintenance	Boulevard Maintenance	Special Gifts—Parks and Recreation	Golf & Tennis	Parking Garage
Revenues											
Taxes											
General property	\$ 1,385	\$ -	\$ 3,225	\$ -	\$ -	\$ -	\$ 6,562	\$ 571	\$ -	\$ -	\$ -
Railroad and utility	66	-	14	-	-	-	27	-	-	-	-
Sales	-	-	-	29,936	23,274	-	-	-	-	-	-
Hotel and restaurant	-	-	-	-	-	-	-	-	-	-	-
Local option use	-	-	-	-	-	-	-	-	-	-	-
Total taxes	1,451	-	3,239	29,936	23,274	-	6,589	571	-	-	-
Licenses, permits, and franchises	-	2,736	-	-	-	-	1,695	-	-	-	574
Fines and forfeitures	-	-	-	-	-	-	-	-	-	-	-
Rents and concessions	-	-	-	-	-	-	21	-	-	17	3,855
Investment income and interest	-	-	-	-	-	-	-	-	196	-	-
Charges for services	-	423	-	-	-	-	757	-	-	5,560	-
Intergovernmental	-	16,578	-	55	45	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-	-	-
Contributions	-	-	-	-	-	-	69	-	918	-	114
Other	-	83	-	-	-	-	6	-	-	1	-
Total revenues	1,451	19,820	3,239	29,991	23,319	-	9,137	571	1,114	5,578	4,543
Expenditures											
Current											
General government	22	-	47	-	-	-	109	6	-	-	-
Fire	-	-	-	-	-	-	-	-	-	-	-
Public works	-	19,954	3,193	4,812	-	-	-	-	-	-	3,700
Neighborhood development	-	-	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-	-	-
Culture and recreation	1,347	-	-	-	-	-	16,950	1,228	343	4,744	-
Convention facilities	-	-	-	-	-	-	-	-	-	-	-
Nondepartmental	-	-	-	-	-	-	-	-	-	-	-
Police	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental—KCATA	-	-	-	22,399	22,347	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-	-
Principal retirement	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	352	-	81	-	14	-	-	-	-	33
Public works	-	352	-	81	-	14	-	-	-	-	33
Health	-	-	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	78	-	722	1,190	166	-
Convention facilities	-	-	-	-	-	-	-	-	-	-	-
Neighborhood development	-	-	-	-	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-	-	-	-	-
Police	-	-	-	-	-	-	-	-	-	-	-
General government	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	1,369	20,306	3,240	27,292	22,347	92	17,059	1,956	1,533	4,910	3,733
Excess (deficiency) of revenues over expenditures	82	(486)	(1)	2,699	972	(92)	(7,922)	(1,385)	(419)	668	810
Other financing sources (uses)											
Transfers in	9	-	-	-	-	-	7,881	1,039	-	-	4,839
Transfers out	-	-	-	(420)	-	-	-	-	-	(570)	(5,689)
Net other financing sources (uses)	9	-	-	(420)	-	-	7,881	1,039	-	(570)	(850)
Net change in fund balances	91	(486)	(1)	2,279	972	(92)	(41)	(346)	(419)	98	(40)
Fund balances (deficit), beginning of year, as restated	288	2,623	38	1,609	-	142	453	1,168	11,912	167	40
Fund balances (deficit), end of year	\$ 379	\$ 2,137	\$ 37	\$ 3,888	\$ 972	\$ 50	\$ 412	\$ 822	\$ 11,493	\$ 265	\$ -

City of Kansas City, Missouri
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended April 30, 2012
(In thousands of dollars)

	Fire Sales Tax	Development Services	Ambulance Service	Public Safety Sales Tax	Neighborhood Stabilization	Health	Public Improvement Guarantee Fund	Police Drug Enforcement	Neighborhood Tourism Development	Convention and Tourism	Performing Arts Center	Community Centers
Revenues												
Taxes												
General property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 48,124	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 109
Railroad and utility	-	-	-	-	-	2,514	-	-	-	-	-	-
Sales	15,520	-	-	15,520	-	-	-	-	-	-	-	-
Hotel and restaurant	-	-	-	-	-	-	-	-	-	34,592	-	-
Local option use	2,779	-	-	813	-	-	-	-	-	-	-	-
Total taxes	18,299	-	-	16,333	-	50,638	-	-	-	34,592	-	109
Licenses, permits, and franchises	-	1,791	-	-	-	331	-	-	-	-	-	2,297
Fines and forfeitures	-	-	1	-	-	31	-	-	-	-	-	-
Rents and concessions	-	-	-	-	-	33	-	-	-	6,924	1,156	1
Investment income and interest	-	-	2	-	-	-	113	-	-	-	1	-
Charges for services	-	7,158	17,394	-	-	2,850	-	-	-	213	-	1,208
Intergovernmental	1,024	-	-	30	422	1	-	1,890	-	1,628	-	140
Special assessments	-	-	-	-	-	-	-	-	-	-	-	-
Contributions	-	-	225	-	-	-	-	-	-	-	-	-
Other	2	1	19	197	-	6	-	-	-	-	-	-
Total revenues	19,325	8,950	17,641	16,560	422	53,890	113	1,890	-	43,357	1,157	3,755
Expenditures												
Current												
General government	696	-	87	303	-	1,521	-	-	-	200	-	26
Fire	15,925	-	28,471	-	-	-	-	-	-	-	-	-
Public works	-	72	-	128	-	-	-	-	-	-	254	-
Neighborhood development	-	8,369	-	-	575	-	-	-	3	-	-	-
Health	-	-	-	-	-	41,482	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-	-	-	-	4,409
Convention facilities	-	-	-	-	-	-	-	-	1,418	22,653	-	-
Nondepartmental	-	-	-	-	-	-	-	-	-	-	-	-
Police	-	-	-	5,845	-	-	-	1,987	-	-	-	-
Intergovernmental—KCATA	-	-	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-	-	-
Principal retirement	-	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-	-
Capital outlay												
Public works	2,161	-	-	23,393	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-	-	-	-	89
Convention facilities	-	-	-	-	-	-	-	-	-	746	-	-
Neighborhood development	-	-	-	-	-	-	-	-	-	-	-	-
Fire	1,685	-	-	676	-	-	-	-	-	-	-	-
Police	-	-	-	578	-	-	-	-	-	-	-	-
General government	-	-	-	383	-	-	-	-	-	-	-	-
Total expenditures	20,467	8,441	28,558	31,306	575	43,003	-	1,987	1,421	23,599	254	4,524
Excess (deficiency) of revenues over expenditures	(1,142)	509	(10,917)	(14,746)	(153)	10,887	113	(97)	(1,421)	19,758	903	(769)
Other financing sources (uses)												
Transfers in	-	-	12,651	-	-	350	-	97	1,820	400	1,041	2,741
Transfers out	(2,980)	(132)	(1,479)	(2,798)	-	(11,707)	-	-	-	(19,918)	(1,944)	(1,859)
Net other financing sources (uses)	(2,980)	(132)	11,172	(2,798)	-	(11,357)	-	97	1,820	(19,518)	(903)	882
Net change in fund balances	(4,132)	377	255	(17,544)	(153)	(470)	113	-	399	240	-	113
Fund balances (deficit), beginning of year, as restated	6,645	-	40,922	(601)	907	1,363	-	-	1,396	6,403	-	205
Fund balances (deficit), end of year	\$ 2,513	\$ 377	\$ 255	\$ 23,378	\$ (754)	\$ 437	\$ 1,476	\$ -	\$ 1,795	\$ 6,643	\$ -	\$ 318

City of Kansas City, Missouri
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended April 30, 2012
(In thousands of dollars)

	Domestic Violence	Special Housing Rehabilitation	Community Development Fund	ARRA Stimulus	Other Governmental Grants	Liberty Memorial Endowment	Justice Assistance Grant	Arterial Street Impact Fee	Inmate Security	Other	Total
Revenues											
Taxes											
General property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100	\$ 60,076
Railroad and utility	-	-	-	-	-	-	-	-	-	-	2,621
Sales	-	-	-	-	-	-	-	-	-	-	84,250
Hotel and restaurant	-	-	-	-	-	-	-	-	-	-	34,592
Local option use	-	-	-	-	-	-	-	-	-	-	3,592
Total taxes	-	-	-	-	-	-	-	-	-	100	185,131
Licenses, permits, and franchises	-	-	-	-	-	-	-	-	-	-	9,424
Fines and forfeitures	244	288	-	-	-	-	-	-	-	-	564
Rents and concessions	-	-	-	-	-	-	-	-	-	-	12,007
Investment income and interest	-	-	-	56	-	559	5	68	-	-	1,000
Charges for services	-	-	-	-	-	-	-	155	123	-	35,841
Intergovernmental	332	476	15,690	26,429	12,279	-	485	-	-	2,211	79,715
Special assessments	-	-	-	-	-	-	-	-	-	5,077	5,077
Contributions	2	225	4	-	182	-	-	-	-	-	1,739
Other	-	-	-	788	61	-	-	14	-	80	1,258
Total revenues	578	989	15,694	27,273	12,522	559	490	237	123	7,468	331,756
Expenditures											
Current											
General government	303	-	576	6,271	-	-	-	-	2	-	10,169
Fire	-	-	-	-	-	-	-	-	-	-	44,396
Public works	-	-	-	3	-	-	-	24	-	-	32,140
Neighborhood development	449	1,094	11,157	7,614	-	-	485	63	197	5,214	35,220
Health	-	-	-	10	11,206	-	-	-	-	-	52,778
Culture and recreation	-	-	-	-	-	121	-	-	-	-	29,142
Convention facilities	-	-	-	-	-	-	-	-	-	-	24,071
Nondepartmental	-	-	-	-	-	-	-	-	-	2,003	2,003
Police	-	-	-	-	-	-	61	-	-	-	7,893
Intergovernmental—KCATA	-	-	-	-	-	-	-	-	-	-	44,746
Debt service	-	-	-	-	-	-	-	-	-	-	-
Principal retirement	-	-	855	-	-	-	-	-	-	-	855
Interest	-	-	557	-	-	-	-	-	-	-	557
Capital outlay	-	-	-	-	-	-	-	-	-	-	-
Public works	-	-	-	12,658	-	-	-	679	-	-	39,371
Health	-	-	-	-	343	-	-	-	-	-	343
Culture and recreation	-	-	2,461	360	-	1,408	-	10	-	-	6,484
Convention facilities	-	-	-	-	-	-	-	-	-	-	746
Neighborhood development	-	-	2,664	-	-	-	-	69	-	-	2,733
Fire	-	-	-	924	-	-	-	-	-	-	3,285
Police	-	-	-	-	-	-	-	-	-	-	578
General government	-	-	-	-	-	-	-	-	-	-	383
Total expenditures	752	1,094	10,270	27,840	11,629	1,529	546	845	199	7,217	337,893
Excess (deficiency) of revenues over expenditures	(174)	(105)	(2,576)	(567)	893	(970)	(56)	(608)	(76)	251	(6,137)
Other financing sources (uses)											
Transfers in	503	933	3,000	-	60	-	-	-	-	534	37,898
Transfers out	-	-	-	(160)	-	-	-	-	-	(944)	(50,610)
Net other financing sources (uses)	503	933	3,000	(160)	60	-	-	-	-	(410)	(12,712)
Net change in fund balances	329	828	424	(727)	953	(970)	(56)	(608)	(76)	(159)	(18,849)
Fund balances (deficit), beginning of year, as restated	95	-	(1,803)	(2,357)	1,573	17,137	(45)	4,539	161	280	95,260
Fund balances (deficit), end of year	\$ 424	\$ 828	\$ (1,379)	\$ (3,084)	\$ 2,526	\$ 16,167	\$ (101)	\$ 3,931	\$ 85	\$ 121	\$ 76,411

City of Kansas City, Missouri
Nonmajor Debt Service Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended April 30, 2012
(In thousands of dollars)

	KCMAC										
	General Debt and Interest	Convention and Sports Complex	Equipment Lease DS	Other	STIF - 12th and Wyandotte	STIF - Valentine	STIF - Midtown	STIF - Uptown	STIF - Tower - 909 Walnut	STIF - Hotel President	STIF - Brush Creek / Blue Pkwy
Revenues											
Taxes											
Real estate	\$ 7,530	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 152	\$ -
Personal property	2,368	-	-	-	-	-	-	-	-	-	-
Railroad and utility	524	-	-	-	-	-	-	-	-	-	-
Sales	-	-	-	-	438	-	1,323	22	-	165	152
Earnings and profits	-	-	-	-	78	-	89	10	102	21	23
Hotel and restaurant	-	-	-	-	767	-	33	36	-	279	20
Local option use	-	-	-	-	1	-	4	-	-	-	-
Total taxes	10,422	-	-	-	1,284	-	1,449	68	102	617	195
Investment income and interest	259	68	1	-	-	-	15	-	-	-	-
Licenses, permits, and franchises	-	-	-	-	125	-	38	8	1	19	25
Intergovernmental	-	2,167	-	-	-	-	221	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-	-	-
Contributions	-	-	1,342	-	-	-	-	-	187	-	-
Rents and concessions	-	-	1,729	-	-	-	-	-	-	-	-
Other	-	-	1,965	-	1,169	-	3,422	265	104	769	451
Total revenues	10,681	2,235	5,037	-	2,578	-	5,145	341	394	1,405	671
Expenditure											
General government	-	-	-	-	-	-	400	-	-	-	-
Nondepartmental	388	-	-	-	-	-	-	2	-	-	-
Neighborhood development	-	-	-	-	-	-	1,275	-	-	-	-
Convention facilities	-	2,000	-	-	-	-	-	-	-	-	-
Debt service											
Principal retirement	11,115	7,139	27,575	-	2,575	245	2,315	295	280	470	300
Bond issue costs	-	177	-	-	-	-	-	-	-	-	-
Fiscal agent fees	2	925	209	-	4	-	3	-	130	280	5
Interest	13,172	8,670	7,571	-	1,003	76	1,561	92	14	38	708
Swap settlement payment	-	-	-	-	-	-	-	-	-	-	-
Capital outlay											
Public works	-	-	-	-	-	-	-	-	-	-	-
General government	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	24,677	18,911	35,355	-	3,582	321	5,554	387	426	788	1,013
Excess (deficiency) of revenues over expenditures	(13,996)	(16,676)	(30,318)	-	(1,004)	(321)	(409)	(46)	(32)	617	(342)
Other financing sources (uses)											
Transfers in	13,707	20,260	30,319	442	1,416	322	3,906	387	-	-	235
Transfers out	-	(3,567)	(2,203)	(859)	(412)	-	(5,441)	(674)	-	-	-
Issuance of debt	-	-	-	-	-	-	-	-	-	-	-
Issuance of refunding debt	-	-	-	-	-	-	-	-	-	-	-
Premium on refunding bond issue	-	-	-	-	-	-	-	-	-	-	-
Discount on refunding bond issue	-	-	-	-	-	-	-	-	-	-	-
Payment to refund bond escrow agent	-	-	-	-	-	-	-	-	-	-	-
Net other financing sources (uses)	13,707	16,693	28,116	(417)	1,004	322	(1,535)	(287)	-	-	235
Net change in fund balances	(289)	17	(2,202)	(417)	-	1	(1,944)	(333)	(32)	617	(107)
Fund balances, beginning of year	1,556	686	8,670	417	3,687	-	10,057	652	32	1,648	1,641
Fund balances, end of year	\$ 1,267	\$ 703	\$ 6,468	\$ -	\$ 3,687	\$ 1	\$ 8,113	\$ 319	\$ -	\$ 2,265	\$ 1,534

City of Kansas City, Missouri
Nonmajor Debt Service Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended April 30, 2012
(In thousands of dollars)

	STIF - HOK	STIF - East Village	Streetlight Debt	MIDB Debt Service	KC Downtown Redevelopment District	Neighborhood Improvement District	Downtown Arena Debt	Special Assessment Sewer	Recovery Zone Bond	Refunding Bond	IDA Refund Midtown/Uptown	Total
Revenues												
Taxes												
Real estate	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,682
Personal property	-	-	-	-	-	-	-	-	-	-	-	2,368
Railroad and utility	-	-	-	-	-	-	-	-	-	-	-	524
Sales	-	1	-	-	1,364	-	-	-	-	-	-	3,465
Earnings and profits	103	295	-	-	-	-	-	-	-	-	-	721
Hotel and restaurant	-	-	-	-	359	-	-	-	-	-	-	1,494
Local option use	-	3	-	-	1	-	-	-	-	-	-	9
Total taxes	103	299	-	-	1,724	-	-	-	-	-	-	16,263
Investment income and interest	-	-	-	-	-	1	1	97	237	(7,691)	-	(7,012)
Licenses, permits, and franchises	-	7	-	-	73	-	13,296	-	-	-	-	13,592
Intergovernmental	-	898	-	-	-	-	124	-	-	-	-	3,410
Special assessments	160	-	-	-	-	48	-	481	-	-	-	689
Contributions	-	-	-	-	840	-	-	-	-	-	-	2,369
Rents and concessions	-	25	-	-	-	-	1,023	-	-	-	-	2,777
Other	-	583	-	-	1,941	-	-	45	-	-	-	10,714
Total revenues	263	1,812	-	-	4,578	49	14,444	623	237	(7,691)	-	42,802
Expenditure												
General government	-	-	-	-	-	-	-	-	-	-	-	400
Nondepartmental	5	-	-	-	84	-	-	-	-	-	-	479
Neighborhood development	-	-	-	-	-	-	-	-	-	-	-	1,275
Convention facilities	-	-	-	-	-	-	4,189	-	-	-	-	6,189
Debt service												
Principal retirement	345	450	4,480	-	3,700	30	2,560	700	-	5,250	-	69,824
Bond issue costs	-	-	-	-	-	-	-	-	-	1,511	-	1,688
Fiscal agent fees	2	2	9	-	559	-	8	4	-	-	-	2,142
Interest	350	1,792	2,130	-	12,547	14	11,250	47	527	-	-	61,562
Swap settlement payment	-	-	-	-	-	-	-	-	-	990	-	990
Capital outlay												
Public works	-	-	-	-	-	-	181	-	-	-	-	181
General government	-	-	-	-	-	-	-	8	-	-	-	8
Total expenditures	702	2,244	6,619	-	16,890	44	18,188	759	527	7,751	-	144,738
Excess (deficiency) of revenues over expenditures	(439)	(432)	(6,619)	-	(12,312)	5	(3,744)	(136)	(290)	(15,442)	-	(101,936)
Other financing sources (uses)												
Transfers in	439	487	6,619	-	15,750	-	-	-	290	6,938	4,264	105,781
Transfers out	-	-	-	-	(4,392)	-	(40)	-	-	(4,392)	(4,264)	(26,244)
Issuance of debt	-	-	-	-	-	-	-	-	-	12,941	-	12,941
Issuance of refunding debt	-	-	-	-	-	-	-	-	-	164,589	-	164,589
Premium on refunding bond issue	-	-	-	-	-	-	-	-	-	10,805	-	10,805
Discount on refunding bond issue	-	-	-	-	-	-	-	-	-	(414)	-	(414)
Payment to refund bond escrow agent	-	-	-	-	-	-	-	-	-	(174,980)	-	(174,980)
Net other financing sources (uses)	439	487	6,619	-	11,358	-	(40)	-	290	15,487	-	92,478
Net change in fund balances	-	55	-	-	(954)	5	(3,784)	(136)	-	45	-	(9,458)
Fund balances, beginning of year	-	484	-	28	954	29	19,553	1,276	-	2,855	-	54,225
Fund balances, end of year	\$ -	\$ 539	\$ -	\$ 28	\$ -	\$ 34	\$ 15,769	\$ 1,140	\$ -	\$ 2,900	\$ -	\$ 44,767

City of Kansas City, Missouri
Nonmajor Capital Projects Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended April 30, 2012
(In thousands of dollars)

	General Government										Public Safety		Convention Facilities	
	IDA Refunding 2006C	Equipment Lease	General Obligation Series 2003F	General Obligation Series 2004F	General Obligation Series 2008A	General Obligation Series 2010A	General Obligation Series 2010B	General Obligation Series 2011	General Obligation Series 2012A	Special Obligation Series 2009E	Health Department Building	Bond Series 1995	LCRA 1995A Revenue Bonds	LCRA 2005E Revenue Bonds
Revenues														
Investment income and interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1	\$ -	\$ 50	\$ 154	\$ 5	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	3,000	-	-	-	-	-	-	-	-
Other	-	-	-	-	121	-	-	-	-	-	-	-	-	-
Total revenues	-	-	-	-	121	3,001	-	50	154	5	-	-	-	-
Expenditures														
Current														
General government	3	1,012	-	20	-	-	-	-	-	-	-	-	-	-
Public works	-	-	200	38	-	-	-	1,779	1,370	-	-	-	-	-
Neighborhood development	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Convention facilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	226	-	-	-	-	-	-
Police	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	3	1,012	200	58	-	-	-	2,005	1,370	-	-	-	-	-
Nondepartmental														
Debt service	-	-	-	-	-	-	-	4	-	-	-	-	-	-
Principal retirement	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fiscal agent fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bond issue costs	-	-	-	-	-	-	-	-	1,321	-	-	-	-	-
Swap settlement payment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital outlay														
Public works	-	-	639	1,654	300	-	-	21,556	10,065	6,191	-	-	-	-
Health	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	22	31	-	-	4,561	-	-	-	-	-	-
Neighborhood development	-	-	-	5	1	-	-	-	-	-	-	-	-	-
Convention facilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
General government	-	8,090	-	471	-	13,491	3,485	-	-	-	-	-	-	-
Total expenditures	3	9,102	839	2,210	332	13,491	3,485	28,126	12,756	6,191	-	-	-	-
Excess (deficiency) of revenues over expenditures	(3)	(9,102)	(839)	(2,210)	(211)	(10,490)	(3,485)	(28,076)	(12,602)	(6,186)	-	-	-	-
Other financing sources (uses)														
Transfers in	-	2,247	-	-	-	-	-	-	333	-	-	-	-	-
Transfers out	-	(156)	(97)	(567)	-	-	-	(7)	(3,000)	(1)	-	-	-	-
Issuance of debt	-	5,822	-	-	-	-	-	-	124,285	-	-	-	-	-
Premium on bond issue	-	-	-	-	-	-	-	-	11,057	-	-	-	-	-
Discount on bond issue	-	-	-	-	-	-	-	-	(332)	-	-	-	-	-
Issuance of refunding debt	-	-	-	-	-	-	-	-	92,610	-	-	-	-	-
Premium on refunding bond issue	-	-	-	-	-	-	-	-	9,268	-	-	-	-	-
Discount on refunding bond issue	-	-	-	-	-	-	-	-	(261)	-	-	-	-	-
Payment to refund bond escrow agent	-	-	-	-	-	-	-	-	(101,395)	-	-	-	-	-
Net other financing sources (uses)	-	7,913	(97)	(567)	-	-	-	(7)	132,565	(1)	-	-	-	-
Net change in fund balances	(3)	(1,189)	(936)	(2,777)	(211)	(10,490)	(3,485)	(28,083)	119,963	(6,187)	-	-	-	-
Fund balances, beginning of year	29	3,032	970	3,859	2,124	16,494	3,743	42,801	-	11,295	841	55	-	-
Fund balances, end of year	\$ 26	\$ 1,843	\$ 34	\$ 1,082	\$ 1,913	\$ 6,004	\$ 258	\$ 14,718	\$ 119,963	\$ 5,108	\$ 841	\$ 55	\$ -	\$ -

City of Kansas City, Missouri
 Nonmajor Capital Projects Funds
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Year Ended April 30, 2012
 (In thousands of dollars)

	Special Assessments					Public Works								
	Series 1991 Sewer Special Assessment	Series 1996 Sewer Special Assessment	1997 General Obligation Refunding Bonds	Street and Avenue	General Improvements	MIDB Infrastructure River Front	PIEA Taxable Kemper Garage	PIEA Taxable HOK Parking Garage	MDFB Midtown Bond 1996	George E. Wolfe Parking Garage	KC Live Series District 4	Special Obligation Series 2008	Special Obligation Taxable Bond 2012A	Special Obligation Taxable Bond 2012B
Revenues														
Investment income and interest	\$ -	\$ -	\$ -	\$ -	\$ 72	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	950	-	-	-	-	-	-	-	-	-
Contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total revenues	-	5	-	-	1,022	-	-	-	-	-	-	-	-	-
Expenditures														
Current														
General government	-	-	-	-	5	-	-	-	-	-	5	20	16	15,000
Public works	-	-	-	-	41	-	-	-	-	-	-	-	-	-
Neighborhood development	-	-	-	-	-	-	-	-	-	-	-	13	-	1
Convention facilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Police	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	-	-	-	-	46	-	-	-	-	-	5	33	16	15,001
Nondepartmental	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt service														
Principal retirement	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fiscal agent fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bond issue costs	-	-	-	-	-	-	-	-	-	-	100	-	145	486
Swap settlement payment	-	-	-	-	-	-	-	-	-	-	-	-	-	4,316
Capital outlay														
Public works	68	54	-	-	236	-	-	-	-	71	196	754	-	-
Health	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Neighborhood development	-	-	-	-	-	-	-	-	-	-	-	-	-	1
Convention facilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
General government	-	-	-	-	-	-	-	-	-	-	-	240	2,505	-
Total expenditures	68	54	-	-	282	-	-	-	-	71	301	1,027	2,666	19,804
Excess (deficiency) of revenues over expenditures	(68)	(49)	-	-	740	-	-	-	-	(71)	(301)	(1,027)	(2,666)	(19,804)
Other financing sources (uses)														
Transfers in	-	-	-	-	-	-	-	-	-	519	-	-	-	4,552
Transfers out	-	-	-	-	-	-	(1,545)	-	-	(3,006)	(2,546)	-	-	(1)
Issuance of debt	-	-	-	-	-	-	-	-	-	-	-	-	15,985	30,840
Premium on bond issue	-	-	-	-	-	-	-	-	-	-	-	-	192	-
Discount on bond issue	-	-	-	-	-	-	-	-	-	-	-	-	(134)	(271)
Issuance of refunding debt	-	-	-	-	-	-	-	-	-	-	-	-	-	28,440
Premium on refunding bond issue	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Discount on refunding bond issue	-	-	-	-	-	-	-	-	-	-	-	-	-	(39)
Payment to refund bond escrow agent	-	-	-	-	-	-	-	-	-	-	-	-	-	(28,401)
Net other financing sources (uses)	-	-	-	-	-	-	(1,545)	-	-	(2,487)	(2,546)	-	16,043	35,120
Net change in fund balances	(68)	(49)	-	-	740	-	(1,545)	-	-	(2,558)	(2,847)	(1,027)	13,377	15,316
Fund balances, beginning of year	2,770	375	1	-	3,058	63	1,635	-	-	2,558	3,771	1,428	-	-
Fund balances, end of year	\$ 2,702	\$ 326	\$ 1	\$ -	\$ 3,798	\$ 63	\$ 90	\$ -	\$ -	\$ -	\$ 924	\$ 401	\$ 13,377	\$ 15,316

City of Kansas City, Missouri
 Nonmajor Capital Projects Funds
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Year Ended April 30, 2012
 (In thousands of dollars)

	KCMAC Other														GO Bond Fund 2007A	STIF Special Oblig 2008B	Total		
	KCMAC Kemper Remodeling	Leasehold Revenue Capital Improvements 1994A	Leasehold Capital Improvements 1998A Hodge Park	Series 2001-B1	Series 2001-B2	C3 ERP Project	KCMAC 04B Bartle Hall Expansion	KCMAC 04A Bartle Hall Expansion	KCMAC 04B Bartle Taxable Bond Fund	KCMAC 04B Prospect North	KCMAC 04B Tow Lot	KCMAC Series C1 Zona Rosa	KCMAC 06A Music Hall	KCMAC 06B Refunding Revenue					
Revenues																			
Investment income and interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 282	
Special assessments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	950	
Contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Intergovernmental	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,000	
Other	-	-	-	-	-	-	-	-	-	-	-	-	81	-	-	-	-	207	
Total revenues	-	-	-	-	-	-	-	-	-	-	-	-	81	-	-	-	-	4,430	
Expenditures																			
Current																			
General government	-	-	-	-	-	8	-	-	-	-	-	-	-	-	-	-	14	16,103	
Public works	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	336	3,764	
Neighborhood development	-	-	-	-	-	-	-	-	-	1	-	-	-	-	-	-	80	95	
Convention facilities	-	-	-	-	-	-	-	218	-	-	-	-	-	-	-	-	-	218	
Culture and recreation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	226	
Police	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total expenditures	-	-	-	-	-	8	-	218	-	1	-	-	-	-	-	-	336	20,406	
Nondepartmental																			
Debt service	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4	
Principal retirement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Fiscal agent fees	-	-	-	-	-	-	-	-	-	-	-	2	-	-	-	-	-	102	
Bond issue costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,952	
Swap settlement payment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,316	
Capital outlay																			
Public works	-	-	-	-	-	-	-	507	-	5	133	2,020	371	-	-	-	6,780	76	51,676
Health	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Culture and recreation	-	27	-	-	-	-	-	-	-	-	-	-	-	-	-	-	97	4,738	
Neighborhood development	-	-	-	-	-	-	-	-	-	12	-	-	-	-	-	-	-	37	
Convention facilities	-	-	-	-	-	-	269	343	123	-	-	-	1,317	-	-	-	-	2,052	
General government	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	165	28,447	
Total expenditures	-	27	-	-	-	8	269	1,068	123	5	146	2,020	1,690	-	-	-	7,378	188	113,730
Excess (deficiency) of revenues over expenditures	-	(27)	-	-	-	(8)	(269)	(1,068)	(123)	(5)	(146)	(2,020)	(1,690)	-	-	-	(7,378)	(188)	(109,291)
Other financing sources (uses)																			
Transfers in	-	37	-	-	-	-	124	-	-	3	-	-	290	-	-	-	-	-	8,105
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-	(290)	-	-	-	-	-	(11,216)
Issuance of debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	176,932
Premium on bond issue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	11,249
Discount on bond issue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(737)
Issuance of refunding debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	121,050
Premium on refunding bond issue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9,268
Discount on refunding bond issue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(300)
Payment to refund bond escrow agent	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(129,796)
Net other financing sources (uses)	-	37	-	-	-	-	124	-	-	3	-	-	-	-	-	-	-	-	184,555
Net change in fund balances	-	10	-	-	-	(8)	(145)	(1,068)	(123)	(2)	(146)	(2,020)	(1,690)	-	-	-	(7,378)	(188)	75,264
Fund balances, beginning of year	-	-	144	-	4	4,425	145	2,953	123	2	1,109	2,020	2,193	31	-	-	9,718	1,788	125,557
Fund balances, end of year	\$ -	\$ 10	\$ 144	\$ -	\$ 4	\$ 4,417	\$ -	\$ 1,885	\$ -	\$ -	\$ 963	\$ -	\$ 503	\$ 31	\$ -	\$ 2,340	\$ 1,600	\$ 200,821	

City of Kansas City, Missouri
Budgetary Comparison Schedule—Museum
Year Ended April 30, 2012
(In thousands of dollars)

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 1,461	\$ 1,461	\$ 1,449	\$ (12)
Total revenues	<u>1,461</u>	<u>1,461</u>	<u>1,449</u>	<u>(12)</u>
Other financing sources:				
Operating transfers in	<u>6</u>	<u>6</u>	<u>9</u>	<u>3</u>
Total revenues and other financing sources	<u>1,467</u>	<u>1,467</u>	<u>1,458</u>	<u>(9)</u>
Expenditures				
Finance	24	24	20	4
Parks and Recreation	<u>1,544</u>	<u>1,356</u>	<u>1,347</u>	<u>9</u>
Total expenditures	<u>1,568</u>	<u>1,380</u>	<u>1,367</u>	<u>13</u>
Other financing uses:				
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures and other financing uses	<u>1,568</u>	<u>1,380</u>	<u>1,367</u>	<u>13</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(101)	87	91	4
Net change in encumbrances, reserves and prior year adjustments	<u>-</u>	<u>-</u>	<u>(89)</u>	<u>(89)</u>
Net change in fund balance	<u>\$ (101)</u>	<u>\$ 87</u>	<u>2</u>	<u>\$ (85)</u>
Unreserved fund balance (budget basis):				
Beginning of year			<u>166</u>	
End of year			<u><u>\$ 168</u></u>	

City of Kansas City, Missouri
Budgetary Comparison Schedule—Park Maintenance
Year Ended April 30, 2012
(In thousands of dollars)

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 6,642	\$ 6,642	\$ 6,582	\$ (60)
Licenses, permits and franchises	1,594	1,594	1,688	94
Rents and concessions	17	17	21	4
Charges for services	750	750	757	7
Intergovernmental revenues	-	-	9	9
Other	13	70	75	5
Total revenues	<u>9,016</u>	<u>9,073</u>	<u>9,132</u>	<u>59</u>
Other financing sources:				
Operating transfers in	<u>8,136</u>	<u>8,136</u>	<u>7,818</u>	<u>(318)</u>
Total revenues and other financing sources	<u>17,152</u>	<u>17,209</u>	<u>16,950</u>	<u>(259)</u>
Expenditures				
Finance	131	131	99	32
Parks and Recreation	17,488	17,138	16,903	235
Total expenditures	<u>17,619</u>	<u>17,269</u>	<u>17,002</u>	<u>267</u>
Other financing uses:				
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures and other financing uses	<u>17,619</u>	<u>17,269</u>	<u>17,002</u>	<u>267</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(467)	(60)	(52)	8
Net change in encumbrances, reserves and prior year adjustments	<u>-</u>	<u>-</u>	<u>52</u>	<u>52</u>
Net change in fund balance	<u>\$ (467)</u>	<u>\$ (60)</u>	<u>-</u>	<u>\$ 60</u>
Unreserved fund balance (budget basis):				
Beginning of year			<u>-</u>	
End of year			<u>\$ -</u>	

City of Kansas City, Missouri
Budgetary Comparison Schedule—Boulevard Maintenance
Year Ended April 30, 2012
(In thousands of dollars)

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 563	\$ 563	\$ 566	\$ 3
Total revenues	563	563	566	3
Other financing sources:				
Operating transfers in	1,181	1,181	1,039	(142)
Total revenues and other financing sources	1,744	1,744	1,605	(139)
Expenditures				
Finance	6	6	6	-
Parks and Recreation	2,896	2,092	1,952	140
Total expenditures	2,902	2,098	1,958	140
Other financing uses:				
Operating transfers out	-	-	-	-
Total expenditures and other financing uses	2,902	2,098	1,958	140
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(1,158)	(354)	(353)	1
Net change in encumbrances, reserves and prior year adjustments	-	-	353	353
Net change in fund balance	\$ (1,158)	\$ (354)	-	\$ 354
Unreserved fund balance (budget basis):				
Beginning of year			-	
End of year			\$ -	

City of Kansas City, Missouri
Budgetary Comparison Schedule—Golf and Tennis
Year Ended April 30, 2012
(In thousands of dollars)

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Rents and concessions	\$ 16	\$ 16	\$ 17	\$ 1
Charges for services	5,939	5,939	5,560	(379)
Total revenues	<u>5,955</u>	<u>5,955</u>	<u>5,577</u>	<u>(378)</u>
Other financing sources:				
Operating transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues and other financing sources	<u>5,955</u>	<u>5,955</u>	<u>5,577</u>	<u>(378)</u>
Expenditures				
Finance	541	541	540	1
Parks and Recreation	5,395	5,395	4,939	456
Total expenditures	<u>5,936</u>	<u>5,936</u>	<u>5,479</u>	<u>457</u>
Other financing uses:				
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures and other financing uses	<u>5,936</u>	<u>5,936</u>	<u>5,479</u>	<u>457</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	19	19	98	79
Net change in encumbrances, reserves and prior year adjustments	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
Net change in fund balance	<u>\$ 19</u>	<u>\$ 19</u>	99	<u>\$ 80</u>
Unreserved fund balance (budget basis):				
Beginning of year			<u>126</u>	
End of year			<u>\$ 225</u>	

City of Kansas City, Missouri
Budgetary Comparison Schedule—Motor Fuel Tax
Year Ended April 30, 2012
(In thousands of dollars)

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Licenses, permits and franchises	\$ 2,415	\$ 2,415	\$ 2,736	\$ 321
Charges for services	90	90	423	333
Intergovernmental revenues	17,350	17,350	16,663	(687)
Other	-	-	110	110
Total revenues	<u>19,855</u>	<u>19,855</u>	<u>19,932</u>	<u>77</u>
Other financing sources:				
Operating transfers in	<u>8,947</u>	<u>8,947</u>	<u>-</u>	<u>(8,947)</u>
Total revenues and other financing sources	<u>28,802</u>	<u>28,802</u>	<u>19,932</u>	<u>(8,870)</u>
Expenditures				
Public Works	<u>30,190</u>	<u>30,102</u>	<u>20,241</u>	<u>9,861</u>
Total expenditures	<u>30,190</u>	<u>30,102</u>	<u>20,241</u>	<u>9,861</u>
Other financing uses:				
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures and other financing uses	<u>30,190</u>	<u>30,102</u>	<u>20,241</u>	<u>9,861</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(1,388)	(1,300)	(309)	991
Net change in encumbrances, reserves and prior year adjustments	<u>-</u>	<u>-</u>	<u>309</u>	<u>309</u>
Net change in fund balance	<u>\$ (1,388)</u>	<u>\$ (1,300)</u>	<u>-</u>	<u>\$ 1,300</u>
Unreserved fund balance (budget basis):				
Beginning of year			<u>-</u>	
End of year			<u>\$ -</u>	

City of Kansas City, Missouri
Budgetary Comparison Schedule—Trafficway Maintenance
Year Ended April 30, 2012
(In thousands of dollars)

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 3,321	\$ 3,321	\$ 3,235	\$ (86)
Total revenues	<u>3,321</u>	<u>3,321</u>	<u>3,235</u>	<u>(86)</u>
Other financing sources:				
Operating transfers in	<u>76</u>	<u>76</u>	<u>-</u>	<u>(76)</u>
Total revenues and other financing sources	<u>3,397</u>	<u>3,397</u>	<u>3,235</u>	<u>(162)</u>
Expenditures				
Finance	54	54	42	12
Public Works	<u>3,343</u>	<u>3,343</u>	<u>3,193</u>	<u>150</u>
Total expenditures	<u>3,397</u>	<u>3,397</u>	<u>3,235</u>	<u>162</u>
Other financing uses:				
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures and other financing uses	<u>3,397</u>	<u>3,397</u>	<u>3,235</u>	<u>162</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	-	-	-	-
Net change in encumbrances, reserves and prior year adjustments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Unreserved fund balance (budget basis):				
Beginning of year			<u>-</u>	
End of year			<u><u>\$ -</u></u>	

City of Kansas City, Missouri
Budgetary Comparison Schedule—Public Mass Transportation
Year Ended April 30, 2012
(In thousands of dollars)

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 27,290	\$ 27,290	\$ 29,349	\$ 2,059
Intergovernmental revenues	-	-	55	55
Total revenues	<u>27,290</u>	<u>27,290</u>	<u>29,404</u>	<u>2,114</u>
Other financing sources:				
Operating transfers in	-	-	-	-
Total revenues and other financing sources	<u>27,290</u>	<u>27,290</u>	<u>29,404</u>	<u>2,114</u>
Expenditures				
Public Works	5,366	5,251	4,929	322
Intergovernmental - KCATA	22,049	22,068	22,068	-
Total expenditures	<u>27,415</u>	<u>27,319</u>	<u>26,997</u>	<u>322</u>
Other financing uses:				
Operating transfers out	420	420	420	-
Total expenditures and other financing uses	<u>27,835</u>	<u>27,739</u>	<u>27,417</u>	<u>322</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(545)	(449)	1,987	2,436
Net change in encumbrances, reserves and prior year adjustments	-	-	320	320
Net change in fund balance	<u>\$ (545)</u>	<u>\$ (449)</u>	2,307	<u>\$ 2,756</u>
Unreserved fund balance (budget basis):				
Beginning of year			<u>2,708</u>	
End of year			<u><u>\$ 5,015</u></u>	

City of Kansas City, Missouri
Budgetary Comparison Schedule—Parking Garage
Year Ended April 30, 2012
(In thousands of dollars)

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Licenses, permits and franchises	\$ 815	\$ 815	\$ 574	\$ (241)
Rents and concessions	4,255	4,255	3,860	(395)
Other	96	96	114	18
Total revenues	<u>5,166</u>	<u>5,166</u>	<u>4,548</u>	<u>(618)</u>
Other financing sources:				
Operating transfers in	<u>5,644</u>	<u>5,644</u>	<u>4,780</u>	<u>(864)</u>
Total revenues and other financing sources	<u>10,810</u>	<u>10,810</u>	<u>9,328</u>	<u>(1,482)</u>
Expenditures				
Public Works	9,043	8,751	8,464	287
Convention and Entertainment Facilities	1,944	-	-	-
Total expenditures	<u>10,987</u>	<u>8,751</u>	<u>8,464</u>	<u>287</u>
Other financing uses:				
Operating transfers out	<u>-</u>	<u>1,944</u>	<u>1,041</u>	<u>903</u>
Total expenditures and other financing uses	<u>10,987</u>	<u>10,695</u>	<u>9,505</u>	<u>1,190</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(177)	115	(177)	(292)
Net change in encumbrances, reserves and prior year adjustments	<u>-</u>	<u>-</u>	<u>177</u>	<u>177</u>
Net change in fund balance	<u>\$ (177)</u>	<u>\$ 115</u>	<u>-</u>	<u>\$ (115)</u>
Unreserved fund balance (budget basis):				
Beginning of year			<u>-</u>	
End of year			<u>\$ -</u>	

City of Kansas City, Missouri
Budgetary Comparison Schedule—Development Services
Year Ended April 30, 2012
(In thousands of dollars)

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Licenses, permits and franchises	\$ 2,473	\$ 2,473	\$ 1,791	\$ (682)
Charges for services	5,996	5,996	7,158	1,162
Other	-	-	1	1
Total revenues	<u>8,469</u>	<u>8,469</u>	<u>8,950</u>	<u>481</u>
Other financing sources:				
Operating transfers in	-	-	-	-
Total revenues and other financing sources	<u>8,469</u>	<u>8,469</u>	<u>8,950</u>	<u>481</u>
Expenditures				
City Planning and Development	8,369	8,369	8,347	22
Public Works	100	100	72	28
Total expenditures	<u>8,469</u>	<u>8,469</u>	<u>8,419</u>	<u>50</u>
Other financing uses:				
Operating transfers out	-	-	-	-
Total expenditures and other financing uses	<u>8,469</u>	<u>8,469</u>	<u>8,419</u>	<u>50</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	-	-	531	531
Net change in encumbrances, reserves and prior year adjustments	-	-	5	5
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	536	<u>\$ 536</u>
Unreserved fund balance (budget basis):				
Beginning of year			<u>-</u>	
End of year			<u>\$ 536</u>	

City of Kansas City, Missouri
Budgetary Comparison Schedule—Ambulance Services
Year Ended April 30, 2012
(In thousands of dollars)

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Fines and forfeitures	\$ -	\$ -	\$ 1	\$ 1
Investment income and interest	-	-	2	2
Charges for services	19,581	19,581	17,617	(1,964)
Other	516	516	244	(272)
Total revenues	<u>20,097</u>	<u>20,097</u>	<u>17,864</u>	<u>(2,233)</u>
Other financing sources:				
Operating transfers in	9,400	9,400	10,634	1,234
Total revenues and other financing sources	<u>29,497</u>	<u>29,497</u>	<u>28,498</u>	<u>(999)</u>
Expenditures				
City Manager	194	194	85	109
Finance	640	640	640	-
Fire	28,741	28,486	28,486	-
Total expenditures	<u>29,575</u>	<u>29,320</u>	<u>29,211</u>	<u>109</u>
Other financing uses:				
Operating transfers out	-	-	-	-
Total expenditures and other financing uses	<u>29,575</u>	<u>29,320</u>	<u>29,211</u>	<u>109</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(78)	177	(713)	(890)
Net change in encumbrances, reserves and prior year adjustments	-	-	(177)	(177)
Net change in fund balance	<u>\$ (78)</u>	<u>\$ 177</u>	<u>(890)</u>	<u>\$ (1,067)</u>
Unreserved fund balance (budget basis):				
Beginning of year			<u>(2,510)</u>	
End of year			<u>\$ (3,400)</u>	

City of Kansas City, Missouri
Budgetary Comparison Schedule—KCATA Sales Tax
Year Ended April 30, 2012
(In thousands of dollars)

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 21,256	\$ 21,256	\$ 22,955	\$ 1,699
Intergovernmental revenues	-	-	45	45
Total revenues	<u>21,256</u>	<u>21,256</u>	<u>23,000</u>	<u>1,744</u>
Other financing sources:				
Operating transfers in	-	-	-	-
Total revenues and other financing sources	<u>21,256</u>	<u>21,256</u>	<u>23,000</u>	<u>1,744</u>
Expenditures				
Intergovernmental - KCATA	<u>21,256</u>	<u>21,256</u>	<u>21,256</u>	-
Total expenditures	<u>21,256</u>	<u>21,256</u>	<u>21,256</u>	-
Other financing uses:				
Operating transfers out	-	-	-	-
Total expenditures and other financing uses	<u>21,256</u>	<u>21,256</u>	<u>21,256</u>	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	-	-	1,744	1,744
Net change in encumbrances, reserves and prior year adjustments	-	-	-	-
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	1,744	<u>\$ 1,744</u>
Unreserved fund balance (budget basis):				
Beginning of year			<u>606</u>	
End of year			<u>\$ 2,350</u>	

City of Kansas City, Missouri
Budgetary Comparison Schedule—Fire Sales Tax
Year Ended April 30, 2012
(In thousands of dollars)

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 16,887	\$ 16,887	\$ 18,086	\$ 1,199
Charges for services	-	1,000	-	(1,000)
Intergovernmental revenues	-	945	975	30
Other	-	-	2	2
Total revenues	<u>16,887</u>	<u>18,832</u>	<u>19,063</u>	<u>231</u>
Other financing sources:				
Operating transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues and other financing sources	<u>16,887</u>	<u>18,832</u>	<u>19,063</u>	<u>231</u>
Expenditures				
General Services	500	615	502	113
City Manager	194	194	193	1
Fire	17,561	20,537	20,537	-
Capital Projects	2,060	2,312	2,161	151
Total expenditures	<u>20,315</u>	<u>23,658</u>	<u>23,393</u>	<u>265</u>
Other financing uses:				
Operating transfers out	<u>-</u>	<u>364</u>	<u>364</u>	<u>-</u>
Total expenditures and other financing uses	<u>20,315</u>	<u>24,022</u>	<u>23,757</u>	<u>265</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(3,428)	(5,190)	(4,694)	496
Net change in encumbrances, reserves and prior year adjustments	<u>-</u>	<u>-</u>	<u>2,122</u>	<u>2,122</u>
Net change in fund balance	<u>\$ (3,428)</u>	<u>\$ (5,190)</u>	<u>(2,572)</u>	<u>\$ 2,618</u>
Unreserved fund balance (budget basis):				
Beginning of year			<u>2,725</u>	
End of year			<u>\$ 153</u>	

City of Kansas City, Missouri
Budgetary Comparison Schedule—Public Safety Sales Tax
Year Ended April 30, 2012
(In thousands of dollars)

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 15,000	\$ 15,000	\$ 16,119	\$ 1,119
Intergovernmental revenues	-	-	30	30
Other	-	-	197	197
Total revenues	<u>15,000</u>	<u>15,000</u>	<u>16,346</u>	<u>1,346</u>
Other financing sources:				
Operating transfers in	-	-	-	-
Total revenues and other financing sources	<u>15,000</u>	<u>15,000</u>	<u>16,346</u>	<u>1,346</u>
Expenditures				
General Services	1,501	694	694	-
City Manager	314	13	13	-
Fire	1,671	803	803	-
Capital Projects	27,144	23,134	23,134	-
Police	11,483	6,564	6,564	-
Total expenditures	<u>42,113</u>	<u>31,208</u>	<u>31,208</u>	<u>-</u>
Other financing uses:				
Operating transfers out	2,785	2,798	2,798	-
Total expenditures and other financing uses	<u>44,898</u>	<u>34,006</u>	<u>34,006</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(29,898)	(19,006)	(17,660)	1,346
Net change in encumbrances, reserves and prior year adjustments	-	-	19,098	19,098
Net change in fund balance	<u>\$ (29,898)</u>	<u>\$ (19,006)</u>	1,438	<u>\$ 20,444</u>
Unreserved fund balance (budget basis):				
Beginning of year			<u>12,305</u>	
End of year			<u>\$ 13,743</u>	

City of Kansas City, Missouri
Budgetary Comparison Schedule—Health Levy
Year Ended April 30, 2012
(In thousands of dollars)

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 51,355	\$ 51,355	\$ 50,537	\$ (818)
Licenses, permits and franchises	326	326	331	5
Fines and forfeitures	45	45	32	(13)
Rents and concessions	25	25	33	8
Charges for services	2,919	2,919	2,851	(68)
Intergovernmental revenues	-	-	1	1
Other	-	-	7	7
Total revenues	<u>54,670</u>	<u>54,670</u>	<u>53,792</u>	<u>(878)</u>
Other financing sources:				
Operating transfers in	<u>224</u>	<u>224</u>	<u>350</u>	<u>126</u>
Total revenues and other financing sources	<u>54,894</u>	<u>54,894</u>	<u>54,142</u>	<u>(752)</u>
Expenditures				
Health	42,192	41,871	41,756	115
General Services	964	964	759	205
Finance	828	704	704	-
Total expenditures	<u>43,984</u>	<u>43,539</u>	<u>43,219</u>	<u>320</u>
Other financing uses:				
Operating transfers out	<u>9,400</u>	<u>9,524</u>	<u>9,524</u>	<u>-</u>
Total expenditures and other financing uses	<u>53,384</u>	<u>53,063</u>	<u>52,743</u>	<u>320</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	1,510	1,831	1,399	(432)
Net change in encumbrances, reserves and prior year adjustments	<u>-</u>	<u>-</u>	<u>(7)</u>	<u>(7)</u>
Net change in fund balance	<u>\$ 1,510</u>	<u>\$ 1,831</u>	<u>1,392</u>	<u>\$ (439)</u>
Unreserved fund balance (budget basis):				
Beginning of year			<u>56</u>	
End of year			<u>\$ 1,448</u>	

City of Kansas City, Missouri
Budgetary Comparison Schedule—Police Drug Enforcement
Year Ended April 30, 2012
(In thousands of dollars)

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental revenues	\$ 2,227	\$ 2,227	\$ 1,890	\$ (337)
Total revenues	<u>2,227</u>	<u>2,227</u>	<u>1,890</u>	<u>(337)</u>
Other financing sources:				
Operating transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues and other financing sources	<u>2,227</u>	<u>2,227</u>	<u>1,890</u>	<u>(337)</u>
Expenditures				
Fire	5	5	-	5
Neighborhood and Community Services	36	36	-	36
Police	2,221	2,191	1,989	202
Total expenditures	<u>2,262</u>	<u>2,232</u>	<u>1,989</u>	<u>243</u>
Other financing uses:				
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures and other financing uses	<u>2,262</u>	<u>2,232</u>	<u>1,989</u>	<u>243</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(35)	(5)	(99)	(94)
Net change in encumbrances, reserves and prior year adjustments	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
Net change in fund balance	<u>\$ (35)</u>	<u>\$ (5)</u>	<u>(98)</u>	<u>\$ (93)</u>
Unreserved fund balance (budget basis):				
Beginning of year			<u>(921)</u>	
End of year			<u>\$ (1,019)</u>	

City of Kansas City, Missouri
Budgetary Comparison Schedule—Neighborhood Tourist Development
Year Ended April 30, 2012
(In thousands of dollars)

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Total revenues	\$ -	\$ -	\$ -	\$ -
Other financing sources:				
Operating transfers in	<u>1,584</u>	<u>1,584</u>	<u>1,820</u>	<u>236</u>
Total revenues and other financing sources	<u>1,584</u>	<u>1,584</u>	<u>1,820</u>	<u>236</u>
Expenditures				
Neighborhood and Community Services	10	2	2	-
Convention and Entertainment Facilities	<u>2,110</u>	<u>1,418</u>	<u>1,418</u>	<u>-</u>
Total expenditures	2,120	1,420	1,420	-
Other financing uses:				
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures and other financing uses	<u>2,120</u>	<u>1,420</u>	<u>1,420</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(536)	164	400	236
Net change in encumbrances, reserves and prior year adjustments	<u>-</u>	<u>-</u>	<u>(87)</u>	<u>(87)</u>
Net change in fund balance	<u>\$ (536)</u>	<u>\$ 164</u>	313	<u>\$ 149</u>
Unreserved fund balance (budget basis):				
Beginning of year			<u>860</u>	
End of year			<u>\$ 1,173</u>	

City of Kansas City, Missouri
Budgetary Comparison Schedule—Convention and Tourism
Year Ended April 30, 2012
(In thousands of dollars)

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 32,592	\$ 32,592	\$ 34,542	\$ 1,950
Rents and concessions	5,076	5,076	6,924	1,848
Charges for services	142	142	213	71
Intergovernmental revenues	1,800	1,800	1,629	(171)
Total revenues	<u>39,610</u>	<u>39,610</u>	<u>43,308</u>	<u>3,698</u>
Other financing sources:				
Operating transfers in	<u>1,400</u>	<u>1,400</u>	<u>400</u>	<u>(1,000)</u>
Total revenues and other financing sources	<u>41,010</u>	<u>41,010</u>	<u>43,708</u>	<u>2,698</u>
Expenditures				
City Manager	150	312	200	112
Convention and Entertainment Facilities	21,908	23,081	22,916	165
Total expenditures	<u>22,058</u>	<u>23,393</u>	<u>23,116</u>	<u>277</u>
Other financing uses:				
Operating transfers out	<u>19,918</u>	<u>19,918</u>	<u>19,918</u>	<u>-</u>
Total expenditures and other financing uses	<u>41,976</u>	<u>43,311</u>	<u>43,034</u>	<u>277</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(966)	(2,301)	674	2,975
Net change in encumbrances, reserves and prior year adjustments	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
Net change in fund balance	<u>\$ (966)</u>	<u>\$ (2,301)</u>	<u>675</u>	<u>\$ 2,976</u>
Unreserved fund balance (budget basis):				
Beginning of year			<u>4,420</u>	
End of year			<u>\$ 5,095</u>	

City of Kansas City, Missouri
Budgetary Comparison Schedule—Community Centers
Year Ended April 30, 2012
(In thousands of dollars)

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 93	\$ 93	\$ 109	\$ 16
Licenses, permits and franchises	1,922	1,922	2,291	369
Rents and concessions	-	-	1	1
Charges for services	1,145	1,145	1,208	63
Intergovernmental revenues	-	140	140	-
Total revenues	<u>3,160</u>	<u>3,300</u>	<u>3,749</u>	<u>449</u>
Other financing sources:				
Operating transfers in	<u>3,614</u>	<u>3,614</u>	<u>2,740</u>	<u>(874)</u>
Total revenues and other financing sources	<u>6,774</u>	<u>6,914</u>	<u>6,489</u>	<u>(425)</u>
Expenditures				
Finance	1,892	1,892	1,885	7
Parks and Recreation	5,049	4,906	4,488	418
Total expenditures	<u>6,941</u>	<u>6,798</u>	<u>6,373</u>	<u>425</u>
Other financing uses:				
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures and other financing uses	<u>6,941</u>	<u>6,798</u>	<u>6,373</u>	<u>425</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(167)	116	116	-
Net change in encumbrances, reserves and prior year adjustments	<u>-</u>	<u>-</u>	<u>(116)</u>	<u>(116)</u>
Net change in fund balance	<u>\$ (167)</u>	<u>\$ 116</u>	<u>-</u>	<u>\$ (116)</u>
Unreserved fund balance (budget basis):				
Beginning of year			<u>-</u>	
End of year			<u>\$ -</u>	

City of Kansas City, Missouri
Budgetary Comparison Schedule—Arterial Street Impact Fee
Year Ended April 30, 2012
(In thousands of dollars)

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Investment income and interest	\$ 205	\$ 205	\$ 87	\$ (118)
Charges for services	-	-	156	156
Other	-	-	14	14
Total revenues	<u>205</u>	<u>205</u>	<u>257</u>	<u>52</u>
Other financing sources:				
Operating transfers in	-	-	-	-
Total revenues and other financing sources	<u>205</u>	<u>205</u>	<u>257</u>	<u>52</u>
Expenditures				
City Planning and Development	170	170	170	-
Capital Projects	1,031	670	670	-
Public Works	209	92	92	-
Parks and Recreation	-	10	10	-
Total expenditures	<u>1,410</u>	<u>942</u>	<u>942</u>	<u>-</u>
Other financing uses:				
Operating transfers out	-	-	-	-
Total expenditures and other financing uses	<u>1,410</u>	<u>942</u>	<u>942</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(1,205)	(737)	(685)	52
Net change in encumbrances, reserves and prior year adjustments	-	-	1,144	1,144
Net change in fund balance	<u>\$ (1,205)</u>	<u>\$ (737)</u>	459	<u>\$ 1,196</u>
Unreserved fund balance (budget basis):				
Beginning of year			<u>3,216</u>	
End of year			<u>\$ 3,675</u>	

City of Kansas City, Missouri
Budgetary Comparison Schedule—Liberty Memorial Trust
Year Ended April 30, 2012
(In thousands of dollars)

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Investment income and interest	\$ 483	\$ 483	\$ 285	\$ (198)
Total revenues	<u>483</u>	<u>483</u>	<u>285</u>	<u>(198)</u>
Other financing sources:				
Operating transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues and other financing sources	<u>483</u>	<u>483</u>	<u>285</u>	<u>(198)</u>
Expenditures				
Parks and Recreation	<u>219</u>	<u>122</u>	<u>1,055</u>	<u>(933)</u>
Total expenditures	<u>219</u>	<u>122</u>	<u>1,055</u>	<u>(933)</u>
Other financing uses:				
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures and other financing uses	<u>219</u>	<u>122</u>	<u>1,055</u>	<u>(933)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	264	361	(770)	(1,131)
Net change in encumbrances, reserves and prior year adjustments	<u>-</u>	<u>-</u>	<u>(1,645)</u>	<u>(1,645)</u>
Net change in fund balance	<u>\$ 264</u>	<u>\$ 361</u>	<u>(2,415)</u>	<u>\$ (2,776)</u>
Unreserved fund balance (budget basis):				
Beginning of year			<u>17,033</u>	
End of year			<u>\$ 14,618</u>	

City of Kansas City, Missouri
Budgetary Comparison Schedule—Domestic Violence Shelter Operations
Year Ended April 30, 2012
(In thousands of dollars)

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines and forfeitures	\$ 425	\$ 425	\$ 244	\$ (181)
Intergovernmental revenues	232	300	247	(53)
Other	-	2	2	-
Total revenues	<u>657</u>	<u>727</u>	<u>493</u>	<u>(234)</u>
Other financing sources:				
Operating transfers in	-	-	503	503
Total revenues and other financing sources	<u>657</u>	<u>727</u>	<u>996</u>	<u>269</u>
Expenditures				
Law	365	417	301	116
Neighborhood and Community Services	366	409	409	-
Total expenditures	<u>731</u>	<u>826</u>	<u>710</u>	<u>116</u>
Other financing uses:				
Operating transfers out	-	-	-	-
Total expenditures and other financing uses	<u>731</u>	<u>826</u>	<u>710</u>	<u>116</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(74)	(99)	286	385
Net change in encumbrances, reserves and prior year adjustments	-	-	(286)	(286)
Net change in fund balance	<u>\$ (74)</u>	<u>\$ (99)</u>	-	<u>\$ 99</u>
Unreserved fund balance (budget basis):				
Beginning of year			<u>-</u>	
End of year			<u><u>\$ -</u></u>	

City of Kansas City, Missouri
Budgetary Comparison Schedule—Governmental Grants Fund
Year Ended April 30, 2012
(In thousands of dollars)

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental revenues	\$ 4,968	\$ 3,660	\$ 4,482	\$ 822
Other	122	162	170	8
Total revenues	<u>5,090</u>	<u>3,822</u>	<u>4,652</u>	<u>830</u>
Other financing sources:				
Operating transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues and other financing sources	<u>5,090</u>	<u>3,822</u>	<u>4,652</u>	<u>830</u>
Expenditures				
Health	<u>6,182</u>	<u>8,167</u>	<u>5,022</u>	<u>3,145</u>
Total expenditures	<u>6,182</u>	<u>8,167</u>	<u>5,022</u>	<u>3,145</u>
Other financing uses:				
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures and other financing uses	<u>6,182</u>	<u>8,167</u>	<u>5,022</u>	<u>3,145</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(1,092)	(4,345)	(370)	3,975
Net change in encumbrances, reserves and prior year adjustments	<u>-</u>	<u>-</u>	<u>999</u>	<u>999</u>
Net change in fund balance	<u>\$ (1,092)</u>	<u>\$ (4,345)</u>	629	<u>\$ 4,974</u>
Unreserved fund balance (budget basis):				
Beginning of year			<u>247</u>	
End of year			<u>\$ 876</u>	

City of Kansas City, Missouri
Budgetary Comparison Schedule—ARRA Stimulus Fund
Year Ended April 30, 2012
(In thousands of dollars)

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Investment income and interest	\$ -	\$ -	\$ 56	\$ 56
Intergovernmental revenues	1,526	19,937	28,479	8,542
Total revenues	<u>1,526</u>	<u>19,937</u>	<u>28,535</u>	<u>8,598</u>
Other financing sources:				
Operating transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues and other financing sources	<u>1,526</u>	<u>19,937</u>	<u>28,535</u>	<u>8,598</u>
Expenditures				
Health	51	11	10	1
General Services	-	9	9	-
City Manager	5,235	6,144	6,075	69
Law	-	26	-	26
City Planning and Development	122	268	268	-
Fire	1,490	1,490	1,490	-
Capital Projects	5,181	5,528	5,528	-
Public Works	987	6,961	6,961	-
Water Services	53	279	53	226
Neighborhood and Community Services	1,594	1,010	974	36
Housing and Community Development	2,258	6,060	6,060	-
Parks and Recreation	411	424	424	-
Total expenditures	<u>17,382</u>	<u>28,210</u>	<u>27,852</u>	<u>358</u>
Other financing uses:				
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures and other financing uses	<u>17,382</u>	<u>28,210</u>	<u>27,852</u>	<u>358</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(15,856)	(8,273)	683	8,956
Net change in encumbrances, reserves and prior year adjustments	<u>-</u>	<u>-</u>	<u>5,076</u>	<u>5,076</u>
Net change in fund balance	<u>\$ (15,856)</u>	<u>\$ (8,273)</u>	<u>5,759</u>	<u>\$ 14,032</u>
Unreserved fund balance (budget basis):				
Beginning of year			<u>(21,307)</u>	
End of year			<u>\$ (15,548)</u>	

City of Kansas City, Missouri
Budgetary Comparison Schedule—Community Development Block Grant Fund
Year Ended April 30, 2012
(In thousands of dollars)

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Investment income and interest	\$ -	\$ 51	\$ 33	\$ (18)
Intergovernmental revenues	8,960	10,152	14,336	4,184
Total revenues	<u>8,960</u>	<u>10,203</u>	<u>14,369</u>	<u>4,166</u>
Other financing sources:				
Operating transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues and other financing sources	<u>8,960</u>	<u>10,203</u>	<u>14,369</u>	<u>4,166</u>
Expenditures				
City Manager	5	5	5	-
Law	50	45	45	-
Human Relations	564	526	526	-
City Planning and Development	3	-	-	-
Neighborhood and Community Services	3,480	3,004	3,004	-
Housing and Community Development	7,071	7,157	7,157	-
Total expenditures	<u>11,173</u>	<u>10,737</u>	<u>10,737</u>	<u>-</u>
Other financing uses:				
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures and other financing uses	<u>11,173</u>	<u>10,737</u>	<u>10,737</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(2,213)	(534)	3,632	4,166
Net change in encumbrances, reserves and prior year adjustments	<u>-</u>	<u>-</u>	<u>(1,310)</u>	<u>(1,310)</u>
Net change in fund balance	<u>\$ (2,213)</u>	<u>\$ (534)</u>	2,322	<u>\$ 2,856</u>
Unreserved fund balance (budget basis):				
Beginning of year			<u>(4,221)</u>	
End of year			<u>\$ (1,899)</u>	

City of Kansas City, Missouri
Budgetary Comparison Schedule—Ryan White HIV/AIDS
Year Ended April 30, 2012
(In thousands of dollars)

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental revenues	\$ 4,882	\$ 3,710	\$ 3,940	\$ 230
Total revenues	4,882	3,710	3,940	230
Other financing sources:				
Operating transfers in	-	-	5	5
Total revenues and other financing sources	4,882	3,710	3,945	235
Expenditures				
Health	5,906	4,290	4,146	144
Total expenditures	5,906	4,290	4,146	144
Other financing uses:				
Operating transfers out	-	-	-	-
Total expenditures and other financing uses	5,906	4,290	4,146	144
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(1,024)	(580)	(201)	379
Net change in encumbrances, reserves and prior year adjustments	-	-	(268)	(268)
Net change in fund balance	\$ (1,024)	\$ (580)	(469)	\$ 111
Unreserved fund balance (budget basis):				
Beginning of year			(1,343)	
End of year			<u>\$ (1,812)</u>	

City of Kansas City, Missouri
Budgetary Comparison Schedule—Housing Opportunities for Persons with AIDS
Year Ended April 30, 2012
(In thousands of dollars)

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental revenues	\$ 1,109	\$ 538	\$ 1,102	\$ 564
Total revenues	<u>1,109</u>	<u>538</u>	<u>1,102</u>	<u>564</u>
Other financing sources:				
Operating transfers in	<u>-</u>	<u>-</u>	<u>55</u>	<u>55</u>
Total revenues and other financing sources	<u>1,109</u>	<u>538</u>	<u>1,157</u>	<u>619</u>
Expenditures				
Health	<u>1,575</u>	<u>1,236</u>	<u>1,234</u>	<u>2</u>
Total expenditures	<u>1,575</u>	<u>1,236</u>	<u>1,234</u>	<u>2</u>
Other financing uses:				
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures and other financing uses	<u>1,575</u>	<u>1,236</u>	<u>1,234</u>	<u>2</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(466)	(698)	(77)	621
Net change in encumbrances, reserves and prior year adjustments	<u>-</u>	<u>-</u>	<u>240</u>	<u>240</u>
Net change in fund balance	<u>\$ (466)</u>	<u>\$ (698)</u>	<u>163</u>	<u>\$ 861</u>
Unreserved fund balance (budget basis):				
Beginning of year			<u>(735)</u>	
End of year			<u>\$ (572)</u>	

City of Kansas City, Missouri
Budgetary Comparison Schedule—HUD Lead-Based Paint Grant
Year Ended April 30, 2012
(In thousands of dollars)

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental revenues	\$ 899	\$ 1,356	\$ 1,353	\$ (3)
Total revenues	899	1,356	1,353	(3)
Other financing sources:				
Operating transfers in	-	-	-	-
Total revenues and other financing sources	899	1,356	1,353	(3)
Expenditures				
Health	1,098	1,238	1,236	2
Total expenditures	1,098	1,238	1,236	2
Other financing uses:				
Operating transfers out	-	-	-	-
Total expenditures and other financing uses	1,098	1,238	1,236	2
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(199)	118	117	(1)
Net change in encumbrances, reserves and prior year adjustments	-	-	200	200
Net change in fund balance	\$ (199)	\$ 118	317	\$ 199
Unreserved fund balance (budget basis):				
Beginning of year			(282)	
End of year			<u>\$ 35</u>	

City of Kansas City, Missouri
Budgetary Comparison Schedule—Inmate Security
Year Ended April 30, 2012
(In thousands of dollars)

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for services	\$ 225	\$ 225	\$ 123	\$ (102)
Total revenues	<u>225</u>	<u>225</u>	<u>123</u>	<u>(102)</u>
Other financing sources:				
Operating transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues and other financing sources	<u>225</u>	<u>225</u>	<u>123</u>	<u>(102)</u>
Expenditures				
Municipal Court	2	2	2	-
Neighborhood and Community Services	216	216	197	19
Total expenditures	<u>218</u>	<u>218</u>	<u>199</u>	<u>19</u>
Other financing uses:				
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures and other financing uses	<u>218</u>	<u>218</u>	<u>199</u>	<u>19</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	7	7	(76)	(83)
Net change in encumbrances, reserves and prior year adjustments	<u>-</u>	<u>-</u>	<u>2</u>	<u>2</u>
Net change in fund balance	<u>\$ 7</u>	<u>\$ 7</u>	<u>(74)</u>	<u>\$ (81)</u>
Unreserved fund balance (budget basis):				
Beginning of year			<u>159</u>	
End of year			<u><u>\$ 85</u></u>	

City of Kansas City, Missouri
Budgetary Comparison Schedule—Home Investment
Year Ended April 30, 2012
(In thousands of dollars)

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental revenues	\$ 2,800	\$ 2,176	\$ 2,749	\$ 573
Other	-	-	4	4
Total revenues	<u>2,800</u>	<u>2,176</u>	<u>2,753</u>	<u>577</u>
Other financing sources:				
Operating transfers in	-	-	-	-
Total revenues and other financing sources	<u>2,800</u>	<u>2,176</u>	<u>2,753</u>	<u>577</u>
Expenditures				
Housing and Community Development	4,266	3,926	3,915	11
Total expenditures	<u>4,266</u>	<u>3,926</u>	<u>3,915</u>	<u>11</u>
Other financing uses:				
Operating transfers out	-	-	-	-
Total expenditures and other financing uses	<u>4,266</u>	<u>3,926</u>	<u>3,915</u>	<u>11</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(1,466)	(1,750)	(1,162)	588
Net change in encumbrances, reserves and prior year adjustments	-	-	(860)	(860)
Net change in fund balance	<u>\$ (1,466)</u>	<u>\$ (1,750)</u>	(2,022)	<u>\$ (272)</u>
Unreserved fund balance (budget basis):				
Beginning of year			<u>(3,301)</u>	
End of year			<u><u>\$ (5,323)</u></u>	

City of Kansas City, Missouri
Budgetary Comparison Schedule—Special Housing Rehabilitation
Year Ended April 30, 2012
(In thousands of dollars)

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines and forfeitures	\$ -	\$ -	\$ 288	\$ 288
Intergovernmental revenues	450	(120)	397	517
Other	625	1,057	225	(832)
Total revenues	<u>1,075</u>	<u>937</u>	<u>910</u>	<u>(27)</u>
Other financing sources:				
Operating transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues and other financing sources	<u>1,075</u>	<u>937</u>	<u>910</u>	<u>(27)</u>
Expenditures				
Housing and Community Development	<u>1,162</u>	<u>1,291</u>	<u>1,050</u>	<u>241</u>
Total expenditures	<u>1,162</u>	<u>1,291</u>	<u>1,050</u>	<u>241</u>
Other financing uses:				
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures and other financing uses	<u>1,162</u>	<u>1,291</u>	<u>1,050</u>	<u>241</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(87)	(354)	(140)	214
Net change in encumbrances, reserves and prior year adjustments	<u>-</u>	<u>-</u>	<u>(786)</u>	<u>(786)</u>
Net change in fund balance	<u>\$ (87)</u>	<u>\$ (354)</u>	<u>(926)</u>	<u>\$ (572)</u>
Unreserved fund balance (budget basis):				
Beginning of year			<u>(488)</u>	
End of year			<u>\$ (1,414)</u>	

City of Kansas City, Missouri
Budgetary Comparison Schedule—General Debt and Interest
Year Ended April 30, 2012
(In thousands of dollars)

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 10,637	\$ 10,637	\$ 10,405	\$ (232)
Investment income and interest	425	425	754	329
Total revenues	<u>11,062</u>	<u>11,062</u>	<u>11,159</u>	<u>97</u>
Other financing sources:				
Operating transfers in	<u>13,934</u>	<u>13,406</u>	<u>13,363</u>	<u>(43)</u>
Total revenues and other financing sources	<u>24,996</u>	<u>24,468</u>	<u>24,522</u>	<u>54</u>
Expenditures				
Finance	<u>24,996</u>	<u>24,468</u>	<u>24,443</u>	<u>25</u>
Total expenditures	<u>24,996</u>	<u>24,468</u>	<u>24,443</u>	<u>25</u>
Other financing uses:				
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures and other financing uses	<u>24,996</u>	<u>24,468</u>	<u>24,443</u>	<u>25</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	-	-	79	79
Net change in encumbrances, reserves and prior year adjustments	<u>-</u>	<u>-</u>	<u>(75)</u>	<u>(75)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>4</u>	<u>\$ 4</u>
Unreserved fund balance (budget basis):				
Beginning of year			<u>996</u>	
End of year			<u>\$ 1,000</u>	

City of Kansas City, Missouri
Budgetary Comparison Schedule—Streetlight Debt
Year Ended April 30, 2012
(In thousands of dollars)

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Total revenues	\$ -	\$ -	\$ -	\$ -
Other financing sources:				
Operating transfers in	<u>6,668</u>	<u>6,668</u>	<u>6,619</u>	<u>(49)</u>
Total revenues and other financing sources	<u>6,668</u>	<u>6,668</u>	<u>6,619</u>	<u>(49)</u>
Expenditures				
Finance	<u>6,668</u>	<u>6,668</u>	<u>6,619</u>	<u>49</u>
Total expenditures	<u>6,668</u>	<u>6,668</u>	<u>6,619</u>	<u>49</u>
Other financing uses:				
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures and other financing uses	<u>6,668</u>	<u>6,668</u>	<u>6,619</u>	<u>49</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Unreserved fund balance (budget basis):				
Beginning of year			<u>-</u>	
End of year			<u>\$ -</u>	

City of Kansas City, Missouri
Budgetary Comparison Schedule—Downtown Arena Debt
Year Ended April 30, 2012
(In thousands of dollars)

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Licenses, permits and franchises	\$ 12,600	\$ 12,600	\$ 13,328	\$ 728
Rents and concessions	1,250	1,250	1,023	(227)
Investment income and interest	155	155	1	(154)
Intergovernmental revenues	-	-	124	124
Total revenues	<u>14,005</u>	<u>14,005</u>	<u>14,476</u>	<u>471</u>
Other financing sources:				
Operating transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues and other financing sources	<u>14,005</u>	<u>14,005</u>	<u>14,476</u>	<u>471</u>
Expenditures				
Finance	13,820	13,820	13,817	3
Capital Projects	-	1	1	-
Public Works	247	386	145	241
Convention and Entertainment Facilities	1,050	4,189	4,189	-
Total expenditures	<u>15,117</u>	<u>18,396</u>	<u>18,152</u>	<u>244</u>
Other financing uses:				
Operating transfers out	<u>-</u>	<u>40</u>	<u>40</u>	<u>-</u>
Total expenditures and other financing uses	<u>15,117</u>	<u>18,436</u>	<u>18,192</u>	<u>244</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(1,112)	(4,431)	(3,716)	715
Net change in encumbrances, reserves and prior year adjustments	<u>-</u>	<u>-</u>	<u>(573)</u>	<u>(573)</u>
Net change in fund balance	<u>\$ (1,112)</u>	<u>\$ (4,431)</u>	<u>(4,289)</u>	<u>\$ 142</u>
Unreserved fund balance (budget basis):				
Beginning of year			<u>19,530</u>	
End of year			<u>\$ 15,241</u>	

City of Kansas City, Missouri
Budgetary Comparison Schedule—Sewer Special Assessment
Year Ended April 30, 2012
(In thousands of dollars)

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Investment income and interest	\$ 110	\$ 110	\$ 93	\$ (17)
Special assessments	415	415	481	66
Other	-	-	46	46
Total revenues	<u>525</u>	<u>525</u>	<u>620</u>	<u>95</u>
Other financing sources:				
Operating transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues and other financing sources	<u>525</u>	<u>525</u>	<u>620</u>	<u>95</u>
Expenditures				
Finance	<u>791</u>	<u>789</u>	<u>759</u>	<u>30</u>
Total expenditures	<u>791</u>	<u>789</u>	<u>759</u>	<u>30</u>
Other financing uses:				
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures and other financing uses	<u>791</u>	<u>789</u>	<u>759</u>	<u>30</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(266)	(264)	(139)	125
Net change in encumbrances, reserves and prior year adjustments	<u>-</u>	<u>-</u>	<u>7</u>	<u>7</u>
Net change in fund balance	<u>\$ (266)</u>	<u>\$ (264)</u>	<u>(132)</u>	<u>\$ 132</u>
Unreserved fund balance (budget basis):				
Beginning of year			<u>1,214</u>	
End of year			<u><u>\$ 1,082</u></u>	

City of Kansas City, Missouri
Budgetary Comparison Schedule—N.I.D. GO Bond
Year Ended April 30, 2012
(In thousands of dollars)

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Investment income and interest	\$ -	\$ -	\$ 1	\$ 1
Special assessments	52	52	49	(3)
Total revenues	<u>52</u>	<u>52</u>	<u>50</u>	<u>(2)</u>
Other financing sources:				
Operating transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues and other financing sources	<u>52</u>	<u>52</u>	<u>50</u>	<u>(2)</u>
Expenditures				
Finance	<u>51</u>	<u>51</u>	<u>44</u>	<u>7</u>
Total expenditures	51	51	44	7
Other financing uses:				
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures and other financing uses	<u>51</u>	<u>51</u>	<u>44</u>	<u>7</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	1	1	6	5
Net change in encumbrances, reserves and prior year adjustments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>1</u>	<u>1</u>	<u>6</u>	<u>5</u>
Unreserved fund balance (budget basis):				
Beginning of year			<u>28</u>	
End of year			<u>\$ 34</u>	

City of Kansas City, Missouri
Budgetary Comparison Schedule—STIF-12th and Wyandotte
Year Ended April 30, 2012
(In thousands of dollars)

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 1,272	\$ 1,272	\$ 1,284	\$ 12
Licenses, permits and franchises	105	105	125	20
Other	1,054	1,054	1,026	(28)
Total revenues	<u>2,431</u>	<u>2,431</u>	<u>2,435</u>	<u>4</u>
Other financing sources:				
Operating transfers in	<u>663</u>	<u>663</u>	<u>1,004</u>	<u>341</u>
Total revenues and other financing sources	<u>3,094</u>	<u>3,094</u>	<u>3,439</u>	<u>345</u>
Expenditures				
Finance	<u>3,583</u>	<u>3,583</u>	<u>3,583</u>	<u>-</u>
Total expenditures	<u>3,583</u>	<u>3,583</u>	<u>3,583</u>	<u>-</u>
Other financing uses:				
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures and other financing uses	<u>3,583</u>	<u>3,583</u>	<u>3,583</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(489)	(489)	(144)	345
Net change in encumbrances, reserves and prior year adjustments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ (489)</u>	<u>\$ (489)</u>	<u>(144)</u>	<u>\$ 345</u>
Unreserved fund balance (budget basis):				
Beginning of year			<u>-</u>	
End of year			<u>\$ (144)</u>	

City of Kansas City, Missouri
Budgetary Comparison Schedule—STIF-Midtown
Year Ended April 30, 2012
(In thousands of dollars)

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 1,623	\$ 1,623	\$ 1,449	\$ (174)
Licenses, permits and franchises	42	42	38	(4)
Investment income and interest	-	-	6	6
Intergovernmental revenues	1,546	1,546	221	(1,325)
Other	3,071	3,071	3,416	345
Total revenues	<u>6,282</u>	<u>6,282</u>	<u>5,130</u>	<u>(1,152)</u>
Other financing sources:				
Operating transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues and other financing sources	<u>6,282</u>	<u>6,282</u>	<u>5,130</u>	<u>(1,152)</u>
Expenditures				
Finance	3,880	4,280	4,280	-
City Planning and Development	1,500	1,280	1,275	5
Total expenditures	<u>5,380</u>	<u>5,560</u>	<u>5,555</u>	<u>5</u>
Other financing uses:				
Operating transfers out	<u>1,500</u>	<u>1,529</u>	<u>1,529</u>	<u>-</u>
Total expenditures and other financing uses	<u>6,880</u>	<u>7,089</u>	<u>7,084</u>	<u>5</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(598)	(807)	(1,954)	(1,147)
Net change in encumbrances, reserves and prior year adjustments	<u>-</u>	<u>-</u>	<u>(220)</u>	<u>(220)</u>
Net change in fund balance	<u>\$ (598)</u>	<u>\$ (807)</u>	<u>(2,174)</u>	<u>\$ (1,367)</u>
Unreserved fund balance (budget basis):				
Beginning of year			<u>10,046</u>	
End of year			<u>\$ 7,872</u>	

City of Kansas City, Missouri
Budgetary Comparison Schedule—STIF-Uptown
Year Ended April 30, 2012
(In thousands of dollars)

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 58	\$ 58	\$ 68	\$ 10
Licenses, permits and franchises	6	6	8	2
Other	240	240	265	25
Total revenues	<u>304</u>	<u>304</u>	<u>341</u>	<u>37</u>
Other financing sources:				
Operating transfers in	<u>-</u>	<u>-</u>	<u>29</u>	<u>29</u>
Total revenues and other financing sources	<u>304</u>	<u>304</u>	<u>370</u>	<u>66</u>
Expenditures				
Finance	<u>388</u>	<u>388</u>	<u>381</u>	<u>7</u>
Total expenditures	<u>388</u>	<u>388</u>	<u>381</u>	<u>7</u>
Other financing uses:				
Operating transfers out	<u>322</u>	<u>322</u>	<u>322</u>	<u>-</u>
Total expenditures and other financing uses	<u>710</u>	<u>710</u>	<u>703</u>	<u>7</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(406)	(406)	(333)	73
Net change in encumbrances, reserves and prior year adjustments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ (406)</u>	<u>\$ (406)</u>	<u>(333)</u>	<u>\$ 73</u>
Unreserved fund balance (budget basis):				
Beginning of year			<u>652</u>	
End of year			<u>\$ 319</u>	

City of Kansas City, Missouri
Budgetary Comparison Schedule—STIF-Valentine
Year Ended April 30, 2012
(In thousands of dollars)

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Licenses, permits and franchises	\$ 2	\$ 2	\$ -	\$ (2)
Total revenues	<u>2</u>	<u>2</u>	<u>-</u>	<u>(2)</u>
Other financing sources:				
Operating transfers in	<u>322</u>	<u>322</u>	<u>322</u>	<u>-</u>
Total revenues and other financing sources	<u>324</u>	<u>324</u>	<u>322</u>	<u>(2)</u>
Expenditures				
Finance	<u>322</u>	<u>322</u>	<u>322</u>	<u>-</u>
Total expenditures	<u>322</u>	<u>322</u>	<u>322</u>	<u>-</u>
Other financing uses:				
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures and other financing uses	<u>322</u>	<u>322</u>	<u>322</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	2	2	-	(2)
Net change in encumbrances, reserves and prior year adjustments	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
Net change in fund balance	<u>\$ 2</u>	<u>\$ 2</u>	<u>1</u>	<u>\$ (1)</u>
Unreserved fund balance (budget basis):				
Beginning of year			<u>-</u>	
End of year			<u>\$ 1</u>	

City of Kansas City, Missouri
Budgetary Comparison Schedule—STIF-Hotel President
Year Ended April 30, 2012
(In thousands of dollars)

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 390	\$ 390	\$ 617	\$ 227
Licenses, permits and franchises	19	19	19	-
Special assessments	78	78	-	(78)
Other	567	567	769	202
Total revenues	<u>1,054</u>	<u>1,054</u>	<u>1,405</u>	<u>351</u>
Other financing sources:				
Operating transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues and other financing sources	<u>1,054</u>	<u>1,054</u>	<u>1,405</u>	<u>351</u>
Expenditures				
Finance	<u>1,311</u>	<u>1,311</u>	<u>788</u>	<u>523</u>
Total expenditures	<u>1,311</u>	<u>1,311</u>	<u>788</u>	<u>523</u>
Other financing uses:				
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures and other financing uses	<u>1,311</u>	<u>1,311</u>	<u>788</u>	<u>523</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(257)	(257)	617	874
Net change in encumbrances, reserves and prior year adjustments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ (257)</u>	<u>\$ (257)</u>	617	<u>\$ 874</u>
Unreserved fund balance (budget basis):				
Beginning of year			<u>1,648</u>	
End of year			<u>\$ 2,265</u>	

City of Kansas City, Missouri
Budgetary Comparison Schedule—STIF-Brush Creek/Blue Parkway/Town Center
Year Ended April 30, 2012
(In thousands of dollars)

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 118	\$ 118	\$ 194	\$ 76
Licenses, permits and franchises	12	12	25	13
Other	458	458	451	(7)
Total revenues	<u>588</u>	<u>588</u>	<u>670</u>	<u>82</u>
Other financing sources:				
Operating transfers in	<u>215</u>	<u>215</u>	<u>235</u>	<u>20</u>
Total revenues and other financing sources	<u>803</u>	<u>803</u>	<u>905</u>	<u>102</u>
Expenditures				
Finance	<u>1,013</u>	<u>1,013</u>	<u>1,013</u>	<u>-</u>
Total expenditures	<u>1,013</u>	<u>1,013</u>	<u>1,013</u>	<u>-</u>
Other financing uses:				
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures and other financing uses	<u>1,013</u>	<u>1,013</u>	<u>1,013</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(210)	(210)	(108)	102
Net change in encumbrances, reserves and prior year adjustments	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
Net change in fund balance	<u>\$ (210)</u>	<u>\$ (210)</u>	<u>(107)</u>	<u>\$ 103</u>
Unreserved fund balance (budget basis):				
Beginning of year			<u>107</u>	
End of year			<u><u>\$ -</u></u>	

City of Kansas City, Missouri
Budgetary Comparison Schedule—STIF-East Village
Year Ended April 30, 2012
(In thousands of dollars)

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 260	\$ 260	\$ 299	\$ 39
Licenses, permits and franchises	8	8	7	(1)
Rents and concessions	150	150	25	(125)
Intergovernmental revenues	-	-	897	897
Other	552	552	584	32
Total revenues	<u>970</u>	<u>970</u>	<u>1,812</u>	<u>842</u>
Other financing sources:				
Operating transfers in	<u>1,487</u>	<u>1,487</u>	<u>487</u>	<u>(1,000)</u>
Total revenues and other financing sources	<u>2,457</u>	<u>2,457</u>	<u>2,299</u>	<u>(158)</u>
Expenditures				
Finance	2,432	2,432	2,244	188
City Planning and Development	25	25	-	25
Total expenditures	<u>2,457</u>	<u>2,457</u>	<u>2,244</u>	<u>213</u>
Other financing uses:				
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures and other financing uses	<u>2,457</u>	<u>2,457</u>	<u>2,244</u>	<u>213</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	-	-	55	55
Net change in encumbrances, reserves and prior year adjustments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	55	<u>\$ 55</u>
Unreserved fund balance (budget basis):				
Beginning of year			<u>484</u>	
End of year			<u>\$ 539</u>	

City of Kansas City, Missouri
Budgetary Comparison Schedule—STIF-909 Walnut Tower
Year Ended April 30, 2012
(In thousands of dollars)

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 58	\$ 58	\$ 102	\$ 44
Licenses, permits and franchises	18	18	1	(17)
Investment income and interest	-	-	(1)	(1)
Other	578	578	291	(287)
Total revenues	<u>654</u>	<u>654</u>	<u>393</u>	<u>(261)</u>
Other financing sources:				
Operating transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues and other financing sources	<u>654</u>	<u>654</u>	<u>393</u>	<u>(261)</u>
Expenditures				
Finance	<u>621</u>	<u>621</u>	<u>424</u>	<u>197</u>
Total expenditures	<u>621</u>	<u>621</u>	<u>424</u>	<u>197</u>
Other financing uses:				
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures and other financing uses	<u>621</u>	<u>621</u>	<u>424</u>	<u>197</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	33	33	(31)	(64)
Net change in encumbrances, reserves and prior year adjustments	<u>-</u>	<u>-</u>	<u>(1)</u>	<u>(1)</u>
Net change in fund balance	<u>\$ 33</u>	<u>\$ 33</u>	<u>(32)</u>	<u>\$ (65)</u>
Unreserved fund balance (budget basis):				
Beginning of year			<u>32</u>	
End of year			<u><u>\$ -</u></u>	

City of Kansas City, Missouri
Budgetary Comparison Schedule—Kansas City Downtown Redevelopment District Debt Fund
Year Ended April 30, 2012
(In thousands of dollars)

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 1,286	\$ 1,736	\$ 1,640	\$ (96)
Licenses, permits and franchises	43	43	72	29
Other	2,308	2,703	2,781	78
Total revenues	<u>3,637</u>	<u>4,482</u>	<u>4,493</u>	<u>11</u>
Other financing sources:				
Operating transfers in	<u>11,396</u>	<u>11,396</u>	<u>11,358</u>	<u>(38)</u>
Total revenues and other financing sources	<u>15,033</u>	<u>15,878</u>	<u>15,851</u>	<u>(27)</u>
Expenditures				
Finance	<u>15,878</u>	<u>16,832</u>	<u>16,806</u>	<u>26</u>
Total expenditures	<u>15,878</u>	<u>16,832</u>	<u>16,806</u>	<u>26</u>
Other financing uses:				
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures and other financing uses	<u>15,878</u>	<u>16,832</u>	<u>16,806</u>	<u>26</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(845)	(954)	(955)	(1)
Net change in encumbrances, reserves and prior year adjustments	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
Net change in fund balance	<u>\$ (845)</u>	<u>\$ (954)</u>	(954)	<u>\$ -</u>
Unreserved fund balance (budget basis):				
Beginning of year			<u>954</u>	
End of year			<u>\$ -</u>	

City of Kansas City, Missouri
Budgetary Comparison Schedule—HOK Sport Garage
Year Ended April 30, 2012
(In thousands of dollars)

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 353	\$ 353	\$ 103	\$ (250)
Licenses, permits and franchises	73	73	-	(73)
Investment income and interest	-	-	(5)	(5)
Special assessments	-	-	160	160
Total revenues	<u>426</u>	<u>426</u>	<u>258</u>	<u>(168)</u>
Other financing sources:				
Operating transfers in	<u>264</u>	<u>264</u>	<u>440</u>	<u>176</u>
Total revenues and other financing sources	<u>690</u>	<u>690</u>	<u>698</u>	<u>8</u>
Expenditures				
Finance	<u>698</u>	<u>698</u>	<u>697</u>	<u>1</u>
Total expenditures	<u>698</u>	<u>698</u>	<u>697</u>	<u>1</u>
Other financing uses:				
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures and other financing uses	<u>698</u>	<u>698</u>	<u>697</u>	<u>1</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(8)	(8)	1	9
Net change in encumbrances, reserves and prior year adjustments	<u>-</u>	<u>-</u>	<u>(1)</u>	<u>(1)</u>
Net change in fund balance	<u>\$ (8)</u>	<u>\$ (8)</u>	<u>-</u>	<u>\$ 8</u>
Unreserved fund balance (budget basis):				
Beginning of year			<u>-</u>	
End of year			<u>\$ -</u>	

City of Kansas City, Missouri
Budgetary Comparison Schedule—Convention and Sports Complex
Year Ended April 30, 2012
(In thousands of dollars)

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Investment income and interest	\$ -	\$ -	\$ 66	\$ 66
Intergovernmental revenues	2,000	2,000	2,167	167
Total revenues	<u>2,000</u>	<u>2,000</u>	<u>2,233</u>	<u>233</u>
Other financing sources:				
Operating transfers in	<u>17,670</u>	<u>17,670</u>	<u>17,093</u>	<u>(577)</u>
Total revenues and other financing sources	<u>19,670</u>	<u>19,670</u>	<u>19,326</u>	<u>(344)</u>
Expenditures				
Finance	17,665	17,665	16,911	754
Convention and Entertainment Facilities	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>	<u>-</u>
Total expenditures	<u>19,665</u>	<u>19,665</u>	<u>18,911</u>	<u>754</u>
Other financing uses:				
Operating transfers out	<u>400</u>	<u>400</u>	<u>400</u>	<u>-</u>
Total expenditures and other financing uses	<u>20,065</u>	<u>20,065</u>	<u>19,311</u>	<u>754</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(395)	(395)	15	410
Net change in encumbrances, reserves and prior year adjustments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ (395)</u>	<u>\$ (395)</u>	15	<u>\$ 410</u>
Unreserved fund balance (budget basis):				
Beginning of year			<u>647</u>	
End of year			<u>\$ 662</u>	

City of Kansas City, Missouri
Budgetary Comparison Schedule—Capital Improvements
Year Ended April 30, 2012
(In thousands of dollars)

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 57,149	\$ 57,149	\$ 62,016	\$ 4,867
Investment income and interest	1,750	1,750	1,733	(17)
Intergovernmental revenues	655	13,260	14,775	1,515
Other	2,545	24,598	26,785	2,187
Total revenues	<u>62,099</u>	<u>96,757</u>	<u>105,309</u>	<u>8,552</u>
Other financing sources:				
Operating transfers in	<u>-</u>	<u>50</u>	<u>49</u>	<u>(1)</u>
Total revenues and other financing sources	<u>62,099</u>	<u>96,807</u>	<u>105,358</u>	<u>8,551</u>
Expenditures				
General Services	7,702	6,129	5,197	932
City Manager	750	510	505	5
Law	303	303	275	28
City Planning and Development	2,484	1,808	1,808	-
Capital Projects	36,126	24,666	24,666	-
Public Works	45,955	47,123	47,123	-
Water Services	13,308	9,100	9,100	-
Housing and Community Development	1,402	325	325	-
Parks and Recreation	20,748	21,718	21,718	-
Total expenditures	<u>128,778</u>	<u>111,682</u>	<u>110,717</u>	<u>965</u>
Other financing uses:				
Operating transfers out	<u>5,787</u>	<u>5,515</u>	<u>5,515</u>	<u>-</u>
Total expenditures and other financing uses	<u>134,565</u>	<u>117,197</u>	<u>116,232</u>	<u>965</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(72,466)	(20,390)	(10,874)	9,516
Net change in encumbrances, reserves and prior year adjustments	<u>-</u>	<u>-</u>	<u>10,911</u>	<u>10,911</u>
Net change in fund balance	<u>\$ (72,466)</u>	<u>\$ (20,390)</u>	<u>37</u>	<u>\$ 20,427</u>
Unreserved fund balance (budget basis):				
Beginning of year			<u>72,789</u>	
End of year			<u>\$ 72,826</u>	

City of Kansas City, Missouri
Budgetary Comparison Schedule—Revolving Public Improvement
Year Ended April 30, 2012
(In thousands of dollars)

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Investment income and interest	\$ 47	\$ 47	\$ 59	\$ 12
Special assessments	800	800	951	151
Total revenues	<u>847</u>	<u>847</u>	<u>1,010</u>	<u>163</u>
Other financing sources:				
Operating transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues and other financing sources	<u>847</u>	<u>847</u>	<u>1,010</u>	<u>163</u>
Expenditures				
Finance	20	15	5	10
Public Works	1,546	1,394	228	1,166
Total expenditures	<u>1,566</u>	<u>1,409</u>	<u>233</u>	<u>1,176</u>
Other financing uses:				
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures and other financing uses	<u>1,566</u>	<u>1,409</u>	<u>233</u>	<u>1,176</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(719)	(562)	777	1,339
Net change in encumbrances, reserves and prior year adjustments	<u>-</u>	<u>-</u>	<u>(101)</u>	<u>(101)</u>
Net change in fund balance	<u>\$ (719)</u>	<u>\$ (562)</u>	676	<u>\$ 1,238</u>
Unreserved fund balance (budget basis):				
Beginning of year			<u>2,976</u>	
End of year			<u>\$ 3,652</u>	

City of Kansas City, Missouri
Trust and Agency Funds
April 30, 2012

Trust funds are used to account for assets held by the City in a trustee capacity. Agency funds are used to account for assets held by the government as an agent for individuals, private organizations, other governments, or other City funds.

Pension Trust Funds

Employees' Retirement System—Provides pension and benefits for City employees excluding firefighters, police and civilian employees in the Police Department.

Firefighters' Pension System—Provides pension and benefits for City firefighters.

Police Retirement System—Provides pension and benefits for police employees.

Civilian Employees' Retirement System—Provides pension and benefits for civilian employees of the Police Department.

Private Purpose Trust Funds

Employee Memorial—Contributions are collected to construct a memorial to the City's employees.

Inmate Canteen—Used to account for fees and income generated from inmates for canteen use and telephone charges at the Municipal Correction Institution.

Gifts—Board of Trustees—The City receives contributions from various outside sources; the Parks Board of Commissioners approves expenditures to ensure they meet the requirements of the contributors.

Other—The City receives donations from a variety of sources for specific uses.

Agency Funds

Payroll Clearing—Used to account for cash transferred from other funds to pay City payroll, accounts payable and other expenditures.

Special Deposits—Used to account for various moneys held in trust by the City.

Municipal Court Appearance Bond—Used to account for the holding of deposits made from court appearance bonds.

Maintenance Reserve—Used by the Kansas City Maintenance Reserve Corporation (MRC) for payment of claims of individuals who have maintenance reserve contracts for repair/upkeep of homes, such as heating/cooling repairs and plumbing repairs. These repairs must be approved and inspected by the MRC before payment is made. This fund is also used for administration purposes.

TIF Special Allocation Agency—Used to account for payments in lieu of taxes and economic activity taxes.

City of Kansas City, Missouri
Trust and Agency Funds
April 30, 2012

EMS Escrow—Used to account for employer and employee pension contributions for former MAST employees until they can be distributed to an approved pension plan.

Health Insurance—Used to account for moneys held by the City until disbursements are made for employees' insurance.

Police Grant—Used to account for moneys held by the City until disbursements are made for law enforcement activities.

Other—Accounts for various moneys held in trust by the City treasurer.

City of Kansas City, Missouri
Pension Trust Funds
Combining Statement of Net Assets
April 30, 2012
(In thousands of dollars)

Assets	Employees' Retirement System	Firefighters' Pension System	Police Retirement System	Civilian Employees' Retirement System	Total
Cash and cash equivalents	\$ -	\$ -	\$ 11	\$ 6	\$ 17
Investments					
U.S. government securities	54,066	-	114,857	17,515	186,438
Municipal bonds	1,790	-	-	-	1,790
Corporate bonds and notes	36,846	-	77,377	10,854	125,077
Common and preferred stock	258,866	80,078	144,270	21,266	504,480
Equity exchange-traded-funds	-	-	44,402	6,842	51,244
Fixed income exchange-traded-funds	-	-	21,506	2,614	24,120
Government mortgage-backed securities	-	-	14,613	1,914	16,527
Asset-backed securities	3,289	-	-	-	3,289
Commercial mortgage-backed securities	2,553	-	-	-	2,553
Collateralized mortgage obligations	4,715	-	-	-	4,715
Partnerships-equity	20,823	-	21,374	2,620	44,817
Partnerships-fixed income	-	-	22,811	3,325	26,136
Private investment funds	8,019	-	-	-	8,019
Real estate funds	-	-	28,544	3,686	32,230
Short-term investment funds	26,990	12,006	60,750	5,806	105,552
Foreign equities	8,294	2,891	51,915	7,333	70,433
Foreign debt obligations	4,972	-	-	-	4,972
Emerging market equities	-	-	29,640	4,251	33,891
Collective trusts—equities	280,326	137,177	-	-	417,503
Collective trusts—fixed income	144,064	116,968	-	-	261,032
Collective trusts—hedge funds	-	35,808	-	-	35,808
Collective trust—real estate	23,744	18,646	-	-	42,390
Commodities funds	-	-	-	4,417	4,417
Warrants	2	-	-	-	2
Futures contracts and options	38	-	-	-	38
Hedge fund of funds	-	-	67,322	9,561	76,883
Receivables					
Interest and dividends	834	50	1,716	254	2,854
Other	8,063	891	934	188	10,076
Due from City	1,504	1,179	351	48	3,082
Securities lending collateral	69,880	30,162	151,951	29,102	281,095
Office equipment - net of depreciation	-	-	9	-	9
Total assets	\$ 959,678	\$ 435,856	\$ 854,353	\$ 131,602	\$ 2,381,489
Liabilities and Net Assets					
Liabilities					
Accounts payable	\$ 25,192	\$ 1,189	\$ 14,531	\$ 1,307	\$ 42,219
Securities lending collateral	69,880	30,162	151,951	29,102	281,095
Total liabilities	95,072	31,351	166,482	30,409	323,314
Net assets					
Held in trust for pension benefits	864,606	404,505	687,871	101,193	2,058,175
Total liabilities and net assets	\$ 959,678	\$ 435,856	\$ 854,353	\$ 131,602	\$ 2,381,489

City of Kansas City, Missouri
Combining Statement of Changes in Pension Trust Net Assets
Year Ended April 30, 2012
(In thousands of dollars)

	Employees' Retirement System	Firefighters' Pension System	Police Retirement System	Civilian Employees' Retirement System	Total
Additions					
City contributions	\$ 18,421	\$ 12,748	\$ 16,477	\$ 3,146	\$ 50,792
Employee contributions	6,612	5,649	8,894	1,225	22,380
Total contributions	<u>25,033</u>	<u>18,397</u>	<u>25,371</u>	<u>4,371</u>	<u>73,172</u>
Investment income (expense)					
Investment income	16,107	1,903	13,564	2,900	34,474
Net appreciation (depreciation) in fair value of investments	(7,322)	3,548	(13,250)	(2,979)	(20,003)
Investment expense	(3,017)	(1,854)	(4,118)	(577)	(9,566)
Securities lending income	220	97	385	71	773
Securities lending expense	135	5	(165)	(29)	(54)
Net investment income	<u>6,123</u>	<u>3,699</u>	<u>(3,584)</u>	<u>(614)</u>	<u>5,624</u>
Total additions	<u>31,156</u>	<u>22,096</u>	<u>21,787</u>	<u>3,757</u>	<u>78,796</u>
Deductions					
Pension benefits	49,575	30,923	48,578	4,786	133,862
Employee refunds	3,137	1,113	549	184	4,983
Administrative expense	166	160	553	117	996
Total deductions	<u>52,878</u>	<u>32,196</u>	<u>49,680</u>	<u>5,087</u>	<u>139,841</u>
Net decrease	<u>(21,722)</u>	<u>(10,100)</u>	<u>(27,893)</u>	<u>(1,330)</u>	<u>(61,045)</u>
Net assets available for benefits, beginning of year	<u>886,328</u>	<u>414,605</u>	<u>715,764</u>	<u>102,523</u>	<u>2,119,220</u>
Net assets available for benefits, end of year	<u>\$ 864,606</u>	<u>\$ 404,505</u>	<u>\$ 687,871</u>	<u>\$ 101,193</u>	<u>\$ 2,058,175</u>

City of Kansas City, Missouri
Private Purpose Trusts Funds
Combining Statement of Net Assets
April 30, 2012

(In thousands of dollars)

	Employee Memorial	Inmate Canteen	Gifts - Board of Trustees	Other	Totals
Assets					
Cash and cash equivalents	\$ 25	\$ 315	\$ 573	\$ 3	\$ 916
Receivables					
Interest and dividends	-	-	2	-	2
Total assets	<u>\$ 25</u>	<u>\$ 315</u>	<u>\$ 575</u>	<u>\$ 3</u>	<u>\$ 918</u>
Net Assets					
Unrestricted	\$ 25	\$ 315	\$ 575	\$ 3	\$ 918
Total net assets	<u>25</u>	<u>315</u>	<u>575</u>	<u>3</u>	<u>918</u>
Total liabilities and net assets	<u>\$ 25</u>	<u>\$ 315</u>	<u>\$ 575</u>	<u>\$ 3</u>	<u>\$ 918</u>

City of Kansas City, Missouri
Private Purpose Trusts Funds
Combining Statement of Changes in Net Assets
Year Ended April 30, 2012
(In thousands of dollars)

	Employee Memorial	Inmate Canteen	Gifts - Board of Trustees	Other	Totals
Additions					
Investment income	\$ -	\$ -	\$ 3	\$ -	\$ 3
Contributions	-	-	-	-	-
Total additions	<u>-</u>	<u>-</u>	<u>3</u>	<u>-</u>	<u>3</u>
Deductions					
Current					
Nondepartmental	-	-	-	-	-
Total deductions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net increase	-	-	3	-	3
Net assets at beginning of year	<u>25</u>	<u>315</u>	<u>572</u>	<u>3</u>	<u>915</u>
Net assets at end of year	<u>\$ 25</u>	<u>\$ 315</u>	<u>\$ 575</u>	<u>\$ 3</u>	<u>\$ 918</u>

City of Kansas City, Missouri
Agency Funds
Combining Statement of Changes in Fiduciary Assets and Liabilities
Year Ended April 30, 2012

(In thousands of dollars)

Payroll Clearing	April 30, 2011	Additions	Deductions	April 30, 2012
Assets				
Cash and cash equivalents	\$ 1,630	\$ 251,202	\$ 251,158	\$ 1,674
Liabilities				
Accounts payable	\$ 60	\$ 249,529	\$ 249,588	\$ 1
Due to fiduciary funds	1,570	1,673	1,570	1,673
	<u>\$ 1,630</u>	<u>\$ 251,202</u>	<u>\$ 251,158</u>	<u>\$ 1,674</u>
Special Deposits				
Assets				
Cash and cash equivalents	\$ 3,741	\$ 4,216	\$ 5,741	\$ 2,216
Liabilities				
Deposits	\$ 3,741	\$ 4,216	\$ 5,741	\$ 2,216
Municipal Court Appearance Bond				
Assets				
Cash and cash equivalents	\$ 795	\$ 3,398	\$ 3,039	\$ 1,154
Liabilities				
Deposits	\$ 795	\$ 3,398	\$ 3,039	\$ 1,154
Maintenance Reserve				
Assets				
Cash and cash equivalents	\$ 1,450	\$ 43	\$ 21	\$ 1,472
Interest receivable	7	5	7	5
Total assets	<u>\$ 1,457</u>	<u>\$ 48</u>	<u>\$ 28</u>	<u>\$ 1,477</u>
Liabilities				
Deposits	<u>\$ 1,457</u>	<u>\$ 48</u>	<u>\$ 28</u>	<u>\$ 1,477</u>

City of Kansas City, Missouri
Agency Funds
Combining Statement of Changes in Fiduciary Assets and Liabilities
Year Ended April 30, 2012

(In thousands of dollars)

TIF Special Allocation	April 30, 2011	Additions	Deductions	April 30, 2012
Assets				
Cash and cash equivalents	\$ 2,325	\$ 156,288	\$ 152,049	\$ 6,564
Due from other funds	15,857	16,890	15,857	16,890
Total assets	<u>\$ 18,182</u>	<u>\$ 173,178</u>	<u>\$ 167,906</u>	<u>\$ 23,454</u>
Liabilities				
Accounts payable	<u>\$ 18,182</u>	<u>\$ 173,178</u>	<u>\$ 167,906</u>	<u>\$ 23,454</u>
EMS Escrow				
Assets				
Cash and cash equivalents	<u>\$ 1,785</u>	<u>\$ 1,977</u>	<u>\$ 488</u>	<u>\$ 3,274</u>
Liabilities				
Deposits	<u>\$ 1,785</u>	<u>\$ 1,977</u>	<u>\$ 488</u>	<u>\$ 3,274</u>
Health Insurance				
Assets				
Cash and cash equivalents	<u>\$ 252</u>	<u>\$ 4,193</u>	<u>\$ 4,090</u>	<u>\$ 355</u>
Liabilities				
Deposits	<u>\$ 252</u>	<u>\$ 4,193</u>	<u>\$ 4,090</u>	<u>\$ 355</u>
Police Grant				
Assets				
Cash and cash equivalents	<u>\$ 1,824</u>	<u>\$ 7,126</u>	<u>\$ 7,331</u>	<u>\$ 1,619</u>
Liabilities				
Deposits	<u>\$ 1,824</u>	<u>\$ 7,126</u>	<u>\$ 7,331</u>	<u>\$ 1,619</u>
Other				
Assets				
Cash and cash equivalents	\$ 681	\$ 2,578	\$ 2,560	\$ 699
Special assessments receivable	4	219	206	17
Interest receivable	1	-	1	-
Other assets	3	-	3	-
Total assets	<u>\$ 689</u>	<u>\$ 2,797</u>	<u>\$ 2,770</u>	<u>\$ 716</u>
Liabilities				
Accounts payable	\$ -	\$ 2,237	\$ 2,105	\$ 132
Due to employees	42	192	234	-
Deposits	647	368	431	584
Total liabilities	<u>\$ 689</u>	<u>\$ 2,797</u>	<u>\$ 2,770</u>	<u>\$ 716</u>

City of Kansas City, Missouri
Agency Funds
Combining Statement of Changes in Fiduciary Assets and Liabilities
Year Ended April 30, 2012

(In thousands of dollars)

Total Agency Funds	April 30, 2011	Additions	Deductions	April 30, 2012
Assets				
Cash and cash equivalents	\$ 14,483	\$ 431,021	\$ 426,477	\$ 19,027
Due from other funds	15,857	16,890	15,857	16,890
Special assessments receivable	4	219	206	17
Interest receivable	8	5	8	5
Other assets	3	-	3	-
Total assets	<u>\$ 30,355</u>	<u>\$ 448,135</u>	<u>\$ 442,551</u>	<u>\$ 35,939</u>
Liabilities				
Accounts payable	\$ 18,242	\$ 424,944	\$ 419,599	\$ 23,587
Due to employees	42	192	234	-
Due to fiduciary funds	1,570	1,673	1,570	1,673
Deposits	10,501	21,326	21,148	10,679
Total liabilities	<u>\$ 30,355</u>	<u>\$ 448,135</u>	<u>\$ 442,551</u>	<u>\$ 35,939</u>

City of Kansas City, Missouri
Other Component Units
April 30, 2012

Economic Development Corporation (EDC) is a business and economic development organization.

EDC—Charitable Trust merges public and private funds and development incentives to acquire, construct, maintain and operate redevelopment projects.

Land Clearance for Redevelopment Authority (LCRA) eliminates blight within the City limits by acquiring and preparing land for redevelopment.

Maintenance Reserve Corporation (MRC) administers a home maintenance program provided to certain homeowners participating in loan programs formerly administered for the City by the Housing and Economic Development Financial Corporation.

Downtown Economic Stimulus Authority of Kansas City, Missouri (DESA) reviews development projects wishing to use the state revenues authorized by the Missouri DESA and makes formal recommendations to the City Council and the Missouri Development Finance Board.

Kansas City International Airport—Community Improvement District (KCICID) collects sales and use taxes within the district to address economic, social and infrastructure needs within the district as well as providing management, operational and ownership duties for all real and personal property either owned, leased to, or from the KCICID.

Performing Arts Community Improvement District collects sales taxes and fees, rents and other charges within the district for the purpose of funding the expansion and improvements of the downtown Kansas City, Missouri area surrounding Bartle Hall and the Performing Arts Center.

The American Jazz Museum (AJM) is responsible for overseeing the construction/renovation and maintenance of the Jazz Hall of Fame, the GEM Theatre, the Negro Baseball Hall of Fame (the Cultural Facility) and the Museum.

Metropolitan Ambulance Services Trust (MAST) formerly provided municipal ambulance services.

City of Kansas City, Missouri

Other Component Units

Combining Statement of Net Assets

April 30, 2012

(In thousands of dollars)

Assets	Economic Development Corporation	EDC— Charitable Trust	Land Clearance for Redevelopment Authority	Maintenance Reserve Corporation	Downtown Economic Stimulus Authority	KCI Airport Community Improvement District	Performing Arts Community Improvement District	American Jazz Museum	Proprietary Fund Type Metropolitan Ambulance Service Trust	Total
Cash and short-term investments	\$ 2,832	\$ 447	\$ 36	\$ -	\$ 27	\$ 1	\$ 1,540	\$ 388	\$ 4,443	\$ 9,714
Receivables										
Accounts	72	18	66	-	-	-	-	187	-	343
Notes	911	92	1,862	-	-	-	-	-	-	2,865
Interest	3	1	-	-	-	-	-	-	-	4
Other	21	-	-	3	723	29	45	-	-	821
Due from primary government	410	-	20	-	-	-	509	-	-	939
Inventories	-	-	-	-	-	-	-	41	-	41
Restricted assets										
Cash and short-term investments	-	-	-	-	-	-	-	680	-	680
Capital assets, net										
Land	-	-	1,900	-	-	-	-	-	-	1,900
Buildings and improvements	219	-	2,314	-	-	-	-	-	-	2,533
Furniture and equipment	1	-	-	-	-	-	-	-	-	1
Assets held for redevelopment	386	20	1,851	-	-	-	-	-	-	2,257
Other assets	78	-	12	-	-	-	3	18	15	126
Total assets	\$ 4,933	\$ 578	\$ 8,061	\$ 3	\$ 750	\$ 30	\$ 2,097	\$ 1,314	\$ 4,458	\$ 22,224

City of Kansas City, Missouri

Other Component Units

Combining Statement of Net Assets

April 30, 2012

(In thousands of dollars)

Liabilities and Net Assets	Economic Development Corporation	EDC—Charitable Fund	Land Clearance for Redevelopment Authority	Maintenance Reserve Corporation	Downtown Economic Stimulus Authority	KCI Airport Community Improvement District	Performing Arts Community Improvement District	American Jazz Museum	Proprietary Fund Type Metropolitan Ambulance Service Trust	Total
Liabilities										
Current maturities of long-term debt	\$ 171	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 171
Accounts payable	502	3	66	3	723	29	1,209	64	156	2,755
Other accrued expense	166	-	-	-	-	-	24	64	-	254
Due to primary government	-	-	1,862	-	-	-	-	-	-	1,862
Deferred income	139	34	8	-	-	-	-	214	-	395
Other liabilities	155	79	-	-	-	-	4,000	1	-	4,235
Total liabilities	1,133	116	1,936	3	723	29	5,233	343	156	9,672
Net assets										
Investment in capital assets, net of related debt	-	-	4,213	-	-	-	-	-	-	4,213
Restricted for Special programs	65	-	1,851	-	-	-	-	-	-	1,916
Unrestricted	3,735	462	61	-	27	1	(3,136)	971	4,302	6,423
Total net assets	\$ 3,800	\$ 462	\$ 6,125	\$ -	\$ 27	\$ 1	\$ (3,136)	\$ 971	\$ 4,302	\$ 12,552

City of Kansas City, Missouri
Other Component Units
Combining Statement of Activities
Year Ended April 30, 2012
(In thousands of dollars)

Functions/Programs	Net (Expenses) Revenues and Changes in Net Assets														Net Revenues (Expenses) and Changes in Net Assets
	Expenses	Program Revenues			Economic Development Corporation	EDC Charitable Trust	Land Clearance for Redevelopment Authority	Maintenance Reserve Corporation	Downtown Economic Stimulus Authority	KCI Airport Community Improvement District	Performing Arts Community District	American Jazz Museum	Proprietary Fund Type Metropolitan Ambulance Service Trust		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions											
Component units															
Economic Development Corporation	\$ 6,507	\$ 4,077	\$ 1,199	\$ -	\$ (1,231)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,231)	
EDC—Charitable Trust	2,037	72	127	1,912	-	74	-	-	-	-	-	-	-	74	
Land Clearance for Redevelopment Authority	465	100	20	993	-	-	648	-	-	-	-	-	-	648	
Maintenance Reserve Corporation	11	11	-	-	-	-	-	-	-	-	-	-	-	-	
Downtown Economic Stimulus Authority	914	-	10	-	-	-	-	(904)	-	-	-	-	-	(904)	
KCI Airport Community Improvement District	420	-	-	-	-	-	-	-	(420)	-	-	-	-	(420)	
Performing Arts Community Improvement District	9,676	-	-	6,298	-	-	-	-	-	(3,378)	-	-	-	(3,378)	
American Jazz Museum	1,790	886	913	-	-	-	-	-	-	-	9	-	-	9	
Metropolitan Ambulance Service Trust	475	-	-	-	-	-	-	-	-	-	-	(475)	-	(475)	
Total other component units	\$ 22,295	\$ 5,146	\$ 2,269	\$ 9,203	(1,231)	74	648	-	(904)	(420)	(3,378)	9	(475)	(5,677)	
General revenues															
Sales tax	-	-	-	-	-	-	-	904	421	125	-	-	-	1,450	
Investment income	11	3	-	-	11	3	-	-	-	-	-	-	-	14	
Miscellaneous—contributions	-	-	-	-	-	-	4	-	-	-	-	-	-	4	
Total general revenues and transfers	11	3	-	-	11	3	4	-	904	421	125	-	-	1,468	
Change in net assets					(1,220)	77	652	-	-	1	(3,253)	9	(475)	(4,209)	
Net assets—beginning, as restated					5,020	385	5,473	-	27	-	117	962	4,777	16,761	
Net assets—ending					\$ 3,800	\$ 462	\$ 6,125	\$ -	\$ 27	\$ 1	\$ (3,136)	\$ 971	\$ 4,302	\$ 12,552	

City of Kansas City, Missouri
Statistical Section
April 30, 2012

The statistical section of the Comprehensive Annual Financial Report contains supplementary information to provide financial statement users with additional historical perspective, context and detail to assist in using the information in the financial statements, notes to the financial statements and required supplementary information to understand and assess the City's economic condition. The statistical section includes the following five categories of information.

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.

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue source, the earnings and profits tax. Additionally, information is presented on property taxes.

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

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.

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.

Table 1

City of Kansas City, Missouri
Net Assets by Category – Ten Year Trend
(In thousands)

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental activities:										
Invested in capital assets, net of related debt	\$ 1,917,613	\$ 2,109,118	\$ 2,016,253	\$ 2,246,842	\$ 2,322,985	\$ 2,331,180	\$ 2,702,300	\$ 2,741,689	\$ 2,866,915	\$ 2,860,901
Restricted	67,123	87,240	97,393	102,067	93,380	72,318	18,247	18,077	17,937	56,360
Unrestricted	461,304	324,539	466,374	295,403	334,993	405,711	56,138	20,517	(20,004)	(24,469)
Total governmental activities net assets	<u>\$ 2,446,040</u>	<u>\$ 2,520,897</u>	<u>\$ 2,580,020</u>	<u>\$ 2,644,312</u>	<u>\$ 2,751,358</u>	<u>\$ 2,809,209</u>	<u>\$ 2,776,685</u>	<u>\$ 2,780,283</u>	<u>\$ 2,864,848</u>	<u>\$ 2,892,792</u>
Business-type activities:										
Invested in capital assets, net of related debt	\$ 841,114	\$ 1,007,082	\$ 1,064,504	\$ 1,130,649	\$ 1,183,082	\$ 1,260,120	\$ 1,338,444	\$ 1,379,917	\$ 1,410,030	\$ 1,455,098
Restricted	64,457	67,625	51,510	72,675	81,038	96,761	75,632	98,922	119,715	114,600
Unrestricted	312,481	196,819	184,510	175,703	180,431	168,539	152,742	132,802	155,367	197,445
Total business-type activities net assets	<u>\$ 1,218,052</u>	<u>\$ 1,271,526</u>	<u>\$ 1,300,524</u>	<u>\$ 1,379,027</u>	<u>\$ 1,444,551</u>	<u>\$ 1,525,420</u>	<u>\$ 1,566,818</u>	<u>\$ 1,611,641</u>	<u>\$ 1,685,112</u>	<u>\$ 1,767,143</u>
Primary government:										
Invested in capital assets, net of related debt	\$ 2,758,727	\$ 3,116,200	\$ 3,080,757	\$ 3,377,491	\$ 3,506,067	\$ 3,591,300	\$ 4,040,744	\$ 4,121,606	\$ 4,276,945	\$ 4,315,999
Restricted	131,580	154,865	148,903	174,742	174,418	169,079	93,879	116,999	137,652	170,960
Unrestricted	773,785	521,358	650,884	471,106	515,424	574,250	208,880	153,319	135,363	172,976
Total primary government net assets	<u>\$ 3,664,092</u>	<u>\$ 3,792,423</u>	<u>\$ 3,880,544</u>	<u>\$ 4,023,339</u>	<u>\$ 4,195,909</u>	<u>\$ 4,334,629</u>	<u>\$ 4,343,503</u>	<u>\$ 4,391,924</u>	<u>\$ 4,549,960</u>	<u>\$ 4,659,935</u>

Source: Comprehensive Annual Financial Report.

Table 2

City of Kansas City, Missouri
Changes in Net Assets – Ten Year Trend
(In thousands)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Expenses:										
Governmental activities:										
General government	\$ 58,258	\$ 66,799	\$ 77,265	\$ 109,446	\$ 106,081	\$ 132,038	\$ 112,121	\$ 107,350	\$ 121,989	\$ 139,636
Public safety	224,110	229,114	236,018	260,955	269,278	290,366	320,368	314,546	350,145	354,495
Public works	106,038	134,001	187,271	196,860	151,127	107,727	156,039	152,661	129,398	161,870
Codes administration	8,632	7,325	8,937	17,504	19,380	-	-	-	-	-
Neighborhood development	64,935	78,509	108,108	44,556	119,851	104,055	72,612	90,620	99,172	66,847
Health	51,167	55,793	49,316	61,086	63,151	67,562	66,946	66,924	52,844	54,489
Culture and recreation	52,218	58,073	40,860	54,856	49,838	59,189	55,364	51,318	54,601	57,211
Convention facilities	16,500	22,264	16,857	27,634	28,959	38,959	34,595	35,543	42,942	46,653
Economic development	36,865	32,371	19,950	48,902	43,289	83,353	77,902	49,359	13,591	2,003
Unallocated depreciation	218	390	539	4,880	686	758	1,126	1,195	1,205	1,232
Sanitation	17,567	16,392	18,548	2,832	-	-	-	-	-	-
Public transportation	31,700	-	-	-	-	-	-	-	-	-
Interest on long-term debt and amortization	26,943	34,763	35,994	54,092	59,582	75,249	79,976	74,349	73,400	78,194
Total governmental activities expenses	695,151	736,794	799,663	883,603	911,252	959,056	977,049	943,865	939,287	962,630
Business-type activities:										
Water	68,419	69,406	67,122	69,494	72,422	77,564	80,181	80,226	84,305	97,010
Kansas City airports	94,115	87,146	104,085	131,538	143,428	152,110	156,652	154,376	147,155	147,722
Sewer	47,031	52,073	55,779	63,045	64,956	74,118	81,810	86,176	86,576	92,288
Nonmajor enterprise	1,074	1,083	1,217	2,261	1,868	1,133	1,524	1,628	5,911	-
Total business-type activities	210,639	209,708	228,203	266,338	282,674	304,925	320,167	322,406	323,947	337,200
Total primary government net expenses	\$ 905,790	\$ 946,502	\$ 1,027,866	\$ 1,149,941	\$ 1,193,926	\$ 1,263,981	\$ 1,297,216	\$ 1,266,271	\$ 1,263,234	\$ 1,299,650
Program revenues:										
Governmental activities:										
Charges for services:										
General government	\$ 49,198	\$ 50,418	\$ 34,139	\$ 59,875	\$ 51,051	\$ 133,913	\$ 180,788	\$ 190,834	\$ 208,540	\$ 186,656
Public safety	24,650	23,201	25,800	25,827	24,881	26,281	31,032	29,058	61,342	37,787
Public works	36,700	51,880	60,326	65,922	63,974	21,700	20,435	18,531	22,390	27,611
Neighborhood development	16,030	19,710	18,740	25,004	36,952	28,514	21,835	20,527	15,854	18,850
Health	2,341	2,826	2,453	2,745	2,792	3,119	3,181	3,283	3,247	3,277
Culture and recreation	11,901	12,992	9,169	11,255	11,154	8,374	8,407	9,646	7,302	8,068
Convention facilities	13,640	8,416	5,123	16,842	15,475	11,217	6,904	6,267	6,785	7,324
Economic development	-	-	-	-	-	-	-	-	-	160
Other	1,645	395	436	-	-	-	-	-	-	-
Operating grants and contributions	63,493	54,401	41,953	38,041	36,480	38,297	51,774	81,669	138,770	114,875
Capital grants and contributions	15,026	6,496	20,244	28,234	47,685	25,450	45,627	16,748	15,843	36,739
Total governmental activities program revenues	234,624	230,735	218,383	273,415	290,444	296,865	369,983	376,563	480,073	441,347
Business-type activities:										
Charges for services:										
Water	72,943	74,369	68,468	71,859	79,512	84,040	86,356	88,177	114,994	125,247
Kansas City airports	87,530	89,141	90,551	106,780	126,009	134,738	128,413	122,711	126,948	133,844
Sewer	56,135	64,072	65,136	68,823	74,040	79,929	84,990	91,929	108,769	116,336
Nonmajor enterprise	1,398	1,308	1,257	12,083	6,969	1,143	1,649	1,575	882	-
Operating grants and contributions	3,137	937	136	130	168	185	291	316	265	155
Capital grants and contributions	29,925	27,320	26,052	72,278	42,024	33,753	32,089	52,723	38,482	35,920
Total business-type activities program revenues	251,068	257,147	251,600	331,953	328,722	333,788	333,788	357,431	390,340	411,502
Total primary government program revenues	\$ 485,692	\$ 487,882	\$ 469,983	\$ 605,368	\$ 619,166	\$ 630,653	\$ 703,771	\$ 733,994	\$ 870,413	\$ 852,849
Net (expenses) revenues:										
Governmental activities	\$ (460,527)	\$ (506,059)	\$ (581,280)	\$ (610,188)	\$ (620,808)	\$ (662,191)	\$ (607,066)	\$ (567,302)	\$ (459,214)	\$ (521,283)
Business-type activities	40,429	47,439	23,397	65,615	46,048	28,863	13,621	35,025	66,393	74,482
Total primary government net expenses	\$ (420,098)	\$ (458,620)	\$ (557,883)	\$ (544,573)	\$ (574,760)	\$ (633,328)	\$ (593,445)	\$ (532,277)	\$ (392,821)	\$ (446,801)
General revenues and other changes in net assets:										
Governmental activities:										
Taxes:										
Property taxes	\$ 81,119	\$ 81,526	\$ 89,597	\$ 103,721	\$ 107,562	\$ 120,140	\$ 100,597	\$ 109,661	\$ 123,155	\$ 121,189
Earnings and profits taxes	170,991	180,080	192,306	200,642	287,504	219,169	203,985	178,950	191,425	183,662
Sales taxes	118,717	127,755	150,590	153,744	92,368	163,913	154,752	139,076	137,820	150,941
Local option use taxes	23,383	25,383	28,328	30,908	30,030	30,534	29,172	24,482	24,432	26,364
Hotel and restaurant taxes	27,464	29,270	31,456	33,106	34,877	38,603	40,384	38,603	34,751	36,244
Gaming taxes	19,278	19,596	20,473	19,995	18,856	17,552	17,281	17,144	17,588	16,873
Railroad and utility taxes	78,741	68,445	78,770	70,976	77,880	79,948	4,642	4,388	4,794	5,404
Cigarette taxes	1,647	1,689	1,671	1,655	1,645	1,529	1,578	2,691	2,711	2,781
P.I.L.O.T.S and business replacement taxes	17,791	26,663	19,712	31,348	29,320	40,801	62,671	54,345	-	-
Unrestricted grants and contributions	-	10,161	-	-	-	-	-	-	-	-
Investment earnings	20,382	8,525	12,149	28,335	47,812	37,505	21,527	8,299	7,103	5,769
Miscellaneous	9,043	1,098	14,598	-	-	-	-	-	-	-
Transfers	1,446	725	753	50	-	(29,651)	(14,945)	-	-	-
Intergovernmental transfers	-	-	-	-	-	-	(33,183)	-	-	-
Total governmental activities	570,002	580,916	640,403	674,480	727,854	720,043	588,461	570,900	543,779	549,227
Business-type activities:										
Investment earnings	12,348	6,760	6,015	12,938	19,476	22,355	12,832	9,798	7,078	7,549
Miscellaneous	-	-	339	-	-	-	-	-	-	-
Transfers	(1,446)	(725)	(753)	(50)	-	29,651	14,945	-	-	-
Total business-type activities	10,902	6,035	5,601	12,888	19,476	52,006	27,777	9,798	7,078	7,549
Total primary government	\$ 580,904	\$ 586,951	\$ 646,004	\$ 687,368	\$ 747,330	\$ 772,049	\$ 616,238	\$ 580,698	\$ 550,857	\$ 556,776
Change in net assets:										
Governmental activities	\$ 109,475	\$ 74,857	\$ 59,123	\$ 64,292	\$ 107,046	\$ 57,852	\$ (18,605)	\$ 3,598	\$ 84,565	\$ 27,944
Business-type activities	51,331	53,474	28,998	78,503	65,524	80,869	41,398	44,823	73,471	82,031
Total primary government	\$ 160,806	\$ 128,331	\$ 88,121	\$ 142,795	\$ 172,570	\$ 138,721	\$ 22,793	\$ 48,421	\$ 158,036	\$ 109,975

Source: Comprehensive Annual Financial Report.

Table 3

City of Kansas City, Missouri
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(In thousands)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General fund:										
Reserved	\$ 15,112	\$ 13,855	\$ 12,696	\$ 13,428	\$ 16,077	\$ 11,272	\$ 10,115	\$ 14,058	\$ 11,164	\$ -
Unreserved	36,902	17,273	16,326	33,708	22,299	36,315	11,648	26,499	35,106	-
Restricted	-	-	-	-	-	-	-	-	-	800
Committed	-	-	-	-	-	-	-	-	-	38,385
Assigned	-	-	-	-	-	-	-	-	-	5,499
Unassigned	-	-	-	-	-	-	-	-	-	-
Total general fund	<u>\$ 52,014</u>	<u>\$ 31,128</u>	<u>\$ 29,022</u>	<u>\$ 47,136</u>	<u>\$ 38,376</u>	<u>\$ 47,587</u>	<u>\$ 21,763</u>	<u>\$ 40,557</u>	<u>\$ 46,270</u>	<u>\$ 44,684</u>
All other governmental funds:										
Reserved	\$ 146,496	\$ 181,958	\$ 421,995	\$ 479,624	\$ 477,439	\$ 337,964	\$ 159,195	\$ 247,158	\$ 218,221	\$ -
Unreserved, reported in:										
Special revenue funds	36,063	82,746	95,485	44,183	53,242	52,131	63,959	33,863	17,980	-
Capital projects funds	190,556	182,972	420,433	186,616	145,654	186,479	210,634	145,344	132,371	-
Debt service funds	27,760	22,312	27,671	34,814	30,911	22,823	59,823	45,874	45,280	-
Permanent funds	118	106	-	-	-	892	1,422	1,539	1,352	-
Restricted	-	-	-	-	-	-	-	-	-	300,109
Committed	-	-	-	-	-	-	-	-	-	105,207
Assigned	-	-	-	-	-	-	-	-	-	50,855
Unassigned	-	-	-	-	-	-	-	-	-	(5,318)
Total all other governmental funds	<u>\$ 400,993</u>	<u>\$ 470,094</u>	<u>\$ 965,584</u>	<u>\$ 745,237</u>	<u>\$ 707,246</u>	<u>\$ 600,289</u>	<u>\$ 495,033</u>	<u>\$ 473,778</u>	<u>\$ 415,204</u>	<u>\$ 450,853</u>

Effective May 1, 2011, the City adopted GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund-Type Definitions* (GASB Statement No. 54). The objective of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. The Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

Source: Comprehensive Annual Financial Report.

City of Kansas City, Missouri
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(In thousands)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues:										
Taxes	\$ 444,103	\$ 455,815	\$ 497,869	\$ 533,603	\$ 555,646	\$ 576,444	\$ 561,936	\$ 527,477	\$ 534,656	\$ 543,326
Licenses, permits, and franchises	89,592	97,350	96,899	112,428	113,307	154,948	139,922	141,352	149,488	137,754
Fines and forfeitures	15,520	16,970	16,757	16,371	17,187	17,091	16,701	18,307	17,027	15,809
Rents and concessions	12,745	9,836	10,859	20,921	18,556	15,852	14,824	12,751	14,949	19,230
Charges for services	38,917	44,712	38,859	42,885	41,453	46,385	76,063	67,809	84,497	80,377
Special assessments	2,831	2,886	5,206	6,794	6,710	7,094	7,666	7,513	7,000	7,231
Intergovernmental	121,181	104,007	89,449	83,373	100,628	103,517	138,631	132,043	110,460	105,080
Investment earnings	20,382	7,925	12,067	28,268	47,737	37,493	21,338	8,299	6,711	(2,085)
Contributions	2,735	5,961	5,948	11,584	44,430	42,164	16,664	10,277	26,206	27,313
Other revenues	11,488	7,123	5,761	5,472	9,373	9,184	12,879	17,240	17,396	21,508
Total revenues	759,494	752,585	779,674	861,699	955,027	1,010,172	1,006,624	943,068	968,390	955,543
Expenditures:										
General government	51,515	53,979	57,296	72,585	98,356	117,593	122,471	110,901	97,544	114,800
Fire	74,874	79,643	89,594	105,628	97,493	94,735	97,432	97,486	124,810	128,851
Public works	65,500	66,955	74,155	133,761	214,404	57,309	65,312	62,494	73,216	85,871
Codes administrator	6,577	6,804	8,140	6	-	-	-	-	-	-
Neighborhood developmen	79,564	57,476	44,566	40,771	39,375	33,497	58,048	72,068	66,970	65,070
Health	51,912	55,680	47,614	60,014	62,409	66,386	65,224	65,227	51,431	52,778
Culture and recreation	48,371	43,720	42,717	47,883	42,641	42,385	40,259	37,191	37,191	38,582
Convention facilities:	19,994	17,440	19,290	29,530	26,721	21,263	14,338	16,429	26,642	30,478
Pollution contro	16,104	16,977	398	-	-	-	-	-	-	-
Nondepartmental	45,143	49,107	44,472	57,114	46,813	84,653	78,078	61,401	20,816	2,486
Police	135,883	139,935	144,545	153,606	165,071	182,998	197,290	186,186	186,431	192,747
Intergovernmental	32,284	27,764	47,289	48,402	47,964	47,893	48,233	42,441	42,450	44,746
Capital improvement expenditures:	83,755	86,257	207,885	288,602	289,661	334,251	212,248	192,834	225,682	221,417
Debt service:										
Principal retirement	49,673	32,646	38,539	39,931	43,977	59,501	49,386	68,083	72,084	72,544
Interest	28,798	30,478	32,235	48,668	59,393	64,449	74,608	65,141	59,686	62,522
Fiscal agent fees	-	-	-	671	151	2,502	2,285	6,722	5,026	2,249
Bond issuance costs	32	1,113	9,173	3,043	4,340	3,160	3,269	1,623	421	3,640
Swap settlement payment	-	-	-	-	-	-	-	-	-	5,306
Total expenditures	789,979	765,974	924,676	1,130,613	1,238,769	1,212,575	1,128,481	1,084,799	1,090,400	1,124,087
Excess of revenues over (under) expenditures	(30,485)	(13,389)	(145,002)	(268,914)	(283,742)	(202,403)	(121,857)	(141,731)	(122,010)	(168,544)
Other financing sources (uses):										
Issuance of debt	695	55,525	654,631	69,488	232,018	101,107	39,110	141,721	66,347	191,873
Issuance of refunding debt	-	13,600	-	161,900	102,600	121,225	503,900	35,845	6,470	285,639
Premium/discount on bond issue	-	1,770	6,168	8,183	10,715	4,514	(5,691)	1,496	3,487	10,512
Payment to refund bond escrow agen	-	(13,667)	(23,097)	(173,205)	(107,666)	(121,225)	(513,359)	(39,792)	(7,155)	(304,776)
Premium/discount on refunding bond issue	-	-	-	-	-	-	-	-	-	19,359
Proceeds of capital leases	9,786	4,018	-	-	-	-	-	-	-	-
Transfers in	102,619	115,998	151,070	188,462	150,193	159,105	195,194	167,711	142,761	160,387
Transfers out	(101,021)	(115,640)	(150,386)	(188,147)	(150,869)	(160,069)	(195,194)	(167,711)	(142,761)	(160,387)
Intergovernmental transfers	-	-	-	-	-	-	(33,183)	-	-	-
Total other financing sources (uses)	12,079	61,604	638,386	66,681	236,991	104,657	(9,223)	139,270	69,149	202,607
Restatement of beginning fund balance	20,227	-	-	-	-	-	-	-	-	-
Net change in fund balance	\$ 1,821	\$ 48,215	\$ 493,384	\$ (202,233)	\$ (46,751)	\$ (97,746)	\$ (131,080)	\$ (2,461)	\$ (52,861)	\$ 34,063
Debt service expenditures (principal and interest only)	\$ 78,471	\$ 63,124	\$ 70,774	\$ 88,599	\$ 103,370	\$ 123,950	\$ 123,994	\$ 133,224	\$ 131,770	\$ 135,066
Capital improvement expenditures:	83,755	86,257	207,885	288,602	289,661	334,251	212,248	192,834	225,682	221,417
Net operating expenditures	706,224	679,717	716,791	842,011	949,108	878,324	916,233	891,965	864,718	902,670
Debt service as a percentage of net operating expenditures	11.1%	9.3%	9.9%	10.5%	10.9%	14.1%	13.5%	14.9%	15.2%	15.0%

Source: Comprehensive Annual Financial Report.

Table 5

City of Kansas City, Missouri
Program Revenues by Function/Program
Last Ten Fiscal Years
(In thousands)

Function/Program	Program Revenues									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Function/program:										
Governmental activities:										
Charges for services	\$ 156,105	\$ 169,838	\$ 156,186	\$ 207,140	\$ 206,279	\$ 233,118	\$ 272,582	\$ 278,146	\$ 325,460	\$ 289,733
Operating grants and contributions	63,493	54,401	41,953	38,041	36,480	38,297	51,774	81,669	138,770	114,875
Capital grants and contributions	15,026	6,496	20,244	28,234	47,685	25,450	45,627	16,748	15,843	36,739
Subtotal governmental activities	<u>234,624</u>	<u>230,735</u>	<u>218,383</u>	<u>273,415</u>	<u>290,444</u>	<u>296,865</u>	<u>369,983</u>	<u>376,563</u>	<u>480,073</u>	<u>441,347</u>
Business-type activities:										
Water	87,979	80,845	79,130	78,727	93,052	87,435	89,879	96,036	119,603	129,762
Kansas City airports	98,003	93,336	96,504	147,808	138,092	155,654	146,617	149,793	143,860	151,074
Sewer	63,688	81,658	74,709	93,335	90,609	89,556	95,643	110,027	125,995	130,666
Nonmajor enterprise funds	1,398	1,308	1,257	12,083	6,969	1,143	1,649	1,575	882	-
Subtotal business-type activities	<u>251,068</u>	<u>257,147</u>	<u>251,600</u>	<u>331,953</u>	<u>328,722</u>	<u>333,788</u>	<u>333,788</u>	<u>357,431</u>	<u>390,340</u>	<u>411,502</u>
Total primary government	<u>\$ 485,692</u>	<u>\$ 487,882</u>	<u>\$ 469,983</u>	<u>\$ 605,368</u>	<u>\$ 619,166</u>	<u>\$ 630,653</u>	<u>\$ 703,771</u>	<u>\$ 733,994</u>	<u>\$ 870,413</u>	<u>\$ 852,849</u>

Table 6

City of Kansas City, Missouri
Tax Revenues by Source, Governmental Funds
Last Ten Fiscal Years
(In thousands)

Fiscal Year	Property	Earnings and Profits	Sales	Local Option Use	Hotel and Restaurant	Gaming	Railroad and Utility	Cigarette	Total
2003	\$ 81,426	\$ 166,649	\$ 118,717	\$ 23,383	\$ 27,430	\$ 19,278	\$ 3,926	\$ 3,294	\$ 444,103
2004	86,242	160,291	127,754	25,384	29,270	19,596	3,900	3,378	455,815
2005	89,711	169,920	150,590	28,327	31,429	20,473	4,077	3,342	497,869
2006	106,455	181,615	153,744	30,908	32,990	19,995	4,586	3,310	533,603
2007	110,965	193,373	159,229	30,030	34,883	18,856	5,020	3,290	555,646
2008	116,439	201,283	163,913	30,534	38,672	17,552	4,993	3,058	576,444
2009	113,385	202,503	157,139	29,173	36,443	15,474	4,675	3,144	561,936
2010	127,165	181,074	138,586	24,481	31,907	17,144	4,430	2,690	527,477
2011	120,659	191,674	138,122	24,430	34,702	17,588	4,769	2,712	534,656
2012	121,644	182,967	150,942	26,363	36,226	16,874	5,529	2,781	543,326

Table 7

City of Kansas City, Missouri
Changes in Pension Trust Net Assets
Employees' Retirement System
Last Ten Fiscal Years
(In thousands)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Additions										
City contributions	\$ 9,284	\$ 12,100	\$ 14,826	\$ 17,558	\$ 18,496	\$ 20,011	\$ 20,330	\$ 19,186	\$ 18,589	\$ 18,421
Employee contributions	5,810	5,349	5,570	5,532	6,081	6,528	6,993	6,332	6,431	6,612
Total contributions	15,094	17,449	20,396	23,090	24,577	26,539	27,323	25,518	25,020	25,033
Investment income (expense)										
Investment income	18,923	14,436	12,306	13,368	13,638	19,767	23,513	16,343	13,893	16,107
Net appreciation (depreciation) in fair value of investments	(46,723)	97,611	52,354	118,938	92,048	(30,865)	(245,636)	163,588	104,860	(7,322)
Investment expense	(3,210)	(3,369)	(3,641)	(4,924)	(4,141)	(4,496)	(3,188)	(2,937)	(3,236)	(3,017)
Securities lending income	-	-	-	-	-	-	-	193	225	220
Securities lending expense	-	-	-	-	-	-	-	8	(20)	135
Net investment income	(31,010)	108,678	61,019	127,382	101,545	(15,594)	(225,311)	177,195	115,722	6,123
Total additions	(15,916)	126,127	81,415	150,472	126,122	10,945	(197,988)	202,713	140,742	31,156
Deductions										
Pension benefits	22,746	35,403	36,645	37,368	38,349	39,980	41,674	44,532	46,984	49,575
Employee refunds	7,351	2,426	1,376	1,759	1,788	2,221	3,263	2,765	2,618	3,137
Administrative expense	95	105	162	110	104	104	112	151	140	166
Total deductions	30,192	37,934	38,183	39,237	40,241	42,305	45,049	47,448	49,742	52,878
Net increase (decrease)	(46,108)	88,193	43,232	111,235	85,881	(31,360)	(243,037)	155,265	91,000	(21,722)
Net assets available for benefits, beginning of year	632,027	585,919	674,112	717,344	828,579	914,460	883,100	640,063	795,328	886,328
Net assets available for benefits, end of year	<u>\$ 585,919</u>	<u>\$ 674,112</u>	<u>\$ 717,344</u>	<u>\$ 828,579</u>	<u>\$ 914,460</u>	<u>\$ 883,100</u>	<u>\$ 640,063</u>	<u>\$ 795,328</u>	<u>\$ 886,328</u>	<u>\$ 864,606</u>

Source: Comprehensive Annual Financial Report.

Table 7

City of Kansas City, Missouri
Changes in Pension Trust Net Assets
Firefighters' Pension System
Last Ten Fiscal Years
(In thousands)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Additions										
City contributions	\$ 9,085	\$ 9,312	\$ 9,648	\$ 10,007	\$ 10,426	\$ 10,940	\$ 11,366	\$ 11,505	\$ 11,662	\$ 12,748
Employee contributions	4,438	4,546	4,704	4,661	5,059	5,306	5,802	5,622	5,497	5,649
Total contributions	13,523	13,858	14,352	14,668	15,485	16,246	17,168	17,127	17,159	18,397
Investment income (expense)										
Investment income	3,464	1,829	2,069	2,417	2,636	3,018	2,659	1,618	1,802	1,903
Net appreciation (depreciation) in fair value of investments	(23,166)	64,858	25,129	64,421	44,345	(20,707)	(129,339)	95,720	51,676	3,548
Investment expense	(1,612)	(1,815)	(2,087)	(2,325)	(2,532)	(2,704)	(1,384)	(1,881)	(1,963)	(1,854)
Securities lending income	-	-	-	-	-	-	-	98	9	97
Securities lending expense	-	-	-	-	-	-	-	5	(4)	5
Net investment income	(21,314)	64,872	25,111	64,513	44,449	(20,393)	(128,064)	95,560	51,520	3,699
Total additions	(7,791)	78,730	39,463	79,181	59,934	(4,147)	(110,896)	112,687	68,679	22,096
Deductions										
Pension benefits	19,218	21,039	22,710	23,887	24,870	25,522	26,376	27,211	28,999	30,923
Employee refunds	1,838	2,505	1,461	575	571	1,064	328	796	1,105	1,113
Administrative expense	34	46	80	65	72	52	71	86	110	160
Total deductions	21,090	23,590	24,251	24,527	25,513	26,638	26,775	28,093	30,214	32,196
Net increase (decrease)	(28,881)	55,140	15,212	54,654	34,421	(30,785)	(137,671)	84,594	38,465	(10,100)
Net assets available for benefits, beginning of year	329,456	300,575	355,715	370,927	425,581	460,002	429,217	291,546	376,140	414,605
Net assets available for benefits, end of year	<u>\$ 300,575</u>	<u>\$ 355,715</u>	<u>\$ 370,927</u>	<u>\$ 425,581</u>	<u>\$ 460,002</u>	<u>\$ 429,217</u>	<u>\$ 291,546</u>	<u>\$ 376,140</u>	<u>\$ 414,605</u>	<u>\$ 404,505</u>

Source: Comprehensive Annual Financial Report.

Table 7

City of Kansas City, Missouri
Changes in Pension Trust Net Assets
Police Retirement System
Last Ten Fiscal Years
(In thousands)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Additions										
City contributions	\$ 12,018	\$ 12,817	\$ 13,298	\$ 13,729	\$ 14,527	\$ 15,747	\$ 16,701	\$ 16,645	\$ 16,532	\$ 16,477
Employee contributions	6,552	6,973	7,213	7,473	7,814	8,460	8,982	8,935	9,224	8,894
Total contributions	18,570	19,790	20,511	21,202	22,341	24,207	25,683	25,580	25,756	25,371
Investment income (expense)										
Investment income	14,767	13,449	14,318	15,906	19,241	21,626	19,221	14,004	14,265	13,564
Net appreciation (depreciation) in fair value of investments	(54,192)	80,085	33,382	94,307	67,700	(19,697)	(197,510)	131,435	70,822	(13,250)
Investment expense	(2,105)	(2,417)	(2,560)	(2,853)	(3,421)	(3,537)	(2,953)	(2,978)	(3,279)	(4,118)
Securities lending income	219	929	2,355	5,154	8,838	8,705	2,376	400	434	385
Securities lending expense	(66)	(733)	(2,157)	(4,886)	(8,628)	(8,009)	(1,489)	(96)	(240)	(165)
Net investment income	(41,377)	91,313	45,338	107,628	83,730	(912)	(180,355)	142,765	82,002	(3,584)
Total additions	(22,807)	111,103	65,849	128,830	106,071	23,295	(154,672)	168,345	107,758	21,787
Deductions										
Pension benefits	34,880	36,061	37,754	39,444	42,293	42,803	44,098	46,291	46,377	48,578
Employee refunds	618	442	609	457	695	621	746	232	557	549
Administrative expense	478	479	471	497	516	598	550	565	631	553
Total deductions	35,976	36,982	38,834	40,398	43,504	44,022	45,394	47,088	47,565	49,680
Net increase (decrease)	(58,783)	74,121	27,015	88,432	62,567	(20,727)	(200,066)	121,257	60,193	(27,893)
Net assets available for benefits, beginning of year	561,755	502,972	577,093	604,108	692,540	755,107	734,380	534,314	655,571	715,764
Net assets available for benefits, end of year	\$ 502,972	\$ 577,093	\$ 604,108	\$ 692,540	\$ 755,107	\$ 734,380	\$ 534,314	\$ 655,571	\$ 715,764	\$ 687,871

Source: Comprehensive Annual Financial Report.

Table 7

City of Kansas City, Missouri
Changes in Pension Trust Net Assets
Civilian Employees' Retirement System
Last Ten Fiscal Years
(In thousands)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Additions										
City contributions	\$ 1,568	\$ 1,601	\$ 1,612	\$ 2,175	\$ 2,682	\$ 3,372	\$ 3,471	\$ 3,330	\$ 3,185	\$ 3,146
Employee contributions	1,099	1,247	1,189	1,262	1,212	1,286	1,338	1,312	1,384	1,225
Total contributions	2,667	2,848	2,801	3,437	3,894	4,658	4,809	4,642	4,569	4,371
Investment income (expense)										
Investment income	1,654	1,539	1,676	1,945	2,416	2,801	2,651	2,135	2,353	2,900
Net appreciation (depreciation) in fair value of investments	(5,386)	8,746	3,886	11,122	8,402	(2,467)	(27,620)	17,797	9,944	(2,979)
Investment expense	(241)	(317)	(354)	(386)	(473)	(500)	(427)	(439)	(481)	(577)
Securities lending income	32	116	259	623	1,237	1,309	337	73	83	71
Securities lending expense	(10)	(92)	(236)	(590)	(1,209)	(1,207)	(223)	(21)	(46)	(29)
Net investment income	(3,951)	9,992	5,231	12,714	10,373	(64)	(25,282)	19,545	11,853	(614)
Total additions	(1,284)	12,840	8,032	16,151	14,267	4,594	(20,473)	24,187	16,422	3,757
Deductions										
Pension benefits	1,914	2,314	2,688	2,844	3,352	3,432	3,716	4,520	4,875	4,786
Employee refunds	108	240	166	268	253	218	382	270	131	184
Administrative expense	125	97	109	104	111	112	124	117	117	117
Total deductions	2,147	2,651	2,963	3,216	3,716	3,762	4,222	4,907	5,123	5,087
Net increase (decrease)	(3,431)	10,189	5,069	12,935	10,551	832	(24,695)	19,280	11,299	(1,330)
Net assets available for benefits, beginning of year	60,494	57,063	67,252	72,321	85,256	95,807	96,639	71,944	91,224	102,523
Net assets available for benefits, end of year	\$ 57,063	\$ 67,252	\$ 72,321	\$ 85,256	\$ 95,807	\$ 96,639	\$ 71,944	\$ 91,224	\$ 102,523	\$ 101,193

Source: Comprehensive Annual Financial Report.

Table 8

City of Kansas City, Missouri
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years *
(In thousands)

Fiscal year	Real Property	Personal Property	Total Taxable Assessed Value	Estimated Actual Value	Assessed Value as a Percentage of Actual Value	Total Direct Tax Rate
2003	\$ 3,787,607	\$ 1,526,968	\$ 5,314,575	\$ 21,411,468	24.82	0.0134000
2004	4,106,429	1,425,531	5,531,960	22,867,108	24.19	0.0131590
2005	4,383,862	1,428,914	5,812,776	23,885,490	24.34	0.0131960
2006	4,903,714	1,432,570	6,336,284	26,546,653	23.87	0.0150550
2007	5,051,611	1,438,517	6,490,128	27,290,484	23.78	0.0150550
2008	5,535,951	1,555,199	7,091,150	29,826,561	23.77	0.0146320
2009	5,600,250	1,578,677	7,178,927	30,299,672	23.69	0.0146780
2010	5,372,466	1,507,749	6,880,215	29,018,324	23.71	0.0146780
2011	5,412,663	1,464,297	6,876,960	29,093,406	23.64	0.0152940
2012	5,326,143	1,488,480	6,814,623	28,840,027	23.63	0.0155090

* From aggregate assessed valuation reports provided by each county clerk every August and on file with the State of Missouri.

The prior year aggregated assessed valuations have been restated to reduce the values by the incremental increase over initial value of property for tax increment financing (TIF) arrangements.

Table 9

City of Kansas City, Missouri
Earnings and Profits Tax by Filing Period – Ten Year Trend
(In thousands)

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Wage earner:										
Annual	\$ 7,643	\$ 7,746	\$ 7,699	\$ 7,741	\$ 8,264	\$ 8,918	\$ 9,480	\$ 7,878	\$ 8,692	\$ 8,261
Profits:										
May	589	835	559	733	650	1,018	740	992	615	1,388
June	365	379	695	1,191	2,446	2,467	1,285	1,807	982	669
July	406	640	359	578	544	505	952	638	554	670
August	293	357	766	766	585	286	877	426	630	1,032
September	913	669	1,129	783	2,245	1,308	2,781	1,939	1,393	1,482
October	8,130	1,319	1,206	1,516	2,283	1,833	1,918	2,678	2,002	1,556
November	356	292	300	425	372	295	282	360	513	381
December	462	1,030	905	721	2,092	989	498	1,553	1,281	2,673
January	1,209	1,423	1,061	1,051	836	816	945	973	1,086	1,357
February	748	478	580	491	1,061	1,087	796	931	626	1,056
March	3,270	2,995	5,771	4,910	4,293	5,340	8,448	8,916	7,545	9,696
April	11,435	13,266	15,636	20,947	16,814	21,945	17,101	16,054	13,331	18,647
Subtotal profits	28,176	23,683	28,967	34,112	34,221	37,889	36,623	37,267	30,558	40,607
Withholding:										
May	14,537	12,629	12,822	13,647	16,108	11,544	11,248	11,068	12,121	12,009
June	9,867	10,420	8,987	9,107	9,234	10,652	11,428	11,132	11,012	10,390
July	10,068	9,553	9,257	9,402	10,195	9,272	10,003	9,799	9,570	9,874
August	12,786	12,890	14,788	15,881	16,376	18,199	18,584	17,997	18,844	18,461
September	10,097	9,433	8,904	9,058	10,074	10,539	10,649	9,739	9,329	10,199
October	10,052	9,559	9,733	9,854	9,629	10,180	9,866	10,085	10,336	16,439
November	13,010	13,199	14,524	14,977	16,670	16,559	17,789	17,567	18,483	12,060
December	9,710	10,093	9,457	10,221	8,806	11,593	11,535	11,763	11,453	11,852
January	8,861	9,599	9,927	10,386	11,479	10,798	10,685	10,751	17,935	18,555
February	15,540	14,039	15,274	16,171	17,722	19,338	19,882	18,944	12,259	12,898
March	10,496	10,925	10,277	11,482	12,359	12,483	12,039	11,791	11,390	11,828
April	5,806	6,523	9,304	9,576	12,236	13,319	12,692	12,567	14,289	13,294
Subtotal withholding	130,830	128,862	133,254	139,762	150,888	154,476	156,400	153,203	157,021	157,859
Redirection of Economic Activity Tax (Earning Tax) to TIF Special Allocation Agency Fund*							(17,274)	(4,597)	(23,760)	
Total earnings and profits tax	\$ 166,649	\$ 160,291	\$ 169,920	\$ 181,615	\$ 193,373	\$ 201,283	\$ 202,503	\$ 181,074	\$ 191,674	\$ 182,967
Total revenue base	\$ 16,664,900	\$ 16,029,100	\$ 16,992,000	\$ 18,161,500	\$ 19,337,300	\$ 20,128,300	\$ 20,250,300	\$ 18,107,400	\$ 19,167,400	\$ 18,296,700
Earnings and profits tax rate	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

*Beginning in fiscal year 2010, the economic activity taxes are classified as a reduction in revenues and presented as net revenues. In prior years, the economic activity taxes were treated as gross revenues and transferred out to the special allocation fund. As such, the reduction in revenues has been disclosed separately.

City of Kansas City, Missouri
Top Ten Companies for Withholding Earnings and Profits Tax – Current Year and Ten Years Ago
By Industry Classification

(In thousands)

	Fiscal Year 2012		Fiscal Year 2003
Government	\$ 4,541	Retail	\$ 2,604
Business Services	3,448	Information Processing	1,980
Healthcare	3,378	Financial Services	1,945
Engineering	2,431	Financial Services	1,705
Commercial Printing	2,405	Manufacturing	1,703
Government	2,133	Government	1,581
Government	1,962	Education	1,562
Financial Services	1,899	Healthcare	1,405
Data Processing Services	1,888	Transportation	1,242
Engineering	1,819	Education	1,223
	<hr/>		<hr/>
Total top ten companies by industry classification	\$ 25,904		\$ 16,950
	<hr/> <hr/>		<hr/> <hr/>
Total withholding tax	\$ 157,859		\$ 130,830
Percentage of top ten companies to total withholding tax	16.41%		12.96%

Taxpayer confidentiality prevents the disclosure of amounts by company name.

Table 11

City of Kansas City, Missouri
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage
2003	\$ 68,582,089	\$ 66,698,809	97.25	\$ 1,883,280	\$ 68,582,089	100.00
2004	75,028,496	70,048,781	93.36	4,979,715	75,028,496	100.00
2005	78,012,030	70,686,027	90.61	4,332,147	75,018,174	96.16
2006	95,723,211	89,701,140	93.71	5,792,940	95,494,080	99.76
2007	96,838,391	92,173,452	95.18	4,664,938	96,838,390	100.00
2008	105,763,238	99,263,296	93.85	5,618,718	104,882,014	99.17
2009	105,546,449	97,077,970	91.98	8,072,406	105,150,376	99.62
2010	99,987,436	95,397,312	95.41	4,550,080	99,947,392	99.96
2011	105,234,537	96,394,935	91.60	4,249,329	100,644,264	95.64
2012	105,208,148	99,284,461	94.37	-	99,284,461	94.37

The prior year taxes levied and collected have been restated to present the amounts net of tax increment financing arrangements (TIF) activities. The amounts have also been adjusted to include billings and collection activities associated with railroad taxes.

Table 12

City of Kansas City, Missouri
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

(In thousands)

Fiscal Year	Governmental Activities						Percentage Income ¹	Capita ²
	MDFB and KCMAC	PIEA and IDA	Other Bonds	General Obligation Bonds	Special Assessment Full Faith and Credit	Notes Payable (Various)		
2003	\$ 278,725	\$ 46,475	\$ 3,424	\$ 146,452	\$ 7,538	\$ 34,226		
2004	303,726	45,180	3,366	155,493	6,462	30,900		
2005	442,084	427,010	10,448	236,649	5,371	22,452		
2006	433,603	438,185	35,271	223,860	4,270	52,015		
2007	420,424	624,520	41,206	286,235	3,490	53,939		
2008	400,500	617,690	95,569	308,655	2,670	50,986		
2009	288,848	384,780	454,977	292,065	2,035	40,414		
2010	244,376	370,385	545,255	308,405	1,380	63,956		
2011	230,351	360,545	537,295	341,540	700	66,910		
2012	200,036	342,495	597,792	449,290	-	51,171		

Fiscal Year	Business-Type Activities					Total Government	Percentage Income ¹	Capita ²
	Water Bonds/Leases	Kansas City Airports Bonds	Sewer/ Stormwater Bonds	Non-Major Bonds				
2003	\$ 144,500	\$ 387,950	\$ 142,808	\$ -	\$ 1,192,098	13.32%	\$ 2,667	
2004	134,895	377,160	164,302	-	1,221,484	12.15%	2,721	
2005	149,795	412,650	170,519	-	1,876,978	16.95%	4,165	
2006	169,195	397,995	159,585	31,040	1,945,019	17.78%	4,298	
2007	158,055	385,990	190,013	30,980	2,194,852	19.88%	4,831	
2008	191,918	370,650	180,707	30,450	2,249,795	18.07%	4,932	
2009	244,599	351,340	239,021	29,880	2,327,959	20.18%	5,083	
2010	257,387	332,400	228,692	29,275	2,381,511	20.92%	5,180	
2011	240,847	313,755	219,691	-	2,311,634	19.90%	4,991	
2012	271,188	294,200	290,658	-	2,496,830	21.09%	5,362	

Source: Comprehensive Annual Financial Report.

¹ The percentage of personal income is a ratio of total primary government debt to total personal income.

Total personal income is derived from an estimate of population and estimate of per capita income from the American Community Survey.

² The Per Capita statistic is a ratio of Total Government debt to population. Population for 2012 is an extrapolation consistent with the trend of the Census Bureau estimates from 2010 and 2011.

Table 13

City of Kansas City, Missouri
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years
(In thousands)

Fiscal Year	General Obligation Bonds	Other Bonds/Notes	Total	Percentage of Actual Taxable Value of Property (1)	Per Capita
2003	\$ 153,990	\$ 362,850	\$ 516,840	2.41%	\$ 1,156
2004	161,955	383,172	545,127	2.38%	1,215
2005	242,020	901,994	1,144,014	4.79%	2,538
2006	228,130	959,074	1,187,204	4.47%	2,624
2007	289,725	1,140,089	1,429,814	5.24%	3,147
2008	311,325	1,164,745	1,476,070	4.95%	3,236
2009	294,100	1,169,019	1,463,119	4.83%	3,195
2010	309,785	1,223,972	1,533,757	5.29%	3,336
2011	342,240	1,195,101	1,537,341	5.28%	3,319
2012	449,290	1,191,494	1,640,784	5.69%	3,523

Source: Comprehensive Annual Financial Report.

- (1) The prior year actual valuations have been restated to reduce the values by the incremental increase over initial value of property for tax increment financing (TIF) arrangements.

Table 14

City of Kansas City, Missouri
Direct and Overlapping Governmental Activities Debt
April 30, 2012

	General Obligation and Other Net Direct Debt (3)	Percentage Applicable to this Municipality (1)	Municipality's Share of Debt
Direct debt			
City of Kansas City	\$ 1,640,783,515 (2)	100%	\$ 1,640,783,500
Overlapping debt			
Clay County	10,106,796	47.6%	4,810,800
Jackson County	570,178,282	45.3%	258,290,800
Platte County	55,891,468	54.7%	30,572,600
Cass County	-	100.0%	-
Metropolitan Junior College District	85,636,000	54.3%	46,500,300
Platte County School Districts			
A. Park Hill Reorganized No. 5	67,611,993	43.0%	29,073,200
B. Platte County Reorganized No. 3	66,684,803	40.0%	26,673,900
Clay County School Districts			
C. Smithville No. 27	28,640,000	3.4%	973,800
D. North Kansas City No. 74	215,930,000	81.8%	176,630,700
E. Liberty No. 53	126,505,291	10.0%	12,650,500
Jackson County School Districts			
F. Kansas City No. 33	47,459,000	93.0%	44,136,900
G. Raytown No. 2	74,550,000	45.0%	33,547,500
H. Independence No. 30	185,455,000	2.2%	4,080,000
I. Lee's Summit Reorganized No. 7	185,349,501	1.0%	1,853,500
J. Center No. 58	37,919,973	100.0%	37,920,000
K. Hickman Mills Consolidated No. 1	38,575,000	87.3%	33,676,000
L. Grandview Consolidated No. 4	33,675,000	53.0%	17,847,800
Total overlapping debt	<u>\$ 1,830,168,107</u>		<u>759,238,300</u>
Total direct and overlapping debt			<u>\$ 2,400,021,800</u>

- (1) The percentage is derived by dividing the total assessed valuation of the taxing jurisdiction within Kansas City by the total assessed valuation of the taxing jurisdiction
- (2) This amount includes \$449,290,000 of general obligation bonds payable and \$1,191,493,515 of leasehold revenue bonds, lease purchase agreements, and limited obligation notes and bonds
- (3) All debt figures are reported in gross debt outstanding.

**City of Kansas City, Missouri
Legal Debt Margin Information
Last Ten Fiscal Years**

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Assessed valuation for City, county, and state purposes (see Table 7) (5)	\$ 5,314,575,000	\$ 5,531,960,000	\$ 5,812,776,000	\$ 6,336,284,000	\$ 6,490,128,000	\$ 7,091,150,000	\$ 7,178,927,000	\$ 6,880,215,000	\$ 6,876,960,000	\$ 6,814,623,000
Constitutional debt limit (1) (2)	1,062,915,000	1,106,392,000	1,162,555,200	1,267,256,800	1,298,025,600	1,418,230,000	1,435,785,400	1,376,043,000	1,375,392,000	1,362,924,600
General obligation bonds payable (3)	154,335,000	161,955,000	242,020,000	228,130,000	289,725,000	311,325,000	294,100,000	309,785,000	342,240,000	449,290,000
Less debt service fund balances available for retirement of bonds	<u>13,057,000</u>	<u>10,197,000</u>	<u>11,534,339</u>	<u>10,939,752</u>	<u>15,899,741</u>	<u>13,886,969</u>	<u>4,853,175</u>	<u>2,305,177</u>	<u>2,850,169</u>	<u>2,440,753</u> (4)
Total amount of bonds payable applicable to debt limit	<u>141,278,000</u>	<u>151,758,000</u>	<u>230,485,661</u>	<u>217,190,248</u>	<u>273,825,259</u>	<u>297,438,031</u>	<u>289,246,825</u>	<u>307,479,823</u>	<u>339,389,831</u>	<u>446,849,247</u>
Legal debt margin	<u>\$ 921,637,000</u>	<u>\$ 954,634,000</u>	<u>\$ 932,069,539</u>	<u>\$ 1,050,066,552</u>	<u>\$ 1,024,200,341</u>	<u>\$ 1,120,791,969</u>	<u>\$ 1,146,538,575</u>	<u>\$ 1,068,563,177</u>	<u>\$ 1,036,002,169</u>	<u>\$ 916,075,353</u>

- (1) Section 26(b) and (c) of the state constitution permits the City, by a vote of the qualified electors, to incur an indebtedness for City purposes not to exceed 10% of assessed valuation.
- (2) Section 26(d) and (e) of the state constitution provides that any City may become indebted not exceeding in the aggregate an additional 10% for the purposes of acquiring the right-of-way constructing, extending, and improving streets, sanitary or stormsewer systems, purchasing or constructing waterworks, electric, or light plants, provided the total general obligation indebtedness does not exceed 20% of assessed valuation.
- (3) The total additional general obligation bonds for Fiscal Year 2012 includes \$40,550,000 general obligation bonds for streetlight projects, \$408,385,000 for capital projects, and \$355,000 general obligation bonds for neighborhood improvement district projects.
- (4) 2012 Fund balance of general debt and interest, special assessment sewer and neighborhood improvement district funds.
- (5) The prior year aggregated assessed valuations have been restated to reduce the values by the incremental increase over initial value of property for tax increment financing (TIF) arrangements.

Table 16

City of Kansas City, Missouri
Revenue Bond Coverage Ratios
Last Ten Fiscal Years
(In thousands)

A.

Fiscal Year	<i>Water Fund</i>			Debt Service Requirements (3)			
	Gross	Direct	Available				Coverage
	Revenues (1)	Operating	for Debt	Principal	Interest	Total	
2003	\$ 74,860	\$ 53,132	\$ 21,728	\$ 8,970	\$ 7,386	\$ 16,356	1.33
2004	75,460	52,873	22,587	9,605	7,246	16,851	1.34
2005	70,411	50,514	19,897	10,100	7,173	17,273	1.15
2006	74,162	52,622	21,540	10,612	7,336	17,948	1.20
2007	83,052	56,579	26,473	11,179	8,385	19,565	1.35
2008	87,201	61,358	25,843	11,986	7,920	19,906	1.30
2009 (4)	88,191	63,534	24,657	12,771	8,418	21,189	1.16

- (1) Generally, gross revenues include water sales, other water revenues, interest on investments, income from jobbing and contract work and miscellaneous revenues derived from the water system. Beginning in fiscal year 2003, the principal portion of contract payments received from other governmental units were included in gross revenues. In fiscal year 2004, a one-time repayment of \$6,235,151 received from Lee's Summit was subtracted from gross revenues. This amount was subtracted because this was only a one-time repayment and not a recurring income.
- (2) Generally, direct operating expenses include power and pumping, general and electrical maintenance, purification, laboratory services, transmission and distribution, customer service, mechanical maintenance, customer accounting and collection, and administrative and general expenditures. Excluded from operating expenses are depreciation and amortization expenditures.
- (3) The numbers reflect the total annual fiscal year's debt service requirements on all the outstanding water revenue parity bonds and lease purchases.
- (4) Fiscal year 2009 excludes administrative fees.

B.

In March 2009, the City created a new master bond ordinance that updated key definitions, descriptions, covenants and provisions, including the calculation of new annual debt coverage ratios. The new ordinance requires a calculation based on (i) debt service on all senior bonds; (ii) debt service requirements on all water bonds and (iii) debt services requirements on all water bond issues and other system obligations.

B1.

Fiscal Year	<i>Water Fund</i>			Debt Service Requirements (4)			
	<i>Senior Bonds Only</i>						Coverage
	Gross	Direct	Available	Debt Service Requirements (3)			
2010	\$ 91,794	\$ 56,790	\$ 35,004	\$ 9,405	\$ 6,190	\$ 15,595	2.24
2011	117,399	59,398	58,001	12,045	8,415	20,460	2.83
2012	127,216	68,588	58,628	12,740	7,933	20,673	2.84

B2.

Fiscal Year	<i>Water Fund</i>			Debt Service Requirements (5)			
	<i>All Water Revenue Bonds</i>						Coverage
	Gross	Direct	Available	Debt Service Requirements (3)			
2010	\$ 91,794	\$ 56,790	\$ 35,004	\$ 10,505	\$ 7,821	\$ 18,326	1.91
2011	117,399	59,398	58,001	13,290	9,995	23,285	2.49
2012	127,216	68,588	58,628	14,040	9,455	23,495	2.50

Table 16

City of Kansas City, Missouri
Revenue Bond Coverage Ratios
Last Ten Fiscal Years
(In thousands)

B3.

Fiscal Year	<i>Water Fund</i>			<i>All Water Revenue Bonds and Other Water System Obligations</i>			
	Gross Revenues (1)	Direct Operating Expenses (2)	Available for Debt Service	Debt Service Requirements (6)			Coverage
				Debt Service Requirements (3)			
				Principal	Interest	Total	
2010	\$ 91,794	\$ 56,790	\$ 35,004	\$ 12,059	\$ 8,532	\$ 20,591	1.70
2011	117,399	59,398	58,001	16,539	11,257	27,796	2.09
2012	127,216	68,588	58,628	17,385	10,590	27,975	2.10

- (1) Operating revenues includes all income and revenues derived and accrued by the City from the operation of the water system, including capital repayments and interest on investments.
- (2) Operating expenses means all reasonable and necessary expenses of operating and maintaining the water system but, excluding administrative services fees, capital lease payments, depreciation and amortization charges, any non-cash OPEB obligations and any other items listed in Section 4.3 (a)(2)-(11) of the master bond ordinance.
- (3) Net operating revenues are adjusted to exclude revenues or expenses resulting from gain or loss, or mark-to-market change to any hedge agreements.
- (4) Debt service includes senior bonds only.
- (5) Debt service includes all water revenue bonds.
- (6) Debt service includes all water revenue bonds and other water system obligations.

C.

Fiscal Year	<i>Sewer Fund (1)</i>			<i>Debt Service Requirements (4)</i>				<i>(5)</i>	
	Gross Revenues (2)	Direct Operating Expenses (3)	Available for Debt Service	Debt Service Requirements (4)			SRF Subsidy	Gross Coverage	Net Coverage
				Principal	Interest	Total			
2003	\$ 51,058	\$ 29,184	\$ 21,874	\$ 6,885	\$ 6,780	\$ 13,665	\$ 2,685	1.60	1.99
2004	54,826	29,036	25,790	8,165	7,033	15,198	3,015	1.70	2.12
2005	56,804	34,612	22,192	9,485	7,150	16,635	3,163	1.33	1.65
2006	61,440	39,118	22,322	10,580	7,994	18,574	3,266	1.20	1.46
2007	66,025	40,422	25,603	9,210	7,540	16,750	3,458	1.53	1.93
2008	71,241	46,565	24,676	9,480	8,412	17,892	3,381	1.38	1.70
2009	76,022	52,232	23,790	10,805	8,471	19,276	3,242	1.23	1.48
2010	82,492	54,221	28,271	11,155	10,257	21,412	2,612	1.32	1.50
2011	100,486	50,803	49,683	13,679	10,609	24,289	2,612	2.05	2.29
2012	107,541	54,253	53,288	14,635	10,413	25,048	2,352	2.13	2.35

- (1) The gross revenues and direct operating expenses only reflect that of the sewer fund and do not include the stormwater fund. Generally, the gross revenues include retail sewer charges, intermunicipal sewer charges, other operating revenues and interest income on investments derived from the sewer system.
- (3) Generally, direct operating expenses include sewage treatment and pumping, sewer maintenance, administrative and general, and industrial waste control. Excluded from direct operating expenses are depreciation and amortization.
- (4) The numbers reflect the total annual fiscal year's debt service requirements on all the outstanding senior and junior sewer revenue bonds.
- (5) The Sewer Parity Bond ordinance allows the interest earnings subsidy received under the Revolving Fund Agreement to reduce debt service requirements for the purpose of calculating annual debt service coverage.

Table 16

City of Kansas City, Missouri
Revenue Bond Coverage Ratios
Last Ten Fiscal Years
(In thousands)

D.

Fiscal Year	<i>Storm Water Fund</i>				Debt Service Requirements			
	Gross	Direct	Available	Principal	Interest	Total	Coverage	
	Revenues (1)	Operating Expenses (2)	for Debt Service					
2010	\$ 12,548	\$ 9,097	\$ 3,451	\$ 366	\$ 85	\$ 451	7.65	
2011	11,288	8,524	2,764	371	79	450	6.14	
2012	11,707	9,581	2,126	378	73	451	4.71	

- (1) Generally, the gross revenues include Storm water fees and other operating revenues.
(2) Generally, direct operating expenses include sewage treatment and pumping, sewer maintenance and administrative and general expenses. Excluded from direct expenses are depreciation and amortization.

E.

Fiscal Year	<i>Airport Fund</i>				Debt Service Requirements (3)			
	Gross	Direct	Available	Principal	Interest	Total	Coverage	
	Revenues (1)	Operating Expenses (2)	for Debt Service					
2003	\$ 80,101	\$ 51,131	\$ 28,970	\$ 6,845	\$ 8,014	\$ 14,859	1.95	
2004	82,430	49,212	33,218	7,200	14,157	21,357	1.56	
2005	78,909	50,471	28,438	7,000	11,971	18,971	1.50	
2006	92,067	60,056	32,011	7,940	13,697	21,637	1.48	
2007	111,497	71,482	40,015	8,025	13,337	21,362	1.87	
2008	121,892	76,996	44,896	11,205	12,882	24,087	1.86	
2009	114,594	77,315	37,279	14,095	12,119	26,214	1.42	
2010	104,628	78,451	26,177	14,460	11,270	25,730	1.02	
2011	108,862	78,364	30,498	13,975	10,538	24,513	1.24	
2012	115,372	76,514	38,858	14,680	9,817	24,497	1.59	

- (1) Generally, gross revenues include airfield, terminal, parking, rental cars, aviation services area, other property rentals, customer facility charges, transportation facility charge, interest revenues, operating grants, cash provided by capitalized interest, and other miscellaneous revenues derived from the Airport System.
(2) Generally, direct operating expenses include, salaries, wages and benefits, contractual services, utilities, commodities and supplies, property and liability insurance, and other miscellaneous expenses. Excluded from direct operating expenses are depreciation and amortization expenditures.
(3) The numbers reflect the total annual fiscal year's debt service requirements on all outstanding senior and subordinate bonds.

F.

Fiscal Year	<i>PFC Fund</i>								
	(1) PFC Authority	(2) Less Cost Paid to Date	(3) Less Contractual Commitment	(4) Less Debt Service Paid to Date	(5) Plus Jr. Lien Bonds	(6) Plus Jr. Lien Deposit	(7) Net PFC Authority	(8) Debt Service Requirements	(9) Sufficiency Test Covenant
2003	\$ 338,900	\$ 80,977	\$ -	\$ 14,991	\$ -	\$ -	\$ 242,932	\$ 231,038	1.05
2004	338,871	79,590	-	25,407	-	-	233,874	220,126	1.06
2005	377,136	95,107	-	35,764	-	-	246,265	209,775	1.17
2006	377,136	88,156	-	46,064	-	-	242,916	199,478	1.22
2007	425,018	115,518	-	56,313	-	-	253,187	189,233	1.34
2008	425,018	115,607	-	66,519	-	-	242,892	179,032	1.36
2009	378,537	122,475	-	76,681	-	-	179,381	159,579	1.12
2010	404,116	130,663	-	86,901	-	-	186,552	149,246	1.25
2011	404,116	133,914	-	96,904	-	-	173,298	139,154	1.24
2012	404,116	149,189	-	106,970	-	-	147,957	129,091	1.15

- (1) PFC Authority approved by the FAA.
(2) Includes PFC Pay-As-You-Go costs related to approved PFC applications.
(3) PFC Pay-As-You-Go contractual commitments that have not yet been paid. For purposes of this analysis, it is assumed that all contractual commitments are paid as incurred.
(4) Debt service paid to date on the Series 2001 Bonds.
(5) Projected debt service on any junior lien bonds.
(6) Funds on deposit on any junior lien bonds.
(7) Net PFC Authority.
(8) Debt service requirements. (less Debt Service Reserves)
(9) Sufficiency Test Covenant must be at least 1.05.

Table 16

City of Kansas City, Missouri
Revenue Bond Coverage Ratios
Last Ten Fiscal Years
(In thousands)

G.

*KCMAC (Truman Medical Project)
(KCMAC 1998B Issuance)*

Fiscal Year	Revenues (1) Available for Debt Service	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2007	\$ 840	\$ 610	\$ 230	\$ 840	1.00
2008	848	645	203	848	1.00
2009	850	675	175	850	1.00
2010	845	700	145	845	1.00
2011	853	740	113	853	1.00
2012	1,699 (2)	1,620	78	1,698	1.00

- (1) Revenues consist of lease payments from Truman Medical Center.
(2) \$859,000 Debt Service Reserve funded part of final maturity redemption.

H.

*KCMAC (Zona Rosa Project)
(Spec. Ob. 2010B Issuance-Zona Rosa Portion, KCMAC 2003C Issuance-Zona Rosa Portion)*

Fiscal Year	Revenues (1) Available for Debt Service	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2007	\$ 1,528	\$ 640	\$ 691	\$ 1,331	1.15
2008	2,224	670	662	1,332	1.67
2009	1,802	695	642	1,337	1.35
2010	1,744	735	609	1,344	1.30
2011	1,576	485	448	933	1.69
2012	1,825	805	485	1,290	1.41

- (1) Revenues consist of capital improvement and TDD sales taxes.

I.

*KCMAC (Prospect North Project)
(Spec. Ob 2010B-1 Issuance-Prospect North Portion, Series 2004-B2 Issuance-Prospect
North Portion)*

Fiscal Year	Revenues (1) Available for Debt Service	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2007	\$ -	\$ 385	\$ 560	\$ 945	-
2008	-	410	545	955	-
2009	121	435	529	964	0.13
2010	151	460	511	971	0.16
2011	-	45	276	321	0.00
2012	-	595	363	958	0.00

- (1) Revenues consist of TIF Revenues.

Table 16

City of Kansas City, Missouri
Revenue Bond Coverage Ratios
Last Ten Fiscal Years
(In thousands)

J.

*KCMAC (Series 94B Refunding Project)
(KCMAC 2003C Issuance-'94B Refunding Portion)*

Fiscal Year	Revenues (1) Available for Debt Service	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2007	\$ 3,515	\$ 1,445	\$ 416	\$ 1,861	1.89
2008	3,548	1,515	344	1,859	1.91
2009	3,589	1,555	306	1,861	1.93
2010	2,169	1,635	228	1,863	1.16
2011	2,262	1,715	146	1,861	1.22
2012	2,291	1,770	89	1,859	1.23

(1) Revenues consist of uniform motor vehicle license fees.

K.

*KCMAC and LCRA (Auditorium Plaza Garage Project)
(KCMAC 2006A Issuance-Auditorium Plaza Garage Portion and LCRA Series 2005E-Auditorium
Plaza Garage Portion)*

Fiscal Year	Revenues (1) Available for Debt Service	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2007	\$ 446	\$ 220	\$ 350	\$ 570	0.78
2008	417	290	301	591	0.71
2009	597	320	290	610	0.98
2010	563	350	276	626	0.90
2011	624	380	261	641	0.97
2012	351	415	247	662	0.53

(1) Revenues consist of Auditorium Plaza Garage net parking revenues.

L.

*Spec. Ob. Taxable (Valentine Shopping Center Project)
(Sp. Ob. 2010C Valentine)*

Fiscal Year	Revenues (1) Available for Debt Service	Debt Service Requirements (2)			Coverage
		Principal	Interest	Total	
2007	\$ 27	\$ 155	\$ 186	\$ 341	0.08
2008	340	165	175	340	1.00
2009	235	175	164	339	0.69
2010	2	185	152	337	0.01
2011	-	-	71	71	-
2012	-	245	76	321	-

(1) Revenues consist of parking fees, net operating income of the project and excess TIF/STIF revenues generated by the Uptown Theater.

(2) The original MDFB Series 1998 Valentine Redevelopment Project was refunded by Series 2010C Special Obligation Bonds in Fiscal 2010.

Table 16

City of Kansas City, Missouri
Revenue Bond Coverage Ratios
Last Ten Fiscal Years
(In thousands)

M.

IDA Taxable Lease Revenue Bonds (Century Towers Project)
(IDA Series 2001 Issuance)

Fiscal Year	Revenues (1) Available for Debt Service	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2007	\$ 2,422	\$ 375	\$ 1,176	\$ 1,551	1.56
2008	1,612	465	1,147	1,612	1.00
2009	1,358	535	668	1,203	1.13
2010	1,312	615	528	1,143	1.15
2011	1,187	685	502	1,187	1.00
2012	1,206	775	477	1,252	0.96

(1) Revenues consist of apartment and office rent revenues from the project.

N.

KCMO Special Obligation VRDO Refunding and Improvement Revenue Bonds (I-35 and Chouteau Project)
KCMO Special Obligation Series 2009C (Tax-Exempt) and 2009D (Taxable) Issuance

Fiscal Year	Revenues (1) Available for Debt Service	Debt Service Requirements			Coverage
		Principal	Interest (2)	Total	
2007	\$ 1,075	\$ 395	\$ 644	\$ 1,039	1.03
2008	2,363	435	621	1,056	2.24
2009	1,077	465	707	1,172	0.92
2010	1,169	530	294	824	1.42
2011	990	550	267	817	1.21
2012	915	595	207	802	1.14

(1) Revenues consist of TIF revenues.

(2) Includes variable rate bond support costs.

(3) The original TIFC Series 2003A and 2003B Chouteau Redevelopment Project was refunded by Series 2009C and 2009D Special Obligation Bonds in Fiscal 2009.

O.

TIFC Improvement Revenue Bonds (Blue Parkway Town Center Project)
(TIFC Series 2004 Issuance)

Fiscal Year	Revenues (1) Available for Debt Service	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2007	\$ 1,209	\$ -	\$ 742	\$ 742	1.63
2008	1,672	-	742	742	2.25
2009	486	240	738	978	0.50
2010	907	245	730	975	0.93
2011	736	270	720	990	0.74
2012	671	300	708	1,008	0.67

(1) Revenues consist of TIF/STIF revenues.

City of Kansas City, Missouri
Revenue Bond Coverage Ratios
Last Ten Fiscal Years
(In thousands)

P.

KCMO Special Obligation VRDO Improvement Revenue Bonds (909 Walnut Project)
KCMO Special Obligation Taxable Refunding (Series 2009A) Issuance

Fiscal Year	Revenues (1) Available for Debt Service	Debt Service Requirements			Coverage
		Principal	Interest (2)	Total	
2007	\$ 280	\$ 125	\$ 432	\$ 557	0.50
2008	277	160	396	556	0.50
2009	543	185	398	583	0.93
2010	299	215	157	372	0.80
2011	404	250	153	403	1.00
2012	394	280	144	424	0.93

- (1) Revenues consist of TIF/STIF revenues, net parking facility income from the garage and NID special assessments.
(2) Includes variable rate bond support costs.
(3) The original TIFC Series 2005 909 Walnut Redevelopment Project was refunded by Series 2009A Special Obligation Bonds in Fiscal 2009.

Q.

KCMO Special Obligation VRDO Improvement Revenue Bonds (President Hotel Project)
KCMO Special Obligation Taxable Refunding (Series 2009B) Issuance

Fiscal Year	Revenues (1) Available for Debt Service	Debt Service Requirements			Coverage
		Principal	Interest (2)	Total	
2007	\$ 1,713	\$ 265	\$ 1,033	\$ 1,298	1.32
2008	1,005	265	1,000	1,265	0.79
2009	1,497	330	871	1,201	1.25
2010	1,397	385	425	810	1.72
2011	1,243	430	384	814	1.53
2012	1,406	470	318	788	1.78

- (1) Revenues consist of TIF/STIF revenues.
(2) Includes variable rate bond support costs.

R.

IDA VRDO Improvement Revenue Bonds (KC Live Project)
(IDA Series 2005A, 2005B, 2006A and 2006B and 2011A Issuance)

Fiscal Year	Revenues (1) Available for Debt Service	Debt Service Requirements			Coverage
		Principal	Interest (2)	Total	
2007	\$ 1,131	\$ -	\$ 10,135	\$ 10,135	0.11
2008	22,798	-	11,151	11,151	2.04
2009	5,947	-	17,346	17,346	0.34
2010	4,733	1,875	13,950	15,825	0.30
2011	5,597	5,230	13,349	18,579	0.30
2012	4,494	3,700	13,106	16,806	0.27

- (1) Revenues consist of TIF/STIF, DESA, and Transportation Development District (TDD) revenues.
(2) Includes variable rate bond support costs.

City of Kansas City, Missouri
Revenue Bond Coverage Ratios
Last Ten Fiscal Years
(In thousands)

S.

*KCMO Special Obligation VRDO Improvement Revenue Bonds (Sprint Arena Project)
Special Obligation (Series 2008C and taxable 2008D) Issuance*

Fiscal Year	Revenues (1) Available for Debt Service	Debt Service Requirements			Coverage
		Principal	Interest (2)	Total	
2007	\$ 11,710	\$ 1,135	\$ 9,041	\$ 10,176	1.15
2008	15,101	2,220	9,588	11,808	1.28
2009	13,405	1,525	11,650	13,175	1.02
2010	12,649	2,360	11,450	13,810	0.92
2011	12,750	2,455	11,352	13,807	0.92
2012	13,301	2,560	11,250	13,810	0.96

- (1) Revenues consist of car rental and hotel fees.
(2) Includes variable rate bond support costs.

T.

*LCRA Leasehold Revenue Refunding Bonds and KCMO Special Obligation Taxable Revenue Bonds (Muehlebach Hotel Project)
LCRA (Series 2005E) and Special Obligation taxable (Series 2010C) Issuance*

Fiscal Year	Revenues (1) Available for Debt Service	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2007	\$ 2,201	\$ 1,245	\$ 1,505	\$ 2,750	0.80
2008	3,309	2,130	1,154	3,284	1.01
2009	3,219	2,215	1,069	3,284	0.98
2010	6,384	2,350	981	3,331	1.92
2011	2,504	2,440	1,074	3,514	0.71
2012	2,578	2,575	1,003	3,578	0.72

- (1) Revenues consist of TIF/STIF revenues.

U.

*PIEA Taxable Industrial Revenue Bonds (300 Wyandotte Parking Garage Project)
(PIEA Series 2005 Issuance)*

Fiscal Year	Revenues (1) Available for Debt Service	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2007	\$ 822	\$ 300	\$ 457	\$ 757	1.09
2008	286	250	407	657	0.44
2009	490	270	395	665	0.74
2010	528	290	381	671	0.79
2011	558	320	366	686	0.81
2012	263	345	350	695	0.38

- (1) Revenues consist of TIF revenues, net parking garage revenues and neighborhood improvement district (NID) special assessments.

City of Kansas City, Missouri
Revenue Bond Coverage Ratios
Last Ten Fiscal Years
(In thousands)

V.

*IDA Refunding and Improvement Revenue Bonds (Civic Mall Refunding and Cherry Street Inn Demolition Project)
(IDA Series 2006C Issuance)*

Fiscal Year	Revenues (1) Available for Debt Service	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2007	\$ 217	\$ 530	\$ 161	\$ 691	0.31
2008	1,280	480	249	729	1.76
2009	218	500	230	730	0.30
2010	1,493	515	210	725	2.06
2011	1,165	550	190	740	1.57
2012	635	625	169	794	0.80

(1) Revenues consist of TIF revenues.

W.

*IDA Refunding Revenue Bonds (MDFB Series 1998 Uptown Theater Project)
(IDA Series 2007A Issuance)*

Fiscal Year	Revenues (1) Available for Debt Service	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2007	\$ 300	\$ 330	\$ 105	\$ 435	0.69
2008	383	225	132	357	1.07
2009	422	240	123	363	1.16
2010	340	255	113	368	0.92
2011	523	275	103	378	1.38
2012	377	295	92	387	0.97

(1) Revenues consist of TIF/STIF revenues.

X.

*IDA Refunding Revenue Bonds (MDFB Series 2000A Midtown Retail District Project)
(IDA Series 2007A Issuance)*

Fiscal Year	Revenues (1) Available for Debt Service	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2007	\$ 4,982	\$ 2,470	\$ 1,334	\$ 3,804	1.31
2008	5,203	1,775	1,879	3,654	1.42
2009	6,744	1,920	1,808	3,728	1.81
2010	6,709	2,060	1,732	3,792	1.77
2011	6,255	2,185	1,649	3,834	1.63
2012	5,110	2,315	1,562	3,877	1.32

(1) Revenues consist of state TIF and City TIF/STIF.

**City of Kansas City, Missouri
Revenue Bond Coverage Ratios
Last Ten Fiscal Years
(In thousands)**

Y.

*City of Kansas City, Missouri Special Obligation Improvement and Refunding Bonds
(Second Street Project) (Series 2008A issuance)*

Fiscal Year	Revenues (1) Available for Debt Service	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2009	\$ -	\$ 10	\$ 111	\$ 121	—
2010	2,012	1,765	114	1,879	1.07
2011	173	15	50	65	2.66
2012	158	20	50	70	2.26

(1) Revenues include TIF revenues from the redevelopment area.

Z.

*City of Kansas City, Missouri Special Obligation Improvement and Refunding Bonds
(Hodge Park/Shoal Creek Golf Course) (Series 2008A Issuance)*

Fiscal Year	Revenues (1) Available for Debt Service	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2009	\$ 903	\$ 305	\$ 233	\$ 538	1.68
2010	727	305	231	536	1.36
2011	448	320	221	541	0.83
2012	639	330	210	540	1.18

(1) Revenues include net revenues from golf courses.

AA.

*City of Kansas City, Missouri Special Obligation Improvement and Refunding Bonds
(East Village Project) (Series 2008B & 2010A)*

Fiscal Year	Revenues (1) Available for Debt Service	Debt Service Requirements (2)			Coverage
		Principal	Interest	Total	
2009	\$ -	\$ -	\$ 1,329	\$ 1,329	—
2010	302	-	1,383	1,383	0.22
2011	1,622	395	1,610	2,005	0.81
2012	1,787	450	1,606	2,056	0.87

(1) Revenues include TIF/STIF Revenues

(2) The City issued its Special Obligation Bonds, Series 2008B in April 2008 and Series 2010A in April 2010.

AB.

(East Village Project)(Bank of America Promissory Note and Special Obligation Series 2012B)

Fiscal Year	Revenues (1) Available for Debt Service	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2011	\$ 1,465	\$ 1,200	\$ 805	\$ 2,005	0.73
2012	25	-	186	186	0.13

(1) Revenues include payments under a Lease Agreement with Swope Community Builders Association

City of Kansas City, Missouri
Demographic and Economic Statistics
Last Ten Calendar Years

Year*	Population ¹	Personal Income ² (in Thousands)	Per Capita Personal Income ³	School Enrollment ⁴	Unemployment Rate ⁵
2003	447,018	\$ 8,951,982	\$ 20,026	59,370	7.2
2004	448,842	10,056,305	22,405	59,021	7.7
2005	450,666	11,071,512	24,567	60,258	7.1
2006	452,490	10,941,208	24,180	57,285	6.4
2007	454,314	11,039,376	24,299	55,391	6.4
2008	456,139	12,451,682	27,298	57,544	7.4
2009	457,963	11,535,630	25,189	55,927	10.0
2010	459,787	11,382,487	24,756	56,391	10.3
2011	463,202	11,616,180	25,078	56,764	9.2
2012	465,680	11,838,983	25,423	57,549	7.2

Sources: *Population applies to July of each year. Per capita income and unemployment rate are effective the end of the most recent calendar year. For 2012, the unemployment rate is effective as of April 30, 2012.

¹ Figures for 2010 and 2011 are population estimates from the U.S. Census Bureau and Population Estimates Program respectively. Figures for 2003-2009 are interpolations consistent with the trend of the Census Bureau estimates from 2000 and 2010. Figure for 2012 is an extrapolation consistent with the trend of the Census Bureau estimates from 2010 and 2011.

² Derived from population and per capita income. For 2011 and 2012: Total personal income is derived from an estimate of population and an estimate of per capita income.

³ For 2003 to 2010: American Community Survey for Kansas City, MO (city not MSA). For 2011 and 2012 the estimates are based upon the 2010 American Community Survey adjusted for CPI change from 2010 to 2011.

⁴ Survey of school districts within Kansas City, MO as of April 30, 2012.

⁵ Kansas City, MO (city not MSA) Bureau of Labor Statistics Rpt: LAUPA29005003, not seasonally adjusted.

Table 18

City of Kansas City, Missouri
Principal Employers
Current Year and Ten Years Ago

Employer ¹	2012			2003		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Federal Government	27,600	1	2.79%	18,591	4	1.94%
State/County/City Government ²	26,326	2	2.66%	27,054	2	2.82%
Public School System ³	26,250	3	2.65%	29,172	1	3.04%
HCA Midwest Health System	8,632	4	0.87%	7,326	5	0.76%
Sprint Nextel Corp.	7,000	5	0.71%	21,000	3	2.19%
Saint Luke's Health System	6,891	6	0.70%	4,123	9	0.43%
Cerner Corp.	6,615	7	0.67%	2,626	19	0.27%
Children's Mercy Hospitals and Clinics	5,151	8	0.52%	2,990	14	0.31%
DST Systems, Inc. ⁴	5,000	9	0.50%	6,232	6	0.65%
The University of Kansas Hospital	4,721	10	0.48%	2,784	18	0.29%
Truman Medical Center	4,258	11	0.43%	2,801	15	0.29%
General Motors, Fairfax Assembly Plant	4,100	12	0.41%	3,200	10	0.33%
Ford Motor Company, KC Assembly Plant	4,000	13	0.40%	5,808	7	0.61%
Hallmark Cards, Inc.	3,700	14	0.37%	5,000	8	0.52%
Black & Veatch	3,600	15	0.36%	2,552	20	0.27%
UPS	3,500	16	0.35%	3,000	13	0.31%
Farmers Insurance	3,200	17	0.32%			
Home Depot	3,153	18	0.32%			
Total employment Kansas City MSA⁵	990,200		15.52%	958,600		15.05%

Sources: ¹ Top Public-Sector Employers, Kansas City Business Journal, April 6, 2012

and Top 100 Area Private Sector Employers, Kansas City Business Journal, April 13, 2012.

² The number of local employees for the State/County/City Government is made up of eight employers for 2012 and nine employers for 2003

³ The number of local employees for the public school systems is made up of eleven public school systems and school districts.

⁴ DST Systems Inc. did not participate in the survey in 2012. Employment count is from August per Kansas City Business Journal.

⁵ Bureau of Labor Statistics, <http://data.bls.gov>, Rpt: SMU2928140000000001, as of April 2012 and Annual 2003.

**The information presented in this table speaks only as of the date indicated in the source.

Layoffs or developments after this date are not presented, and they can render some information in the table to be inaccurate.

In general, job losses have occurred across most major industry sectors.

Table 19

City of Kansas City, Missouri
Full-Time Equivalent City Government Employees by Function/Program
Last Ten Fiscal Years

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Government										
Offices of Mayor and Council	20	19	19	39	38	38	39	38	38	41
City Clerk	8	8	7	7	7	8	7	6	6	6
City Auditor	19	16	16	16	16	16	15	13	11	12
Office of City Manager	50	65	66	123	109	134	129	110	67	80
Finance	141	147	146	138	140	156	146	115	108	104
Law	29	45	41	59	64	64	76	59	62	71
Human Resources	38	45	44	49	46	54	52	42	40	38
Information Technology	67	75	77	126	132	141	114	97	93	87
General services	-	-	-	223	243	240	225	205	182	171
Public Safety										
Emergency Management Service	-	-	-	-	-	4	3	2	-	-
Firefighters	894	933	952	973	1,009	1,005	1,004	1,003	1,331	1,286
Municipal court	79	78	78	75	76	78	74	77	81	70
Capital Improvements Management	218	120	120	145	149	158	160	89	34	44
Codes Administration	110	-	-	-	-	-	-	-	-	-
Health Department	196	153	161	167	170	192	189	190	198	192
Neighborhood Development										
Human Relations	23	-	-	-	-	-	-	-	11	12
Housing and Community Dev	42	-	-	-	-	-	-	33	35	24
Neighborhood and Community Service	253	242	282	286	282	315	311	249	192	191
City Development	63	234	224	225	226	227	213	193	153	137
Convention and Entertainment Centers	179	152	148	79	84	98	94	78	104	98
Culture and recreation	490	477	460	442	455	454	420	369	312	335
Sanitation	97	-	-	-	-	-	-	-	-	-
Public works	374	499	492	431	416	442	426	394	391	427
Aviation	560	554	531	591	568	566	583	562	540	538
Water services	1,038	971	973	973	972	1,002	1,016	1,000	910	951
Total	4,988	4,833	4,837	5,167	5,202	5,392	5,296	4,924	4,899	4,914
Percentage increase (decrease)										
from prior year	-0.2%	-3.1%	0.1%	6.8%	0.7%	3.7%	-1.8%	-7.0%	-0.5%	0.3%
Change prior year	(9)	(155)	4	330	35	190	(96)	(372)	(25)	15

Source: All figures were taken from the Actual/Adopted Budget.

* Information provided by Budget Office

Table 20

City of Kansas City, Missouri
Operating Indicators by Function/Program
Last Ten Fiscal Years

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Function/program										
Police										
Physical arrests	239,414	254,346	263,447	271,435	324,332	347,698	348,507	320,223	301,720	238,459
General arrests	51,383	46,250	44,882	45,599	26,439	39,756	33,062	37,171	30,546	28,373
Traffic violations *	188,031	208,096	218,565	225,836	297,893	307,942	315,445	283,052	271,174	210,086
Major crimes reported	51,650	49,323	49,040	47,827	49,174	32,557	34,400	33,888	31,122	31,546
Fire										
Emergency responses	48,519	50,372	49,715	51,066	52,118	55,310	50,600	54,885	56,337	61,692
Fires extinguished	6,179	5,733	3,037	3,001	3,037	3,017	2,552	2,453	2,582	1,986
Inspections	13,274	12,459	13,159	13,220	14,251	15,092	18,742	19,676	20,064	19,122
Aviation										
Airline passengers **	9,554,692	9,491,226	10,067,864	10,248,459	10,946,032	11,333,077	10,442,162	10,087,891	10,190,351	10,326,411
Water										
Water main breaks	1,296	1,041	1,045	1,231	1,021	937	821	911	1,214	1,700
Water customers served	167,919	175,000	182,288	178,366	163,498	153,000	156,881	159,000	160,000	167,051
Water consumption (millions of gallons)	42,792	41,413	36,403	38,765	40,568	40,115	36,400	31,359	34,367	38,780
Average daily production (thousands of gallons)	117,250	113,150	99,730	106,230	111,150	109,600	99,630	95,420	103,000	102,180
Peak daily production (thousands of gallons)	184,030	207,240	143,460	174,350	192,520	179,690	149,140	143,000	176,000	176,890
Wastewater										
Average daily sewage treatment (millions of gallons)	105	99	108	96	101	115	117	117	115	103

* Includes parking violations

** Includes revenue and nonrevenue passengers

Table 21

City of Kansas City, Missouri
 Capital Asset Statistics by Function/Program
 Last Ten Fiscal Years

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Function/Program										
Public Safety										
Stations	5	5	6	6	6	6	8	8	8	9
Zone offices	5	5	6	6	6	6	6	6	6	6
Fire stations	34	34	34	34	35	35	35	35	35	35
Public Works										
Streets (miles)	2,300	2,350	2,370	2,390	2,400	2,496	2,420	2,498	2,500	2,500
Streetlights	83,518	84,593	85,935	87,048	88,100	89,313	90,594	91,138	91,408	91,825
Refuse collected (tons) *	-	-	-	-	119,864	116,329	95,158	96,277	95,455	94,560
Recyclables collected (tons) *	-	-	-	-	18,987	18,965	21,415	19,404	20,261	20,563
Culture and Recreation										
Acreage	11,435	11,710	11,738	11,798	11,800	11,882	11,884	11,921	11,921	12,111
Parks and playgrounds	211	211	212	212	212	214	219	219	219	220
Baseball/softball diamonds	134	135	130	130	151	148	144	144	144	145
Soccer/football fields	30	34	37	37	42	45	42	45	45	51
Walking trails	21	22	25	25	30	31	44	50	53	61
Community centers	11	11	11	11	11	10	10	10	10	10
Memorials and fountains	102	126	131	133	136	143	153	152	152	152
Water										
Water mains (miles)	2,700	2,738	2,678	2,685	2,736	2,769	2,772	2,772	2,780	2,781
Fire hydrants	21,210	21,859	21,976	22,988	23,693	22,619	22,732	22,732	23,103	23,181
Storage capacity (thousands of gallons)	132,730	132,730	132,730	132,930	133,430	128,230	128,230	128,230	133,400	141,000
Sewer										
Sanitary sewers (miles)	3,053	3,517	3,036	3,117	3,127	2,506	2,515	2,258	2,826	2,535
Treatment capacity (millions of gallons)	153	153	153	154	154	240	154	153	154	155

* 2007 is first year data was compiled.

City of Kansas City, Missouri

OMB Circular A-133 Reports
(With Independent Accountants' Report)

April 30, 2012

City of Kansas City, Missouri

OMB Circular A-133 Reports

April 30, 2012

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**Independent Accountants' Report on Internal Control
Over Financial Reporting and on Compliance and Other Matters Based on an
Audit of the Financial Statements Performed in Accordance with
*Government Auditing Standards***

The Honorable Mayor
and Members of the City Council
City of Kansas City, Missouri
Kansas City, Missouri

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Kansas City, Missouri (the City) as of and for the year ended April 30, 2012, which collectively comprise its basic financial statements and have issued our report thereon dated October 25, 2012, which contained an explanatory paragraph regarding a change in accounting principles and a reference to the report of other accountants. 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. The financial statements of Kansas City International Airport – Community Improvement District, Metropolitan Ambulance Services Trust, Maintenance Reserve Corporation, Employees' Retirement System, Firefighters' Pension System, Police Retirement System and Civilian Employees' Retirement System, which are included in the City's financial statements, were not audited in accordance with *Government Auditing Standards*. Other accountants audited the financial statements of the Kansas City Board of Police Commissioners, Port Authority of Kansas City, Missouri, Maintenance Reserve Corporation, Performing Arts Community Improvement District and American Jazz Museum, all of which are included as discretely presented component units as described in our report on the City's financial statements. This report does not include the results of the other accountants' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those accountants.

Internal Control Over Financial Reporting

Management of the City is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented or detected and corrected on a timely basis.

The Honorable Mayor
and Members of the City Council
City of Kansas City, Missouri
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Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses as defined above. However, we identified certain deficiencies in internal control over financial reporting described in the accompanying schedule of findings and questioned costs as items 12-01 and 12-02 that we consider to be significant deficiencies in internal control over financial reporting. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We also noted certain additional matters that we reported to the City's management in a separate letter dated October 25, 2012.

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the City's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the governing body, management and others within the City and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

BKD, LLP

Kansas City, Missouri
October 25, 2012

Independent Accountants' Report on the Schedule of Expenditures of Federal Awards

The Honorable Mayor
and Members of the City Council
City of Kansas City, Missouri
Kansas City, Missouri

We have audited, 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, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Kansas City, Missouri (the City) as of and for the year ended April 30, 2012, and have issued our report thereon dated October 25, 2012, which contained an explanatory paragraph regarding a change in accounting principles. Our report included a reference to the reports of other accountants.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the *U.S. Office of Management and Budget (OMB) Circular A-133* and is 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.

This report is intended solely for the information and use of the governing body, management and others within the City and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

BKD, LLP

October 25, 2012

**Independent Accountants' Report on Compliance with Requirements
That Could Have a Direct and Material Effect on Each Major Program
and Internal Control Over Compliance in Accordance with
OMB Circular A-133**

The Honorable Mayor
and Members of the City Council
City of Kansas City, Missouri
Kansas City, Missouri

Compliance

We have audited the compliance of the City of Kansas City, Missouri (the City) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended April 30, 2012. The City's major federal programs are identified in the summary of accountants' results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City's compliance with those requirements.

As described in finding number 12-03, 12-04, 12-06, 12-08, 12-09, 12-14, 12-16, and 12-17 in the accompanying Schedule of Findings and Questioned Costs, the City did not comply with requirements of Earmarking and Period of Availability of Federal Funds that are applicable to CDBG Entitlement Grant Cluster; Reporting that are applicable to CDBG Entitlement Grant Cluster, Airport Improvement Program, Weatherization Assistance Program, and Energy Efficiency & Conservation Block Grant; Procurement, Suspension and Debarment that are related to Energy Efficiency & Conservation Block Grant; and Subrecipient Monitoring that are applicable to Home Improvement Partnership Grant. Compliance with such requirements is necessary, in our opinion, for the City to comply with requirements applicable to these programs.

In our opinion, except for the non-compliances described in the preceding paragraph, the City complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended April 30, 2012.

The Honorable Mayor
and Members of the City Council
City of Kansas City, Missouri
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Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance requirements referred to above. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of the internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses in internal control over compliance. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying schedule of findings and questioned costs as items 12-03 through 12-17. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

The City's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the City's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the City Council, management, federal awarding agencies, and pass-through entities and is not intended to be, and should not be, used by anyone other than these specified parties.

CMA Group, LLC

Kansas City, Missouri
September 15, 2012

City of Kansas City, Missouri
Schedule of Findings and Questioned Costs
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(1) Summary of Accountants' Results

- (a) The type of report issued on the basic financial statements: **Unqualified Opinion**
- (b) Significant deficiencies in internal control over financial reporting were reported: **Yes**
Material weaknesses in internal control over financial reporting were reported: **No**
- (c) Noncompliance, which is material to the basic financial statements: **No**
- (d) Significant deficiencies in internal control over compliance were disclosed: **Yes**
Material weaknesses in internal control over compliance were disclosed: **No**
- (e) The type of report issued on compliance for major programs/Clusters:
 - **CDBG – Entitlement Grants Cluster:**
 - **Community Development Block Grants/Entitlement Grants (14.218): Qualified**
 - **Community Development Block Grant ARRA Entitlement Grants (CDBG-R) (14.253): Qualified**
 - **HOME Improvement Partnership Program (14.239): Qualified**
 - **Airport Improvement Program (20.106): Qualified**
 - **Highway Planning and Construction Cluster (20.205 and 20.219): Unqualified**
 - **Capitalization Grant for Clean Water State Revolving Fund Grant & Loan (66.458): Unqualified**
 - **Weatherization Assistance Program (81.042): Qualified**
 - **Energy Efficiency and Conservation Block Grant (81.128): Qualified**
 - **Homeland Security Grant Program – Urban Area Security Initiative (97.067): Unqualified**
 - **Advanced Surveillance Program – CCTV (97.118): Unqualified**
- (f) Any audit findings which are required to be reported under Section 510(a) of OMB Circular A-133: **Yes**
- (g) Major programs: **CDBG Entitlement Grants Cluster (Community Development Block Grants/Entitlement Grants (14.218) & Community Development Block Grant ARRA Entitlement Grants (CDBG-R) (14.253)), HOME Improvement Partnership Program (14.239), Airport Improvement Program (20.106), Highway Planning and Construction Cluster (20.205 and 20.219), Capitalization Grant for Clean Water State Revolving Fund Grant & Loan (66.458); Weatherization Assistance Program (81.042), Energy Efficiency and Conservation Block Grant (81.128), Homeland Security Grant Program (97.067), and Advanced Surveillance Program (97.118)**
- (h) Dollar threshold used to distinguish between Type A and Type B programs: **\$2,988,770**
- (i) Auditee qualified as a low-risk auditee under Section 530 of OMB Circular A-133: **No**

City of Kansas City, Missouri
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(2) Findings Related to Financial Statements

FINDING 12-01: Allowance for Accounts Receivable – Water Services Department

CRITERIA: Management is responsible for establishing and maintaining effective internal control over financial reporting.

CONDITION: Financial statements are to be prepared in accordance with generally accepted accounting principles.

CONTEXT: Multiple adjustments were required to be made during the audit to the allowances for doubtful accounts at the Water Services Department. The allowance for one of the departments, as originally provided, was greater than the total of the receivables outstanding.

CAUSE: The allowances for doubtful accounts are not effectively being monitored to ensure proper recording of transactions.

EFFECT: Potential misstatements in the financial statements.

RECOMMENDATION: We recommend that the Water Services Department develop a methodology for estimating the allowance for doubtful accounts that is consistently applied from month to month. The calculated allowance should be reviewed each month by a member of management.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS: Management agrees with the auditors' findings and recommendations. Although Water Services did follow its historical process for allowance of doubtful accounts, the methodology was insufficient to address the issues this past year. Water Services will review the methodology and make any necessary changes to adopt a methodology that is sufficient and reliable for estimating doubtful accounts.

FINDING 12-02: Grants Receivable Accounting

CRITERIA: Management is responsible for establishing and maintaining effective internal control over financial reporting.

CONDITION: Financial statements are to be prepared in accordance with generally accepted accounting principles.

CONTEXT: Multiple adjustments were required to be made during the audit to the grants receivable accounts for grants closed out during the year, cash receipts during the year, remove non-grant revenues and properly account for special arrangements with one of the granting agencies.

City of Kansas City, Missouri
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CAUSE: The grants receivable accounts are not effectively being monitored to ensure proper recording of transactions.

EFFECT: Potential misstatements in the financial statements.

RECOMMENDATION: We recommend the City more closely monitor the accounting for the grants receivable accounts to ensure all transactions are properly accounted for.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS: Management agrees with the auditors' recommendations and has communicated the need to inform the Finance Department's Accounts Division when projects are closed. Accounts staff will work with departments to ensure that deposits are posted timely and that any unusual grant agreements are communicated to Accounts.

(3) Findings and Questioned Costs Related to Federal Awards

FINDING 12-03: Community Development Block Grant (CFDA # 14.218)

AGENCY: Department of Housing and Urban Development (HUD)

COMPLIANCE: Earmarking

FINDING TYPE: Compliance and Internal Control

CRITERIA: a) In accordance with 24 CFR 570.205 and 570.206, not more than 20% of the total grant plus 20% of program income received during a program year can be expended for the activities that qualify as planning and administrative activities.

b) In accordance with 24 CFR 570.201(e), not more than 15% the grant amount received during a program year plus no more than 15% of the program income it received during the preceding program year can be expended for public services.

CONDITION: The City monitors compliance with earmarking requirements using IDIS (Integrated Disbursement and Information System) CDBG Financial Summary. Per the Financial Summary Report # PR26, we noted that the City did not meet two out of the three earmarking requirements as the City expenditures for Planning and Administration were at 23.71% and for Public Services was at 20.75%.

QUESTIONED COST: None

CAUSE: Failure to adhere to federal regulations and requirements that govern the grant.

EFFECT: Lack of adherence to the stated Federal regulations is non-compliance and might lead to the Grantor Agency adverse action.

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RECOMMENDATION: We recommend that the City adhere to the percentage of earmarking required by Federal regulations and put in place safeguards that would alert management when the required limit is reached so that the City can take a corrective action.

VIEWS OF RESPONSIBLE OFFICIAL AND CORRECTIVE ACTION PLAN: The Neighborhood and Housing Services Department is aware that erroneous percentages have been reported on the IDIS PR-26 report. The issue stems from prior year expenses being applied under the wrong program year causing the percentages on the report to be miscalculated and inflated. These expenses have been identified and are in the process of being corrected and coded to the accurate program year in HUD's IDIS grant reporting system. In addition, the City's HUD field office was notified of this error and sent a letter dated July 17, 2012, advising of the correct percentage of funds obligated for planning and administration activities for program year 2010. Staff is working diligently with our HUD representatives to achieve a resolution and having the report reflect the correct percentages.

FINDING 12-04: Community Development Block Grant (CFDA # 14.218)

AGENCY: Department of Housing and Urban Development (HUD)

COMPLIANCE: Period of Availability of Federal Funds

FINDING TYPE: Compliance and Internal Control

CRITERIA: Per 24 CFR 570.200(h), the effective date of a grant agreement is the program year start date or the date that the consolidated plan is received by HUD, whichever is later. Any costs incurred prior to the effective date of the grant agreement may be authorized provided that the activity for which the costs are being incurred is included, prior to the costs being incurred, in a consolidated action plan, or an amended consolidated action plan.

CONDITION: During our review of the program disbursements made during the year, we noted that the City made a payment from current program funds for expenses that were incurred in prior years before the start of the program. We also noted that the expenses that were paid from the current program year were not included in the 2011 Consolidated Action Plan that was approved by HUD.

QUESTIONED COST: \$50,000

CAUSE: The City's failed to include the related expenditures in its 2011 Consolidated Action Plan or obtain approval from the Federal Grantor prior to payment from the current grant funds.

EFFECT: Lack of adherence to the stated agreement the City signed with the Federal Grantor Agency is non-compliance and might lead to the repayment of the expenses to the Grantor Agency.

City of Kansas City, Missouri
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RECOMMENDATION: We recommend that the City adhere to the grant agreement it signed with the Federal Grantor, and for expenses incurred prior to the start of the program year request approval prior to making payments.

VIEWS OF RESPONSIBLE OFFICIAL AND CORRECTIVE ACTION PLAN: This payment was linked to financing provided in 2001 by HEDFC to Neighborhood Housing Services for development of single-family housing to be sold for owner-occupancy. When the completed property did not sell as anticipated, NHS was forced to incur unexpected costs for several years in order to maintain and manage the property. In addition, the eventual sale price of the house was well below the original price resulting in a significant gap between the cost of development and maintenance and the price. Because HEDFC has been in federal receivership since 2005, the burden of bridging this gap fell on the nonprofit agency which sought assistance from the City. The grantee will take steps in contracting with future subrecipients and developers to limit the City's exposure for such an increase in gap funding.

FINDING 12-05: Community Development Block Grant (CFDA # 14.218)

AGENCY: Department of Housing and Urban Development (HUD)

COMPLIANCE: Program Income

FINDING TYPE: Internal Control

CRITERIA: Per 24 CFR 570.504(b) (2) (ii), substantially all program income shall be disbursed for eligible activities before additional cash withdrawals are made from the U.S. Treasury. Further, according to OMB Circular A-133, the grantee (the City) must accurately account for any program income generated from the use of CDBG funds, and must treat such income as additional CDBG funds which are subject to all program rules.

CONDITION: During the fiscal year ended April 30, 2012, the City failed to recognize receipt and use an eligible program income. Although the amount was insignificant as a whole, the City's internal control failed to deter the missing program income or detect for necessary corrective action.

QUESTIONED COST: None

CAUSE: The City's internal control did not deter or detect the missing activity in a timely manner.

EFFECT: Lack of properly functioning internal controls checks could lead to non-compliance with federal compliance requirements.

RECOMMENDATION: We recommend that the City strengthen its internal controls to prevent or detect errors and to take corrective action in timely manner.

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VIEWS OF RESPONSIBLE OFFICIAL AND CORRECTIVE ACTION PLAN: Management concurs with the finding. There were two instances, where program income was applied in error. In one instance \$1,700.00 was credited incorrectly to the general ledger and the error was discovered during the monitoring visit. Since discovery, this instance has been corrected and will be adjusted on the next draw submitted to HUD for approval. The other instance involved \$1,240.00 being receipted on the City's general ledger and HUD's IDIS grant reporting system, but not applied towards the previous amounts drawn. This instance will also be corrected on the next draw submitted to HUD for approval.

The department will review its current internal controls and continue to coordinate with the City's Finance department to bill and reconcile each grant at the close of each month. This will assist in the accuracy and timeliness of reporting and draw request submitted to HUD.

FINDING 12-06: Community Development Block Grant (CFDA # 14.218)

AGENCY: Department of Housing and Urban Development (HUD)

COMPLIANCE: Reporting

FINDING TYPE: Compliance and Internal Control

CRITERIA: Per 73 CFR 58341(O)(bi), HUD requires each grantee to submit a quarterly performance report, no later than 30 days following the end of each quarter, using the Disaster Recovery Grant Reporting (DRGR) system.

CONDITION: During the year, the City submitted the quarterly performance reports for CDBG Entitlement Cluster Program relative to Neighborhood Stabilization Program (NSP) after the required due dates. All performance reports for the quarters ended on June 30, September 30, and December 31, 2011, and March 31, 2012 that were filed in the Disaster Recovery Grant Reporting (DRGR) system were submitted late.

QUESTIONED COST: None

CAUSE: The City failed to adhere to the reporting requirements for its NSP grants.

EFFECT: Failure to submit a required report by the due date could result in disruption in the flow of federal assistance and render the City to non-compliance with the financial reporting requirements.

RECOMMENDATION: We recommend that the City implement its internal control procedure to ensure that the required reports are submitted by the due dates for such reports.

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VIEWS OF RESPONSIBLE OFFICIAL AND CORRECTIVE ACTION PLAN: The Quarterly Report referenced regarding the NSP Program was submitted within the required timeframe. There were times that the QPR sat for more than two (2) weeks, if not longer, before they were reviewed. Once they were reviewed and, if rejected, the City would then have to correct, re-submit and await the approval. It is incumbent upon the reviewer(s) to access the DRGR system in a timely manner to either approve or reject the QPR reports.

During these periods, there were three (3) staff changes who were the designated responding parties that also played a factor in the delays. With the change in the roles/responsibilities of approving the QPR's, the reports were reviewed after the required date of each quarter.

FINDING 12-07: HOME Improvement Partnership Program (CFDA # 14.239)

AGENCY: Department of Housing and Urban Development (HUD)

COMPLIANCE: Activities Allowed/Unallowed and Allowable Costs and Cost Principles

FINDING TYPE: Internal Control

CRITERIA: OMB Circular A-87 Attachment B, item 11-h (5) (e) (ii) requires that payroll allocations be compared to actual activity at least quarterly, and necessary cost adjustments be made accordingly. If employees work on multiple activities or cost objectives, a distribution of their salaries or wages should be supported by personnel activity reports or equivalent documentation which meets the standards in subsection (5) unless a statistical sampling system (see subsection (6)) or other substitute system has been approved by the cognizant Federal agency.

The OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations, Subpart C – Auditees, Section .300 – Auditee Responsibilities" require the auditee to maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs. The auditee is also required to implement and adhere to the designed internal control systems.

CONDITION: a) The City pays the salaries of Housing and Community Development Division employees out of the CDBG and HOME funds. The City's policy is to periodically allocate the payroll costs based on the actual timesheet completed by the employees. Per our review of the approved timesheets for a sample of nine (9) employees, we noted that the City failed to properly allocate payroll charged to HOME and CDBG grants according to the actual time worked in the programs for three employees. Although the Neighborhood and Housing Services department noted that they have a different methodology of allocation than the actual timesheet, such methodology was not provided for our review.

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- b) The City's internal control system over disbursements requires the project managers to review the payment requests submitted by the contractors, the fiscal officer signs to ensure whether the payments comply with the program requirements, and the department's director approves the disbursements. Out of the forty (40) disbursements tested, we noted four (4) instances where the department's payment authorization slips were signed by only the project manager. The review and approval of the fiscal officer and the department director were missing. Out of the four invoices, three payments were disbursed while the vacant position was temporarily filled with personnel other than the project manager.

QUESTIONED COST: None

CAUSE: Lack of adequate review process on payroll journal entries and appropriate allocation of level of effort.

EFFECT: Unallowable costs were charged to the Federal Programs. In the absence of proper review and approval process, the City may not discover unallowable expenses prior to making program payments.

RECOMMENDATION: We recommend that the management adhere to the City's internal control procedure over cost allocation in order to comply with the Activities Allowed or Unallowed and Allowable Costs/Costs Principles and OMB Circular A-87 cost principles. We also recommend that management follow the City's review and approval procedures in order to deter or detect unallowable activities or cost.

VIEWS OF RESPONSIBLE OFFICIAL AND CORRECTIVE ACTION PLAN:

- a) Management disputes this finding. The methodology used by the auditors and the methodology used by the Neighborhood and Housing Services department were different. The department utilized the method that allows us to stay within the administrative caps as required by the applicable grants. In some instances, time can be charged to one or both grants based on the project. The department believes that its' methodology used is in compliance with the grant rules and requirements. The department will review its current process to ensure that we are in compliance and if any changes need to occur.
- b) The instances identified occurred during a time period when the department leadership was in a period of transition and the project manager was acting in the capacity and/or had the authority to sign for the director. Therefore, it was believed that it was unnecessary to have the acting director sign on two lines on the same form, since he was authorized to sign in the final approval section. The vacancy that caused the redundancy in the signature lines has been filled; therefore this issue has been resolved and should not reoccur in the future. The department will review its current practice to determine if any other revisions need to be made.

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FINDING 12-08: HOME Improvement Partnership Program (CFDA # 14.239)

AGENCY: Department of Housing and Urban Development (HUD)

COMPLIANCE: Subrecipient Monitoring

FINDING TYPE: Compliance and Internal Control

CRITERIA: OMB Circular A-133, Subpart-D (d), *Pass-Through Entities Responsibilities*, requires the City to monitor the activities of subrecipients as necessary to ensure that Federal awards are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements and that performance goals are achieved. Also, the City is required to ensure that subrecipients expending \$500,000 or more in Federal awards during the subrecipient's fiscal year have met the A-133 audit requirements; issue a management decision on audit findings within six months after receipt of the subrecipient's audit report, and ensure that the subrecipient takes appropriate and timely corrective action; and consider whether subrecipient audits necessitate adjustment of the City's own records.

CONDITION: The City's approved one year action plan for the year 2011-2012 states that on-site monitoring review be conducted once a year between October and November and a follow-up should be conducted between March and April. Out of five subrecipients' contract files reviewed, we noted that the City failed to conduct on-site monitoring of one subrecipient (Blue Hills Community Service, Inc.).

QUESTIONED COST: None

CAUSE: The City has not consistently implemented its internal control procedures applicable to the grant compliance requirement.

EFFECT: If the City does not adequately follow established internal control procedures designed for grant required compliance, it may fail to comply with the Federal compliance requirements.

RECOMMENDATION: We recommend that the City implement its established sub-recipient monitoring procedures and clearly communicate it to the responsible personnel.

VIEWS OF RESPONSIBLE OFFICIAL AND CORRECTIVE ACTION PLAN: The Neighborhood and Housing Services department acknowledges the finding related to sub-recipient monitoring. A Compliance Management Unit has been established in the Neighborhood and Housing Services Department to implement mandatory administrative guidance for Community Development Block Grant (CDBG) and Home Investment Partnership (HOME) programs. This Unit will serve as a check and balance to Program Managers, Division Managers and other City departments. A Program and Project Compliance

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Guide has been developed, which details the comprehensive standards and expectations of the Compliance Management Unit and staff. The guide is designed to reduce the issues of noncompliance and ensure uniformity and efficiency in the administration of entitlement funds. In addition, the Compliance Management Unit will be assisting in the follow up of sub-recipient monitoring in order to address, identify and correct deficiencies and/or concerns.

FINDING 12-09: Airport Improvement Program (CFDA # 20.106)

AGENCY: Department of Transportation-Federal Aviation Administration (FAA)

COMPLIANCE: Reporting

FINDING TYPE: Compliance and Internal Control

CRITERIA: The City (Aviation Department) is required to submit Federal Financial Report (FFR) – SF-425 to Federal Aviation Administration (FAA) on quarterly, semi-annual, or annual basis as directed by FAA. A final FFR should be submitted at the completion of the award agreement. Quarterly and semi-annual interim reports should be submitted no later than 30 days after the end of each reporting period. Annual reports should be submitted no later than 90 days after the end of each reporting period. Final reports should be submitted no later than 90 days after the project or grant period end date.

CONDITION: During the year, we noted that there are four completed projects funded with Airport Improvement Program. For one of its completed projects (AIP 3-29-0040-57) the Aviation Department received a project closing letter from an FAA representative on May 18, 2011. As of August 17, 2012, the Aviation Department has not submitted the required final SF-425 report for this project.

Further, the other three SF-425 reports submitted for project numbers AIP 3-29-0041-17, AIP 3-29-0040-58 and AIP 3-29-0040-62 contained wrong information entered in the “Recipient Share” section. Also, for grant numbers AIP 3-29-0040-62 and AIP 3-29-0040-58, the Aviation Department reported that there were no disbursements made and the City maintains all the money received in cash although the projects operated on a cost reimbursement basis.

QUESTIONED COST: None

CAUSE: The Aviation Department obtained reporting instructions from the Federal Aviation Administration representative and believed that the reports were correct.

EFFECT: The City failed to comply with the federal financial reporting requirement.

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RECOMMENDATION: We recommend that the City adequately review the reports before submitting and adequately follow the reporting requirements per the FAA reporting guidelines and OMB compliance requirements. We also recommend that the City correct the wrong information in the reports already submitted.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS: With regards to (AIP 3-29-0040-57), the Aviation Department made its final reimbursement request in December 2009. Based on the age of the grant, the Aviation Department was of the belief that the SF-425 was not required for this grant. We have since submitted the SF-425 for this grant. For the remaining three grants where the form SF-425 was filed, the recipient share was shown at the gross cost to the Aviation Department rather than the net cost. The Aviation Department believed that this was the appropriate requirement. After discussing with the FAA, the change was made to report the recipient share at the net amount and the amended reports were re-submitted on September 14, 2012.

FINDING 12-10: Advanced Surveillance Program – CCTV (97.118)

AGENCY: Department of Homeland Security-Transportation Security Administration (TSA)

COMPLIANCE: Reporting

FINDING TYPE: Internal Control

CRITERIA: Section 1512 of the American Recovery and Reinvestment Act (ARRA) of 2009, P.L. 111-5 (“Recovery Act”) required the recipients of the ARRA funds to provide data on the use of Recovery Act funding on a quarterly basis. One of the project information required to be reported is the “Total Federal Amount of ARRA Expenditure.” This is the total amount of expenditures that the recipient has incurred as of the report date. It includes the amount of Federal share of cumulative expenditures relative to recovery funds received or will be received that were expended to projects or activities related to the award. For reports prepared on a cash basis, expenditures are the sum of cash disbursements for direct charges for property and services; the amount of indirect expense charged; and the amount of cash advance payments and payments made to subcontractors and sub-awardees. For reports prepared on an accrual basis, expenditures are the sum of disbursements for direct charges for property and services; the amount of indirect expense incurred; and the total amount owed by the recipient for (1) goods and other property received; (2) services performed by employees, contractors, subcontractors, sub-awardees, and other payees; and (3) programs for which no current services or performance are required. This amount does not include program income expended.

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CONDITION: The City uses an accrual basis of accounting for reporting federal expenditures. For the quarter ended March 31, 2012 (first quarter of 2012) Section 1512 ARRA report, the City underreported the total federal amount of ARRA expenditures by \$1,719,050. The total cumulative amount of expenditures as of April 30, 2012 (the sum of expenditure balances as of April 30, 2011 and 2012) was \$4,255,895. When the expenditures for April 2012 in the amount of \$857,311 are backed out, the cumulative expenditures amount would be \$3,398,584. The City reported only \$1,679,534.

QUESTIONED COST: None

CAUSE: Per our discussion with the management of the Aviation Department and review of email correspondences, the Aviation Department followed the email instruction provided by the contractor consultant of TSA to report the amount of reimbursement received as total federal amount of expenditure.

EFFECT: The City's total expenditure amount reported in the recovery.gov website for the program would reflect the amount reimbursed to the City instead of the actual expenditure incurred. Further, any data derived by relying on this report, for example, obligations and remaining grant balances, etc. would be distorted.

RECOMMENDATION: We recommend that the City coordinate with the TSA and correct the report.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS: The Aviation Department is currently following the guidance provided by the TSA, the granting agency, for reporting. The Aviation Department has reached out to the TSA to discuss the audit findings and will attempt to work with the TSA to assure appropriate reporting. However, until we receive further guidance from the TSA, we believe that we must continue reporting as the granting agency has asked.

FINDING 12-11: Advanced Surveillance Program – CCTV (97.118)

AGENCY: Department of Homeland Security-Transportation Security Administration (TSA)

COMPLIANCE: Davis-Bacon Act

FINDING TYPE: Internal Control

CRITERIA: The OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, Subpart C – *Auditees*, Section .300 – *Auditee Responsibilities* require the auditee to maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs. The auditee is also required to implement and adhere to the designed internal control systems.

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Based on the Davis-Bacon Act requirement, all laborers and mechanics employed by contractors or subcontractors to work on construction contracts in excess of \$2,000 financed by Federal assistance funds must be paid wages not less than those established for the locality of the project (prevailing wage rates) by the DOL (40 USC 3141-3144, 3146, and 3147 (formerly 40 USC 276a to 276a-7)). ARRA-funded award that involve construction, alteration, maintenance or repair are also subject to the requirements of the Davis-Bacon Act.

The City should include in its construction contracts subject to the Davis-Bacon Act a requirement that the contractor or subcontractor comply with the requirements of the Davis-Bacon Act and the DOL regulations. This includes a requirement for the contractor or subcontractor to submit to the City a copy of the weekly certified payroll and a statement of compliance for each week in which any contract work is performed. The City is required to verify that employees of the contractors are paid the prevailing wage relevant to the project. The City also performs a planned labor interview of the employees of the contractors and subcontractors to make sure that the laborers are receiving the wages that are reported by the contractors and subcontractors.

CONDITION: The City received the weekly certified payroll reports from all contractors and subcontractors working on the TSA funded project to monitor whether the employees working on the project are paid at least the prevailing wage rate. As of April 30, 2012, the City did not perform any labor interview to independently verify whether the employees received the prevailing wage rates according to its existing internal control practices. The project had begun in April 2010.

QUESTIONED COST: None

CAUSE: The Aviation Department failed to follow the City's internal control procedures.

EFFECT: The City did not independently verify the accuracy of the certified payroll from the employees. Part of the control process in place to make sure that Davis-Bacon Act is complied with was not performed.

RECOMMENDATION: We recommend that the City perform its control procedures in its entirety to comply with the Davis-Bacon Act compliance.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS: The Aviation Department concurs with this finding as it relates to this grant. The Engineering Division of the Aviation Department typically assigns this responsibility to the Design Professional for the project. The Design Professional for this grant has been notified that interviews must be conducted at least once a month. The Aviation Department's contracting staff will more closely monitor receipt of the interview forms and notify the Project Manager and Design Professional when those forms have not been submitted on a timely basis.

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FINDING 12-12: Highway Planning and Construction Cluster (CFDA # 20.205)

AGENCY: Department of Transportation (DOT); Passed through Missouri Department of Transportation

COMPLIANCE: Allowable Costs/Cost Principle and Cash Management

FINDING TYPE: Internal Control

CRITERIA: The OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, Subpart C – *Auditees, Section .300 – Auditee Responsibilities* require the auditee to maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs. The auditee is also required to implement and adhere to the designed internal control systems.

Per the contract agreement the City signed with construction contractors, the City processes payments after receiving recommendation from the design professionals who have reviewed the quality and the progress of the work to the point indicated in the billing statement based on their observation of the work performed. The schedule of values accompanied with the payment application should also be reviewed by the design professionals and the City personnel for its accuracy and consistency to the unit of work performed.

CONDITION: During our audit, we noted that the schedule of values supporting two payment applications have included more values than the actual work performed for two different contractors (project # 89008113 and #89008008). As a result, the contractors were paid \$16,000 and \$24,200 in excess of the value of the work performed on April 29, 2011 and December 14, 2009, respectively. The City later recovered these excess payments by adjusting the next progressive payment applications after one and half month and one and half year later, respectively.

QUESTIONED COST: None

CAUSE: Lack of adequate review and comparison of the schedule of values presented by the contractors against the actual work performed.

EFFECT: The City provided unauthorized advances to the contractors for which interest was not paid.

RECOMMENDATION: We recommend that the City and the design professionals validate the payment requests in detail to ascertain whether it reflects the actual work performed prior to processing the payments.

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VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS: Public Works will employ a double check system. The construction manager assigned to a project will review the payment request and then pass the payment request to the assigned project manager for the final review. This double check system should prevent excess payments.

FINDING 12-13: Capitalization Grant for Clean Water State Revolving Fund Grants & Loans (CFDA # 66.458)

AGENCY: Environmental Protection Agency (EPA); Passed-through Missouri Department of Natural Resources

COMPLIANCE: Activities Allowed/Unallowed

FINDING TYPE: Internal Control

CRITERIA: The OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, Subpart C – *Auditees*, Section .300 – *Auditee Responsibilities* require the auditee to maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs. The auditee is also required to implement and adhere to the designed internal control systems.

According to the funding agreement of the City with Missouri Department of Natural Resources (MDNR), the City will be reimbursed by MDNR for all allowable expenses incurred in performing the scope of services. The request for reimbursement of expenditures should be placed after verifying that all outlays were made, the amount was accurately determined and has not been previously requested.

CONDITION: During our audit, we noted that the City (Water Services Department) submitted duplicate invoices supporting its request for reimbursements. The City had already received the reimbursement for the expenditures in the prior year. The Water Services Department also submitted duplicate requests for reimbursement that was related to ARRA funds for which the City has received the grant fully in prior year. Claiming reimbursement of the same expenditure twice is not allowable. The State discovered the duplicate request in the amount of \$508,469 and corrected the reimbursement request.

QUESTIONED COST: None

CAUSE: Lack of adequate review of the documentation supporting the reimbursement requests. The Water Department has not followed the internal control procedures adopted by City.

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EFFECT: Failure to comply with the program's cash management compliance requirement may lead the grantor agency to request accrued interest payments. The City could pay unauthorized payments and the internal control system designed for disbursements may not serve its intended purpose.

RECOMMENDATION: We recommend that the City thoroughly review documentation supporting reimbursement requests in order to avoid duplicate requests. We also recommend that the City adhere to its internal control system over disbursements and the finance department should not honor the payment request until the approval procedure is adequately completed.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS: The individual responsible for requesting reimbursement from MDNR has created a tracking mechanism that will prevent duplicate invoices from being processed. Also, an additional level of review has been instituted (Assistant Director of Operations) prior to submission to the funding agency.

FINDING 12-14: Weatherization Assistance Program (CFDA # 81.042)

AGENCY: Department of Energy (DOE); Passed-through Missouri Department of Natural Resources (MDNR)

COMPLIANCE: Reporting

FINDING TYPE: Compliance and Internal Control

CRITERIA: Per the grant agreement the City entered with MDNR, Attachment B-5(A & B) the City is required to submit monthly reports by the 14th and 10th day after the end of the month for the DOE regular grant and ARRA, respectively. The City is also required to submit its quarterly report for the DOE regular grant by the 10th calendar day following the end of a quarter.

CONDITION: During our review of the required monthly and quarterly reports for the grant, we noted:

- a) Six out of 11 monthly on-line reports submitted for the ARRA grant were submitted after the due date for such reporting.
- b) Although all the required OMB 1512 quarterly reports required during the year ended April 30, 2012 were submitted by the due date, we noted in three out of the four quarters the City failed to submit the Report Check Register (one of the two required reports).

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- c) From the test work we performed for the four quarters during the period ended April 30, 2012, we noted that the City did not provide supporting documents to show the required reports were submitted for the quarter that ended on June 30, 2011. We also noted that for the quarter ending period on March 31, 2012, the City did not submit two out of the three required reports for the quarter.
- d) For the four quarters we tested during the year ended April 30, 2012, we noted that the City did not provide supporting documents to show that three of the required quarterly reports were submitted to DNR. We also noted that for one of the required four quarterly reports, the City submitted the report after the due date and two of the required reports were not submitted.

QUESTIONED COST: None

CAUSE: A failure to submit the required DOE regular grant quarterly reports and ARRA grant monthly and quarterly reports by the due date.

EFFECT: Lack of submitting the required reports or submitting after the due date could affect the proper and timely management of the grant activities by the Grantor Agency.

RECOMMENDATION: We recommend that the City file the required reports according to the grant requirement.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS: The required monthly reports were submitted reasonably close to the due date established by MDNR. Unfortunately, MDNR's web based reporting system (MOWAP) experienced numerous technical issues on a regular, sometimes monthly, basis which contributed to the delay in submitting the required reports on time. The Kansas City Home Weatherization Program continues to work toward timely submission of the reports as required in the weatherization grant agreement(s) with MDNR.

FINDING 12-15: Energy Efficiency and Conservation Block Grant (CFDA # 81.128)

AGENCY: Department of Energy (DOE)

COMPLIANCE: Cash Management

FINDING TYPE: Internal Control

CRITERIA: The OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, Subpart C – *Auditees*, Section .300 – *Auditee Responsibilities* require the auditee to maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs. The auditee is also required to implement and adhere to the designed internal control systems.

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CONDITION: In order to ensure the City's compliance with the federal rules and regulations outlined for Cash Management and ensure all drawdowns are supported by the approved vouchers, we tested a sample of 9 drawdowns made during the fiscal year ended April 30, 2012. The City has not provided the list of paid vouchers that support the drawdowns selected for our review. The City provided the payment transaction confirmation that showed the amount of drawdowns requested. We are unable to ascertain the accuracy of the drawdowns as the requested amounts were not supported with adequate and sufficient documentation. In addition, although the approval of the drawdowns should have been made prior to the City submitting the drawdown requests to Treasury, six (6) of the nine (9) drawdowns were approved after the requests were submitted.

QUESTIONED COST: None

CAUSE: Lack of adequate recordkeeping for drawdowns. The Department has not applied the internal control preemptively.

EFFECT: Lack of review of the paid vouchers prior to drawdown of program funds may result in unallowable expenses being included in the drawdowns. Also, drawdowns that are not adequately supported may not be allowable.

RECOMMENDATION: We recommend that management maintain adequate and sufficient support documentation for drawdown requests, which may include a summary of the list of paid vouchers downloaded from the City's accounting system. Both the accountant and the program personnel should review and approve the drawdown worksheet before drawdowns are claimed from the Treasury.

VIEWS OF RESPONSIBLE PERSONNEL AND PLANNED CORRECTIVE ACTION: The Department discussed the issue during the fieldwork with the auditors that although there were approvals for the drawdowns, the evidence of the approval could not be traced. Such evidence will be maintained into the future for all drawdowns.

FINDING 12-16: Energy Efficiency and Conservation Block Grant (CFDA # 81.128)

AGENCY: Department of Energy (DOE)

COMPLIANCE: Procurement, Suspension and Debarment

FINDING TYPE: Compliance and Internal Control

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CRITERIA: According to 2 CFR Section 180.300, when a non-federal entity enters into a covered transaction (subaward, contract, or agreement for purchases of goods or services) with an entity at a lower tier, the non-federal entity must verify that the entity is not suspended or debarred or otherwise excluded. This verification may be accomplished by checking the Excluded Parties List System (EPLS) maintained by the General Services Administration (GSA) website, collecting a certification from the entity, or adding a clause or condition to the covered transaction with that entity. In order to support its compliance, the non-federal entity must print the EPLS search result and document in its procurement file. Further, Section 1512(h) of ARRA Act of 2009 and 2 CFR section 176.50 (c) states that recipients and their first-tier recipients must maintain current registrations in the Central Contractor Registration at all times during which they have active federal awards funded with Recovery Act funds. A DUNS Number is one of the requirements for registration in the Central Contractor Registration.

CONDITION: During our audit, we noted that the City did not obtain the required suspension and debarment certification or otherwise check the status of these vendors or contractors on the federal EPLS prior to awarding contract for one (1) of the five (5) subrecipient selected for our audit (Mazuma Credit Union). Per our discussion with the program personnel, we noted that the suspension and debarment status of the subrecipient was checked before the contract was awarded; however, no paper trail was documented to substantiate the City's compliance.

- For three (3) of the five (5) ARRA contract files reviewed, the City failed to check the subrecipients' registration with the CCR prior to providing the subaward. One of these three subrecipients did not provide its DUNS Number before signing contract agreement.

QUESTIONED COST: Undetermined

CAUSE: Lack of adequate record keeping and adherence to the City's procurement manual.

EFFECT: The City may fail to comply with the special terms and conditions of the DOE grant agreement and the ARRA of 2009.

RECOMMENDATION: We recommend that the Department consistently implement its internal controls to ensure all contractors and procurements are conducted in compliance with the federal, state and City's procurement manual.

VIEWS OF RESPONSIBLE PERSONNEL AND PLANNED CORRECTIVE ACTION: Program personnel agrees that they have not checked using the CCR number although they have maintained a file of DUNS numbers with inquiries to the federal EPLS system using the DUNS Number being documented. Program personnel agreed that CCR registration will be checked in all future contracting along with DUNS Number inquiries.

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FINDING 12-17: Energy Efficiency and Conservation Block Grant (CFDA # 81.128)

AGENCY: Department of Energy (DOE)

COMPLIANCE: Reporting

FINDING TYPE: Compliance and Internal Control

CRITERIA: The Office of Management and Budget (OMB) requires the quarterly reporting of grant information in accordance with Section 1512 of the Recovery Act. Prime recipients are required to submit their initial reports through FederalReporting.gov. The report is due no later than ten (10) days after the quarter ended. It also requires entities receiving federal grant submit their quarterly and semi-annual interim Federal Financial Report (SF-425) no later than 30 days after the end of each reporting period and annual reports shall be submitted no later than 90 days after the end of each reporting period. In addition, section 12 of the special terms and conditions of the grant agreement states that failure to comply with the reporting requirements included in the DOE’s contract under the attachment “DOE F 4600.2” is considered as material noncompliance with the terms of the award.

CONDITION: During our audit, we noted that the City did not submit some of the Financial Status Reports (SF- 425) and Section 1512 ARRA reports on or before the due date. The following summarized list shows the instances noted.

Report	Grant Number	Quarter Ended	Due date	Report Submitted on	Number of days delayed
SF- 425	DE-EE-0000758	6/30/2011	7/30/2011	August 4, 2011	4
Section 1512 ARRA report	DE-EE-0000758	12/31/2011	1/10/2012	January 11, 2012	1
Section 1512 ARRA report	DE-EE-0000758	6/30/2012	7/10/2012	July 11, 2012	1
Section 1512 ARRA report	DE-EE-0003564	6/30/2011	7/10/2011	August 2, 2011	23
Section 1512 ARRA report	DE-EE-0003564	12/31/2011	1/10/2012	January 12, 2012	2
Section 1512 ARRA report	DE-EE-0003564	3/31/2012	4/10/2012	April 24, 2012	14
Section 1512 ARRA report	DE-EE-0003564	6/30/2012	7/10/2012	July 13, 2012	3

QUESTIONED COST: None

CAUSE: Lack of adherence to grant terms.

EFFECT: The City is not in compliance with the federal grant compliance reporting requirements.

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RECOMMENDATION: We recommend that the City submit all required reports on or before the due date to avoid noncompliance with the federal grant requirements.

VIEWS OF RESPONSIBLE PERSONNEL AND PLANNED CORRECTIVE ACTION: Sometimes the ARRA reporting system does not require the City to file during the due date and grants extensions similar to the extension allowed for the current quarter – Q3-2012. Extensions granted by the grantor could not be found. Program personnel will maintain record of such allowances in the future.

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Federal Funding Agency/Granting Agency	Program	Federal/Pass-through Identification Number	CFDA Number	Amount of Expenditures	
US Department of Agriculture/ Missouri Department of Health and Senior Services (DHHS)	WIC 11	ERS04511110	10.557	\$ 22,773	
	WIC Nutrition Program - 12	ERS04512110	10.557	40,898	
				<u>63,671</u>	
	Summer Food Service for Children	ERS219-1151i	10.559	6,000	
	Summer Food Service for Children	ERS46-081345	10.559	172,551	
				<u>178,551</u>	
	Child and Adult Care Food Program	ERS46-091345	10.558	250,759	
				<u>250,759</u>	
	Total Department of Agriculture Fund Passed-through Missouri DHHS				<u>\$ 492,981</u>
	US Department of Commerce	Northwestern Avenue and 21st - 8045	EDA-05-01-04219	11.300	\$ 306,571
Northwestern Avenue and 21st - 8045		EDA-05-01-04219	11.300	2,747	
				<u>2,747</u>	
Total US Department of Commerce Direct Funding				<u>\$ 309,318</u>	
US Department of Housing and Urban Development	Community Development Block Grants	B-11-MC-290003	14.218	\$ 11,073,227	
	Neighborhood Stabilization Program	B-11-MN-29-001	14.218	2,015	
	Neighborhood Stabilization Program	B-08-MN-29-0001	14.218	162,499	
				<u>11,237,741</u>	
	HOME	M-08-MC-290201	14.239	4,139,066	
	Health/HOPWA	MOH11F001	14.241	690,663	
	Health/HOPWA	MOH09F001	14.241	4,229	
	Health/HOPWA	MOH10F001	14.241	539,518	
				<u>1,234,410</u>	
	Linwood Housing SP	B-06-NI-MO-0026/G55EDILIN	14.248	207,362	
	Linwood Housing NI	B-06-SPMO-0530	14.248	77,591	
				<u>284,953</u>	
	Northeast Community Center	B-10-SP-MO-0230	14.251	2,461,570	
	CDBG Stimulus Grant ARRA	B-09-MY-29-0003/G10CDBGST	14.253	101,593	
	Clay County HPRP ARRA Funds	S09DY290001	14.257	74,998	
	Homelessness Prevention and Rapid				
	Rehousing ARRA Funds	S09MY290003	14.257	651,406	
	Kansas City HPRP ARRA Funds	S09DY290001	14.257	11,667	
				<u>738,071</u>	
	Fair Housing Assistance-HUD	FF207K087007	14.401	136,950	
			<u>136,950</u>		
Total HUD Direct Funding				<u>20,334,354</u>	
Passed-through Missouri Department of Social Services (DSS), Division of Family	State Emergency Shelter	G57MOES08	14.231	71,167	
	HUD Emergency Shelter	E11MC290003	14.231	308,373	
	HUD Emergency Shelter	S10MC292670	14.231	65,472	
				<u>445,012</u>	
	HUD Supportive Housing Program	MO0458B7PO40802			
		MO050B7PO41003	14.235	720,713	
	Shelter Plus Care Project 12	MO0117C7P041002	14.238	252,383	
Shelter Plus Care 11	MO0117C7P040901	14.238	51,261		
			<u>303,644</u>		

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Federal Funding Agency/Granting Agency	Program	Federal/Pass-through Identification Number	CFDA Number	Amount of Expenditures
	Lead Based Paint Hazards ARRA	MOLHB0406-08	14.900	\$ 1,236,332
	Total HUD Fund Passed-through the Missouri DSS, Family Division			<u>2,705,701</u>
	Total Department of Housing and Urban Development			<u>\$ 23,040,055</u>
US Department of Justice	Domestic Violence Court Enhancement Grants to Encourage Arrest Policies & Enforcement of Protection Orders	2009-DC-BX-0029	16.585	\$ 48,152
	Justice Assistance Grant	2006WEAX0039	16.590	153,641
	Bureau of Justice Congressional Award	2007-DJ-BX-0647	16.738	484,790
	DOJ Drug Court Enhancement Initiatives	2010-D1-BX-0357	16.579	40,996
	JAG Stimulus Grant ARRA	2009-DC-BX-0029	16.585	44,170
	Recovery Violence Against Women Act Grant ARRA	2009-SB-B9-2900	16.804	236,360
		G13VAWST	16.588	10,184
	Total US Department of Justice Direct Funding			<u>\$ 1,018,293</u>
US Department of Transportation Federal Aviation Administration (FAA)	Rehab Airfield Pavement	AIP 3-29-0040-58	20.106	\$ 93,539
	Rehabilitate Runway 1/19R Lighting (Electrical Vault)	AIP 3-29-0040-59	20.106	187,594
	Rehabilitate Runway 1/19R & Runway 9/27; Terminal Aprons	AIP 3-29-0040-62	20.106	924
	Airfield Pavement Repairs KCI; Runway 1L-19R	AIP 3-29-0040-65	20.106	8,904,290
	Update KCI Master Plan and 14 CRF Part 150 Program	AIP 3-29-0040-66	20.106	606,325
	Runway 1/19 safety area construction	AIP 3-29-0041-21	20.106	805,768
	Rehabilitate Taxiways and MITLs	AIP 3-29-0041-22	20.106	4,243,044
	KCI-Upgrade Glycol Collection	Possible Look Back	20.106	2,046
	Chill Water System Rehab	Possible Look Back	20.106	5,036,445
	Taxiway M & M1 Rehab	Possible Look Back	20.106	28,577
	New Terminal Advance Planning	Possible Look Back	20.106	260,394
	AOA Fence Replacement	Possible Look Back	20.106	25,996
	AOA Fence Replacement Ph. II	Possible Look Back	20.106	120,940
	Total Federal Aviation Administration			<u>20,315,882</u>
Passed through the Missouri Department of Transportation	Riverfront Heritage Trail Phase I - 2785	CMAQ-3300 (488)	20.205	917,377
	KC Bicycle Transportation - 2880	BRM 3355 (404)	20.205	16,862
	Walnut & 10th - 4265	STP-3438 (405)	20.205	28,868
	Walnut & 7th St Traffic Signal - 4287	STP-3438 (408)	20.205	1,703
	Blue Ridge Blvd & 107th Street Geometric and Signal Improvement - 4421	STP-3335 (406)	20.205	13,172
	11th to 75th Troost Signals - 4622	CMAQ 3303(410)	20.205	66,003
	Broadway/West Pennway Interconnect - 4644	CMAQ (3399 (412)	20.205	128,907
	Southwest Blvd / Baltimore Inte - 4645	CMAQ-3408 (407)	20.205	83,712
	18th Street Interconnect Ph 1 - 4646	CMAQ 3445 (403)	20.205	133,912
	Central Corridor Signalization - 4647	STP-3301 (435)	20.205	18,720
	Baltimore Corridor Signalization - 4648	STP-3301 (434)	20.205	52,491
	Charlotte St Corridor Signalization - 4649	STP-3301 (437)	20.205	319,954
	Locust Corridor Signalization - 4650	STP-3301 (438)	20.205	371,066

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Federal Funding Agency/Granting Agency	Program	Federal/Pass-through Identification Number	CFDA Number	Amount of Expenditures
	Pennsylvania & 12th Street - 4651	STP-3357 (402)	20.205	\$ 51,239
	Washington & 12th Street - 4652	STP 3301 (439)	20.205	36,281
	Oak Corridor Signalization - 4653	STP-3301 (436)	20.205	132,992
	Independence Corridor Interconnect - 4658	CMAQ 3303 (409)	20.205	235,000
	Ward Parkway / Wornall - 4664	STP 3350 (409)	20.205	256,013
	Sni-A-Bar Bridge Over KCSRR - 5425	BRM-3355 (404)	20.205	30,873
	Forrester Viaduct over Railroad - 5438	BRM-3394 (401)	20.205	2,098,477
	12th Street Bridge over Burlington/Northern RR Tracks - 5442	STP-3386 (413)	20.205	247,760
	Red Bridge Rd. Bridge over the Blue River - 5464	STP-3424 (401)	20.205	1,098,471
	Troost Avenue Bridge Over Brush Creek - 5467	ARRA-ES04 (015) 4	20.205	5,606,669
	N Oak Trfwy. 96th to 111th Sec. 2-8000	STP-3318 (408)	20.205	1,444
	Tracy Ave & 22nd Street - 8008	STP-3401 (406)	20.205	4,489
	Red Bridge Road Phase I - B8054	STP-3476 (401)	20.205	704,670
	22nd Street / Baltimore to Caesar - 8084	EDA-05-01-04219	20.205	(306,571)
	87th St - Section 2 - 1.2 Miles E of BRW - 8113	STP-3348 (406)	20.205	568,834
	Front Street & Grand - 8204	ARRA-ES04 (038)	20.205	586,902
	Clean Commute - 20107	STP-3303 (417)	20.205	2,035
	I-670 Bike / Pedestrian Enhancements - 20153	STP-3400 (403)	20.205	112,500
	Transportation Enhancement - 25467	ARRA-ES04 (037)	20.205	53,702
	Troost Bridge N. Pedestrian Improvements - 45467	MO-78-0001 TIGER ARRA	20.205	260,790
	Troost Green Zone Sidewalk - 60279	ARRA-MO-78-001 A8	20.205	845,468
	Prospect Ave & 51st Green Zone - 60280	ARRA MO-78-001 A9	20.205	1,614,508
	39th St Green Zone Project - 60281	ARRA MO-78-001 A5	20.205	559,554
	Boulevard Green Zone Project - 60282	ARRA MO-78-001 A7	20.205	2,248,185
	43rd St Green Zone Project - 60325	ARRA MO-78-001 A	20.205	472,570
	NE 48th St - Safe Routes to School - 60340	SRTS-INF-H284 (105)	20.205	17,279
	Indian Creek Trail, Lydia to 99th / Lydia - G70061305	CMAQ-3400 (402)	20.205	8,677
	North Oak Corridor Streetscape - G646434040	STP 3404 (406)	20.205	173,271
	Alex George Lake - Blue River Trail - 70091301G	STP-3400 (412)	20.205	420,861
	Cliff Drive Interpretation Ph 3 - 70092919G	STP-3301 (426)	20.205	448,191
	Brush Creek Trail Prospect to Woodland - G70091305	STP-3301 (408)	20.205	306,951
	Brush Creek Trail Prospect - Lake of the Enshriners - G70091306	STP-3301 (423)	20.205	278,124
	Blue River & Indian Creek Confluence - 70091302G	STP-3400 (410)	20.205	179,545
				<u>21,508,501</u>
	Hodge Smithville Trail - G70091310	RTP-200808	20.219	17,626
	Total Passed-through the Missouri Department of Transportation			<u>21,526,127</u>
	Total Department of Transportation			<u>\$ 41,842,009</u>
Equal Employment Opportunity Commission	Fair Employment Practice - EEOC	EECCN090062	29.001	\$ 66,900
	Total Equal Employment Opportunity Commission			<u>\$ 66,900</u>

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Federal Funding Agency/Granting Agency	Program	Federal/Pass-through Identification Number	CFDA Number	Amount of Expenditures
Environmental Protection Agency (EPA):	West Bottoms Storm water Improvements	XP98714501-03	66.458	\$ 69,536
	Total EPA Direct Funding			69,536
Passed-through Missouri Department of Natural Resources (MDNR)	Clean Water State Revolving Loan Program	C295555G-01	66.458	1,089,635
	Capitalization Grants for Drinking Water State Revolving Funds ARRA	C295588G-01/G80498BST	66.458	53,273
				1,142,908
	Air Pollution Control	A-0001-11	66.605	129,156
	Brownfield Revolving Loan (BCRLF)	BL-99791601	66.811	210
	Brownfield Petro City Wide	BF-98787201	66.811	34,043
				34,253
	Brownsfields Area Plan Municipal Farms	TR-83492401	66.814	144,139
	Brownfield's Coalition Haz Grant	BF-97722301	66.816	48,781
	ARRA Brownfield Revolving Loan (BCRLF)	2B-97708801-0	66.818	118,985
	Brownfields Assessment City Wide	BF-98787101	66.818	59,755
	Brownfield's Petro Troost C	BF-98747101	66.818	38,177
	Brownfield's Assessment Troost Corridor	BF-98747101	66.818	56,851
	Brownfields Petro Assessment	BF-98737001	66.818	3,395
				277,163
	Total EPA Fund Passed-through MDNR			1,776,400
	Total Environmental Protection Agency			\$ 1,845,936
US Department of Energy (DOE)/Missouri Department of Natural Resources (MDNR)	Home Weatherization Assistance	G55DNR10	81.042	\$ 12,428
	City of Independence Weatherization ARRA	G55INDST	81.042	234,741
	Home Weatherization Assistance ARRA	G-09-EE00151-10	81.042	6,440,057
				6,687,226
	Energy Efficiency Conservation Block Grant ARRA	DE-EE0003564	81.128	6,109,806
	Energy Efficiency and Conservation Grant ARRA	DE-EE0000758	81.128	823,073
				6,932,879
	Total USDOE Fund passed-through MDNR			\$ 13,620,105
US Department of Education	Recreation Access Grant	H128J070086	84.128	\$ 57,304
	Total US Department of Education			\$ 57,304
US Department of Health & Human Services	Cities Readiness Initiative	AOC10380120CRI-2	93.069	\$ 156,838
	Healthy Homes Lead Poisoning Prevention	AOC12380166	93.070	58,997
	Childhood Lead Poisoning Prevent	AOC10380049	93.197	20,946
	Control of High Blood Pressure	AOC12380059	93.283	34,223
	Heart Disease and Stroke Prevention	AOC09380058- Amd 2	93.283	14,566
	Public Hlth Emergency Planning - Phase I and II	AOC10380235	93.283	475,760
	Public Hlth Emergency Preparedness 13	AOC 12380158	93.283	201,312
	Public Hlth Emergency Preparedness 12	AOC10380120-Amd 2	93.283	136,789
	Tobacco Control Program A 13	C310191001 - Amd 1	93.283	44,396
	Tobacco Control Program A 12	C310191001	93.283	5,039
	Tobacco Control Program D 13	C310191004 - Amd 1	93.283	32,480

City of Kansas City, Missouri
Schedule of Expenditures of Federal Awards (Continued)
April 30, 2012

Federal Funding Agency/Granting Agency	Program	Federal/Pass-through Identification Number	CFDA Number	Amount of Expenditures
	Tobacco Control Program D 12	C310191004	93.283	\$ 4,660
	Cities Readiness Initiative	AOC12380157	93.283	117,837
				<u>1,067,062</u>
	Perinatal Hepatitis B 12	AOC11380129HEPB	93.268	61,939
	Perinatal Hepatitis B Case Management - 13	AOC11380129HEPB-2a	93.268	23,982
				<u>85,921</u>
	Monitoring TB Treatment for Children	1R21HD069163-01	93.865	4,310
	Minority AIDs Initiative Program for Grantees 12	H89HA00028-18-00M	93.914	221,845
	Minority AIDs Initiative Program 13	H389MHA00028-19-00M	93.914	13,050
	Ryan White Part A	H89HA00028-19-00	93.914	333,670
	Ryan White Part A	H89HA00028-18-00	93.914	3,573,212
				<u>4,141,777</u>
	Children with Special Health Care Needs	ERS04410012 & 13 Amd 1	93.994	74,718
	Children with Special Health Care Needs	ERS04411012 & 13	93.994	26,048
				<u>100,766</u>
	Total Direct Funding - Department of Health & Human Services			<u>5,636,617</u>
Passed-through Missouri Department of Health	TB Outreach Program	AOC11380150	93.116	40,647
	TB Outreach Program	AOC09380015- Amd 2	93.116	10,428
				<u>51,075</u>
	Child Care Sanitation	ERS220-11052	93.575	31,185
	Refugee Health Screening 12	AOC10380050-Amd 2	93.576	3,892
	Refugee Health Screening	AOC10380070	93.576	29,592
				<u>33,484</u>
	Child Care Asthma Quality Improvement ARRA	AOC11380030	93.713	9,804
	HIV Case Management	C309302001 - Amd 5	93.917	13,557
	HIV Case Management	C309302001- Amd 4	93.917	661,770
				<u>675,327</u>
	Home Visiting Building Blocks of MO	AOC07380183	93.944	148,653
	Home Visiting Building Blocks of MO	AOC07380183 - Amd 2	93.944	161,277
	HIV/STD Prevention	C308195001-Amd 6	93.944	390,162
	HIV/STD Prevention	C308195001 - Amd 7	93.944	132,258
	HIV/AIDS Surveillance & Seroprevalence	AOC11380129HIV	93.944	120,153
	HIV/Aids Surveillance - 13	AOC11380129HIV-2a	93.944	51,720
				<u>1,004,223</u>
	Maternal Child Health Service	AOC08380261-Amd 4	93.994	72,593
	Maternal Child Health Service	AOC12380151	93.994	68,955
				<u>141,548</u>
	Sexually Transmitted Disease Prevention	AOC08380405STD-2a	93.977	67,301
	Sexually Transmitted Disease Prevention	AOC11380129STD	93.977	295,579
				<u>362,880</u>
	Total Passed-through the Missouri Department of Health			<u>2,309,526</u>
Passed-through Mid-America Regional Council	Senior Adult Services	11AAMOT3SP	93.045	1,285
	Senior Adult Services	12AAMOT3SP	93.045	18,749
				<u>20,034</u>

City of Kansas City, Missouri
Schedule of Expenditures of Federal Awards (Continued)
April 30, 2012

Federal Funding Agency/Granting Agency	Program	Federal/Pass-through Identification Number	CFDA Number	Amount of Expenditures
	National Family Caregiver Support	12AAMOT3SP	93.052	\$ 15,591
	Community Transformation Grant - Affordable Care Act	5026113271/G50502612	93.531	<u>25,166</u>
	Total Passed-through Mid-America Regional Council			<u>60,791</u>
	Total Department of Health and Human Services			<u>\$ 8,006,934</u>
Department of Homeland Security	Emergency Management Program Grant	2011-EP-EO-0030	97.042	\$ 223,905
	Assistance to Firefighters Grant - Operations and Safety Program	EMW-2010-FO-09545	97.044	945,000
	Staffing for Adequate Fire and Emergency Response SAFER Grant	EMW-2006-FF-04303	97.044	36,921
	Assistance to Firefighters Grant - Fire Prevention and Safety	EMW-2009-FP-01964	97.044	<u>48,984</u>
				<u>1,030,905</u>
	Assistance to Firefighters Station Construction ARRA	EMW-2009-FC-05790R	97.115	923,960
	TSA - Explosives Detection K-9 Team Program	DTFA0102X02082	97.072	241,719
	Terminal CCTV Camera Install (TSA) ARRA	HSTS04-09-H-REC311	97.118	<u>3,349,407</u>
	Total Direct Funding - Department of Homeland Security			<u>5,769,896</u>
Passed-through Mid-America Regional Council	Homeland Security Grant Program Urban Area Security Initiative	73009/73057 (PO-001513)	97.067	3,000,000
	Homeland Security Grant Program Urban Area Security Initiative	PO-001247 PO-001199 07-73030-02 PO-001307PO-001463 PO-001607 PO-001416	97.067	<u>555,948</u>
	Total Fund Passed-through Mid-America Regional Council			<u>3,555,948</u>
	Total Department of Homeland Security			<u>\$ 9,325,844</u>
	Total Expenditures of Federal Awards			<u>\$ 99,625,679</u>

City of Kansas City, Missouri
Notes to Schedule of Expenditures of Federal Awards
April 30, 2012

Note 1: General

The accompanying schedule of expenditures of federal awards presents the activity of all federal programs of the City of Kansas City, Missouri (the City). The City's reporting entity is defined in Note 1 to the City's basic financial statements. This schedule includes only those awards received by the primary government. All federal awards received directly from federal agencies as well as federal awards passed through other agencies are included in the schedule.

Note 2: Basis of Accounting

The accompanying schedule of expenditures of federal awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the City's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 3: Subrecipients

Of the federal expenditures presented in this schedule, the City provided federal awards to subrecipients as follows:

Federal Funding Agency/Granting Agency	Program	CFDA Number	Passed- through Amounts
Department of Housing and Urban Development (HUD)	CDBG- Neighborhoods	14.218	\$ 7,315,896
	Emergency Shelter Grant	14.231	425,044
	Supportive Housing	14.235	52,339
	Shelter Plus Care	14.238	303,644
	HOPWA	14.241	1,196,926
	Homelessness Prevention & Rapid Rehousing	14.257	283,430
	Total HUD		<u>9,577,279</u>
Department of Justice (DOJ)	Community Arrest Program	16.590	113,248
	Justice Assistance Grant	16.738	281,654
	Total DOJ		<u>394,902</u>
Department of Health and Human Services (HHS)	Ryan White and Minority AIDS Initiative Programs	93.914	3,053,867
	HIV/STD Prevention	93.917	740,242
	Total HHS		<u>3,794,109</u>
Grand total			<u>\$ 13,766,290</u>

City of Kansas City Missouri
Summary Schedule of Prior Year Findings
April 30, 2012

Reference No.	Program	Summary of Findings	Status
Finding 10-05	HOME	Lack of review and approval of employee timesheets for accuracy.	Similar finding noted in the current year audit.
Finding 10-07	HOME	The City failed to monitor the activities of its Subrecipient.	Similar finding noted in the current year audit.
Finding 11-03	CDBG	The City failed to use or apply program income before drawing down Federal funds.	Similar finding noted in the current year audit.
Finding 11-04	CDBG	The City failed to timely submit the SF-272 report, quarterly performance report, SF-425 report, and 2010 CAPER.	Partially resolved. During current year the quarterly performance reports were submitted late.
Finding 11-05	CDBG	The City failed to adequately monitor its subrecipients.	Resolved
Finding 11-06	CDBG	A) The City incurred costs on two projects before obtaining Release of Funds/Authorization from HUD. B) The City began work on one project before environmental assessment was performed.	Resolved
Finding 11-07	HOME	The City failed to provide relevant documentation to determine whether the combination of HOME subsidy is not in excess of what is necessary to provide affordable housing.	Resolved
Finding 11-08	AIP	A) The Aviation Department (KCAD) failed to timely report FAA Forms 5100-126 and 5100-127 as the link was not open. No extension requested. B) Lack of review on SF-271 reporting.	A) KCAD submitted the report via email although the web link was not open for 2012. B) Resolved

City of Kansas City Missouri
Summary Schedule of Prior Year Findings (Continued)
April 30, 2012

Reference No.	Program	Summary of Findings	Status
Finding 11-09	AIP	The KCAD failed to comply with the Revenue Diversion Compliance requirements.	During the year similar findings were reported by FAA monitors. The KCAD formally responded its position to FAA claiming that it complies. Until FAA decides on this, it stays unresolved.
Finding 11-10	Highway Planning & Conservation	The City paid excess construction payments without adequate review of the actual work performed against the schedule of values. The overpayment was later recovered.	Similar finding noted during the current year audit.
Finding 11-11	Capitalization Grant for Clean Water State Revolving Fund	The City (Water Department - KCWD) had a cost reimbursement contract agreement with Missouri Department of Natural Resources (MDNR). However, the City obtained \$411,884 in advance for which interest was not paid.	Resolved
Finding 11-12	Capitalization Grant for Clean Water State Revolving Fund	<p>A) KCWD incurred costs on a project without securing the necessary prior approval from MDNR.</p> <p>B) KCWD failed to properly allocate project costs between two funding sources.</p> <p>C) KCWD submitted duplicate reimbursement requests to the funding agency which was found by the funding agency.</p>	<p>A) Resolved</p> <p>B) Resolved</p> <p>C) Similar finding noted during the current year audit.</p>
Finding 11-13	Capitalization Grant for Clean Water State Revolving Fund	KCWD failed to report the federal expenditures for two programs until requested by auditors.	Resolved
Finding 11-14	Weatherization Assistance program	The City failed to timely submit the monthly and quarterly reports to funding agency.	Similar findings noted during the current year audit.

City of Kansas City Missouri
Summary Schedule of Prior Year Findings (Continued)
April 30, 2012

Reference No.	Program	Summary of Findings	Status
Finding 11-15	Energy Efficiency & Conservation Block Grant	Timesheets lacked the necessary supervisory approval.	Resolved
Finding 11-16	Energy Efficiency & Conservation Block Grant	The City did not retain evidence of the drawdown review and approval process.	Similar findings noted during this year audit
Finding 11-17	Energy Efficiency & Conservation Block Grant	The City failed to perform the verification of suspension & debarment of its vendors/contractor.	Similar findings noted during this year audit
Finding 11-18	Energy Efficiency & Conservation Block Grant	The City failed to timely submit certain SF-425 and Section 1512 ARRA reports.	Similar findings noted during this year audit